

4 AUGUST 2014

UPDATE ON MANAGING DIRECTOR

Ausdrill Limited (ASX: ASL) is pleased to announce that Mr Ronald Sayers' Employment Agreement, which was to expire on 30 June 2014, has been extended indefinitely subject to performance. The Employment Agreement can be terminated by either party on 12 months' notice. Mr Sayers' remuneration remains unchanged and he will receive no additional incentives.

Ausdrill further refers to its ASX announcements dated 3 February 2012, 2 September 2013, and 13 November 2013. Ausdrill advises that the proceedings in the Supreme Court of Western Australia against the Managing Director, Mr Ron Sayers, in relation to the matters referred to in Ausdrill's ASX announcement dated 3 February 2012 (**Proceedings**) are re-commencing on Monday, 4 August 2014.

Mr Sayers will attend the Proceedings. He will continue to monitor and have input into the management of the activities of the Ausdrill group of companies (**Group**) during this time, with appropriate arrangements having been made to ensure he remains adequately informed as to the activities and financial performance of the Group, and generally as to the steps taken by management.

During Mr Sayers' absence from the office, the Group's usual management structure will remain in place. The General Managers of the Group's various businesses will continue to manage their businesses as usual under the supervision of Ausdrill's Chief Operating Officer – Australia and Chief Operating Officer – Africa. As mentioned above, Mr Sayers will continue to oversee the management of the Group. In addition, Ausdrill's Chairman, Mr Terry O'Connor, will be available as required to oversee management and to attend to any matters requiring his input.

No further announcements will be made in relation to the Proceedings until a verdict is reached or the Proceedings are otherwise concluded.

This announcement is not intended to reinstate trading in Ausdrill's securities. The trading halt announced on 1 August 2014 will continue to apply pending release of a further announcement regarding the matters referred to in the trading halt request.

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About Ausdrill

Ausdrill (ASX: ASL) is a diversified mining services company. Since its formation in Kalgoorlie in 1987, Ausdrill has grown significantly and now has operations across Australia, Africa and the United Kingdom. Ausdrill is a leader in providing services in contract mining, grade control, drill & blast, exploration, mineral analysis, procurement & logistics and manufacturing. The Ausdrill Group employs over 4,500 staff worldwide.

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