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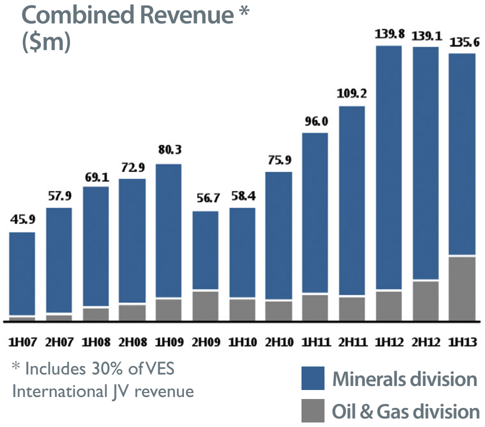
Key Performance Indicators

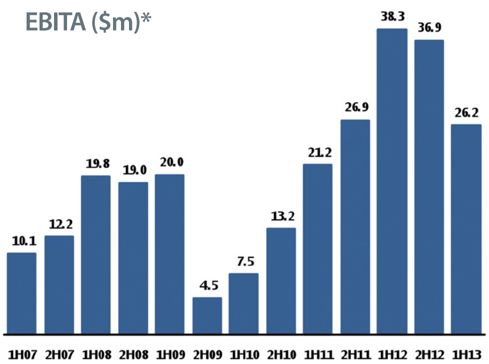
Combined 1H13 revenue	Oil & Gas Revenue	Minerals Revenue
3%	111%	18%
down from 1H12	up from 1H12	down from 1H12

Combined Revenue *
($m)



* Includes 30% of VES International JV revenue

EBITA ($m)*



*Includes equity accounted VES International JV result

Solid 1H13 results with record Oil & Gas revenue

Once again it is my pleasure to bring you our company's newsletter, covering the first half of the 2013 financial year (1H13).

Imdex's combined revenue for 1H13 was down marginally from the record result achieved in the prior corresponding period (1H12). The cyclical slowdown of the minerals business was more pronounced in the second quarter (2Q13), which negatively affected the result for the half.

While trading conditions within the minerals sector were challenging during 1H13, there are early signs of increasing activity, together with growing confidence the current minerals cycle may have bottomed. This is supported by industry forecasts, customer feedback and a return to increasing utilisation of Reflex's rental fleet. At 8 February 2013 the number of instruments on active hire was up 56% from the low point at 31 December 2012.

I am pleased to report Imdex's Oil & Gas Division has continued to improve and achieved a record half yearly revenue result. Oil and gas revenue for 1H13 contributed 25% of Imdex's total revenue (1H12: 11%). These results are encouraging and demonstrate the benefits from our investment in this area of the business. We are now well progressed on our strategic goal of generating 30-40% of revenues from the oil and gas sector within the next two to three years.

Other noteworthy achievements throughout 1H13 include the acquisition of ioGlobal and continued product development within Imdex's Minerals and Oil & Gas Divisions.

Group Financial Performance

- Combined revenue (including Imdex's share of VES International joint venture revenue) of $135.6 million, down 3% from the record revenue achieved in the previous corresponding period (1H12: $139.9 million);
- EBITA (including equity accounted VES International joint venture result) down 32% to $26.2 million from the record result achieved in the previous corresponding period (1H12: $38.3 million);
- Minerals gross margins maintained;
- Net profit after tax down 27% to $16.6 million (1H12: $22.7 million);
- Pre-tax operating cash flow up 8% to $35.9 million (1H12: $33.2 million);
- Further strengthened balance sheet with low gearing, net debt / capital ratio of 23%; and
- An interim dividend of 2.50 cents per share fully franked (1H12: 3.25 cents per share).

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During the 1H13 Imdex experienced:

- A cyclical slowdown in the minerals sector, earlier Christmas slowdown and a longer seasonal shutdown;
- Increased share of revenue from oil and gas. This revenue stream has lower exposure to the cyclical nature of the minerals industry and offers significant growth potential;
- Progress on consolidation of Imdex Technology Germany to California; and
- Continued investment in business resources and capability to advance new initiatives including Imdex's solids removal units (SRUs), oil and gas growth and expansion into niche markets.

The company is advancing a number of initiatives and leveraging its existing assets to improve EBITA margins in the future including:

- Extensive marketing of its innovative SRUs globally;
- Continued integration and growth of ioGlobal;
- Introduction of new technologies in both the Minerals and Oil & Gas Divisions;
- Market share growth in key international markets;
- Implementation of operational, efficiency and cost initiatives; and
- Fixed cost leverage as activity levels return in the minerals sector and revenue increases in the oil and gas sector.

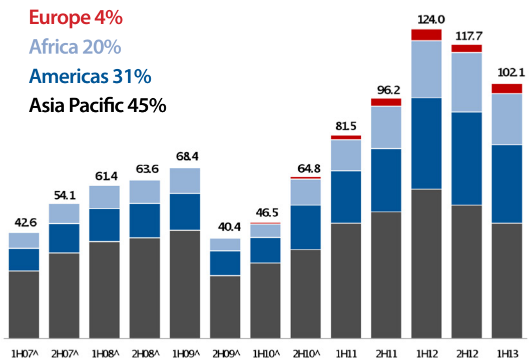
Minerals division

Imdex's Minerals Division consists of the AMC, Reflex and ioGlobal businesses. These businesses market innovative drilling fluids, chemicals, solids removal technologies, downhole instrumentation and data solutions, together with geo-analytics services, to the global minerals industry.

Imdex's Minerals Division contributed 75% of the company's combined revenue for 1H13, generating revenue of $102.1 million. This result represents an 18% decrease on the previous corresponding period (1H12: $124.0 million).

Operational EBITA decreased 38% to $26.7 million (1H12: $43.1 million) due to constrained activity by the junior miners, cutbacks by some major and intermediate companies and a longer seasonal slowdown. It is important to note that gross margins were maintained throughout 1H13 and Imdex is well positioned to benefit from an improvement in market conditions.

Minerals division - Revenue ($m)



^Comparative purposes only. Regional structure adopted I July 10

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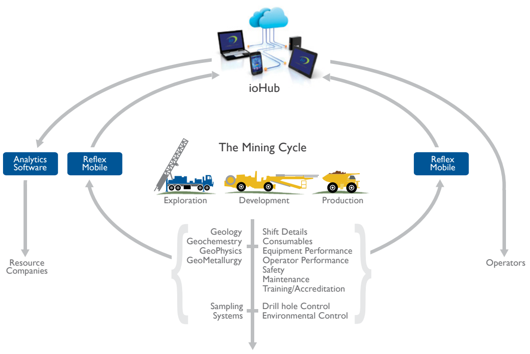


ioGlobal products and services

Highlights for Imdex's Minerals Division during 1H13

- Seamless integration of ioGlobal: Since the transaction was finalised on 1 November 2012, there has been strong interest from Imdex's global customer base in ioGlobal's capabilities in cloud-based data management and geo-analytical services for the mining, mineral exploration and oil and gas sectors. This acquisition has provided Imdex with a range of significant growth opportunities and an enhanced product offering;

- SRUs were dispatched and deployed to all principal mining regions globally. Imdex's unique SRU will provide additional rental revenue, and the company aims to have 50 units in service by the end of FY13;

- Further development of Imdex's underground SRUs with trials planned early in 2H13. Similar to the original SRU, this unique technology is generating significant customer interest and will also contribute additional rental revenue once released to the market;

- Increased market share in underpenetrated regions. During 1H13, Reflex achieved revenue growth in Africa and Brazil, while AMC increased revenue in USA, Chile and Peru;

- Investment in AMC USA, where significant potential for market share growth has been identified. This investment included infrastructure, equipment, personnel, field trials and establishment of the AMC brand in the region;

- New manufacturing facilities in Brisbane, Calgary and Argentina. These facilities will enhance operational efficiencies, inventory management and customer satisfaction by reducing lead times and overcoming import restrictions;

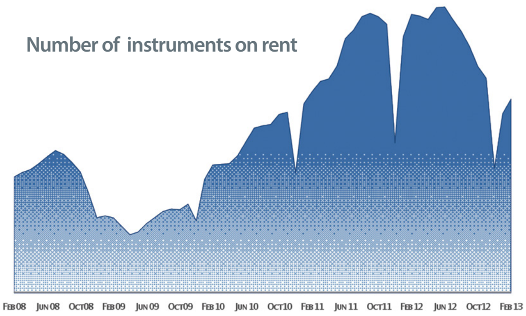
- Continued investment in product research and development of Imdex's instrumentation: Imdex has built its reputation on the quality and performance of its advanced products. While the development of the Reflex EZ-Gyro and Smart Barrel instruments is progressing, there is more work to be done to ensure the products meet all of Imdex's stringent performance standards. The company remains confident that the EZ-Gyro and Smart Barrel products will be embraced by the market when they are ready to be released, which is now likely to be in FY14;

- Continuing development of innovative drilling fluid products. AMC's dedicated fluids laboratory is continually developing and enhancing its product range to optimise the efficiency of its customers' operations;

- A rebound of Reflex's rental fleet. At 8 February 2013, Imdex's rental fleet utilisation had increased by 56% from the low point recorded at 31 December 2012.

Reflex Rental Fleet

Number of instruments on rent



Month on month slowdown from July 12 to Dec 12
56% rebound from 31 Dec 12 to 8 Feb 13

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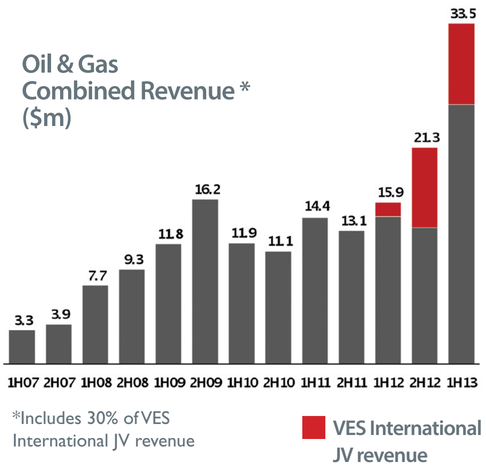

Oil & Gas division

Imdex's Oil & Gas Division consists of AMC Oil & Gas and a 30% share of VES International (formerly DHS Energy Services). These businesses provide drilling fluids, production and completion chemicals, and downhole survey services to the oil and gas industry in strategic markets.

Imdex's Oil & Gas Division contributed 25% of Imdex's combined revenue for the half, generating revenue of $33.5 million. This result represents a 111% increase on the previous corresponding period (1H12: $15.9 million) and demonstrates Imdex's success in gaining market share and moving closer towards its target business split.

Operational EBITA for the Division was $1.2 million. This included a $1.6 million share of VES International joint venture net loss after tax. The joint venture performed strongly, recording a $5.3 million EBITA profit for 1H13. Imdex's 30% share of this was impacted by large non-cash amortisation charges and unusually high taxation charges. Tax charges are expected to normalise as all jurisdictions become profitable.

Margins were impacted by Imdex's continued investment in people and infrastructure. As this Division grows, these margins will improve.

Highlights for the Oil and Gas Division during FY12 include:

- Record divisional revenue. The investment committed to the consolidation and development of the Division over the past 18 months is generating additional revenue and underlying profits, an upward trend that is expected to continue;
- Hiring of key oil and gas personnel to support the delivery of the Division's growth potential;
- Continuing strong revenues and EBITA performance by the VES International joint venture;
- Increased momentum of the coal bed methane industry in Australia with an increased demand for sumpless drilling solutions; and
- Progress on relocation of Imdex Technology from Germany to California.

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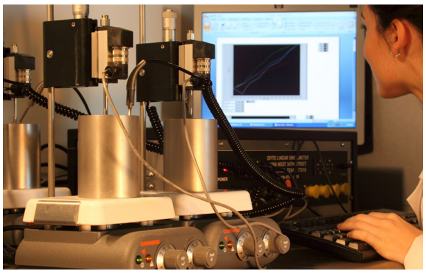

AMC's drilling fluids research and development facility

Operational Update

Ongoing Drilling Fluids development

Since completion of Imdex's dedicated drilling fluids research and development facility in 2009, the facility has grown into the largest of its kind in the southern hemisphere. The facility incorporates an extensive range of sophisticated equipment to perform mud testing, formation damage studies, environmental studies and analytical testing.

Imdex's R&D team of highly experienced chemists and engineers has added some fifty new high quality products to AMC's range and developed over a dozen high-tech drilling and completion fluid systems including: high performance water based muds; mix metal oxide HDD muds; high pressure high temperature muds and synthetic based muds.

A recent example is AMC's unique MAXIVIS, a mixed-metal oxide product that provides an enhanced rheological profile. Key benefits of MAXIVIS include excellent hole cleaning, stabilising and shear thinning capabilities. The product has demonstrated exceptional performance in high angle and horizontal wells, unconsolidated formations and lost circulation zones. MAXIVIS was also designed to be highly cost effective and easy to use.

In addition to product development, the R&D Laboratory is utilised for a diverse range of technical support and training programmes throughout the world including:

- Evaluation of products
- Environmental impact assessments
- Tender submissions
- Temperature stability studies
- Technical support to sales technicians and customers solving difficult drilling problems
- Product assurance and quality control
- Mud schools – hands on and in the laboratory for sales technicians and customers.

Imdex's commitment to investment in on-going research and development has resulted in the provision of innovative products of the highest quality. This has significantly strengthened AMC's position in the highly competitive drilling fluids market.

Liqui Pol plant installed at Wildcat Chemicals

PHPA plant installed at Wildcat Chemicals

Wildcat Chemicals recently installed a partially hydrolyzed poly acrylamide plant (PHPA) at its Narangba facility in Queensland.

PHPA, marketed as AMC Liqui Pol, is used in a range of drilling applications to provide a high degree of shale encapsulation and prevent the swelling of clays.

The plant was designed and commissioned by Australian Drilling Specialities (ADS) and will facilitate the efficient supply of Liqui Pol to the east coast of Australia and Papua New Guinea.

Imdex now has three PHPA plants. The two other plants are located at ADS in Kwinana Western Australia, and at AMC in Johannesburg.

In addition to the new plant, three 6,000 litre mixing vessels were installed at Wildcat's facility to enable the manufacture of AMC drilling fluids.

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New Calgary manufacturing facility

Reflex EZ Gyro calibration station

AMC, Reflex and ioGlobal showcasing their product range at the Indaba Mining Industry Conference in Cape Town

New manufacturing facility, AMC North America

On 1 March 2013, AMC North America is scheduled to officially open its new manufacturing facility in Calgary. The facility will increase production capacity and reduce lead times and associated freight costs.

In addition to enhanced manufacturing capabilities, the 31,740 sq.ft. custom-designed warehouse accommodates new stainless steel mixing and storage tanks, a powder filler machine and a dedicated AMC Equipment Division to market the SRU rental fleet to the North American region.

Ensuring leading technology

Imdex has commissioned a custom-designed Reflex EZ Gyro calibration station with increased research and development capabilities at its facility in Osborne Park, Western Australia.

The new station incorporates a highly accurate position and rate table, is capable of calibrating up to ten EZ-Gyros at a time (in two axes) every two days, and can maintain stable temperatures for calibration from -70 deg C to +170 deg C.

The calibration station will ensure Reflex's unique patented north seeking gyro has the highest levels of accuracy.

Imdex's commitment and ability to invest in product research and development has enabled it to retain a reputation for innovative products and superior technology.

High-quality interpretive outputs in a fraction of the time

ioGlobal recently released version 4.5 of its ioGAS software. ioGAS is optimal software specifically designed for exploratory and geochemical data analysis. Developed by ioGlobal's team of world-class geochemists, this software offers the best tools and workflows for efficiently interpreting geological data.

Users can interact with data in real time utilising ioGAS' dynamic graphical environment. Patterns, anomalies and relationships across data can easily be detected in a fraction of the time taken by existing technologies.

Indaba

AMC, Reflex and ioGlobal showcased their innovative and technologically advanced product range at Africa's largest mining industry conference, Mining Indaba, held in Cape Town from 4 – 7 February 2013.

The companies' combined range of product and services offers customers integrated drilling solutions with the provision of quality drilling fluids, solids removal technology, survey and core orientation instrumentation, data management, and geo-analytics services.

Indaba was well attended and proved to be an excellent opportunity to reinforce the synergies between AMC, Reflex and ioGlobal.

The event also provided further industry insight and generated strong interest in Imdex's products, including its solids removal unit.

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SRU on site in Chile

AMC's proven and unique sumpless drilling solution

Six AMC SRUs have arrived at Imdex's operation in Chile as part of the company's global deployment plan. One of the six units has been commissioned and installed for Foraco, the world's third largest minerals drilling contractor.

The Foraco unit has been positioned at the Caracoles Project at the Esperanza Mine, one of Antofagasta Minerals Chilean mine sites. The drill site is also near Calama, a city in the Atacama Desert in northern Chile and one of the driest cities in the world with an average annual rainfall of just 5mm. Water is scarce, which makes AMC's closed-loop SRU a perfect solution.

Water is circulated directly from the drill collar to the SRU, eliminating the need to dig traditional fluid sumps, which use high volumes of water. It is estimated that up to 50,000 litres of water can be lost in one shift through sump seepage in Calama.

The SRU significantly reduces the customer's costs associated with sourcing and transporting water to the drill site, and dramatically reduces the environmental impact.

Commenting on the SRU's ability to conserve water, Equipment Engineer (AMC Minerals Chile) Hector Puebla said:

"In Chile, using fresh water for mining processes is poorly regarded by local communities. Any resource saving alternative is viewed positively, particularly by government agencies and can make it easier and faster to obtain necessary operation permits for our customers."

AMC's Equipment Manager West Coast, Greg Johnstone, travelled from Perth, Western Australia, to assist with the commissioning and installation of the unit at the Foraco drill site.

"The unit exceeded everyone's expectations over the two day trial. The unit not only performed well, it met all HSE requirements, significantly reduced water usage, and was described as user-friendly by drillers and their assistants."

Foraco and Antofagasta Minerals also received very positive feedback from the trials. Vice President of Mineral Resources Antofagasta Minerals, Mr Pablo Acuna Herrera said:

"We are very excited by the operation and function of the unit. We are looking forward to integrating the units into our exploration program in 2013. In the longer term, we expect that we will be able to use the units not just at this site, but at all of our projects in Chile."

Trial results, which had a significant and positive impact on viscosity, sand content, pH levels and total hardness, generated significant interest. Antofagasta Minerals has already indicated it would like at least one additional unit in January, with the addition of another 2 – 3 units as they become available.

This is a very positive result for AMC in Chile and demonstrates the success of Imdex's proven and unique technology.

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Outlook

The fundamentals driving Imdex's business are improving at both a macro economic and industry level.

Gold and copper prices remain above long term averages and the iron-ore price has strengthened considerably over recent months. Drilling contractors are beginning to report steady activity, with improved sentiment reflected in the rebound in Reflex's rental fleet utilisation in 2H13 to date.

Imdex's minerals business is well positioned to benefit from an improvement in market conditions. While there is growing evidence that the current minerals cycle may have bottomed, the second half performance will be influenced by the pace of that recovery. The strong growth momentum in the oil and gas business during the first half has continued into the second half and the business is well positioned for growth.

We have developed a strong technology based company with a superior product range to support our global customers at every stage of their cycle. The success of our strategy to diversify the business by industry, product, geography and customer is evidenced in this result, with the company able to better address the cyclical mineral sector.

The company has a range of growth opportunities in both its oil and gas and minerals businesses. In oil and gas there are significant opportunities for market share gains from Imdex's VES International joint venture and, as volumes grow, margins in that Division will improve. Imdex's minerals business will benefit from the continued roll out of our SRUs, growing market share in underpenetrated regions and from capitalising on the opportunities from the ioGlobal acquisition.

The company has a strong balance sheet, which allows it to continue pursuing attractive organic and inorganic growth opportunities. Imdex's growth platform has not changed and will continue to focus on:

- Marketing the company's SRUs via Imdex's global distribution channels;
- Continuing to increase Imdex's market share in underpenetrated 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;
- Expanding ioGlobal's data solution offerings to new and existing customers globally;
- Growing oil & gas market presence to increase return on investment in this Division;
- Pursuing strategic, bolt-on acquisitions that are earnings accretive and provide excellent growth opportunities when combined with the Imdex Group.

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Thank you for your continuing support and on behalf of Imdex's Board of Directors, I wish you a happy and successful year ahead.

Yours faithfully,

B Ridgeway

Bernie Ridgeway

Managing Director

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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 approximately $355 million and 597 employees (as at 31 December 2012).

Imdex is a leading provider of drilling fluid products, advanced downhole instrumentation, data solutions and geo-analytics services 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 on-going 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.

Further information can be found at www.imdexlimited.com

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.