Imdex Limited

FY08 Full Year Results

August 2008

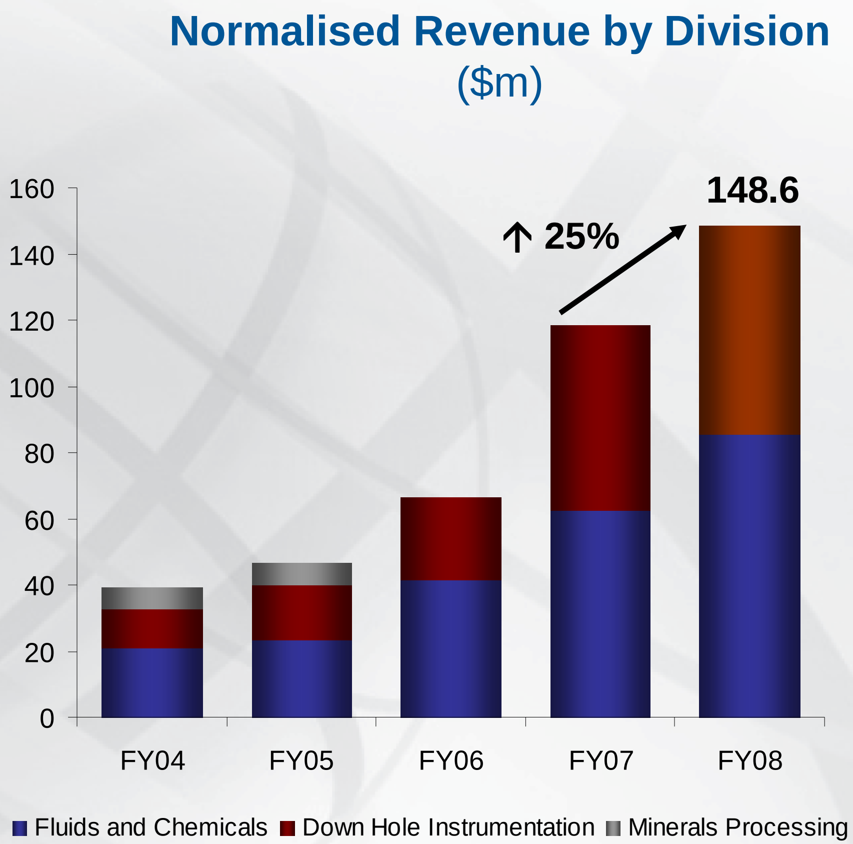
- Highlights
- Financial Performance
- Review of Activities
- Strategy & Outlook
- Questions

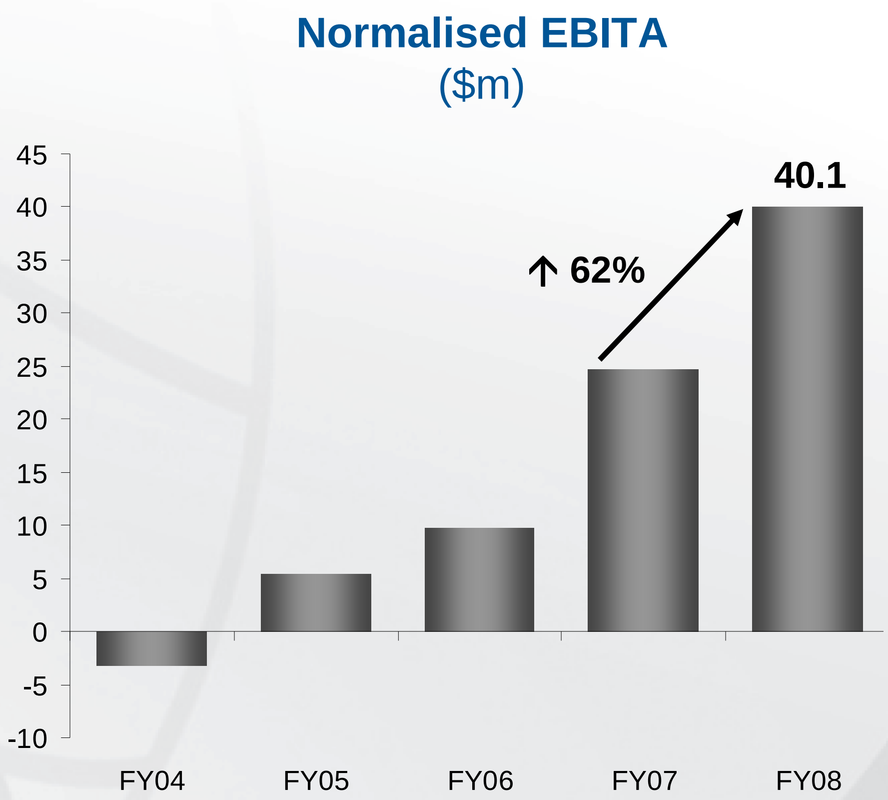
Continued Strong Growth

- Growth across all geographic regions – strong business model with a global footprint
- Supply and Distribution agreements with Sandvik, Boart Longyear, Major Drilling and Layne Christensen
- Increased exposure to the global oil & gas market – drilling fluids and down hole instrumentation
- Continued product technology leadership
- Divestment of Surtron business for $20m cash
- Earnings accretive acquisitions:
    - Suay Energy Services in Kazakhstan
    - Poly-Drill Drilling Systems in Canada
    - Southernland in Chile
    - System Entwicklungs in Germany
- Commencement of upgrades/additional plant and manufacturing facilities - Samchem (South Africa) and Southernland (Chile) - reduce costs and meet demand

Reflex EZ Shot being prepared for use

Five consecutive years of revenue and profit growth





Normalised results include discontinued operations and exclude non-operational items

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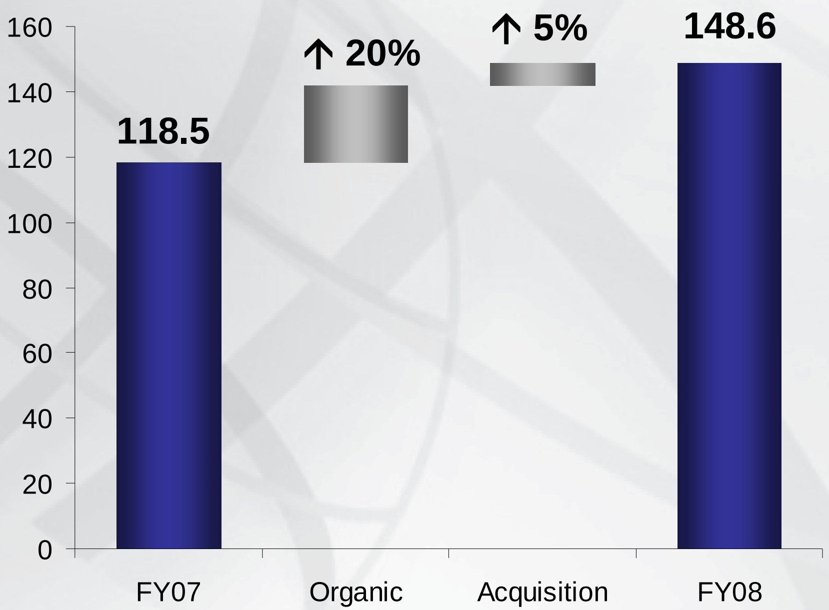
Financial Results Overview

	FY08 $000's	FY07 $000's	Change
Fluids and Chemicals Revenue	85,711	62,353	↑ 37%
Down Hole Instrumentation Revenue (incl Surtron)	62,882	56,139	↑ 12%
Normalised Revenue	**148,593**	**118,492**	**↑ 25%**
EBITA (incl Surtron trading, excl profit on disposal)	**40,071**	**24,707**	**↑ 62%**
EBIT (incl Surtron trading, excl profit on disposal)	**34,016**	**21,277**	**↑ 60%**
Profit on sale of Surtron (before tax)	**12,139**	**-**	**-**
Net Profit after Tax	**32,002**	**13,518**	**↑ 137%**
Earnings per Share (continuing operations)	**11.22c**	**7.72c**	**↑ 45%**
Return on Equity	**38%**	**32%**	**↑ 19%**
Operating Cash Flow before Tax	**25,619**	**21,651**	**↑ 18%**

25% Revenue Growth

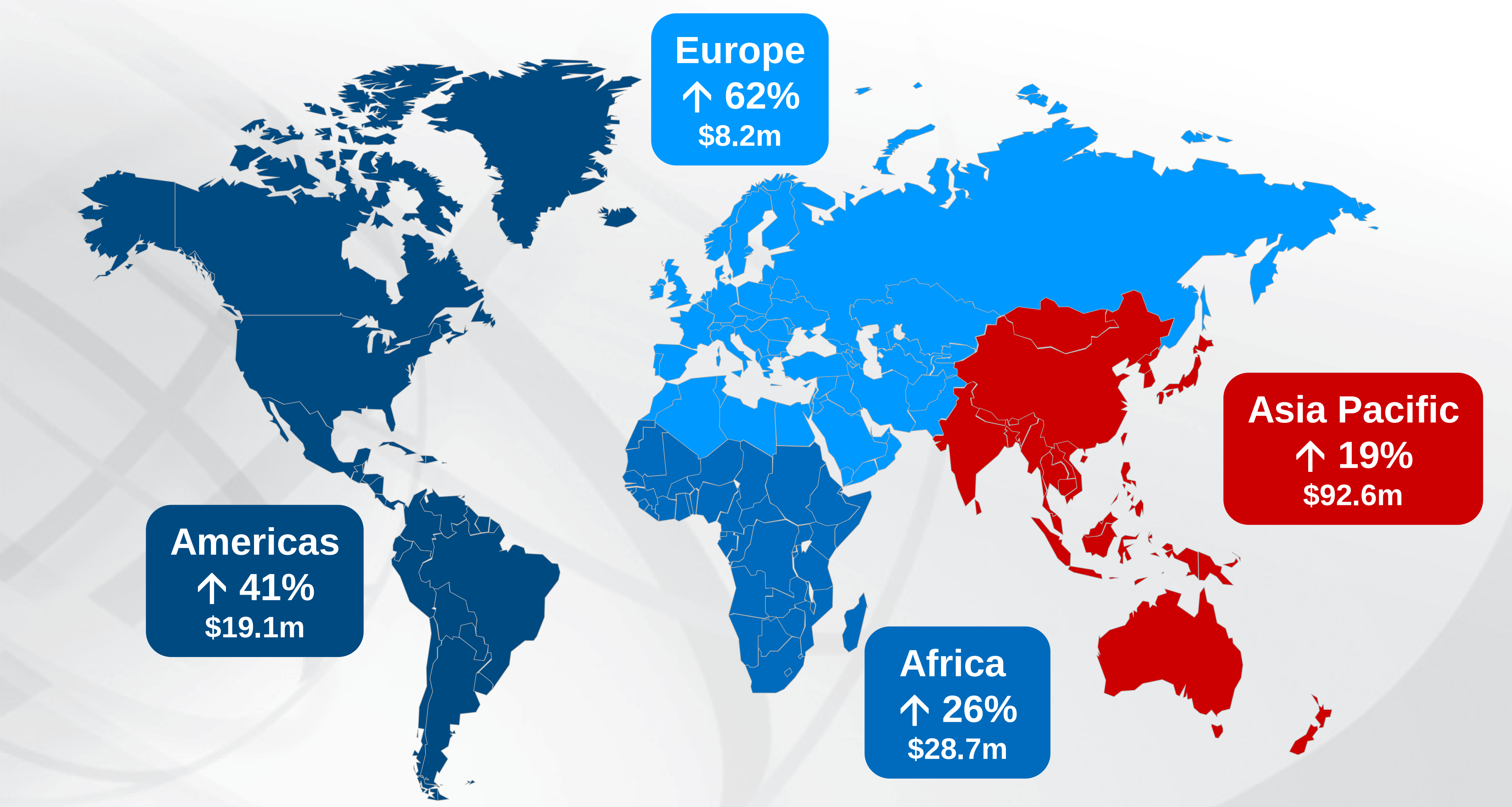
Normalised Revenue Growth
($m)



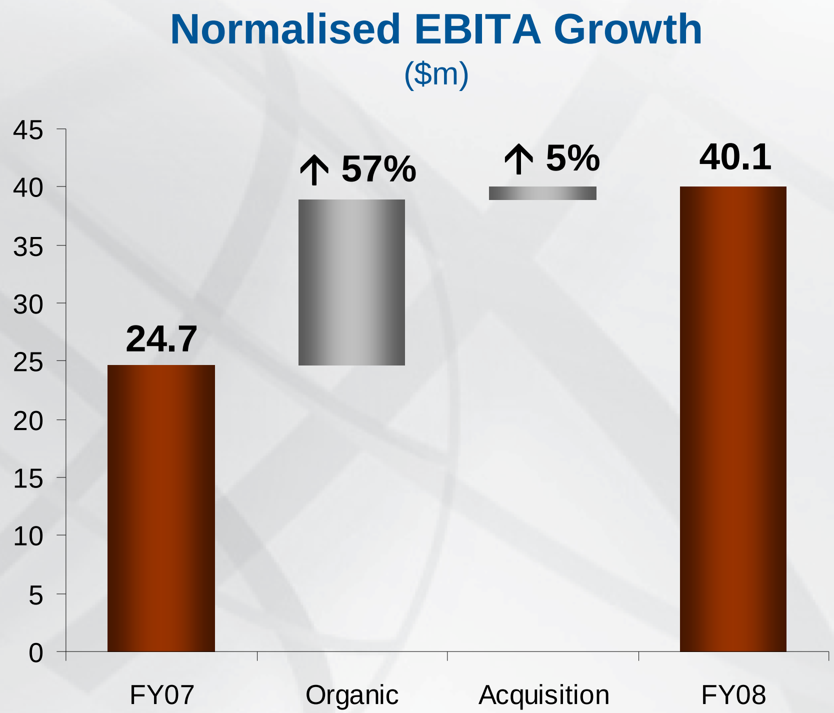
Normalised results include discontinued operations and exclude non-operational items

- 25% revenue growth – 20% organic growth and 5% acquisition growth
- Organic growth - all geographic areas (see next slide)
- Highest organic growth - AMC and Reflex
  - The growth in AMC was driven by increased mining and mineral exploration activity - Asia Pacific and Africa
  - Reflex's growth driven by increased market penetration - Asia Pacific, Africa and Canada

Strong revenue growth across all geographies



62% EBITA Growth

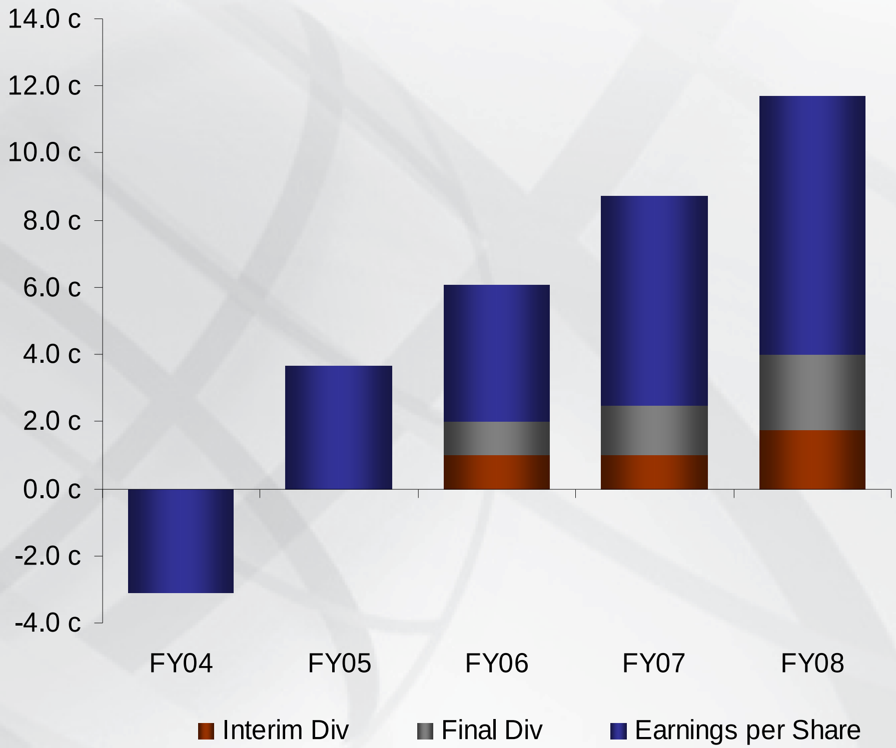


Normalised results include discontinued operations and exclude non-operational items

- 62% EBITA growth – 57% organic growth and 5% acquisition growth
- Growth in margins achieved by:
  - Growing economies of scale
  - Controlling back office costs, particularly in newly acquired operations
  - Continued implementation of the Imdex business model in all overseas operations

EPS, DPS and ROE Growth

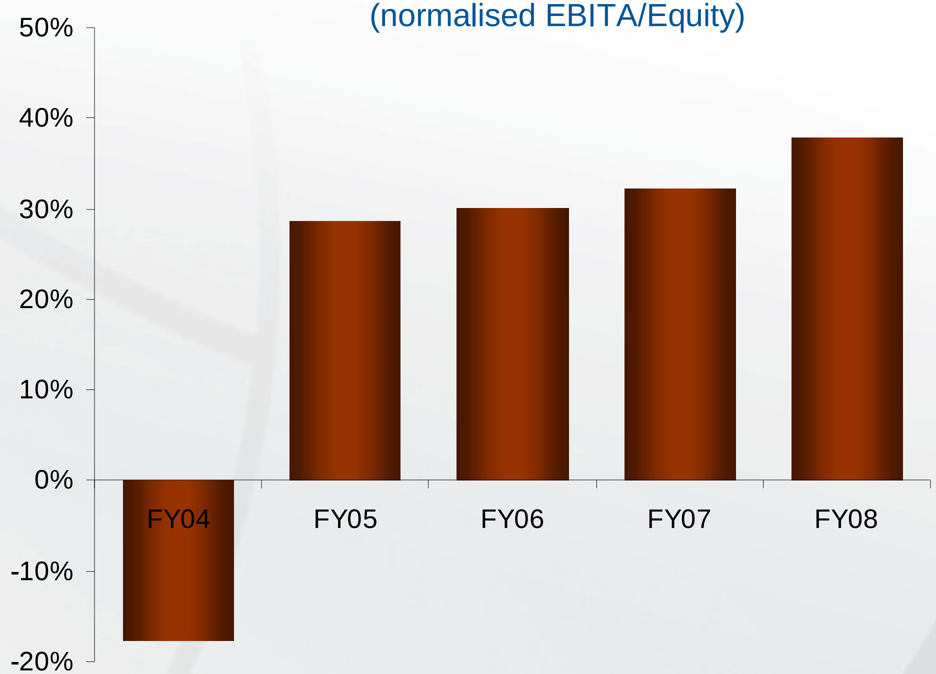
Normalised Earnings & Dividends per Share



Normalised results include discontinued operations and exclude non-operational items

Return on Equity

(normalised EBITA/Equity)



Imdex is delivering attractive Returns on Equity

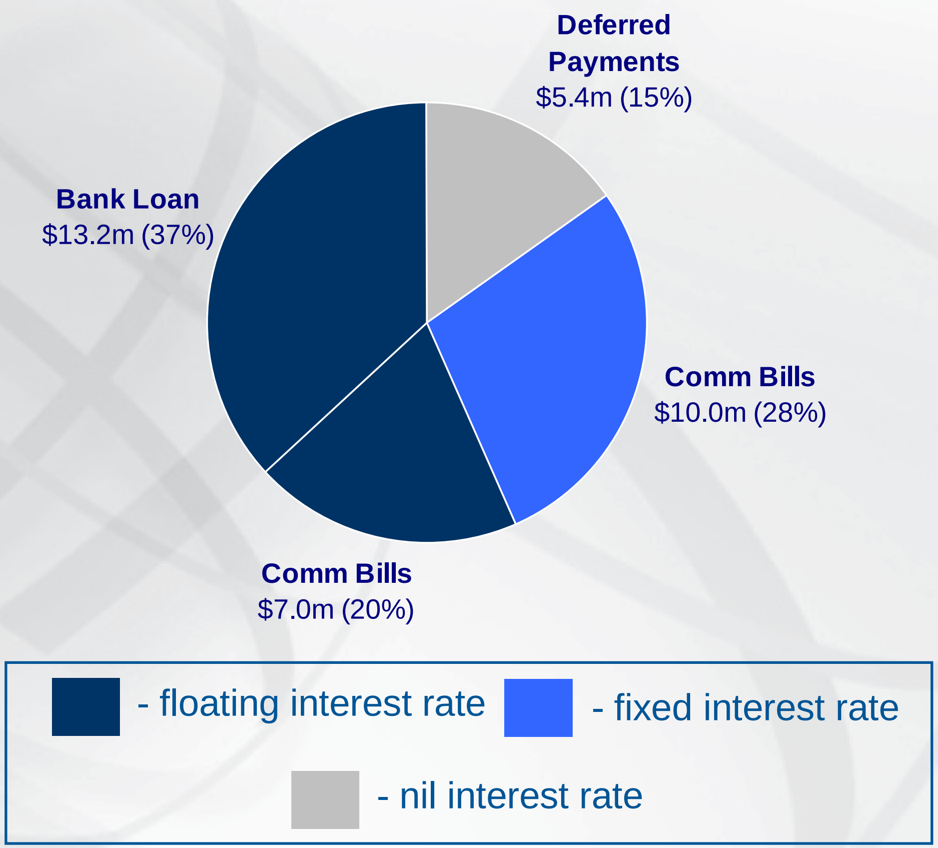
Strong Balance Sheet

	June 08 $000's	June 07 $000's
Cash	13,276	15,271
Receivables	32,079	27,806
Inventory	21,716	13,839
Investment in SGE	17,508	16,056
Property, plant & equipment	7,140	13,207
Goodwill & intangible assets	79,915	62,779
Other assets	1,429	888
Total Assets	**173,063**	**149,846**
Payables	25,314	25,654
Commercial bills	17,000	12,300
Bank loan	13,148	15,140
Hire purchase borrowings	-	2,407
Other borrowings	-	502
Vendor finance – Chardec	5,404	10,088
Provisions / Deferred tax liabilities	6,554	7,141
Total Equity	**105,643**	**76,614**
Debt to Equity D/(D+E)	*25%*	*35%*
Quick Ratio (CA – Inventory)/CL	*1.53*	*1.53*
Current Ratio CA/CL	*2.05*	*1.89*

- Strong cash position
- Growth in assets due to acquisitions and organic business growth
- Goodwill/intangible assets due to acquisitions: includes IP and technology assets
- Recent acquisitions funded by operating cash flows and debt
- SGE:
  - Investment $4.5m book value (15m shares at cash cost $300k);
  - Secured loan $13.0m (being repaid in cash from IPO - 1H09)
- Net debt of $22.3m at 30 June 08
- Vendor finance reduced to $3.1m on 31 July 08

Low Gearing

Composition of Debt at 30 June 2008



- Total debt as at 30 June 08 of $35.6m (30 June 07 - $40.4m)
- Gearing down to 25% (30 June 07 – 35%)
- Gearing reduced further to 24% on 31 July 08 with the repayment of $2.3 million deferred payment
- Commercial bills are AUD based with $10m capped at 7% p.a.
- Bank loan is SEK based and bears interest at ~7% per annum
- Deferred payments have no cash interest payments
- 43% of debt - fixed interest rates

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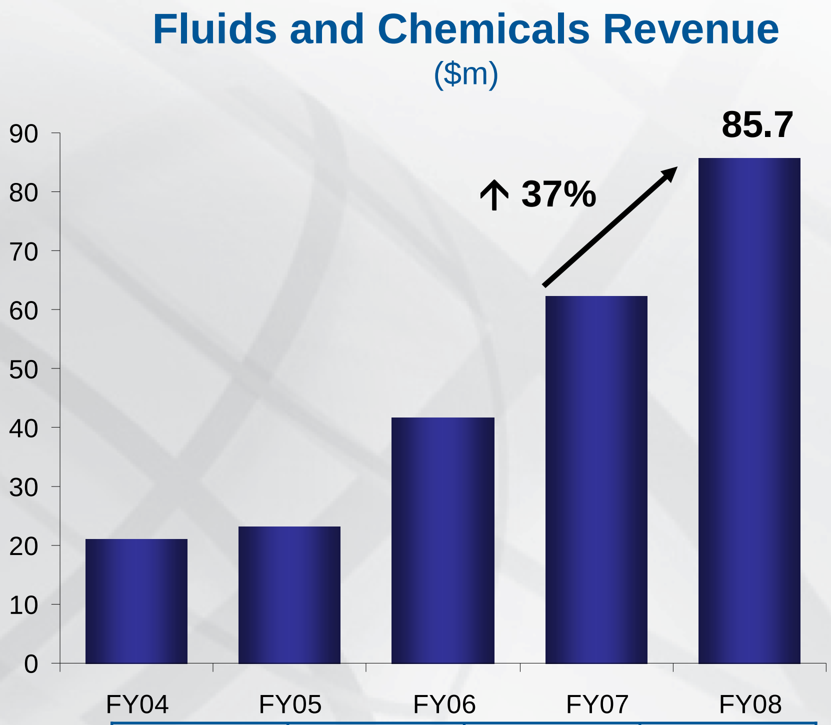
Fluids and Chemicals Division
Global Presence

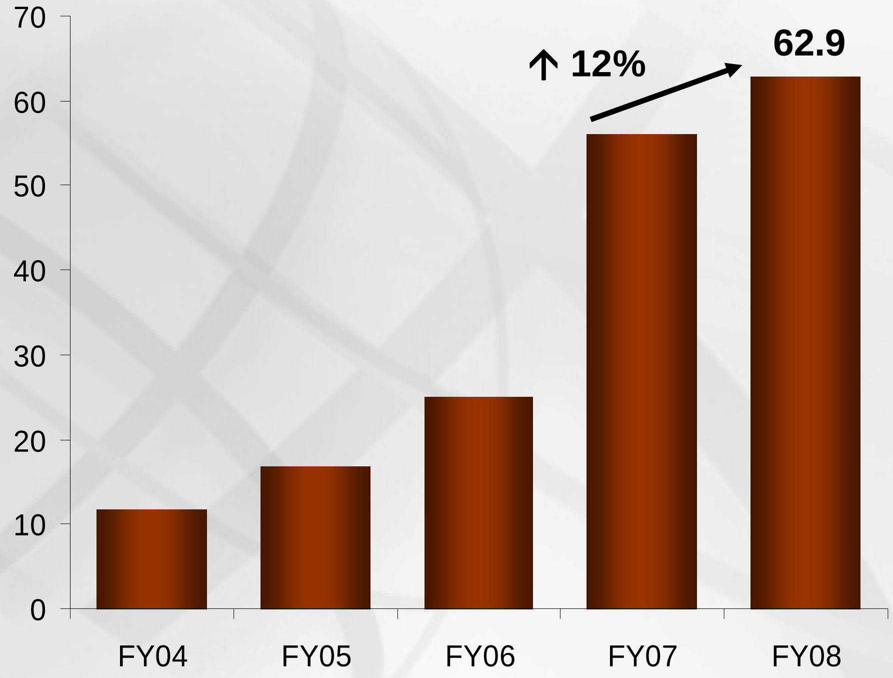


Company	***Country***	***% Acquired***	***Date***
Poly-Drill	*Canada*	*100%*	*1 July 07*
Suay	*Kazakhstan*	*75%*	*1 July 07*
Suay	*Kazakhstan*	*25%*	*30 June 08*
Southernland	*Chile*	*100%*	*1 Nov 07*

- Strong organic growth
- A balanced global presence
- Facilities being upgraded and expanded to reduce costs and meet demand:
  - Samchem (Africa)
  - Southernland (Latin America)
- FY08 margins maintained
- Growth experienced from global alliances
- Strengthened management team to maintain/extend superior customer service

Down Hole Instrumentation Division
Technology Leader

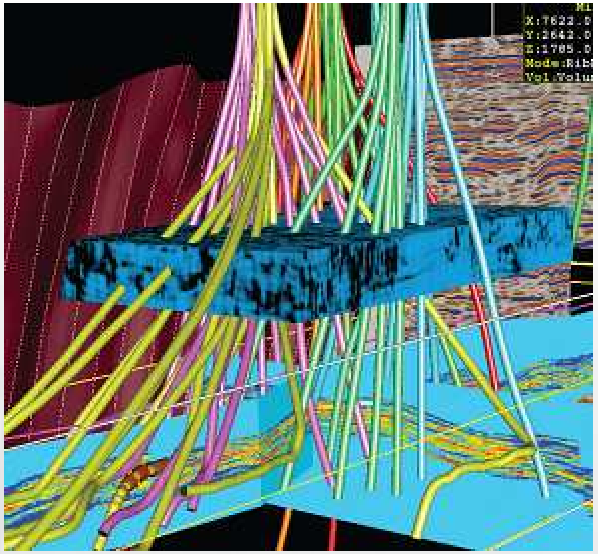
Down Hole Instrumentation Revenue
($m)



- *Divestment of Surtron for $20m cash on 1 Nov 07*
- *Acquisition of 100% of SEG (Germany) 1 Jan 08*

- Gaining entry into oil & gas market with industry specific down hole instrumentation
- Continuing to grow rental business
- Maintained technology leadership:
  - Digital down hole survey instrumentation
  - Electronic core orientation tool
  - MEMS digital, solid state down hole gyro survey system
- Growth experienced from global alliances
- Strengthened management team to maintain/extend superior customer service

Down Hole Instrumentation Division
SEG – Platform for Oil & Gas Market



3D representation of multiple drill holes in close proximity

- Successful integration of SEG
- Strong demand going forward
- Long term supply of gyros secured for Target INS system
- Production capacity is being expanded
- Focussed primarily on rentals
- SEG technology has competitive edge e.g. continuous “on the fly” survey
- Ongoing development of additional technologies e.g. Drop Tool

FY08 Scorecard

	Achieved
▪ Integrate acquisitions	Yes
▪ Deliver organic growth	Yes
▪ Maintain superior customer service	Yes, ongoing
▪ Maintain and extend global technology leadership	Yes, ongoing
▪ Support global alliances	Yes, ongoing
▪ Penetrate oil & gas market – DHI	Ongoing
▪ Become 5th global player in drilling fluids	Ongoing
▪ Dispose of SGE investment	Ongoing

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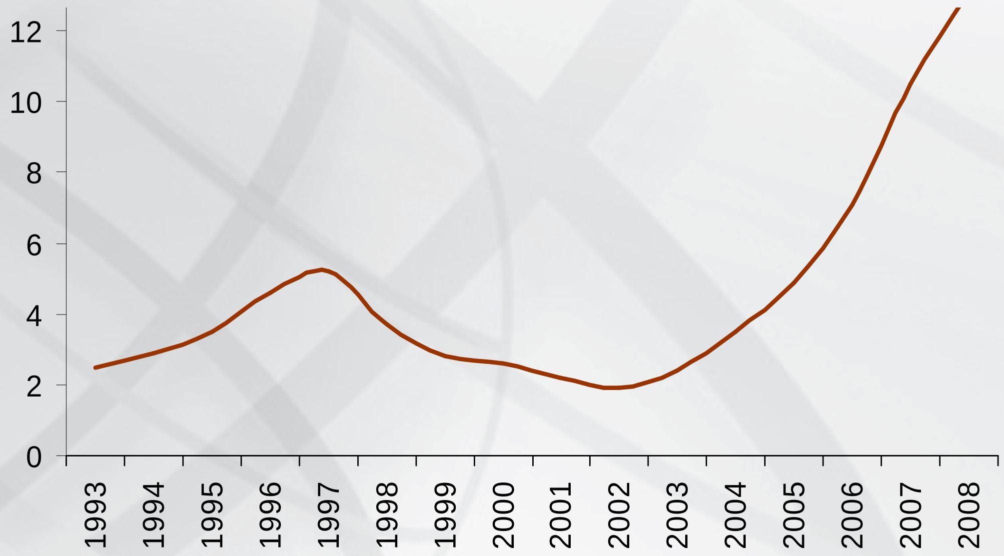
Outlook for Mineral Exploration

Estimated Exploration Spend Worldwide (Non Ferrous)
(US$b)

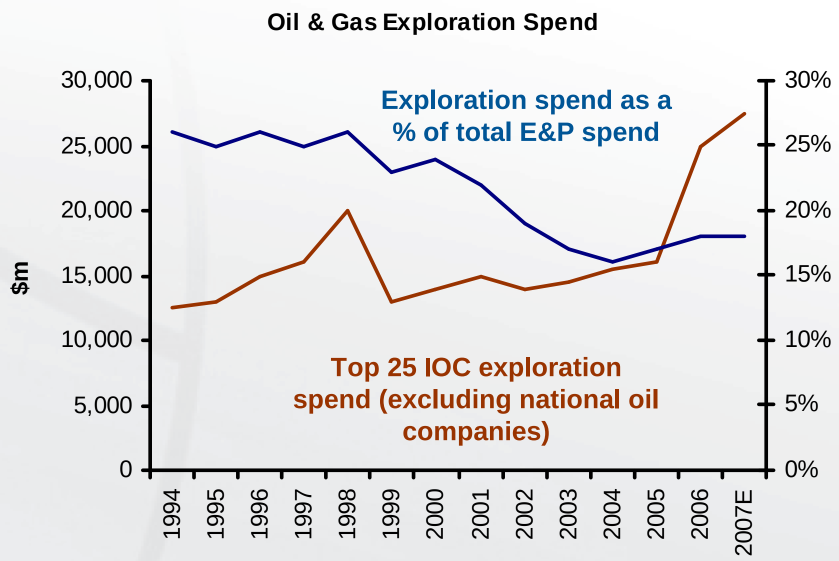


Data from the Corporate Exploration Strategies report of the Metals Economics Group – March 2008

- Record minerals exploration spend and increased production activity
  - US$13.1b in 2008 - up 25% on US$10.5b in 2007
- Strong demand for drilling fluids and down hole instrumentation
- Production capacity constraints – longer for supply to meet demand
  - Deeper and more complicated ore bodies
  - Longer timeframes from discovery to production
  - Rising exploration, development and production costs

Outlook for Oil & Gas

- Strong investment into exploration and development of new reserves
- Significant uplift in exploration spend over past 4 years
- Worldwide exploration spend in 2007 was ~US$332b (approx. 30 times that of minerals sector)
- Interest in new exploration in all parts of the industry – highest for 30 years
- Complex exploration places a premium on technologies that improve performance and reduce risk



Source: SEB Enskilda 2007

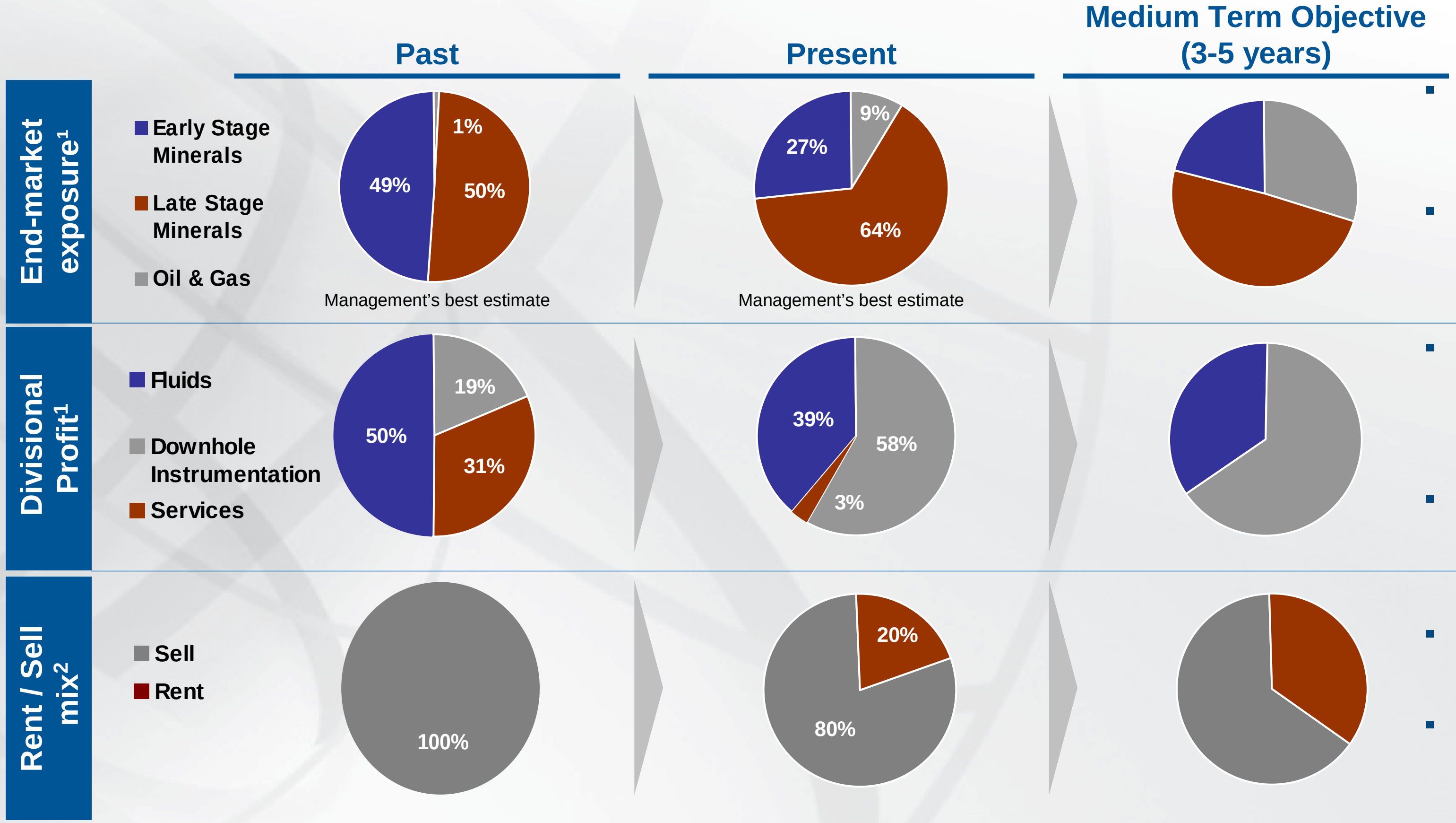
- Imdex is well positioned to benefit from this long-term opportunity through our developing technology portfolio and competitive drilling fluids

Sustainable growth and profitability

- Continue to build strong customer relationships
- Continue to diversify down hole instrumentation into oil & gas industry
- Increase competitive advantage and points of differentiation
- Continue to invest in R & D – instruments easier to operate, more accurate information, multi functional leading to increased productivity for customers
- Expand manufacturing facilities in local jurisdictions – reduces freight/shipping costs
- Continue to implement rental model in down hole instrumentation
- Diligent cost control. Where applicable, pass costs on through price increases
- Business model means profit per employee and EBITA margins highest amongst peer companies

Medium term strategy

Strong relationships, leading technology, sustainable growth and attractive end-markets



- Greater penetration into Oil & Gas markets for both DFC & DHI
- Minerals exploration: majority of Imdex business derived from late stage
- Move away from Services to reduce fixed costs, capital investment and high labour component
- Margin benefit from growing DHI
- Growing DHI rental business
- Rental business returns higher margins and is more sustainable

[1] Based on actual or anticipated EBITA contribution
[2] Based on actual or anticipated Revenue contribution

Summary

- **Attractive market fundamentals**
  - Continued growth in mining and mineral exploration spend
  - Increased drilling in oil & gas with expenditure at 30 year highs
  - Commodity prices expected to drive demand for the foreseeable future
  - Balanced global exposure
  - Imdex supplies three of the world's largest drilling contractors servicing mining and exploration representing about 40% of the global market

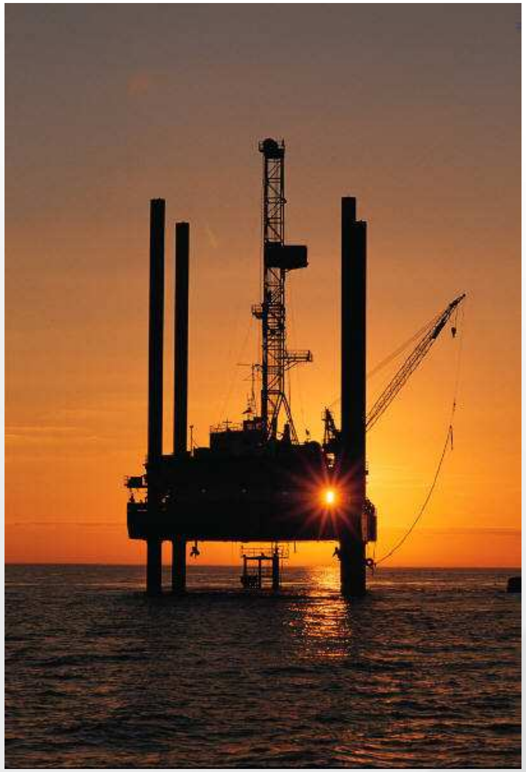
- **Focused divisions**
  - Fluids and chemicals – offers scale
  - Down hole instrumentation – offers scale
  - Further bolt-on acquisitions to be pursued for both divisions

- **Strong business model**
  - Continued implementation of rental model
  - Market leadership using owned IP and ongoing investment in R&D
  - Low capital intensity
  - Own manufacturing
  - Comparatively low staff costs

Summary

- **Strong growth in earnings**
  - FY08 was a record year for Group revenues and profit
  - Fifth successive year of increased revenues and profits
  - Profit margins and profit per employee highest amongst peers
- **Outlook**
  - Strong track record in revenue and profit growth expected to continue in FY09
  - The Board expects the current strong demand for Imdex products to persist and is forecasting revenue growth in FY09 of between 15-20% at similar margins to those achieved in FY08

Strong financial and capital position supports Imdex's strategy of becoming a significant global company in "drilling fluids and down hole instrumentation"



Oil and gas rig

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Appendix – Industry Outlook
Resources

Sandvik Mining & Construction

"2Q08 organic sales growth of 19%"

Atlas Copco Construction & Mining

"24% organic sales growth in 2Q08"

Boart Longyear

"20-25% revenue growth in FY08"

Major Drilling

"4Q08 revenue a new record up 31.8% on pcp"

Layne Christensen

"1Q09 mineral exploration revenues up 37.7% on pcp"

Appendix – Industry Outlook
Oil & Gas

Schlumberger

"2Q08 revenue up 7% on 1Q08 and 20% on pcp

"It appears that customers are responding vigorously to current commodity price levels"

"We therefore reiterate our "stronger for longer" view of the current cycle of exploration and production spending"

Halliburton

"2Q08 revenue was a record $4.5 billion, up 20% on pcp…driven by both increased international activity and strengthening demand in the United States"

Baker Hughes

"Revenue for 2Q08 was up 18% on pcp"

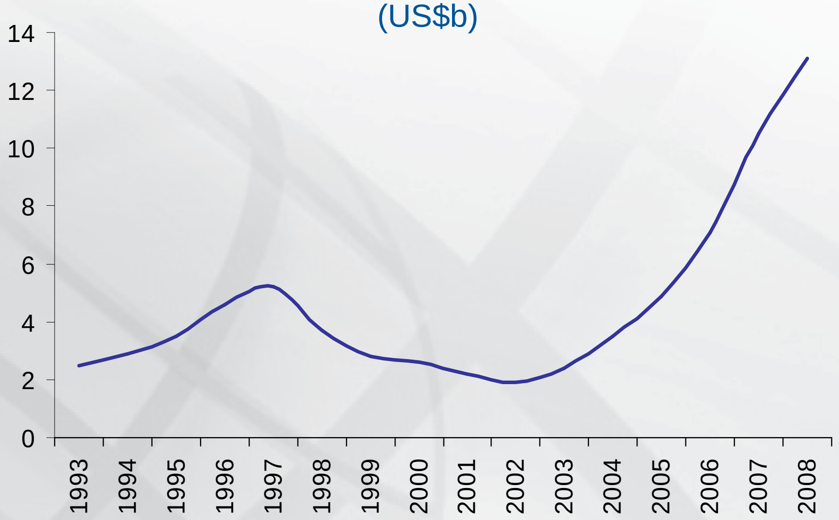
"Looking forward, we continue to see many opportunities…"

Newpark Resources

"2Q08 drilling fluids revenue of US$169.1m, up 29% on pcp"

Appendix - Mineral Exploration Spend

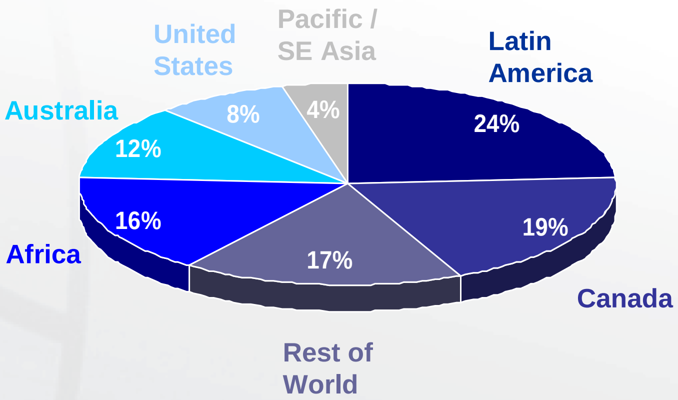
Estimated Exploration Spend Worldwide (Non Ferrous)
(US$b)



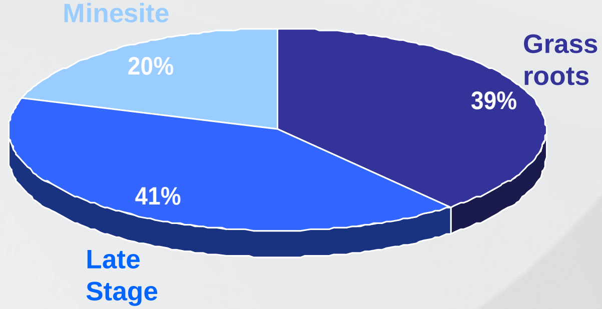
Data from the Corporate Exploration Strategies report of the Metals Economics Group – March 2008

- In Latin America, 83% of expenditure is undertaken in Mexico, Peru, Chile, Brazil and Argentina
- In Africa, major exploration destinations include South Africa, DRC, Angola, Tanzania, Botswana and Ghana representing two thirds of Africa's total spend
- Late stage exploration exceeds grassroots exploration for the third consecutive year

Worldwide Exploration Budgets* by Region 2007 (%)



Worldwide Exploration Budgets* by Stage 2007 (%)



* 1,980 companies' budgets totalling US$11.4B. Source: MEG, Mar 2008

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