SWICK MINING SERVICES

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30th April 2015 ASX ANNOUNCEMENT

SWICK – 3Q FY15 Operations Update

- **3Q FY15 revenue of $32.7m (unaudited), up 16% from $28.3m for the previous corresponding period (pcp)**
- **Underground Diamond drill fleet (UD) utilisation of 83% at end of the period, up from 73% for the pcp**
- **Record metres drilled by the UD fleet of 258,957 metres for the quarter**
- **Total fleet utilisation of 73% at end of the period, up from 68% for the pcp**

Western Australia – (April 30, 2015) – Swick Mining Services Limited ("Swick" or "the Company"; ASX: SWK), a leading provider of high quality and high value underground and surface mineral drilling services today provided an operations update for the third quarter of financial year 2015.

Operations Update

Revenue for the quarter ending March 31, 2015 was $32.7 million (unaudited), up from $28.3 million for the corresponding period a year ago. The Company is operating at 24 mine sites for 19 individual clients, of which 4 sites are international.

A total of 61 rigs from a fleet of 83 (including three client owned rigs) were operating in the field as of March 31, 2015 compared to 55 rigs from a fleet of 81 a year ago. Of total rigs in work, the Underground Diamond division represented 57 rigs operating from a fleet of 69 (83% utilisation), compared to 49 rigs operating from a fleet of 67 (73% utilisation) a year ago.

As foreshadowed in our FY15 half year update, Swick has experienced an increase in activity during the third quarter of FY15. In particular, the UD drilling division saw an additional 7 rigs deployed during the quarter.

Key operating statistics for 3Q FY15 are shown below:

Operational Performance	3Q FY15	3Q FY14	% Change
Total Metres Drilled	325,259	277,300	17%
Total Rigs in Fleet (Period end)	83	81	2%
Total Rigs in Use (Period End)	61	55	11%
Consolidated Revenue ($m)	32.7	28.3	16%
UD Metres Drilled	258,957	205,856	26%
UD Rigs in Fleet (Period end)	69	67	3%
UD Rigs in Use (Period End)	57	49	16%
Total Employees	606	588	3%

Swick has experienced increased underground diamond drilling demand from existing clients and is well placed to service their needs.

Kent Swick, Managing Director stated *"The demand, in particular for our world class Underground Diamond drilling division, has increased steadily quarter on quarter. Whilst it is always risky to look too far forward in this type of business, the short to medium term rig utilisation looks healthy. Obviously, Swick has done what it can to reduce its costs to our clients over the last couple of years and as a result the business has maintained reasonable utilisation during the down turn."*

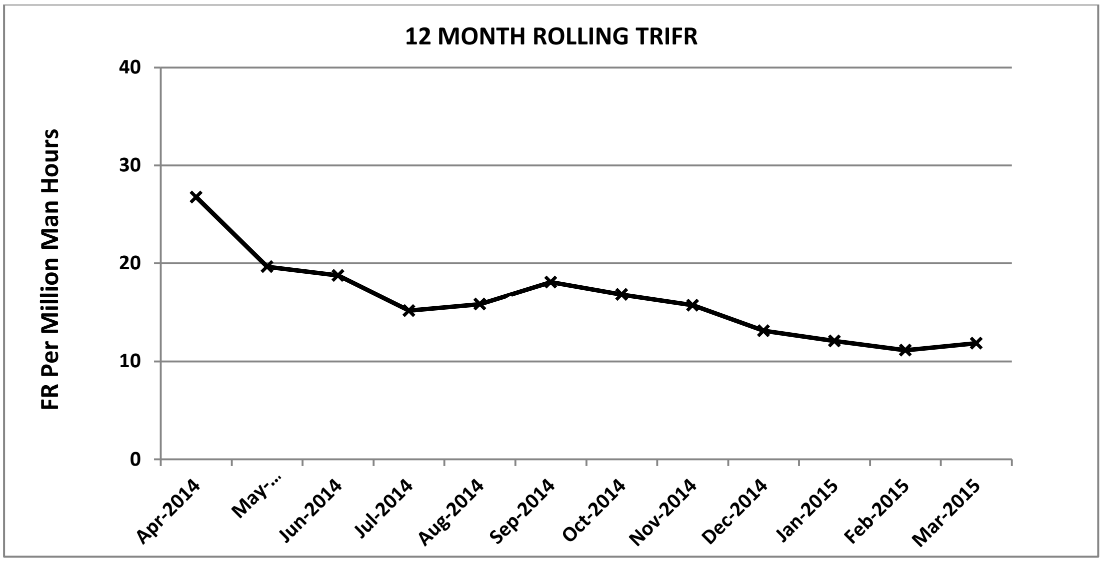
"I think the response that Swick has made in the mineral drilling downturn to-date, in particular, to maintain a high level of service quality whilst working with its clients to lower the direct and indirect costs of drilling has been greatly appreciated. It appears now that some of our clients are showing signs of an appetite to increase their drilling, at least in the underground business.

"The 3Q FY15 period was a record in terms of metres drilled by Swick's Underground Diamond drilling division, with in excess of 250,000 metres drilled for the quarter. Swick's challenge now is to maintain its value proposition to the clients and also satisfy Swick shareholders by improving efficiencies through its research & development and operational initiatives that are designed to increase production significantly and lower the number of drill crew required per shift."

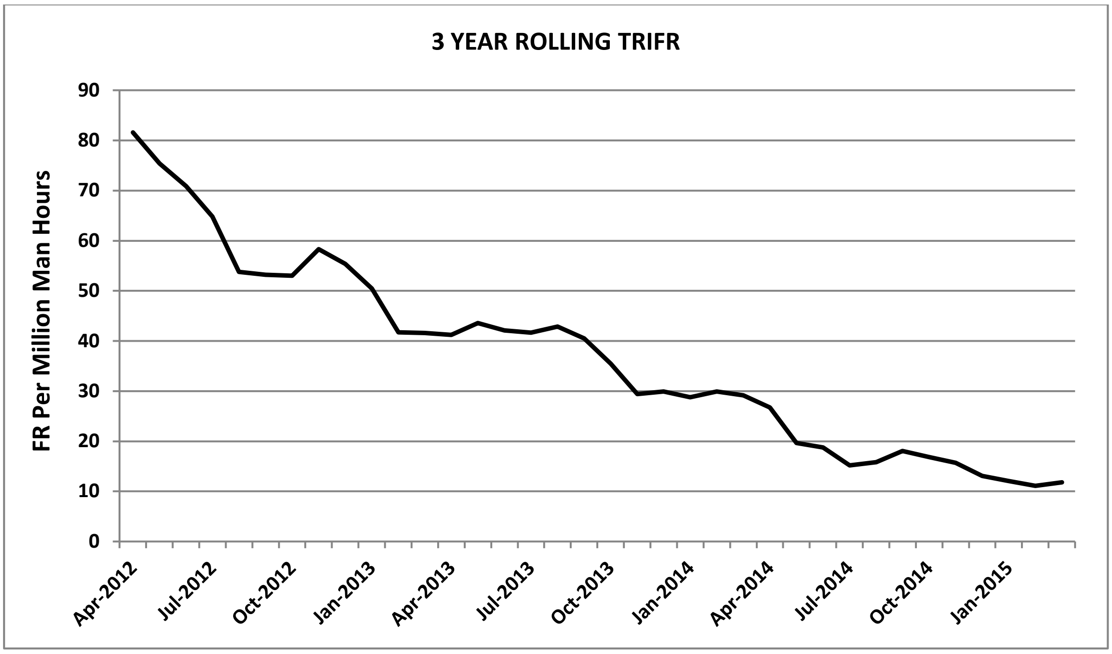
"Swick, like many other mining services contractors, is rationalising its overhead and restructuring its internal processes within the business to try to minimise the on-costs of our service provision. Unfortunately, as a result, quite a number of employees have been made redundant. I thank them for their service and wish them well."

Safety and Training

A continued focus in the business to manage and maintain the re-designed safety and training system is providing solid results. The TRIFR as at 31 March 2015 stands at 11.8 recordable injuries per million man-hours, down 59% from the same time last year.



To summarise the overall effectiveness of the companywide safety and training system review which commenced in 2012, the last three year's TRIFR trend is shown below;



Swick is proactively working with its clients to provide suitable equipment modifications and operational procedures that reduce the requirement for the historic manning levels. Swick is fitting rigs with systems that reduce the reliance of a full time driller, allowing the driller to effectively spread their time across both drilling and offsiding activities. This reduces the risk of downtime due to employee turnover and absence, as well as reducing the number of personnel exposed to hazards in the work place.

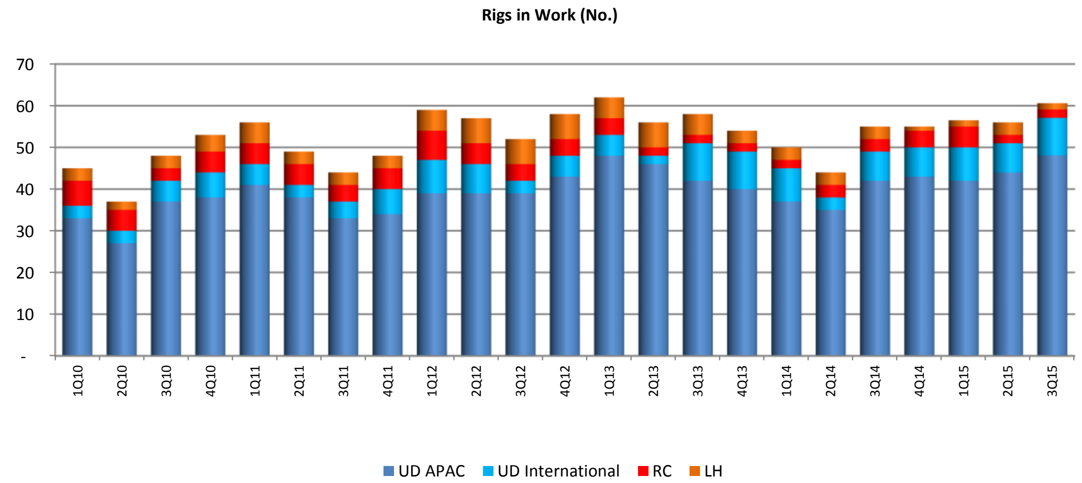
Mr Swick states: *"At Swick, we believe that for the long term sustainability of the mineral drilling markets in which we operate, both the clients and contractors must work together towards operating in the near term with semi-autonomous equipment and eventually progress when practical to fully autonomous equipment. This is essential to combat increased labour cost pressures and to reduce the reliance on attracting and retaining the next generation of drillers."*

"Swick has commenced this journey and is establishing the equipment and operational systems to ensure equipment utilisation can be maximised without relying on simply over manning of crews to allow for turnover and absence. Swick's clients will benefit from this strategy greatly, in the most part as a result of reduced flights and accommodation by reducing the manning ratio per rig shift, but also in regards to the exposure hours that personnel face to latent operating hazards and the communication risks between personnel."

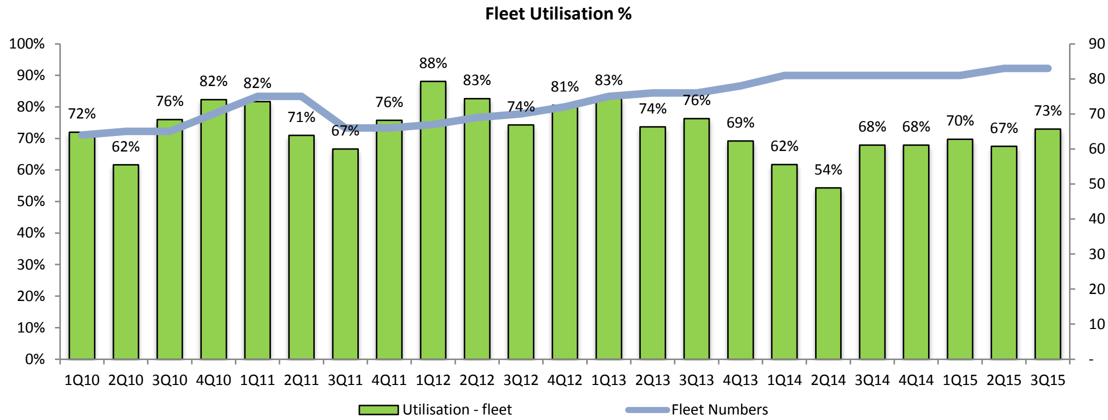
"Swick has recently established single man operation for some rigs on multi-rig sites on a trial basis with excellent results. Over the next three years, Swick is planning to upgrade its underground diamond drill fleet to enable unattended and semi-autonomous drilling."

Rigs at Work and Fleet Utilisation

As at March 31, 2015, rigs in work totalled 61 from a total of 83 (including three client rigs).

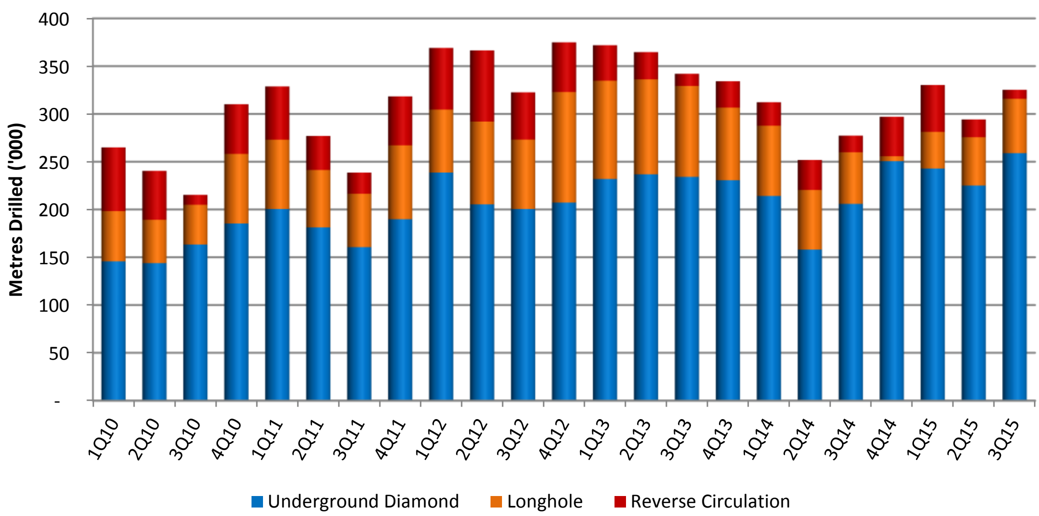


3Q FY15 Utilisation increased as 7 UD rigs were deployed, 2 of which were International.

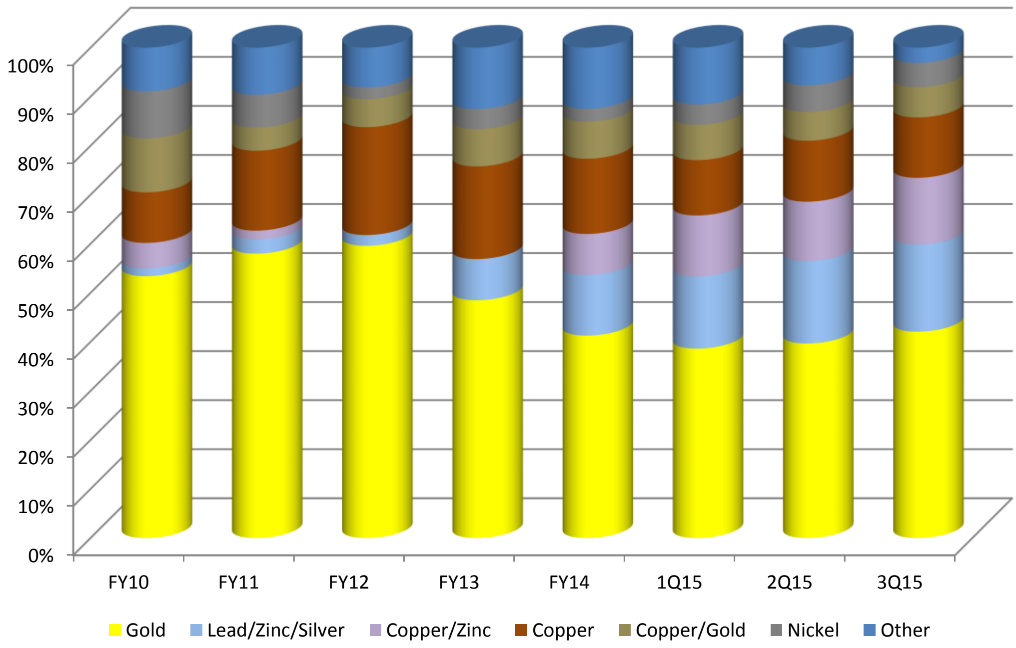


Metres Drilled

Total metres drilled for 3Q FY15 increased 17% to 325,259 (277,300 metres pcp).



Revenue Mix by Commodity



FY15 Full Year Outlook

The Company's full year outlook has not changed. Full year group revenue is expected to be in the range of $125 million to $135 million with an EBITDA margin excluding any impairment charges in the range of 13% to 16%.

Due to recent low utilisation of the Reverse Circulation (RC) drilling division, the Company will carry out a review of the carrying value of the RC fleet as well as related slow moving inventory items and is expected to make an impairment adjustment to this at the year-end.

The current order book stands at around $154 million.

Commentary

Mr. Swick states: "*Swick is performing well considering the depressed nature of the mineral drilling market. The significant rate reductions that have occurred in the business over the last two years have now stabilised, and Swick is working diligently on equipment modifications and operational improvements to regain an acceptable margin for the shareholders."*

"Swick's Board and management continue to drive the Company's strategic objective of 'doubling the metres per manhour' and the benefits this will provide to all stakeholders associated with Swick is significant."

About Swick Mining Services:

Swick Mining Services Ltd (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, United States and Europe.

For further information re this announcement, please contact the following on +61 8 9277 8800:

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Managing Director

Vahid Haydari
Chief Executive Officer

Disclosure Statement:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward looking statements or any change in events, conditions or circumstances on which any such statement is based.