AUSDRILL

Deutsche Bank High Yield Conference

3 & 4 October 2017

BRINGING MORE TO MINING

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PERFORMANCE SUMMARY

FY17 Overview

- Sales revenue of AUD776.3 million, up 4.5% on prior corresponding period
- AUD 1.6 billion in new projects and key contract renewals secured
- Profit from continuing operations of AUD 31.4 million, up 53.3% on prior corresponding period
- Ausdrill is targeting 30-40% profit growth in FY18

FY18 Progress

- Business performing to budget to end of August
- Mako, Boungou and Yanfolila projects in Africa have all commenced and are in ramp up
- High level of tendering activity underway

FY17 Proforma performance summary (Incl. 50% AUMS)[1]

AUD million	ASL	AUMS 50%	Total	% change
Sales revenue	**776.3**	**89.9**	**866.2**	**5.7% ▲**
EBITDA	**123.7**	**30.8**	**154.5**	**8.6% ▲**
EBITDA margin	*15.9%*	*34.2%*	*17.8%*	*48bps*
EBIT	**61.4**	**19.8**	**81.1**	**22.4% ▲**
EBIT margin	*7.9%*	*22.0%*	*9.4%*	*128bps*
Profit before tax	**32.2**	**19.0**	**51.3**	**49.7% ▲**
Profit before tax margin	*4.2%*	*21.2%*	*5.9%*	*174bps*
Profit from continuing operations	**18.4**	**13.1**	**31.4**	**53.3% ▲**
Return on average capital employed[(2)]	*7.7%*	*35.9%*	*9.6%*	*177bps*

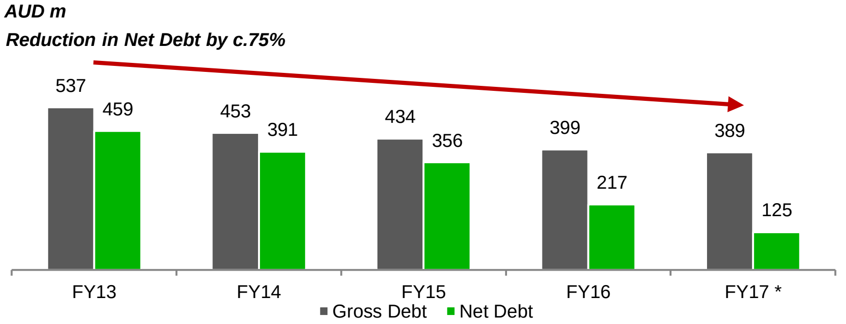
1. Proforma results include AUMS 50% share of profits on a proportionately consolidated basis
2. Return on average capital employed = EBIT from continuing operations excluding significant items/sum of average receivables, inventories, PP&E, intangibles, associates less trade payables
3. Note: Columns may not add due to rounding

CASH FLOW & BALANCE SHEET

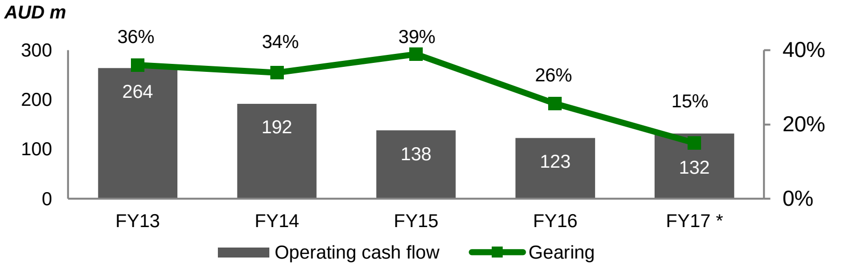
AUD million	FY16	FY17
Operating cash flows after interest and tax	91.0	94.6
Net debt (repayments)/proceeds	(47.8)	(0.7)
Capital expenditure	(12.4)	(147.4)
Proceeds from asset disposals	11.4	1.8
Distributions from AUMS	8.9	22.9
Proceeds from sales of business	49.4	22.2
Other movements	3.6	(0.6)
Cash flow before shareholder return	104.1	(7.2)
Dividends	-	(6.2)
Net cash flow	**104.1**	**(13.5)**

Note: Columns may not add due to rounding

Significant Debt Reduction through cycle



Operating cash flow & Gearing (Net Debt / Net Debt + Equity)



* FY17 Net Debt is proforma post equity issuance in September 2017

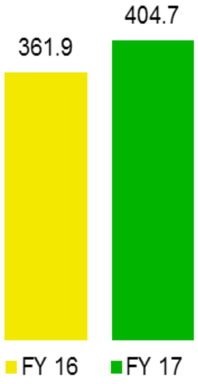
HOW AUSDRILL NAVIGATED THE DOWNTURN

Category	Strategies delivered
Rationalisation	✓ Refocused on core business ✓ Major cost reduction program ✓ EDA assets warehoused ✓ Reorganisation of support and operational functions ✓ Reinvestment in IT to enable improved analytics / reporting across the group
Asset Disposals	✓ Disposal of non-core and/or loss making businesses including DTA, DT HiLoad and Miners Rest to improve cash flow and reduce debt. DTA sale generated a multiple of 8x EBITDA, i.e. AUD 66 million
Balance Sheet Management	✓ Ongoing application of cash flows towards debt reduction; paid down AUD 220 million of debt over the last four years ✓ Fleet redeployed and capital expenditure limited to critical requirements ✓ Maintained funding flexibility to seize growth opportunities when they present ✓ Revolving Cash Facility **("RCF")** extended to July 2020 and upsized to AUD 200 million – liquidity backstop and has been largely undrawn since September 2015 ✓ Financial metrics are converging towards credit metrics when the company was rated 'Ba2/BB' in 2013/14
Other Business Actions	✓ Industry supporting industry through "drill-for-equity" program - capped at AUD 10 million ✓ Continued focus on safety ✓ Piloting LEAN program

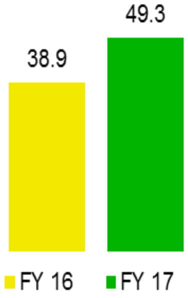
Business Updates

CONTRACT MINING SERVICES AFRICA

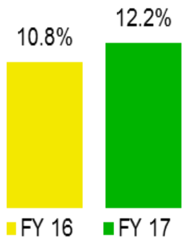
External Sales Revenue ($m)



EBIT ($m)



EBIT Margin



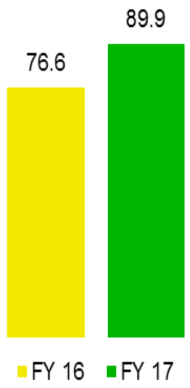
- Revenue growth driven by Esuajah North start-up and increased works at Nzema, Iduapriem and Syama
- Reported margins improved with strong operational performance at the Siguiri and Syama projects and scale benefits from increased revenue
- Edikan project challenges being addressed
- New contracts and contract extensions continue to be mobilised: Mako (commenced May 2017), Boungou (commenced May 2017) and Yanfolila (commenced August 2017) and are expected to deliver significant uplift in revenue and earnings in FY18
- The project tender pipeline offers exceptional growth opportunities for FY19 and beyond

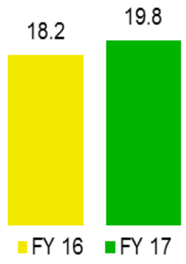
Revenue and margin growth story continues with significant contract wins and extensions; pipeline expected to deliver growth beyond FY18

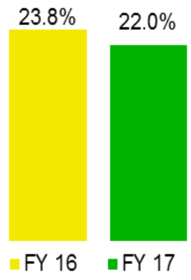
Note: Figures exclude equity accounted profits from AUMS joint venture

AFRICAN UNDERGROUND MINING SERVICES (50% share)

External Sales Revenue ($m)	EBIT ($m)	EBIT Margin





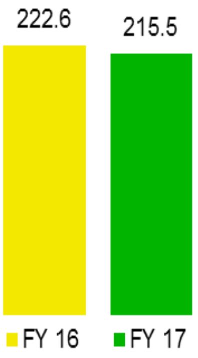


- African Underground Mining Services contributed equity accounted net profit of $13.1 million (FY16: $9.1 million), an increase of 44.3%
- Revenue increased by 17.3% and is expected to increase significantly in FY18 driven by Subika project in Ghana for Newmont Ghana Gold
- Margins remain strong, with underlying EBIT margin (excluding Roxgold share valuation) at 22.8%
- Ramp-up of operations at the Roxgold Yaramoko project in Burkina Faso and at the AngloGold Geita gold mine in Tanzania have progressed extremely well. Additional works in the Nyankanga pit at the Geita project commenced in early 2017. Demobilisation of Perkoa project completed December 2016
- The project tender pipeline offers exceptional growth opportunities for FY19 and beyond

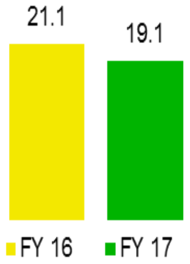
Significant growth, outstanding operational performance and strong margins

DRILLING SERVICES AUSTRALIA

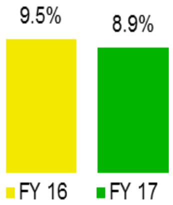
External Sales Revenue ($m)



EBIT ($m)



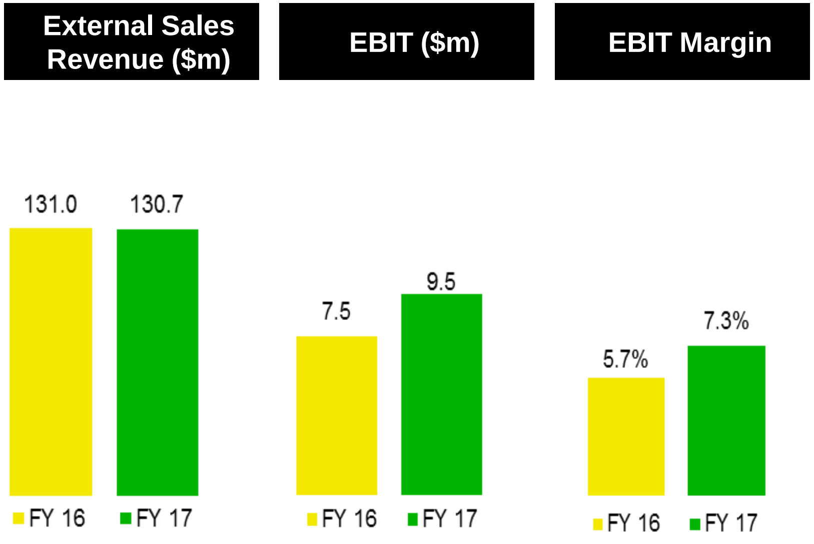
EBIT Margin



- Revenues remain stable with key contract renewals at the Kalgoorlie Super Pit, St Ives and Granny Smith gold mines. Water well drilling opportunities remain limited
- Margins in drill and blast are robust and will improve with the exit from the loss-making Telfer contract. Exploration margins remain under pressure where available fleet is in surplus, despite increase in gold exploration spend
- EBIT margin, excluding Telfer losses was 10.2%, driven by cost-out initiatives across the Ausdrill Northwest and Connector drilling businesses
- Further cost-out initiatives are being undertaken in the Kalgoorlie based drilling business in FY18

Extension of key contracts to meet supply and demand challenges; further business rationalisation targeted for FY18

EQUIPMENT SERVICES & SUPPLIES

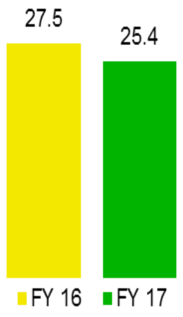


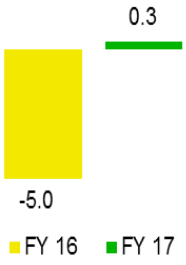
- Revenue including internal sales increased by 18.3% as BTP actively sourced low cost equipment and parts and redeployed surplus mining fleet to new African projects during the period
- External revenues remain stable
- Margins continue to improve driven by ongoing cost-out and productivity improvement activities
- 2 year extension to existing contract with Peabody Australia, valued at AUD 70 million, to rent mining and ancillary equipment to Peabody's coal mines in key Australian coal precincts in the Hunter Valley and Bowen Basin

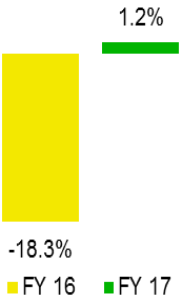
Profit margin improvement; key focus on mobilisation of equipment & inventory to new African projects; further efficiencies and revenue growth targeted for FY18

OTHER

External Sales Revenue ($m)	EBIT ($m)	EBIT Margin







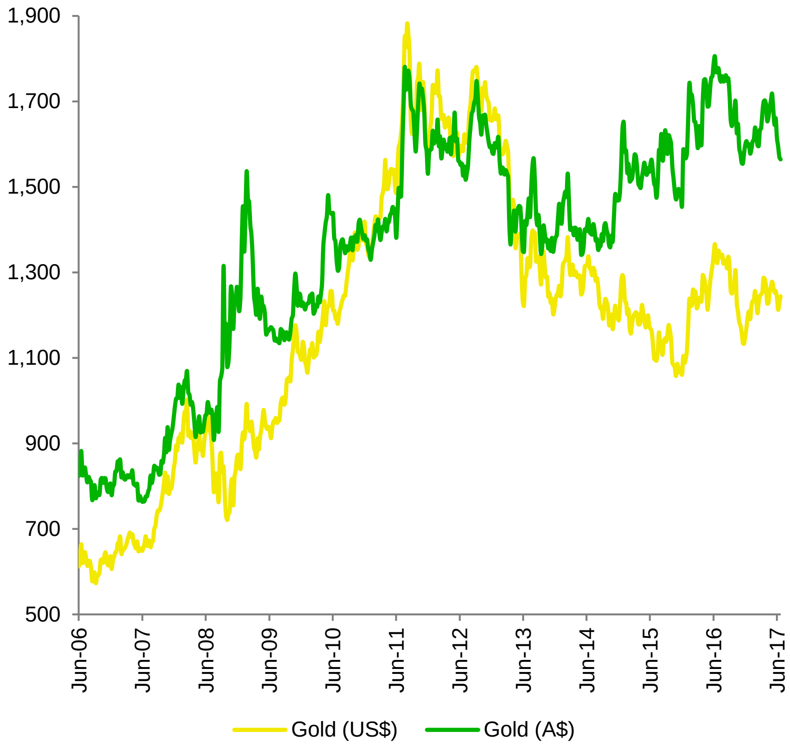
- Comprises Diamond Communications, MinAnalytical, Energy Drilling Australia (EDA), Well Control Solutions (WCS) and Ausdrill Properties
- Losses from EDA have been curtailed as the business has been downsized and the assets warehoused until market conditions improve
- All other businesses delivered minor profits in the half
- Increased exploration spend in gold is having a positive flow on effect for MinAnalytical, although the mineral assaying market remains highly competitive
- WCS has seen an increase in activity in the coal seam gas sector

Loss making businesses placed into care and maintenance; other businesses targeting revenue growth for FY18

Outlook and Strategy

STRATEGIC INITIATIVES - TARGETED

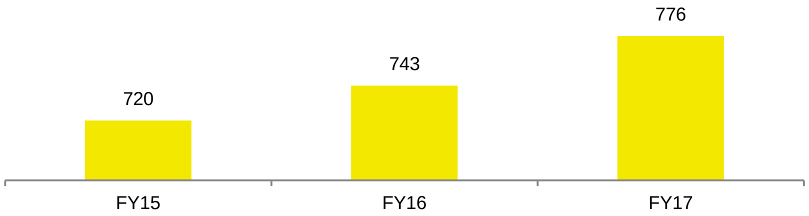
Category	Strategies targeted
Delivery	✓ Finalise ramp-up and deliver growth projects ✓ Maintain and build on key client base ✓ Continued focus on safety performance – **One Safe All Safe**
Further rationalisation	✓ Focus on cost-out in the Kalgoorlie business – ~AUD 3 million targeted in FY18 ✓ Shared services model to deliver ~AUD 2 million in annualised savings in FY18 ✓ Exit non-core businesses
Growth	✓ Ausdrill targeting 30 - 40% profit growth in FY18 on secured contracts and expected renewals ✓ Project pipeline opportunities in both surface and underground mining remain exceptionally strong and are expected to deliver further revenue growth in FY19 and beyond ✓ Rising commodity prices and stable gold price should seed further growth
Balance Sheet Management	✓ Maintain funding flexibility to seize growth opportunities when they present



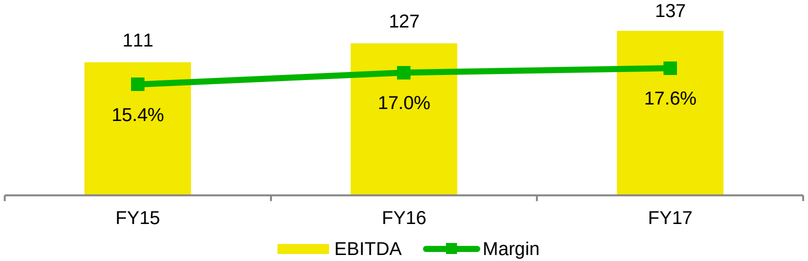
Financial Performance & Credit Highlights

FINANCIAL PERFORMANCE AND KEY CREDIT METRICS

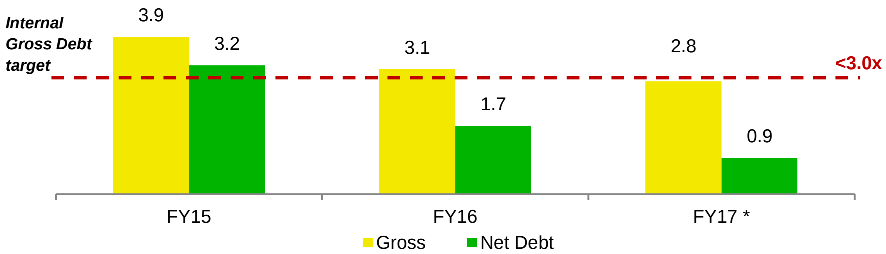
Revenue (AUD million)



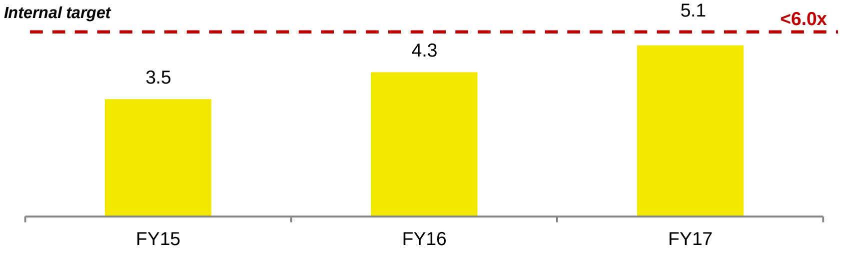
EBITDA (AUD million) and Margin (%)



Debt & Net Debt / EBITDA (x)



EBITDA / Interest (x)



* FY17 Net debt is proforma post equity issuance in September 2017

CREDIT HIGHLIGHTS

- **01** Sustainable competitive advantages in the form of relationships; technical & operational excellence
- **02** Prudent approach through downturn sets stage for growth
- **03** Significant new contract wins combined with strong track record of execution
- **04** Conservative financial management demonstrated
- **05** Equity raise and RCF refinancing provides new impetus and springboard to company
- **06** Significantly improving credit metrics & strengthening balance sheet

Appendices

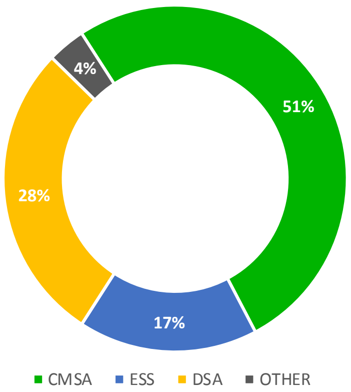
GROUP OPERATIONS

83% of Ausdrill's revenue relates to non-discretionary production related activities and is driven by material moved

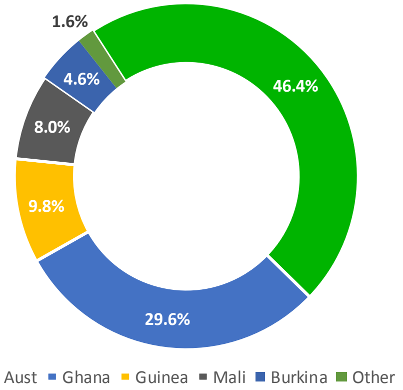
Exploration | Production

Exploration | Development | Mining | Rehabilitation / Closure

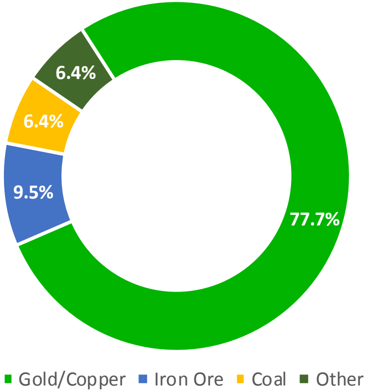
Sales revenue by business activity [1]



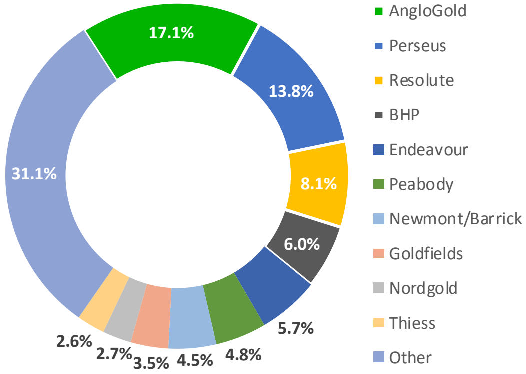
Sales revenue by country [1]



Sales revenue by commodity [2]



Sales revenue by customer [1]



1 Based on FY17 sales. Figures may not add due to rounding
2 Based on FY17 sales revenue for Contract Mining Services Africa, Drilling Services Australia and Equipment Services & Supplies

PROJECT AWARDS & EXTENSIONS

Project	Client	Services Provided	Location	Term
Yanfolila Gold	Hummingbird Resources	AMS - Open pit mining	Mali	3 years
Boungou Gold (was Natougou)	SEMAFO	AMS - Open pit mining	Burkina Faso	5 years
Mako Gold	Toro Gold	AMS - Open pit mining	Senegal	6 years
Edikan - Esuajah North	Perseus	AMS - Open pit mining	Ghana	3.5 years
Bissa Gold	Nordgold	AMS - Equipment hire	Burkina Faso	1 year
Subika - Ahafo complex	Newmont Ghana Gold	AUMS - Underground mining	Ghana	5 years
St Ives and Granny Smith	Gold Fields	DSA - Exploration drilling	Australia	3 years
Super Pit	KCGM	DSA - Production drilling, grade control	Australia	5 years
Blair Athol Coal	Link Mining Services	DSA - Drill and blast	Australia	5 years
Several mine sites	Peabody Australia	ESS - Equipment hire	Australia	2 years

PROFIT & LOSS

AUD million	FY16	FY17	% Change
Continuing Operations			
Sales revenue	743.0	776.3	4.5% ▲
Interest income	1.6	2.4	46.5%
Materials	(299.0)	(329.4)	(10.2%)
Labour	(239.9)	(251.2)	(4.7%)
Rental and hire	(14.0)	(14.3)	(2.3%)
Depreciation & amortisation expense	(67.9)	(62.4)	8.1%
Finance costs	(33.7)	(31.5)	6.5%
Share of associates profits	9.1	13.1	44.3%
Other items	(74.2)	(57.7)	22.2%
EBITDA(1)	125.1	136.8	9.4% ▲
EBITDA margin(2)	*15.6%*	*15.9%*	*33bps*
EBIT	57.2	74.4	30.3% ▲
EBIT margin(2)	*6.5%*	*7.9%*	*143bps*
Operating Profit/(loss) before tax	25.1	45.3	80.6% ▲
Operating Profit before tax margin(3)	*3.4%*	*5.8%*	*246bps*
Profit/(loss) after tax	20.5	31.4	53.3% ▲
Return on average capital(4)	6.5%	8.6%	*215bps*
Discontinued Operations – Profit/(loss)	37.6	(0.2)	
Profit/(loss) after tax from continuing and discontinued operations	58.2	31.2	46.3% ▼

(1) Includes impairment of available-for-sale assets of $1.5 million in FY16
(2) Excludes equity accounted profits
(3) Operating profit margin = Profit before tax from continuing operations as a % of sales revenue
(4) Return on average capital employed = EBIT excluding significant items/sum of average receivables, inventories, PP&E, intangibles, associates less trade payables
Note: Columns may not add due to rounding

BALANCE SHEET

AUD million	FY16	FY17
Cash and cash equivalents	181.9	166.7
Current receivables	169.8	167.7
Inventories	191.4	188.8
Property, plant and equipment	489.8	560.5
Other assets	117.5	103.5
Total assets	**1,150.4**	**1,187.1**
Payables	82.8	100.4
Borrowings	398.5	388.6
Employee obligations	34.9	41.8
Other liabilities	27.5	26.3
Total liabilities	**543.8**	**557.0**
Shareholders' equity	**606.6**	**630.1**
Net Debt	216.7	221.9

Note: Columns may not add due to rounding

CASH FLOW

AUD million	FY16	FY17
Receipts from customers (inclusive of GST)	791.5	802.2
Payments to suppliers and employees (inclusive of GST)	(668.3)	(670.1)
	123.2	**132.1**
Interest received	1.7	2.4
Interest and other costs of finance paid	(30.9)	(29.1)
Income taxes received / (paid)	(6.4)	(11.8)
Other	3.4	1.0
Net cash inflow/(outflow) from operating activities	**91.0**	**94.6**
Payments for property, plant and equipment	(12.4)	(147.4)
Proceeds from sale of property, plant and equipment	11.4	1.8
Proceeds from sale of available-for-sale financial assets	7.5	3.2
Payments for available-for-sale financial assets	(3.8)	(3.9)
Proceeds from sale of business	49.4	22.2
Distributions from associates and loan repayments	8.9	22.9
Other	-	-
Net cash inflow/(outflow) from investing activities	**60.9**	**(101.1)**
Proceeds from secured borrowings	-	-
Proceeds from unsecured borrowings	4.3	3.7
Repayment of borrowings	(44.1)	(4.0)
Repayment of hire purchase and lease liabilities	(8.0)	(0.5)
Dividends paid to company's shareholders	-	(6.2)
Other	-	-
Net cash inflow/(outflow) from financing activities	**(47.8)**	**(7.0)**
Net increase/(decrease) in cash and cash equivalents	**104.1**	**(13.5)**
Cash and cash equivalents at the beginning of the period	77.9	181.9
Effects of exchange rate changes on cash and cash equivalents	(0.1)	(1.7)
Cash and cash equivalents at end of period	**181.9**	**166.7**

Note: Columns may not add due to rounding

AUMS PROFIT AND LOSS (50% SHARE)

AUD million	FY16	FY17	% change
Sales revenue	**76.6**	**89.9**	17.3% ▲
EBITDA	**26.3**	**30.8**	16.9% ▲
EBITDA margin	*34.3%*	*34.2%*	*11bps*
EBIT	**18.2**	**19.8**	8.6% ▲
EBIT margin	*23.8%*	*22.0%*	*176bps*
Profit/(loss) before tax	**18.2**	**19.0**	4.4% ▲
Profit before tax margin	*23.8%*	*21.2%*	*262bps*
Profit/(loss) after tax	**9.1**	**13.1**	44.3% ▲

Note: Columns may not add due to rounding

AUMS BALANCE SHEET (50% share)

AUD million	FY16	FY17
Cash and cash equivalents	5.8	12.5
Receivables	24.0	13.3
Inventories	21.6	22.1
Property, plant and equipment	23.7	28.6
Other assets	8.8	1.2
Total assets	**84.0**	**77.7**
Payables	11.7	11.4
Borrowings – external	0.1	5.3
Provisions	0.3	0.4
Other liabilities	2.2	1.7
Total liabilities	**14.2**	**18.8**
Shareholders’ equity	**69.8**	**58.9**

Note: Columns may not add due to rounding

Thank you

AUSDRILL BRINGING MORE TO MINING