

SWICK MINING SERVICES

Swick Mining Services Ltd
(ABN 20 112 917 905)
64 Great Eastern Highway
South Guildford WA 6055

PO Box 74
Guildford WA 6935
P: +61 8 9277 8800
F: +61 8 9277 8844

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ASX ANNOUNCEMENT

SWICK - Contract Awards and Forecast Drill Rig Utilisation

- ☐ **Swick APAC awarded six new drilling contracts for a total of 13 drill rigs;**
 - **2 (+1) year underground diamond drilling contract with Gold Fields, St Ives - 6 rigs**
 - **1 year underground diamond drilling contract with Argyle Diamond Mine - 2 rigs**
 - **1 year Underground diamond drilling contract with La Mancha, Frog's Leg - 1 rig**
 - **Underground diamond drilling contract with Aditya Birla, Mt Gordon - 1 rig**
 - **Underground production drilling contract with Aditya Birla, Mt Gordon - 2 rigs**
 - **1 year RC Drilling Contract with Barrick Gold, Granny Smith Gold Mine - 1 rig**
- ☐ **New rig builds and refurbishment in progress to meet demand**
- ☐ **Strong net gains in Rig Utilisation Forecast for FY13**

Commentary on Contract Awards

Swick Mining Services (SWK) is pleased to announce a number of new drilling contract awards that provide significant growth for the business, all commencing in Q4 FY12.

Swick has been awarded a total of six new contracts across its underground and surface drilling divisions that will result in the commitment of a total of 13 drill rigs.

Mr. Kent Swick, Managing Director states: "Swick has had a very successful period of tendering in recent times with a number of significant contract awards in the APAC region. I believe our steadfast focus on productivity and operational efficiency is unmatched by our competitors and we are now seeing the benefits of that focus. We aim to service operating mines and have been successful in displacing long term incumbent contractors from these operations. I am very proud of the service offering we are able to provide that allows a reliable, high quality, safe and efficient service to be delivered to our clients".

"Our North American Operations are also expected to rebound to prior levels of revenue by the end of the financial year as we are in final stages of negotiating additional work but are not able to formally announce these prospects at this time".

"In addition to the new contract awards, there are net gains in our rig utilisation expected within our existing client base in Q4 as well, with additional rigs due for Pajingo Gold mine and Agnew Gold Mine in the APAC region as well as Vale Sudbury Operations and Newmont Nevada in North America".

Commentary on Forecast Rig Utilisation

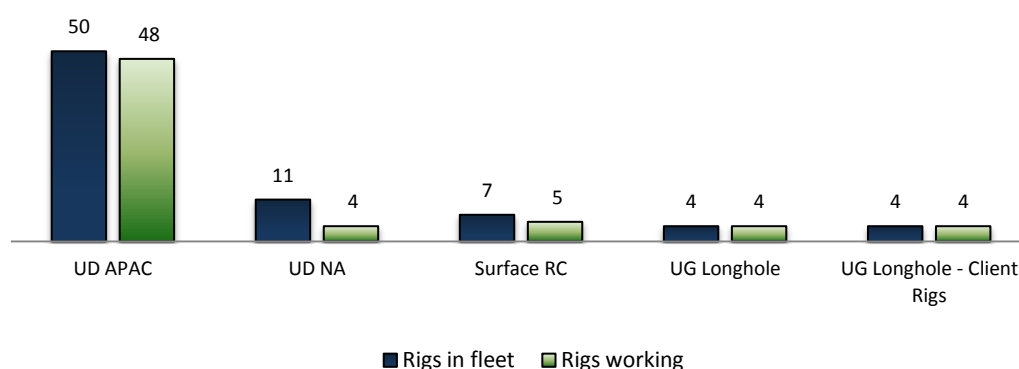
Rigs will be progressively staged into new contract awards

In order to minimise the operational risks associated with rapid deployment, the drill rigs will be progressively introduced into the new and existing contracts over the Q4 period. As previously announced, Swick is in the process of constructing an additional six underground diamond drill rigs to service the APAC region. Rig utilisation figures (shown below) include the revised UD APAC drill rig fleet which will increase from 44 drill rigs at end of Q2 FY12 to 50 drill rigs by end of Q4 FY12. UD Fleet capacity will be further increased in FY13 to cater for expected future demand.

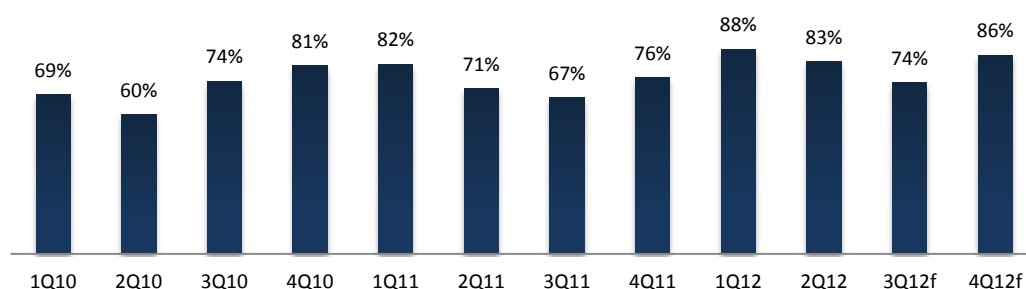
Fleet Utilisation

The Group's contracted rig utilisation at end of Q4 by division and overall, is expected as below:

Forecast Fleet Utilisation Q4 FY12f



Utilisation



FY12 Outlook

Second half revenue is expected to benefit slightly by the introduction of the additional rigs, with the full benefit to accrue over the FY13 financial year. Swick is pleased to confirm full year guidance in the region of \$130 million revenue with \$28 million EBITDA.

Yours faithfully

KENT SWICK
MANAGING DIRECTOR



About Swick Mining Services:

Swick Mining Services (ASX:SWK) is one of Australia's largest mineral drilling contractors, providing high quality underground and surface drilling services to a diverse group of mining houses and across a spread of commodities. The Company has a strong reputation for innovation in rig design and drilling practices that delivers improvements in productivity, safety, versatility and value. Swick has a global presence with Operational revenue from Australia, Canada and the United States.

For further information re this announcement, please contact the following on (08) 9277 8800:

Kent Swick
Managing Director

Bryan Wesley
Chief Financial Officer