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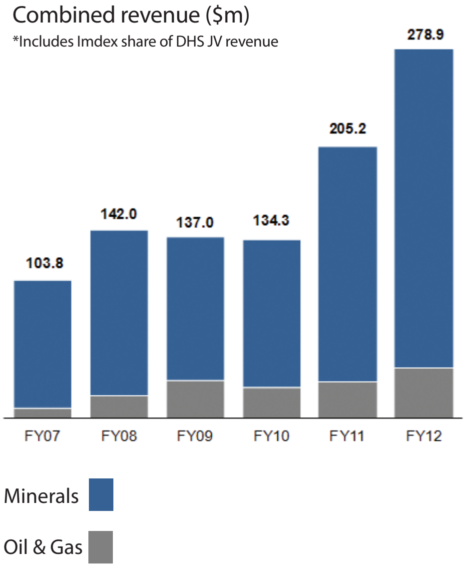
Key Performance Indicators

Combined FY12 revenue	FY12 revenue ($m)	FY12 EBITA ($m)
36%	$278.9	$75.2
up from FY11	Including DHS JV	up 56% from FY11

Combined revenue ($m)
*Includes Imdex share of DHS JV revenue



Record financial results

Dear Shareholders

It is my pleasure to report on Imdex's performance for the 2012 financial year.

The company remained focused on its strategic plan for growth and was rewarded by record financial returns and significant operational achievements.

The company increased its market share in all global regions; achieved record rental levels of its mining downhole instrumentation; successfully integrated three strategic acquisitions; executed a major joint venture within the oil and gas sector; and further enhanced its product range and leading technology.

These accomplishments, coupled with growth in Asia-Pacific, Africa, Europe and the Americas, made positive contributions to Imdex's earnings and laid a solid foundation for further growth in FY13 and beyond.

FY12 Group Financial Performance

- Revenue up 31% to $269.6 million (FY11: $205.2 million)
- Combined revenue (excluding interest) up 36% to $278.9 million (FY11: $205.2 million)
- Earnings before interest, tax and amortisation (EBITA)* up 56% to $75.2 million (FY11: $48.1 million)
- Net profit after tax (NPAT) up 58% to $45.8 million (FY11: $29.0 million)
- Net assets up 34% to $168.1 million (30 June 2011: $125.4 million)
- Operating cash flow (before taxes paid) up 29% to $56.9 million (FY11: $44.0 million)
- Low gearing levels with net debt/capital of 22.3%
- Final fully franked dividend up 45% to 4.00 cents per share (FY11: 2.75 cents per share fully franked)
- Total FY12 dividend up 61% to 7.25 cents per share fully franked (FY11: 4.50 cents per share fully franked)

* Including DHS Energy Services joint venture loss of $1.5 million

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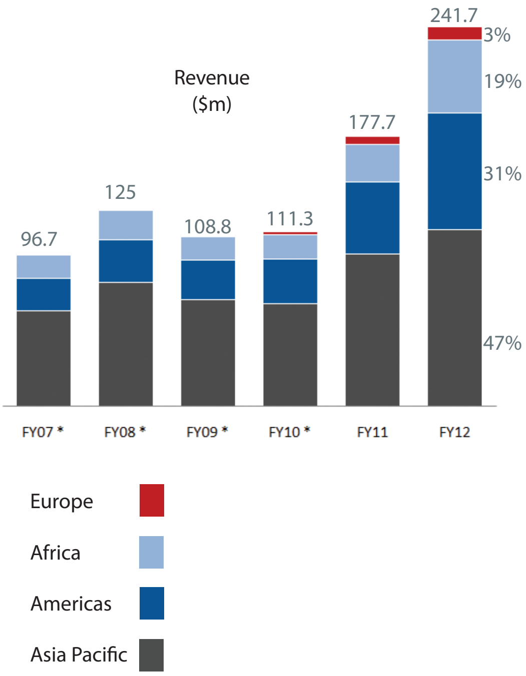
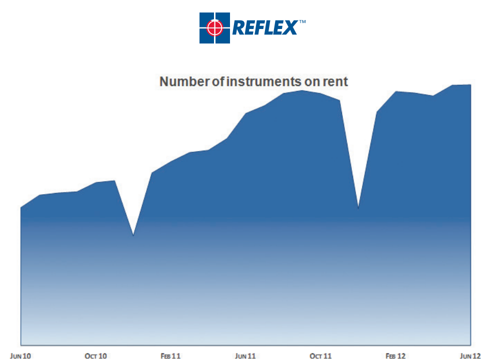
Minerals division revenue ($m)
*Comparative purposes only. Regional structure adopted 1 July 10



Record Reflex rental fleet



Minerals Division

Imdex's Minerals Division consists of the AMC and Reflex businesses. These businesses market drilling fluids, chemicals, solids removal technology and downhole instrumentation to the global minerals industry.

The Minerals Division contributed 87% of Imdex's full year combined revenue and achieved a 36% increase to $241.7 million. Operational EBITA increased 72% to $85.7 million (FY11: $49.9 million).

These excellent results were driven by strong performance in all geographical regions and validate the regional operating structure Imdex implemented in 2010. The structure allows operational efficiencies, better customer support and enhances product cross selling opportunities. Importantly, the benefits generated by the regional structure are expected to continue.

Highlights for the Minerals Division during FY12 included:

- The successful integration of Australian Drilling Specialities (ADS). Imdex acquired the Western Australian based manufacturer of high quality drilling fluids and chemicals, effective 1 July 2011. The acquisition complemented Imdex's existing operations and delivered additional growth opportunities in the mining and oil and gas sectors. Importantly, ADS owns intellectual property for the manufacture of PHPA (polymer), which allows Imdex to establish polymer plants in strategic locations to enhance products and services across the company's global markets. The acquisition was immediately earnings accretive and has merged seamlessly into Imdex's operations.
- The acquisition of Brazilian based System Mud Industria e Comercio Ltda (System Mud), effective 1 August 2011. Like AMC, System Mud is a leading independent drilling fluids and chemicals supplier to the minerals industry in Brazil. The acquisition significantly strengthened Imdex's position in Latin America and aligned with the company's strategy of further expanding its drilling fluids and chemicals business in under-penetrated regions.
- Record Reflex rental fleet levels. These exceptional results confirm strong demand for Reflex's superior technology, which will be further enhanced with the release of new products in FY13 and beyond.
- Active product development of Reflex's existing range of downhole instrumentation including the Reflex ACT III RD, Reflex ACT HT, Reflex HT Gyro and Reflex HT Ez-Trac. As with all leading technologies, product refinement is a continuous and consultative process. Imdex maintains its technological leadership by investing in the longevity of its products, ensuring they provide the most efficient and accurate results for customers.

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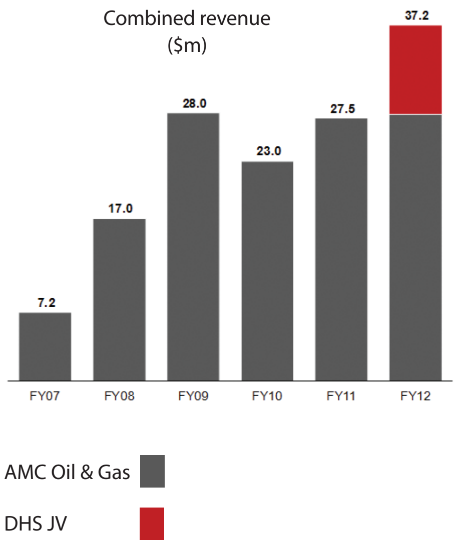
- Development of new instrumentation including the Reflex Ez-Gyro and Reflex Smart Barrel. The Reflex Ez-Gyro is a unique patented north seeking gyro utilising new technology for mineral exploration. The Reflex Smart Barrel is an advanced coring tool that allows operators to control deviation and steer the hole accurately while collecting core samples. Both these revolutionary instruments will significantly enhance the efficiency of operations that are demanded by customers. The Reflex Ez-Gyro and Reflex Smart Barrel will be released to the market in FY13.
- Refinement and commercialisation of the solids removal technology. The Solid Removal Units (SRUs) were released to the Australian market in late FY12 and are expected to generate significant revenue once marketed globally in FY13. Imdex will capitalise on its first mover status and the significant interest, predominately shown by the majors, in this innovative technology.

Oil & Gas division revenue ($m)
*Includes share of DHS JV revenue



Oil & Gas Division

Imdex's Oil & Gas Division consists of AMC Oil & Gas and DHS Energy Services (DHS). These businesses provide drilling fluids, production and completion chemicals, and downhole survey services to the global oil and gas industry.

Imdex's Oil and Gas Division contributed 13% of Imdex's full year combined revenue and achieved a 36% increase to $37.2 million. Operational EBITA was a loss of $6.2 million, largely due to AMC Oil & Gas. The Division's performance is expected to increase significantly in FY13 and beyond, due to the acquisition of significant revenue generating assets in this sector and a number of changes/ additions to the personnel.

A considerable investment was committed to the consolidation and development of AMC Oil & Gas Europe to position it for growth in FY13. This investment included securing key personnel, equipment and ISO 9000 accreditation, enabling the company to participate in additional contract tenders.

Highlights for the Oil & Gas Division during FY12 include:

- The successful integration of AMC Oil & Gas Europe. Imdex acquired the German based drilling fluids and equipment business effective 1 March 2011. The strategic acquisition was made to enhance Imdex's product range, expertise and exposure to the oil and gas and geothermal industries in Europe, an area that has attractive growth opportunities.

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- The acquisition of US based oil and gas downhole survey provider Vaughn Energy Services by DHS Services (DHS), Imdex's oil and gas services joint venture, effective 1 January 2012. This exciting acquisition positions DHS as a leading global competitor in the US$400-$500 million annual oil and gas downhole survey market. The acquisition offers numerous other benefits to Imdex including the transformation of DHS into a significant global force in the oil and gas downhole survey market and facilitating entry into the US onshore oil and gas market which represents approximately one third of the global market. This acquisition also provides diversification and enhancement of DHS's geographical footprint, range of technologies and customer base. The acquisition was immediately earnings accretive and supports Imdex's strategy of generating approximately 30-40% of revenues from the oil and gas market within the next 3-4 years. The combined business has excellent growth prospects in the US onshore oil and gas market as well as the offshore and onshore international markets, and is expected to generate significant revenue in FY13.

Operational Update

Customers embrace SRU benefits

Following the commercialisation of Imdex's Solid Removal Units (SRUs) in the Australian market in late FY12, the Company has received positive feedback from customers, including leading global drilling services provider Boart Longyear and Australian based Terra Drilling.

Imdex's SRUs, marketed by AMC, are designed to facilitate solids removal and fluid property management. The SRUs meet customer demand by reducing the site footprint, impact on the environment and site set-up and remediation costs. In addition, the highly mobile units have demonstrated reduced water consumption and abrasion, which causes costly wear and tear of drilling components.


AMC SRU on site, Western Australia


AMC SRU on site, Western Australia

Commenting on the performance of the SRU at two separate sites in Australia, Boart Longyear's Drilling Services Operations Manager, Mr Des Forde said:

"We have found the unit to be very efficient, enabling us to drill a 1200 metre NQ hole without sumps."

This above average hole depth is the deepest drilled with the SRU. The hole was drilled without the need for traditional sumps, fluid dumping, or dilution, which significantly increase the size of the site and impact on the environment. The SRU successfully removed the solids from the drilling fluid and Boart Longyear experienced trouble free operations.

Mr Forde added, the SRU provided an excellent solution for mining companies drilling in environmentally sensitive areas that require minimum disturbance.

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"We believe that AMC's SRUs will play a key role in the future of all drilling programs where a small footprint is required," said Mr Forde.

Mr Jeremy Dowdall, Director and Operations Manager from Terra Drilling, supported Mr Forde's sentiments.

"Terra Drilling has been using the latest SRU from AMC to complete 13,000 metres of drilling for Cliffs Natural Resources. The drilling was in environmentally sensitive conditions, as the majority was on active farming property.

"Since we started using AMC's SRU we can safely say we have access to a sump-less drilling solution. If this technology was not available, the drilling quite possibly would not have gone ahead, and if it did, there would have been major complications," Mr Dowdall said.

He added that Terra Drilling's clients were also impressed with the simplicity of the unit and its safety aspects.

Mr Dowdall said he believed the future in diamond drilling will be a totally closed loop system. Terra Drilling plans to have an AMC SRU available for each of its rigs over the next 12 months.

Throughout FY13 Imdex will expand its SRU rental fleet in Australia and internationally to meet growing demand from customers.

Energy Sector Demands SRUs

AMC Oil & Gas enhanced its product offering by providing solids removal equipment within its packages. Customer requests for such equipment have resulted in Imdex sourcing additional manufacturing facilities to meet increasing demand.

Equipment is currently being supplied through Imdex's recent acquisition, Mud Systems Singapore (effective 1 January 2012) and AMC Oil & Gas, Europe. The acquisition of Mud Systems provided Imdex with immediate access to a specialist manufacturer of centrifuges and industry experts, will assist the global roll out of Imdex's SRUs. The acquisition was paid for by the issue of 500,000 fully paid Imdex shares.

World-Class Technology

Imdex maintains a policy of investing in targeted research and development to offer superior world-class technology to its customers. To achieve this, a rigorous process of testing, customer feedback and ongoing development is required. Throughout FY12 Imdex continued to refine its gyro technology for the oil and gas sector, which is used by Imdex's DHS Services joint venture, the third largest survey company within the oil and gas industry.

The global market for oil field surveying remains robust and significant opportunities for growth have been identified. The enhanced geographical footprint of DHS, range of technologies and customer base, places the joint venture in a strong position to capitalise on such an environment.

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Enhancing Customer Support

Imdex is in the process of establishing a new base in Ghana, West Africa. This base will provide representation for both AMC and Reflex in a region demonstrating high growth potential. Both companies have appointed key staff in Accra Ghana.

AMC and Reflex will be able to provide enhanced services to their customers in an area where a growing need for greater technical support has been identified.

The Ghana base will provide considerable cost and time savings to Imdex's customers in the region who will be able to have their Reflex instruments serviced locally. This avoids the need to transport instruments to South Africa for repair.

The company has also engaged a French speaking Ghanaian national to help drive business and improve communications in the Francophone countries of the region, where interactions have traditionally been challenging.

The combined effect of these enhancements is a superior level of customer service in the region which is providing both AMC and Reflex with a significant competitive advantage.

Corporate News

At a corporate level, significant achievements were made to enhance employee engagement, employee development programmes and workplace health and safety.

In keeping with Imdex's policy of attracting and retaining employees who share the Company's values of hard work, continual improvement, technical excellence and equity within the workplace, the company carried out the following initiatives throughout FY12:

- Implementation of a new global loyalty programme
- Completion of an employee engagement survey
- Implementation of a learning management system to track and manage employee training and development
- Development of a new employee induction programme to provide all employees with a greater understanding of the company, products, markets, customers and values
- Updated Imdex's performance management process, with local language versions prepared for Germany, Kazakhstan, Chile, Romania and South Africa
- Updated Imdex's Code of Conduct in relevant local languages.

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Mr Gary Weston (right) receives his 25-years of service award from Managing Director, Bernie Ridgeway

Loyalty Programme

Imdex launched its new global employee loyalty programme in April 2012. The programme was created in order to recognise and reward the dedication of long-term employees. Eligible employees are rewarded with incremental bonuses that are announced quarterly. In June, 49 employees received five year rewards; nine employees received 10 year rewards; two employees received 15 year awards; one employee received a 20 year reward; and Mr Gary Weston, the original Managing Director of Imdex, received a 25 year reward.

Workplace Health and Safety

During the 2012 financial year, Imdex and subsidiaries, AMC, Reflex and Imdex Technology, successfully maintained certification to ISO9001:2007 globally. The Company's facilities at Osborne Park and Kwinana (including AMC Asia-Pacific, Reflex Asia-Pacific and Imdex Technology) also maintained certification to the internationally recognised Occupational Health and Safety standard OHSAS18001:2007.

The Company transferred its various ISO certifications bodies around the world to Société Générale de Surveillance (SGS). SGS is the largest certification body in the world and provides a number of additional benefits including reduced costs and enhanced reporting and auditing systems.

Imdex maintained its excellent safety record throughout FY12. The Company's Lost Time Injury Frequency Rate (LTIFR) was below the strict Western Australian WorkSafe benchmark for Services to the mining industry and in line with the WorkSafe benchmark for oil and gas globally.

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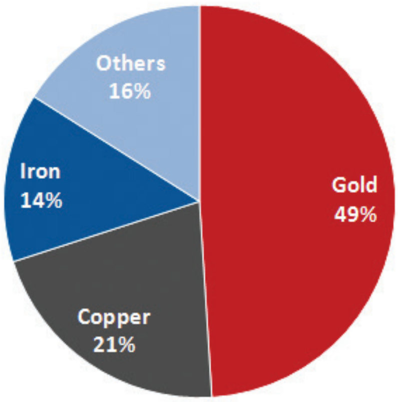
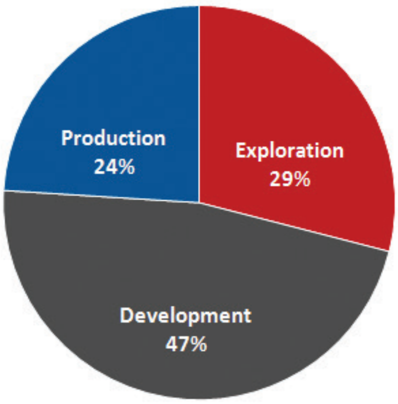
FY12 Minerals revenue ($m)

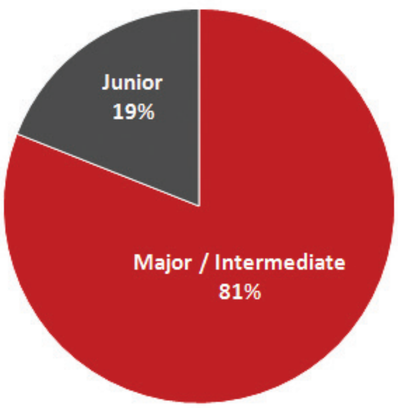
Majority of minerals revenues from development and production phases by major/intermediate companies



Commodity



Stage



Customer

Positive Outlook for FY13

Despite the uncertainty attributed to European sovereign debt and the state of the Chinese and US economies, the fundamentals driving Imdex's core markets remain positive.

- Gold and copper prices, which have the greatest impact on Imdex's revenue, are above their long term averages
- Based on forecasts by the Metals Economic Group, a respected worldwide minerals information consultancy, exploration expenditure for non-ferrous metals is expected to be robust in the 2013 calendar year
- The major/intermediate resource companies continue to report plans for significant expenditure
- The oil and gas sector remains strong, largely buoyed by Asian demand. Such demand is likely to continue due to a deficiency in significant discoveries and diminishing accessible reserves. This is good news for Imdex, as exploration/production companies must use fluids and advanced technology to ensure optimum levels of effectiveness and efficiency in their operations.

Imdex's FY12 Minerals revenue is broad based and sustainable with the following key features:

- 70% is from gold and copper projects, and approximately 15% from iron ore projects
- 70% is from development and production phases
- 80% is from major/intermediate resource companies
- In excess of 50% is from outside of Australia.

When combined with Imdex's expanding oil and gas presence I am confident the Company is in a strong position to grow its business and yield returns for shareholders in FY13.

Imdex's solid balance sheet provides it with the ability and the capacity to advance growth initiatives, which has proven to be of significant benefit in the past. This strategy should counter the market softening caused by the junior exploration companies conserving cash.

Key Priorities for FY13

Imdex will maintain its strategy of growing its global business, expanding into new markets, particularly oil and gas; maintaining product leadership through investment in research and development; increasing rental based revenue; and achieving operational efficiencies. More specifically, the company will focus on the following key growth areas:

- Manufacturing and marketing its SRUs through Imdex's global distribution channels
- Commercialising newly developed products, the Reflex Ez-Gyro and Reflex Smart Barrel

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- Increasing geographical market share in under-penetrated regions such as Canada, Latin America, Africa, the United States and Europe
- Utilising Imdex's specialist technical expertise and product development laboratories to enhance existing and develop new drilling fluid products and downhole instrumentation for the minerals and oil and gas markets
- Further expanding of Imdex's capabilities and presence in the global conventional and unconventional oil and gas and geothermal markets

Imdex has experienced extraordinary development over the past seven years. It has significantly increased its geographical presence, with greater than 60% of employees based outside of Australia; successfully gained market share in under-penetrated regions; expanded its presence and opportunities for growth in the oil and gas market; diversified its global customer base and developed a range of drilling fluids, associated equipment, and downhole instrumentation to support customers operating at every stage of the mining cycle.

What remains unchanged is Imdex's commitment and ability to deliver leading technology and superior customer service.

Bernie Ridgeway

Managing Director

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About Imdex Limited

Imdex is an ASX listed industrial company (ASX: IMD) included in the S&P/ASX 200 Index, with market capitalisation of $366 million, and 543 employees (these figures are as at 30 June 2012).

Imdex Limited is a leading provider of drilling fluid products and advanced downhole instrumentation to exploration, development and production companies in the minerals and oil and gas sectors worldwide. The company's strength is derived from its global operations, superior customer service and leading technology.

The company supports a diverse range of customers at all stages of the mining cycle, from junior explorers to major producers across a wide range of commodities. To provide optimal service to these customers, Imdex has operational centres in key mining regions of the world, including: Asia-Pacific, Africa, Europe and the Americas.

Imdex's commitment to ongoing research and development maintains the Company's product leadership and unrivalled technology. The Company's range of fluids products and instrumentation are continuously refined to ensure the most efficient operations for its customers.

Imdex News – Shareholder Newsletter

Imdex News is published quarterly to keep the Imdex's valued shareholders up-to-date on performance and operational highlights.

Your feedback and questions are always welcome.

Please send all investor communication to Imdex Group Marketing and Communications Manager, Mr Ben Vorster at ben.vorster@imdexlimited.com. Alternatively contact Imdex Managing Director, Mr Bernie Ridgeway or the Chief Financial Officer and Company Secretary, Mr Paul Evans on +61 8 9445 4010.