5 December 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

Dear Sirs

Share Placement to Souls Private Equity Limited

The Directors of Imdex Limited are pleased to announce that the Company has agreed to make a share placement of 13.3 million shares at an issue price of 30 cents per share to raise approximately $4m, through Foster Stockbroking. The majority of the placement will be made to Souls Private Equity Limited (SPEL), an ASX listed private equity fund.

The requisite Appendix 3B advice will be lodged following the allotment.

Following the placement SPEL will hold 9.3% of Imdex's issued capital.

Funds from the placement will be applied to eliminate long term debt and facilitate expansion plans in key areas of Imdex's business. Through having a stronger balance sheet, Imdex is now well placed to pursue selected growth opportunities.

Yours faithfully
Imdex Limited

B Ridgeway

Bernie Ridgeway
Managing Director

About Imdex:
Imdex is a Perth-based public company listed on the Australian Stock Exchange, whose core business is the supply of drilling products and services in Australia and internationally to the oil and gas, mining, water well, horizontal directional drilling and civil industries.

For further information, please contact:
Ian Burston, Non Executive Chairman; **Bernie Ridgeway**, Managing Director;
Stephen Lyons, Company Secretary

Imdex Limited ACN 008 947 813 ABN 78 008 947 813
Level 3, 18 Richardson Street West Perth Western Australia 6005 PO Box 1325, West Perth Western Australia 6872
Phone +61 8 9481 5777 Fax +61 8 9481 6527 E-mail imdex@imdex.com.au
Incorporating: Ace Drilling Supplies, Australian Mud Company Pty Ltd, Surtron Technologies Pty Ltd and Samchem Drilling Fluids & Chemicals (Pty) Ltd