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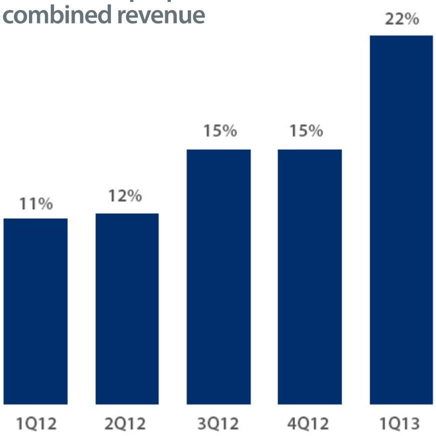
Key Performance Indicator

Combined 1Q13 revenue
= $73.7 million
up 2% on 1Q12

Oil and Gas proportion of combined revenue



Oil & Gas Division proportion of combined revenue grew significantly in 1Q13

Oil and Gas Growth Contributes to Record Revenue

Dear Shareholders,

I am pleased to present Imdex's first shareholder newsletter for the 2013 financial year (FY13). The company performed well during the first quarter (1Q13) delivering a record combined quarterly revenue for the Imdex Group and a turnaround in the performance of the Oil & Gas Division.

Group financial performance

The headline unaudited numbers for 1Q13 were:

- combined revenue (excluding interest) of $73.7 million (1Q12: $72.3 million and 4Q12: $72.5 million)
- earnings before interest, taxes and amortisation (EBITA), including DHS joint venture result, of $16.6 million.

During 1Q13 Imdex experienced:

- a change in mix of business towards oil and gas
- a ramp up in business resources and capability to tackle new initiatives such as solids removal units (SRUs) and oil and gas expansion
- the reduction in the minerals business driven mostly by the juniors.

A number of important initiatives are underway to improve EBITA margins in the future:

- increased roll out of the SRUs globally
- introduction of the EZ-Gyro to the global minerals market
- market share growth in all four major mining regions of Asia Pacific, Africa, the Americas and Europe
- fixed cost leverage as the company grows revenue in AMC Oil & Gas
- operational and efficiency initiatives
- integration of ioGlobal.

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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.

Imdex's Minerals Division contributed 78% of the company's combined revenue for the quarter and recorded revenue of $57.3 million. This result represents a 7% decrease on the previous quarter (4Q12: $61.4 million).

Some reduction was evident within the minerals market within the junior exploration end due to the current cyclical industry slowdown. However, it is important to note the major and intermediate resource companies, that account for the majority of Imdex's business, underpinned the performance in the quarter. Having said that, Imdex has seen some reduction by the major and intermediate resource companies entering 2Q13. However, encouragingly, some signs of renewed capital raising activity by the juniors has also been evident more recently.

Highlights for Imdex's Minerals Division during 1Q13

- Imdex is experiencing continuing strong demand for it's innovative SRUs. The company's SRUs were released to the Australian market in late FY12. During 1Q13, units were dispatched to international operations with deployment to clients planned towards the end of the calendar year or early calendar 2013. Imdex is on track to reach the target of a minimum of 50 rented units by the end of FY13.
- The ongoing development of Imdex's underground SRUs has seen these units become smaller and more compact, which allows them to be used effectively in confined spaces. This unique and proven technology is generating significant customer interest and will contribute additional rental revenue once released to the market later in FY13.
- The Reflex-Gyro, a unique patented north seeking gyro utilising new technology for mineral exploration, has undergone further development. Imdex has maintained its technological leadership by investing in research and development to offer superior technology to its customers. To achieve this, a rigorous process of testing, customer feedback and ongoing development is being undertaken. Once released to the market in FY13, Imdex's Reflex Gyro is expected to boost Reflex's rental fleet and revenue stream.

Reflex Gyro lab test

The Reflex Gyro undergoing testing in the field

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Oil & Gas Division

Imdex's Oil & Gas Division consists of AMC Oil & Gas and a 30% share of 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 & Gas Division contributed 22% of Imdex's combined revenue for the quarter, generating revenue of $16.4 million. This result represents a 48% increase on the previous quarter (4Q12: $11.1 million).

Imdex's strategy is to generate 30–40% of its total revenue from the oil and gas sector within three to four years. The record revenue and EBITA generated by the Division over 1Q13 show that it is gaining traction in the market and moving closer to it's target business split.

Imdex's Oil and Gas Division contributed 22% of Imdex's combined revenue for the quarter

Highlights for Imdex's Oil & Gas Division during 1Q13

- Strong performance and record results were achieved by AMC Oil & Gas Asia Pacific and AMC Oil & Gas Europe. As reported in the August 2012 edition of *Imdex News*, significant investment was committed to the consolidation and development of AMC Oil & Gas Europe to position it for growth in FY13. This investment enabled key personnel to be secured, necessary equipment to be acquired, and ISO 9000 accreditation, all of which have allowed the company to participate in additional contract tenders. It is pleasing to report this investment has already yielded additional revenue, a trend that is expected to continue quarter on quarter in the future.
- Continuing strong revenues and EBITA performance by DHS.
- Further consolidation of Imdex's DHS Dubai operations that currently represent approximately 10% of revenue for the Joint Venture. As with AMC Oil & Gas Europe, Imdex has made a substantial investment in preparing its Dubai operations for future growth. The consolidation has progressed well and a positive EBITA is forecast in 2H13 and onwards. It is important to note that this consolidation has centred on the Dubai division of DHS only, the overall DHS joint venture continues to trade profitably due to the strong performance by Vaughn Energy Services in the USA.
- Successful commercial deployment of Imdex's Target INS tool, an advanced downhole survey instrument, in the US land based oil and gas industry. The joint venture expects to expand the INS business in the US land based oil and gas market during FY13 and beyond.
- The successful deployment of Vaughn technology in the Middle East oil and gas market. DHS, Imdex and Vaughn are jointly continuing to enhance and develop advanced instrumentation for the global oil and gas industry. The synergies between the companies remain very exciting as the integration of expertise, capabilities and technology progresses.
- Substantial investment in the manufacture of solids control equipment and waste management equipment at Imdex's Australian and German facilities for rental or sale throughout Asia-Pacific and Europe. It is anticipated that this equipment range will make a significant contribution to the Division's revenue as the number of available units increase in the future.

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Operational Update

Imdex welcomed by Industry Research Cooperative

Imdex recently became one of the two industry services providers to join the Australian-based Deep Exploration Technologies Cooperative Research Centre (DET CRC).

The DET CRC was founded in 2010 following an industry roadmap developed by AMIRA International Ltd, an independent association of minerals companies, which develops, brokers and facilitates collaborative research projects.

The principal focus of the DET CRC is to address diminishing mineral resources brought about by high production rates and fewer mineral exploration successes in recent years. Based on a statement released by the DET CRC, mineral resources constitute approximately 50% of Australia's exports and 80% of production is from mines discovered more than 30 years ago. The DET CRC statement also noted:

> *"The vast majority of Australia's existing mines are located where basement is outcropping or shallow. In order to ensure the future of mining in Australia, and indeed in all the more heavily explored countries of the 'western world', new technologies must be developed to explore to greater depths, and under cover, in the vast, prospective areas of deep, covered basement."*

Testing underway in Imdex's advanced research and development facility

Imdex's advanced research and development capabilities, together with its driving philosophy to increase the effectiveness of drilling programmes to meet the world's future demands for minerals and oil and gas, align with the DET CRC's needs and objectives.

Imdex welcomes the opportunity to work collaboratively with like-minded individuals and organisations to develop innovative solutions to these industry challenges. Similarly, DET CRC CEO Professor Richard Hillis was enthusiastic about Imdex's participation.

"Imdex's expertise, for example in downhole navigation, downhole motors and drilling muds, will provide significant extra horsepower towards our Next Generation Drilling Technologies Project," said Professor Hillis.

With $120 million of cash and in-kind funding from the Commonwealth Government of Australia and its participants, the DET CRC is the world's best-supported independent research initiative in mineral exploration.

Imdex is contributing support through one of its innovative SRUs installed permanently at the DET CRC's test drilling site located in South Australia, use of its laboratory facilities, researcher hours for specific projects, and the supervision of two PhD students.

Other industry participants supporting DET CRC include: Anglo American, Barrick Australia, BHP Billliton, Boart Longyear, Goldfields, Newcrest, Vale and the Department of Primary Industries and Regions, South Australia.

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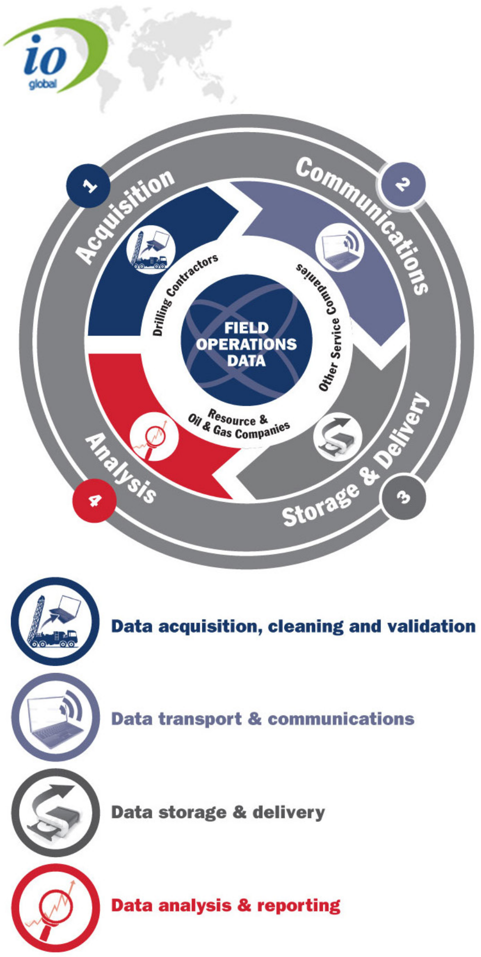

The acquisition of ioGlobal is expected to provide significant growth opportunities for Imdex

Acquisition of ioGlobal

On 18 October 2012 Imdex announced that an agreement had been reached for the acquisition of Perth based ioGlobal Pty Ltd and ioAnalytics Pty Ltd (together ioGlobal), a provider of innovative cloud-based data management solutions for the mining, mineral exploration and oil and gas industries.

ioGlobal will provide a range of significant growth opportunities by enhancing Imdex's product offering and broadening its customer base to include additional resource companies and mining service providers. A key feature of ioGlobal's highly differentiated technology is its ability to enhance Reflex's value proposition, by allowing customers to receive advanced directional data in a timely and user-friendly format – directly from the rig to the office.

This strategic, bolt-on acquisition is consistent with Imdex's growth strategy of being a provider of market-leading technology and solutions for the mining and oil and gas industries. The acquisition will integrate well with Imdex's existing business and will generate additional and diversified revenue with excellent prospects for further growth.

Introducing ioGlobal

ioGlobal, is a Western Australian based company with its head office in Perth, and another two offices in Melbourne and Vancouver. The company provides innovative software-as-a-service data management solutions primarily to the mining and exploration industries.

ioGlobal's innovative technology brings the drill-site to the office. Its principal product, ioHUB, is a full-service solution for the management of drillhole, assaying and associated data during exploration and mining. It is designed to be simple to maintain at the rig or in the office. Customers collect data in the field, submit it to ioHUB, obtain immediate validation feedback, and then access validated and merged data via a secure, configurable web portal. ioHUB also has a suite of complementary modules for the acquisition and paperless management of environmental, training, maintenance, safety and shift reports.

ioGlobal complements Imdex's existing product offering, expands its customer base, and offers excellent growth prospects within the mining and oil and gas sectors.

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AMC stand at the ADIA Drill 2012 Conference in Adelaide

Strong interest generated in new technology

AMC and Reflex recently exhibited at the ADIA Drill 2012 conference in Adelaide (19–21 September 2012) and the MinExpo in Las Vegas (24–26 September 2012).

The Australian Drilling Industry Association (ADIA) represents some 750 drilling contractors, suppliers, consultants and associated organisations operating within mineral exploration, mining, water-well, geotechnical and environmental sectors. ADIA's bi-annual Drill conference is regarded as Australia's premier drilling industry event.

MinExpo is one of the largest international mining shows. More than 1,800 exhibitors showcased their latest technology, equipment and services for the mining industry.

Both events were well attended and generated significant interest for Imdex's SRUs and new downhole instrumentation and drilling fluid products.

FY12 Annual Report

Imdex's Annual Report is available on the company's website as a downloadable PDF under the Investor section. Hard copies may also be obtained by contacting Imdex's Marketing Manager, Ms. Kylie Kniepf, kylie.kniepf@imdexlimited.com or +61 8 9445 4010.

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FY13 Outlook

Imdex remains cautiously optimistic about the outlook for the balance of FY13. Many of the underlying fundamentals that impact Imdex's business are positive. Gold and copper prices remain above long-term averages, the iron ore price has recovered to trade in the range of $100–$120 per tonne, and drilling rig utilisation rates amongst the major drilling contractors remain solid.

Imdex's commitment to its strategy for growth has developed a strong technology based company with the resources and capabilities to continue to perform during normal cyclical slowdowns associated with the resources industry. The strategy of developing a business in the oil and gas sector is sound.

The company has significantly increased its geographical presence, successfully gained market share in under-penetrated regions, expanded its presence and opportunities for growth in the oil and gas market, diversified its customer base (with 80% of revenue now generated from major and intermediate resource companies) and developed a range of drilling fluids, associated equipment, and downhole instrumentation supporting customer operations at every stage of the mining cycle.

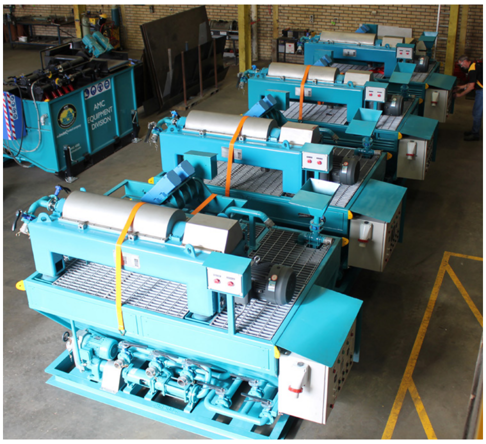
In addition, Imdex is progressing a number of initiatives that are expected to generate future revenue growth. These initiatives include:

- manufacturing and marketing the company's SRUs via Imdex's global distribution channels
- commercialising Imdex's newly developed downhole survey instrument for the minerals industry, the Reflex EZ-Gyro
- increasing Imdex's 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 expansion of Imdex's capabilities and presence in the global conventional and unconventional oil and gas and geothermal markets
- strategic, bolt-on acquisitions such as ioGlobal, which are earnings accretive and provide excellent growth opportunities when combined with the Imdex group.

Yours faithfully

Bernie Ridgeway

Imdex Limited, Managing Director



The new Solids Removal Unit (SRU) ready for shipment

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About Imdex Limited

Imdex is an ASX listed industrial company (ASX: IMD) and is included in the S&P/ASX 200 Index. The company has a market capitalisation of $337.3 million and 559 employees (as at 30 September 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 technologies.

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 technologies. 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 Imdex's valued shareholders informed of the company's performance and operational highlights.

Your feedback and questions are always welcome. Please send all investor communication to Imdex's Marketing Manager, Ms Kylie Kniepf at kylie.kniepf@imdexlimited.com.

Alternatively contact Managing Director, Mr Bernie Ridgeway or the Chief Financial Officer and Company Secretary, Mr Paul Evans on +61 8 9445 4010.