

17 AUGUST 2018

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AUSDRILL SUCCESSFULLY COMPLETES INSTITUTIONAL ENTITLEMENT OFFER

Ausdrill Limited (ASX:ASL) ("**Ausdrill**") is pleased to announce the successful completion of the institutional component of its fully underwritten 1 for 2.13 pro rata accelerated non-renounceable entitlement offer, announced on Wednesday, 15 August 2018 ("**Entitlement Offer**" or "**Offer**").

The accelerated institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**") raised approximately \$175 million at the offer price of \$1.47 per new fully paid ordinary share in Ausdrill ("**New Shares**").

The Institutional Entitlement Offer had strong support from Ausdrill's existing eligible institutional shareholders who took up approximately 93% of the New Shares available as part of the Institutional Entitlement Offer. The bookbuild of institutional entitlements not taken up by eligible institutional holders, and institutional entitlements that would otherwise have been offered to ineligible institutional holders, was significantly oversubscribed with demand from both existing and new institutional investors.

Completion of the Institutional Entitlement Offer represents the first stage of Ausdrill's fully underwritten Entitlement Offer which is expected to raise approximately \$250 million. The net proceeds of the Entitlement Offer are intended to be used to partially fund the repayment of Ausdrill's Senior Unsecured Notes due in November 2019 (with the balance of the notes to be repaid from existing cash and revolving credit facility drawdown).¹

New Shares subscribed for under the Institutional Entitlement Offer are expected to be settled on Friday, 24 August 2018 and to be issued and commence normal trading on the ASX on Monday, 27 August 2018. New Shares issued under the Entitlement Offer will rank pari passu with existing Ausdrill shares and will be eligible for the dividend of 3.5 cents per share which is to be paid on Thursday, 18 October 2018.

Ausdrill's interim CEO, Theresa Mlikota, said:

"We are extremely pleased with the support for the Entitlement Offer from our existing shareholders, as well as new investors. The success of the Offer is testament to Ausdrill shareholders' confidence in the opportunity represented by both the Barminto acquisition and Ausdrill's underlying business."

**BRINGING MORE
TO MINING**

Ausdrill expects its trading halt to be lifted today and Ausdrill shares to recommence trading on an ex-entitlements basis.

Retail Entitlement Offer

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") is expected to open on Tuesday, 21 August 2018 and close at 5:00pm (Sydney time) on Wednesday, 5 September 2018.

Eligible retail shareholders will be able to subscribe for 1 New Share for every 2.13 Ausdrill shares held as at 7.00pm (Sydney time) on the record date of Friday, 17 August 2018, at the same offer price of \$1.47 per New Share as the Institutional Entitlement Offer. Eligible retail shareholders are shareholders who have a registered address in Australia or New Zealand; are not in the United States or acting for the account or benefit of a person in the United States (to the extent such person holds shares for the account or benefit of a person in the United States); were not treated as an eligible institutional shareholder or ineligible institutional shareholder; and do not hold shares for such a person (to the extent they hold shares for such a person).

Further details about the Retail Entitlement Offer will be set out in a booklet ("**Retail Offer Booklet**") which Ausdrill expects to lodge with the ASX on Friday, 17 August 2018, in advance of the despatch date which is scheduled to occur on Tuesday, 21 August 2018.

It is important to note that the Retail Entitlement Offer is non-renounceable, and there will be no trading of entitlements. Copies of the Retail Offer Booklet will be available on the ASX website and Ausdrill's website www.ausdrill.com.au. Please note that the contents of Ausdrill's website does not form part of the offer documents for the Entitlement Offer.

Under the Retail Entitlement Offer, eligible retail shareholders may apply for additional New Shares in excess of their entitlement ("**Retail Oversubscription**") up to a maximum of 25% of their entitlement at the Offer Price. New Shares not applied for by eligible retail shareholders may be offered to other eligible retail shareholders through applications via the Retail Oversubscription facility. There is no guarantee that applicants under the Retail Oversubscription facility will receive all or any of the additional New Shares for which they apply. The allocation of additional New Shares under the Retail Oversubscription facility will be subject to the terms set out in the Retail Offer Booklet.

Additional Information

Further details about the acquisition of Barmenco Holdings Pty Ltd and the Offer are set out in the ASX Announcement and Investor Presentation released to the ASX on Wednesday, 15 August 2018.

You should seek appropriate professional advice before making any investment decision. If you have any questions about the Retail Entitlement Offer, please contact the Ausdrill Shareholder Information Line on 1300 367 027 (from within Australia) or +61 (3) 9415 4000 (from outside Australia) at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Retail Offer Period.

1. This represents a statement of current intentions. Ausdrill will make final decisions on which debt instruments are repaid and when after consultation with lenders. If the acquisition does not complete, then net proceeds will be used to pay down Ausdrill debt or may be returned to shareholders (subject to any approvals required), or a combination of both.

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. The Ausdrill Group employs over 5,000 staff worldwide.

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Important Information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares to be offered and sold in the Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold, directly or indirectly, to, persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States.

This announcement may not be released or distributed in the United States.

This announcement includes certain forward looking statements, including statements regarding the completion of the acquisition and the future strategies and results of the combined Ausdrill and Barmenco groups and the opportunities available to it, the timing and outcome of the Entitlement Offer and the use of proceeds. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar words and include statements regarding certain plans, strategies and objectives of management, trends and outlook. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Ausdrill’s actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward-looking statements.

Forward-looking statements are based upon management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Ausdrill’s business and operations in the future. Ausdrill cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that Ausdrill’s business and operations will not be affected in any substantial manner by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this announcement speak only as of the date of this announcement.

Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, Ausdrill disclaims any obligation or undertaking to publicly update or revise any forward-looking statement contained in this announcement or to reflect any change in management's expectations with regard thereto after the date hereof of any change in events, conditions or circumstances on which any such statement is based. No representation or warranty, express or implied, is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or prospects referred to in this announcement.