DRILLTORQUE

18 Jackson Street Garbutt Qld 4814
P.O. Box 1627 Thuringowa Central Qld 4817
Tel 07 47757299 Fax 07 47253371
Email info@drilltorque.com.au
Web www.drilltorque.com.au
ABN: 14 009 271 461

24 November 2011

Company Announcements Office
Australian Stock Exchange Limited

Re - Annual General Meeting 24 November 2011

In accordance with Listing Rule 3.13.3 please find attached Joint Chairman's and Managing Director's Address to Shareholders together with slide presentation.

Bob Witty
Company Secretary

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Drill Torque Limited

Joint report from the Chairman and the Managing Director

For the Period Ended 30th June 2011

Annual General Meeting

Financial Result for 30th June 2011 exceeds previous year and Prospectus forecast

Drill Torque Limited was formed on 8th February 2011 to acquire Well Drilled Pty Ltd and Notch Holdings Pty Ltd. These acquisitions were completed on 18th February 2011 and as a result Drill Torque Limited issued 60,000,000 shares to acquire all the issued capital of Notch Holdings Pty Ltd which had previously acquired all the issued share capital of Well Drilled Pty Ltd.

On the 8th July 2011 Drill Torque Limited issued a prospectus inviting applications for the public issue of shares and options in the company. Pursuant to the prospectus, 65 million shares were issued at 20 cents per share resulting in total issued shares of 125,000,005. Attached to the shares of the company are options exercisable at 30 cents each, which were allotted on the basis one (1) option for every ten (10) shares held in the company at the date of allotment.

Drill Torque Limited was admitted to the official list of the Australian Stock Exchange Limited (ASX) on 29th July 2011 and shares and options were officially quoted by the ASX from commencement of trading on 2nd August 2011.

The Drill Torque Group's financial statement for the year ending 30th June 2011 show that the revenue is up 13% to \$25.3m compared to \$22.4m from the previous year to 30th June 2010 while Profit (Loss) after tax for the 12 months to 30th June 2011 shows an improvement of 93% to a loss of (\$73,000) compared to a loss of (\$970,000) in the previous period to 30th June 2010.

However the foregoing financial statements only include the Well Drilled Pty Ltd acquisition for the 4 month period to 30th June 2011. Thus to compare the Group's results for the current period to 30th June 2011 with the prospectus forecast we need to normalise the results by including Well Drilled Pty Ltd figures for the full twelve months. The normalised financials, when compared with the prospectus forecasts show Group revenue for the period to 30th June 2011 increasing to \$27.225m versus \$27.200m in prospectus forecasts. Likewise, the Group achieved an EBITDA of \$3.579m versus \$3.400m in prospectus forecast and a loss of (\$165,000) versus the prospectus forecast loss of (\$300,000) as per the following table:

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Normalised Financial Results Compared to Prospectus Forecasts

		Normalised [a] Current period 30 June 2011 $'000	Prospectus Forecasts 30 June 2011 $'000	Change $'000
Revenue from continuing operations	**Up .09% to**	**27,225**	27,200	**25**
EBITDA	**Up 5.26% to**	**3,579**	3,400	**179**
Profit/(Loss) before non-regular items from ordinary activities after tax attributable to members	**Up 45% to**	**(165)**	(300)	**135**

(a) Normalised by including Well Drilled Pty Ltd financials for the full 12 months as shown in the Prospectus (Page 14)

Given the extenuating circumstances faced by the Group during the 2010/2011 financial year due to extra-ordinary climatic conditions (excessive rainfall, flooding & cyclones), the Global Financial Crisis and changes in Government Policy, (proposed Carbon Tax, proposed introduction of a Mining Tax), Directors are of the view that the financial performance of the Group pre-IPO is a credible one, especially so, given the fact that normalised results exceeded prospectus forecasts.

Post the IPO, the Group received an equity injection of some $13.0 million and has utilised these funds to complete and upgrade the Townsville maintenance facility, purchase capital equipment, repay debt associated with the acquisition of Well Drilled Pty Ltd, provide funds to settle a deferred payment obligation with the ATO and for working capital all as set out in the prospectus.

On the 24th August 2011, the Group formally acquired the property at 133 Crocodile Crescent, Mount St John (Townsville) and will utilise the property as its new maintenance facility and administration head office. These new premised will enable management to deliver a number of efficiency gains from improvements to utilisation of the DTQ Group's drill rig fleet:

- Capacity for up to 6 drill rigs to be serviced and maintained at one particular time as opposed to 2 drill rigs at current rented premises;
- Work to be undertaken in all weather conditions, 24 hours per day thereby reducing servicing delays; and
- Ability for maintenance to be undertaken under cover when the drill rig mast is totally extended thereby improving safety and efficiency

In regard to the Drill Torque Group's current and future outlook, we can confidently state that the operations continue to benefit from favourable conditions and sentiment in the mining and exploration industry as a whole. The Group is increasing its focus on the provision of drilling services to the rapidly growing Coal and Coal Seam Gas Sectors with several contracts for coal and CSG drilling having been entered into with both current and new major customers and tenders lodged to assist other CSG Companies. Over recent months the longevity of contracts, quality

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of clients and mix of clientele have been substantially upgraded. This bears testament to the Group's quality of management and OH& S models.

The acquisition of the three new drill rigs purchased in the USA has been finalised and one rig has arrived at Brisbane docks awaiting transportation to Townsville, while the other two rigs are in transit. Management are still hopeful that one of these three rigs, subject to minor maintenance issues, will be in work by the end of 2011 year and the other two Rigs should be in operation shortly thereafter.

While Drill Torque's order book continues to grow its day to day operations over the last two months have been somewhat hampered by the Group's inability to procure skilled labour (drillers), it is acknowledged however that this skilled labour shortage is an ongoing problem for mining services operations nationally. Drill Torque Management however was of the view that the strategies we had adopted and were pursuing with Northern Queensland education authorities and overseas contacts would more than cover the skilled labour shortfall. We are continuing to pursue all available strategies to procure skilled labour and have experienced some small success in recent weeks but at time of writing this report skilled labour shortages continue to create problems for our ongoing operations.

In regard to the first 4 months performance to 31th October 2011 we wish to advise the following unaudited management results:

Unaudited Management Results

	4 Months to 31 October 2011	4 Months to 31 October 2010	% Change
Revenue from continuing operations	$14,833,581	$9,343,400	+59%
EBITDA	$3,548,437	1,421,989	+150%
Net Profit before Tax	$2,507,437	$308,800	+712%

On the surface the foregoing management results appear excellent but when compared with our internal management forecasts Drill Torque is currently running some 17% behind budget. Management are striving to claw back this current shortfall and while the introduction of the three new US drills into operation will assist in this regard, shortages of skilled labour will continue to dampen our performance.

However Revenues continue to improve and I am pleased to advise that Revenues for the first 15 days of November 2011 are up some 38% when compared to the previous year. While these results are pleasing it would be remiss of us not to remind all shareholders of the major risks still facing the Group as follows:

- Adverse rig utilisation rates caused mainly by skilled labour shortages;
- Adverse changes in climatic conditions;
- Changes in commodity prices and general outlook for the resources industry;
- Continuing Global Financial Crisis and
- Changes to Government policy and the introduction of new taxes

Although it is still early days we have commenced the 2011/2012 financial year on a positive note and your Management and Directors remain encouraged about the future of the Drill Torque Group. In this regard we wish to

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advise that it is the intention of the board to pay an interim dividend out of profits to the half year ended 31st December 2011, subject to no unforeseen circumstances.

In conclusion, we wish to thank all Shareholders for their support both pre and post the public float and especially those Shareholders who are in attendance at this our first Annual General Meeting as a public company.

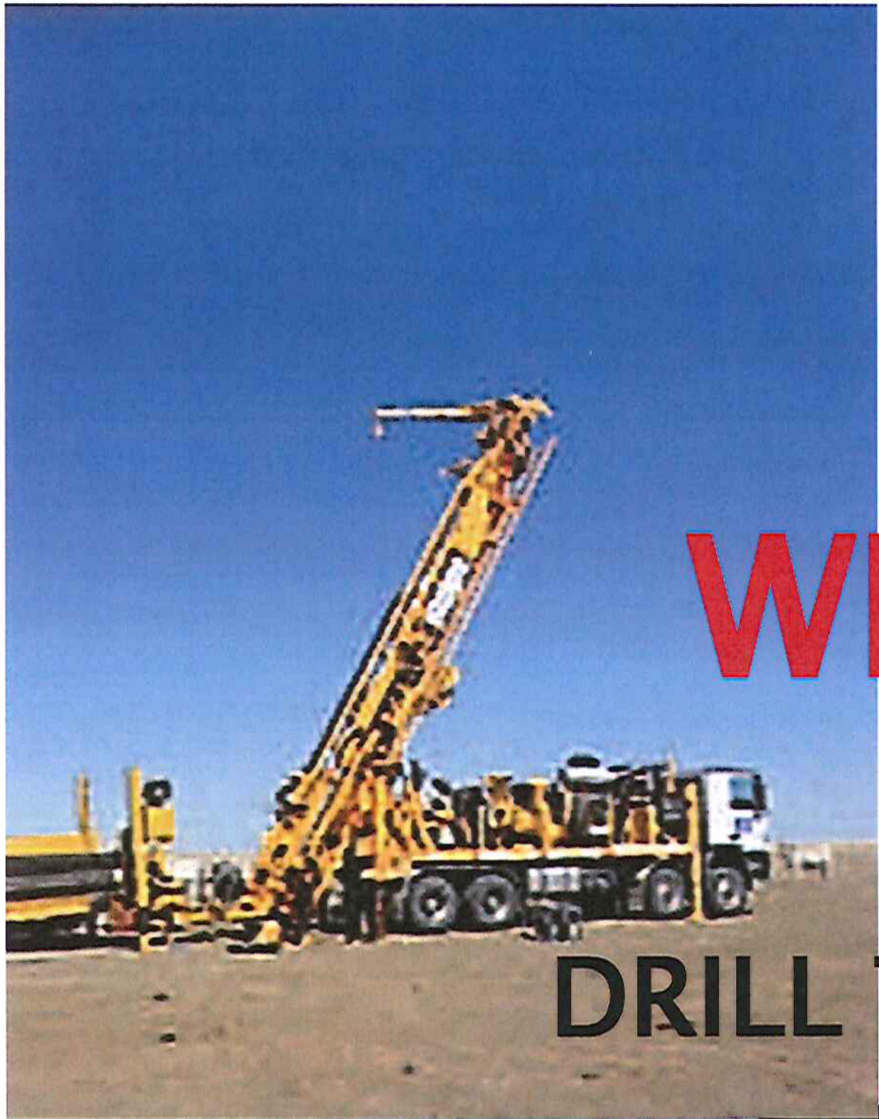
David J. Fairfull

Chairman

Peter Miller

Managing Director

DRILLTORQUE



WELCOME

To the Inaugural AGM of

DRILL TORQUE LIMITED

HIGHLIGHTS .....

- Merger between Notch Holdings Pty Ltd and Well Drilled Pty Ltd on 18th February 2011
- Drill Torque Limited was incorporated on 8th February 2011, and acquired Notch Holdings Pty Ltd
- Washington H Soul Pattinson and Company Limited acquired 21.2% of Drill Torque Limited

HIGHLIGHTS .....

- Company issued a prospectus seeking to raise $13 million
- IPO oversubscribed
- Admitted to the official list of the ASX on 29th July 2011
- Commenced trading on ASX 2nd August 2011

RELEASED FINANCIAL RESULTS

- For 30/06/2011

	Actual $000's	Prospectus Forecasts $000's	Change $000's
Revenue from continuing operations	27,225	27,200	Up 25
EBITDA	3,579	3,400	Up 179
Profit (Loss)	(165)	(300)	Up 135

FUTURE OUTLOOK

- Outlook remains strong
- Company has significant work contracts in place

FINANCIAL PERFORMANCE

- To 31/10/2011
  Unaudited Management Results

	4 months to 31st October 2011	4 months to 31st October 2010	Variance
Revenue from continuing operations	14,833,581	9,343,400	+59%
EBITDA	3,548,437	1,421,989	+150%
NPBT	2,507,437	308,800	+712%

CONTINUED RISKS

- Continuing skilled labour shortages causing adverse rig utilisation
- Adverse changes in climatic conditions
- Changes in commodity prices and general outlook for the resources industry
- Continued fallout from Global Financial Crisis
- Changes to Government policy and introduction of new taxes

DIVIDENDS

- Interim dividend to be paid April 2012 out of profits to 31st December 2011 (subject to no unforseen circumstances)