Ausdrill Limited
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20 June 2008

Company Announcements Office
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SYDNEY NSW 2000

JOINT ASX / MEDIA STATEMENT

RESPONSE TO MACMAHON's OFFER

Diversified mining and services company Ausdrill Limited (**ASX code: ASL**) has today lodged its Target's Statement with ASIC and the ASX, in response to Macmahon Holdings Limited's (Macmahon's) inadequate and opportunistic offer, announced on 21 May 2008.

Ausdrill shareholders should receive copies of the Target's Statement in the mail over the next few days, setting out in full why Directors unanimously recommend they should reject Macmahon's Offer.

Ausdrill Chairman Terry O'Connor said Macmahon's Offer did not fully value Ausdrill shares and shareholders were being offered shares in a lower return business with increased risks.

Macmahon is obliged to tell the market each day by 9.30am of movements (greater than 1%) in its relevant interest in Ausdrill shares. The fact that no such notice has been lodged by Macmahon suggests that less than 1% of Ausdrill shareholders have so far indicated that they would be prepared to accept Macmahon's all scrip offer, which has been open for acceptance since 6 June 2008.

Mr O'Connor said that the response from Ausdrill shareholders confirmed strong support for the Board's view that Macmahon's Offer was inadequate and should be rejected.

"Ausdrill is a strong company with proven management, performance and sound growth prospects with expected net profit growth in the 2009 financial year - at least equal to Macmahon's 20-30% medium term organic profit growth target," Mr O'Connor said.

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Managing Director Ron Sayers has recently increased his shareholding in Ausdrill to 14.29%. Directors now control 15.25% of Ausdrill. In addition, other shareholders holding a further 25.7% of Ausdrill have confirmed in writing to Ausdrill (on a non-binding basis in respect of the current terms of Macmahon's Offer, subject to no new information becoming available) that they will not accept Macmahon's current Offer.

Shareholders who have any questions concerning Macmahon's Offer can call Ausdrill's Shareholder Information Line on **1800 104 758** or from outside Australia on **+61 2 8268 3691**.

About Ausdrill

Ausdrill is a diversified mining and services company providing leading edge services in mining, drill & blast, exploration, procurement & logistics, manufacturing, telecommunications and automotive industries with operations in Australia, the United Kingdom and Africa.

Ausdrill has established a blue chip client list over many years, with which the company has long term relationships.

For further information, go to www.ausdrill.com.au

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