

General & Civil Australia Pty Ltd

The board of General & Civil Australia Pty Ltd, a company 50% owned by Ausdrill Ltd since its incorporation in December 2002, has today appointed Norgard Clohessy as administrator of the company.

This decision was taken after the company, which had incurred losses of around \$1.1m for the period to 30 June 2003, was advised by Western Power late last week that it was unsuccessful in tenders for two major contracts and determined that no immediate prospects exist for replacing this lost work.

The board of Ausdrill Ltd is very disappointed in this outcome. The business has not achieved the expectations as represented by the vendors of General & Civil to Ausdrill and its financial advisors at the time of investing. Notwithstanding Ausdrill's best endeavours to provide support to General & Civil these representations made by the vendors have proved to be unreasonably optimistic and have not been realised.

Ausdrill will make a provision for a loss of approximately \$900k in its results to 30 June 2003.
