AUSDRILL LIMITED

ABN No. 95 009 211 474

DRILLING, BLASTING AND EXPLORATION CONTRACTORS

170 Kewdale Road, Kewdale
Western Australia 6105
PO Box 202, Cloverdale, WA 6985
Telephone: +61 8 9353 3055
Facsimile: +61 8 9353 1953
Email: ausdrill@ausdrill.com.au
Website: www.ausdrill.com.au

21 November 2005

Company Announcements Office
Australian Stock Exchange Limited
Level 10
20 Bond Street
SYDNEY NSW 2007

Dear Sir

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

Yours faithfully
AUSDRILL LIMITED

GREG DOWER
COMPANY SECRETARY

DRILLING, BLASTING AND EXPLORATION CONTRACTORS
170 Kewdale Road, Kewdale WA 6105
P.O. Box 202, Cloverdale W.A. 6985
Phone: (08) 9353 3055 Fax: (08) 9353 1953
Intern'l Phone: (61) (8) 9353 3055 Intern'l Fax: (61) (8) 9353 1953
Website : www.ausdrill.com.au

CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING
21 NOVEMBER 2005

As shareholders will have read in the annual report, Ausdrill is now gaining the benefit of investments made and strategies that have been put in place in recent years. Obviously the company is also seeing the benefit of the extremely buoyant conditions being experienced in the mining industry and in this state. Consequently all our divisions have traded in the first 4 months of this year at or above our expectations.

The acquisition of African Mining Services Ghana Pty Ltd (AMS) has been an important milestone this year and will be a significant factor in the company's future development. Since acquisition AMS has been awarded the drilling and shotfiring contract at Newmont's Ahafo Project. We have also installed new senior management in AMS.

Significant investment has been made in new plant and equipment for the existing and expanding workload. Our expectation is AMS will add significant value to your company this year and in the future.

In Australia all our drilling rigs are working and indeed, we have made significant investment in new equipment to meet the heavy demand for our services.

Ausdrill Northwest has recently been awarded a three year contract with a two year option period to perform exploration drilling services for BHP Billiton in the Pilbara, at significantly increased rates. Ausdrill Northwest has proved to be an excellent investment and is and will continue to be a very strong contributor to the company's profits.

Our traditional Kalgoorlie operation is performing very well. We have been awarded a six year, $150 million KCGM Super Pit Contract which will extend our involvement on site to 23 years, a feat of which we are very proud. The new contract which commences in March 2006 (after the completion of the existing contract), underpins our core drill and blast business. This is a manifestation of our strategy to target quality long term projects with stable 'blue chip' clients.

Significantly we are seeing an increase in tendering activity. This coupled with the very strong gold price augurs well for the future. Importantly, we are seeing an increase in rates for our drilling operations.

Our procurement and logistics business, Supply Direct, continues to be a positive profit contributor of the Company. The division has just won a new supply contract with Nevsun Mining at their Tabakota mine in Mali. Shareholders will recall that Supply Direct was set up to supply our overseas operations. They have expanded their operations to include supply to outside parties and have become an important profit centre.

The market in which Diamond Communications operates remains very competitive. The division recently won a contract to build South Australian Broadband Research and Education Network project in South Australia for Amcom. This is an important SA Government project providing broadband connection between universities and other major institutions in Adelaide.

We are very optimistic that Diamond will be able to obtain significant work from Telstra if it proceeds with the telecommunications infrastructure which it foreshadowed in it's recent public announcement.

The manufacturing division which we started last year is now profitable. It manufactures drilling consumables for our own use. It also produces for external clients. Remet Engineers, in which we hold a 50% interest, continues to operate profitably.

The company has acquired approximately 18 acres in Canning Vale which had on it a very significant office, warehouse and workshop facilities. Some of our operations have already moved there. We are building new facilities and plan to move all our Perth based operations on to this site early in the new year.

As well as expanding our fleet, Ausdrill continues to invest in its people through training and upskilling of our workforce. To address the skills shortage we have increased our apprenticeship intakes and embarked on training schools for new employees. We have also recently employed some Filipino tradesman to help with the skills shortage. While the bulk of our workforce has been with us for many years and are very loyal to the company, as with others in our industry we continue to experience a shortage of skilled personnel.

Despite the skills shortage, the current environment makes for a very healthy future for your company. While in the contracting business the potential always exists for something to go wrong, nevertheless we are optimistic that on current indications and provided nothing unforeseen occurs our profit in the current year should be up approximately 30% on the normalised operating profit last year of $9.1m.

Finally, I would like on behalf of the Board and I am sure all shareholders to thank our staff for another outstanding year. We have more than 1,300 employees many of whom have been with the company for years and we certainly appreciate their loyalty and support. I would like to make special mention of our Managing Director, Mr Ron Sayers, for his leadership and vision which has put the company into the best shape it has ever been. Ausdrill is in a position to take advantage of the many opportunities which are opening up in the markets in which we operate and we look forward with great confidence to the future.

T E O'CONNOR
CHAIRMAN