AUSDRILL
LIMITED AB.N. 95 009 211 474

DRILLING, BLASTING AND EXPLORATION CONTRACTORS
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FACSIMILE TRANSMISSION

TO: COMPANY ANNOUNCEMENTS OFFICE

FAX NO: 1300-300-021

FROM: GREG DOWER

DATE: 15 NOVEMBER 2002

PAGE: 1 OF 4

SUBJECT: **Announcement**
Annual General Meeting – Chairman's Address

(Please advise this office as soon as possible if this facsimile has been misdirected or is partially received).

Attached please find the Chairman's Address announced at the Ausdrill Limited Annual General Meeting today.

Yours faithfully
AUSDRILL LIMITED

GREG DOWER
COMPANY SECRETARY

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CHAIRMAN'S ADDRESS
ANNUAL GENERAL MEETING
15 NOVEMBER 2002

At the last annual general meeting in November 2001 I said the company faced a challenging year and that it was concentrating on its core business activities, continually re-evaluating its operating and geographical risks and applying common sense business practices to meet the challenge before it. The results of that strategy are now apparent, with an after tax profit of \$8.6m. The result is a great credit to the Managing Director Mr Ron Sayers, the management team and all employees of the company. More pleasing is that the Company has been able to resume the payment of dividends.

The financial position of the Company has also improved significantly with a reduction in debt of \$22.6m in the last financial year. At the end of September debt was \$16.5m and is forecast to be around \$12.0m at June 2003. The Board does not see a need for a large spend on new plant and equipment for the existing operations in the short term.

The company continues to hold an outstanding foreign currency contract position which is \$10.3m out of the money at today's rate of US\$0.5635. Obviously this exposure has the potential to affect results in the future.

Kalgoorlie

Exploration activity in Kalgoorlie is strong. In particular, Gold Fields have increased demand at St Ives following the acquisition of the project from WMC. Exploration work is subject to client demand but there is an expectation that the current high utilisation rate can continue in the short to medium term.

The drill and blast division has a strong base of current work, underpinned by the "Superpit" contract, and is currently bidding a number of large jobs. We are hoping that the competitive pressure on margins will reduce for this division during this financial year.

Chile

The Chile closure process has progressed with equipment sales realising prices higher than originally anticipated.

African Mining Services

AMS, with the recently won leach pad work, is performing ahead of our original forecast.

AMS has an outstanding safety record achieving 3.4million manhours at Tarkwa and 1.2million manhours at Damang without a lost time injury. The profit performance and safety record is a credit to the management of the jointly owned company.

Supply Direct

The company's procurement and logistics operation is producing consistent operating results and making a positive contribution to the overall group result. The company is actively pursuing new clients both in existing locations and new markets to offset the loss of turnover from the cessation of operations by African Mining Services Tanzania and a large client operating in Uganda who has placed the mine on a care and maintenance program.

The alliance formed with the Association of Mining and Exploration Companies (AMEC) is proving to be beneficial with a number of new clients being obtained in Australia over the past year.

Diamond \ Ace

This division is making a positive contribution to the group despite the telecommunications industry remaining flat and with no expectation of a marked upturn in the market at the present time.

Diamond \ Ace has developed a reputation which has meant it is a preferred contractor for operators in the industry. The Division is well positioned to capitalise on any general upturn in the market conditions.

Outlook

The past 12 months has been a land mark period in the history of the company with a remarkable profit turnaround, an overall strengthening of the balance sheet and continued strong cash flow generating more than adequate cash reserves. The company is now well positioned to capitalise on its strong financial position and is actively pursuing opportunities consistent with its core operating businesses that will ensure sustainable profits.

The Board is confident of the prospects for your company in the current financial year and beyond. The first quarter operating result is in excess of our initial forecast and ahead of the corresponding period last year. This is largely as a result of the continued improvement of exploration activities in Kalgoorlie and the benefit of the leach pad work at Tarkwa by AMSG obtained at the beginning of this financial year.

The expectation of the Board is that provided there is no change in market conditions and deterioration in the value of the $A, the profit for this year should be much the same as the year under review.

If profits are sustained the Board plans on an interim dividend in April 2003 with an increase in dividends for the full year.

Finally, at a Board meeting held prior to this meeting, Mr Ron Goguen tendered his resignation from the Board with immediate effect. On behalf of the Board I wish to thank Mr Goguen for his contribution to the company over the past two and a half years, particularly in keeping the Board updated on international trends in the industry, and wish him well in the future. At this stage the Board does not intend to seek a replacement for Mr Goguen.