



AUSDRILL

A Diversified Mining Services Company

31 December 2005 Half Yearly Results

Not Just a Drilling Company!

2005 was a watershed year in the development of Ausdrill.

The acquisition of African Mining Services transformed Ausdrill from a drilling company to a major diversified mining services company.

One third of Ausdrill's revenue is now generated by African Mining Services.

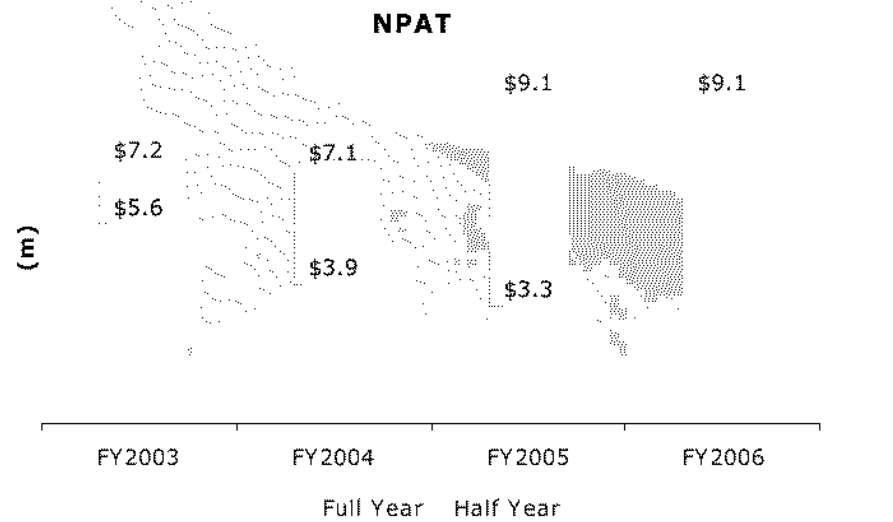
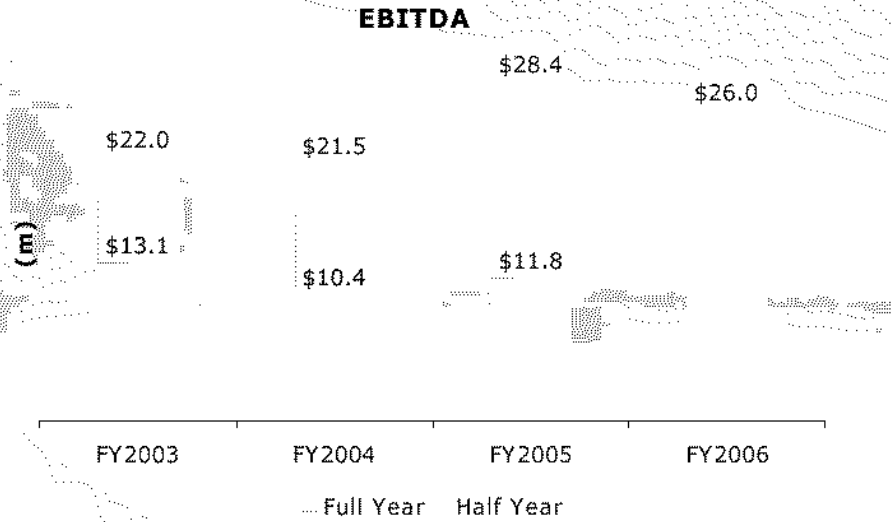
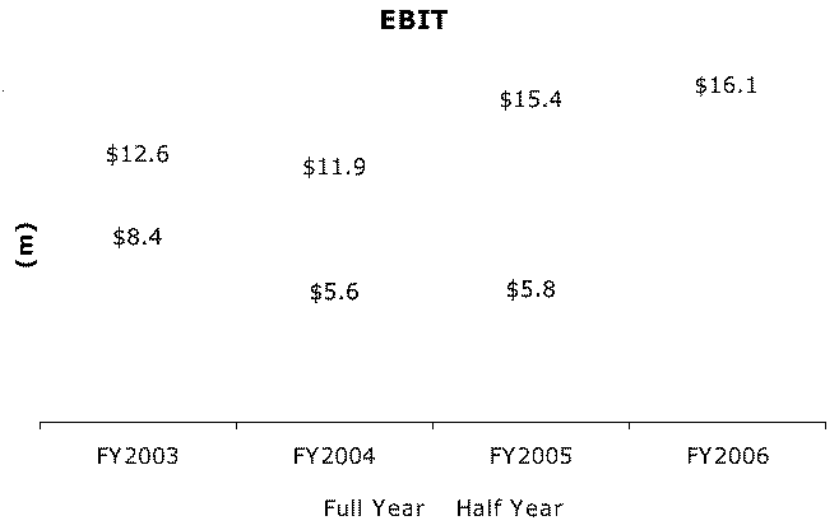
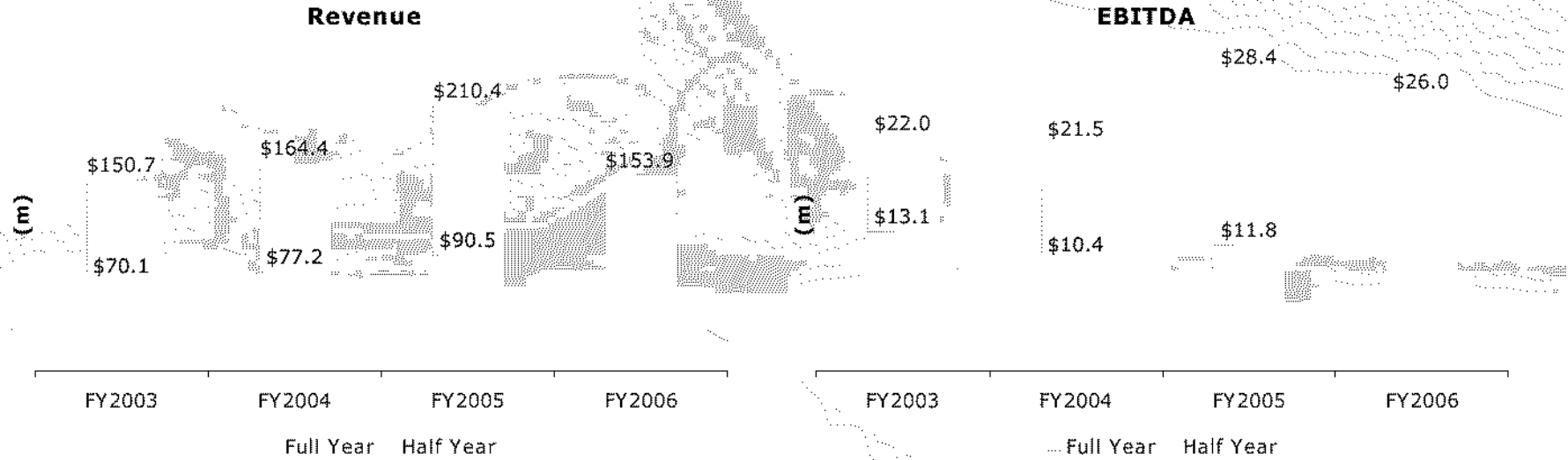
Group Performance Highlights

- ❖ **Record net profit after tax of \$9.1 million for the half year**
- ❖ **Result in line with earnings upgrade**
- ❖ **All major divisions performing strongly**
 - Strong contribution from African Mining Services (first full half year)
 - Exploration drilling and drill and blast division performed in line with the resources boom, in particular iron ore
 - Solid performance from Supply Direct and manufacturing business
- ❖ **Over \$600m of new contracts awarded since 30 June 2005**
 - Damang Open Cut Mining Contract extension
 - KCGM Super Pit Contract – Drilling Services and Grade Control
 - Black Swan
 - Expansion and relief of Telstra's Inter-Exchange Network
 - BHPBIO Exploration Drilling
- ❖ **High proportion of rollover or extensions of existing contracts with increasing margins**
- ❖ **Interim Dividend of 3.0 cents per share (fully franked) (up from 2.0 cents per share)**
- ❖ **Positive outlook for the second half**
 - Tendering activity is strong – extensive pipeline
 - Contracts supported by existing and new fleet
 - New work to significantly increase revenue and profitability of Diamond Communications

Financial Summary

	31 Dec 04	31 Dec 05	Change
	\$m	\$m	
Revenue from Operating Activities	89.1	152.3	+71%
Total Revenue	90.5	153.9	+70%
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EBITDA	11.8	26.0	+121%
EBITDA Margin	13.0%	16.9%	+30%
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EBIT	5.8	16.1	+177%
EBIT Margin	6.5%	10.5%	+62%
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PBT	4.7	13.9	+196%
PAT	3.3	9.1	+175%
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EPS	3.1	8.4	+172%
Dividends per share	2 cents	3 cents	+50%
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Financial Overview



Normalised results excluding forex and write off of goodwill

Balance Sheet

	30 Jun 05	31 Dec 05
Total Assets	169.8	205.5
Total Liabilities	80.5	107.6
Net Assets	89.3	97.9
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Cash	11.4	18.7
Interest Bearing Debt	44.7	66.7
Net Debt	33.3	48.0
Shareholders Equity	89.3	97.9
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Net Debt / Equity	37.3%	49.0%

Highlights

- ❖ **Net Tangible Assets of \$0.905 per share**
- ❖ **Cash of \$18.7m**
- ❖ **Net Debt to Equity 49%**

Strong Board & Management Team

Directors

- ❖ Terrence O'Connor (Non-Executive Chairman)
- ❖ Ron Sayers (Managing Director)
- ❖ James Askew (Non-Executive Director)
- ❖ Garry Connell (Non-Executive Director)
- ❖ Terry Strapp (Non-Executive Director)

Experienced Management Team

- ❖ Andrew Broad (General Manager of Australian Operations)
- ❖ Chris Tuckwell (General Manager of African Operations, African Mining Services)
- ❖ Brian Mann (General Manager, Ausdrill)
- ❖ Laurie Steel (Mining Manager, Ausdrill)
- ❖ Peter Wright (General Manager, Ausdrill Northwest)
- ❖ David Fraser (General Manager, Supply Direct)
- ❖ Bob Marrell (Operations General Manager, Diamond Communications)
- ❖ John Elsby (General Manager, Manufacturing)
- ❖ Mark Hughes (Chief Financial Officer)
- ❖ Greg Dower (Company Secretary)

Drill & Blast

- ❖ The Drill and Blast division provides:
 - Production drilling and blasting for surface mining operations
 - Pre-split drilling and blasting
 - Probe drilling for voids and underground workings
 - In pit reverse circulation grade control drilling and sampling.
- ❖ Contracts and Clients
 - KCGM (Barrick / Newmont) Super Pit, 6 years A\$150m
 - Gold Fields (St Ives)
 - Gold Fields (Agnew – Songvang Open Pit)
 - Macmahons
 - Other Clients include
 - BHPBIO
 - Pilbara Iron (member of the Rio Tinto Group)
 - Placer
 - LionOre
- ❖ Equipment Fleet
 - 16 DTH Hammer Rigs
 - 8 RC Grade Control Rigs
 - 41 Top Hammer Rigs

Exploration – Gold Fields

❖ The Exploration division provides:

- Reverse circulation drilling
- RAB drilling
- Surface diamond drilling
- Lake Drilling

❖ Contracts and Clients

- Gold Fields
- BHP (Pilbara)
- BHPB
- Agincourt
- Placer
- AngloGold

❖ Equipment Fleet

- 14 Diamonds – Land Rigs
- 2 Diamond – Lake Rigs
- 5 Multi-purpose – Lake Rigs
- 5 Multi-purpose – Land Rigs
- 10 RC Rigs



Ausdrill Northwest

- ❖ Ausdrill Northwest provides:
 - Reverse Circulation Drilling
- ❖ Clients and Contracts have included
 - BHPBIO
 - Pilbara Iron
 - Fortescue Metals
 - Hancock Prospecting
- ❖ Equipment Fleet
 - 12 RC Rigs



African Mining Services

African Mining Services is a specialist contract mining company and is a major contributor to Ausdrill's operations. Diversifies Ausdrill's revenue from majority exploration and drill and blast.

- ❖ **Contract Mining Services**
 - Development earthworks and construction:
 - Site preparation, pre stripping, mine site infrastructure, tailings dams and leach, bulk earthworks
 - Surface Mining:
 - Selective mining, bulk excavation, load and haul, grade control, drill and blast
- ❖ **Exploration**
 - Reverse Circulation Drilling
 - RAB Drilling
 - Surface Diamond Drilling
- ❖ **Contracts and Clients**
 - Gold Fields (Tarkwa Leach Pads)
 - Gold Fields (Damang Load, Haul, Drill, Blast and Grade Control)
 - Redback (Chirano Project, US\$60m contract)
 - Newmont (Ahafo Project Drill, Blast and Grade Control, US\$25m over 3 years)
- ❖ **Equipment Fleet**
 - 8 Dozers
 - 21 Drills
 - 46 Dumptrucks
 - 24 Excavators / Loaders
 - 5 Graders
 - 2 Wheel Dozers
 - 9 Exploration Drills



AMS
AFRICAN MINING SERVICES

Supply Direct

❖ Supply Direct provides to global regions:

- Procurement
- Receiving
- Packaging
- Freight Forwarding
- Road, Rail Air and Sea Freight
- Customs Clearance
- Insurance
- Order Tracking

❖ Clients and Contracts

- Barrick (Tanzania)
- Anvil Mining
- SMD (Guinea)
- Nevsun (Tabakota Mine in Mali)
- African Mining Services

SUPPLY DIRECT
Mining Supply and Logistics

Diamond Communication

❖ Diamond Communications provides:

- Horizontal Boring
- Communication Network Services
- Power Network Services
- Water & Gas Installations
- Civil & Mining Construction Works

❖ Clients and Contracts

- Regional CAN upgrade (Telstra)
- Exmouth Fibre Optic Link (Dept of Defence)
- Optical Fibre Network from Perth CBD to Fremantle (Amcom)
- CATV Installations in Perth (Visionstream, Skilled)
- Relocation of cables at Harvey Dam (Western Power & Telstra)
- Seabed cables from Garden Island to mainland

❖ New Contracts Awarded

- Expansion and relief of Telstra's Inter-Exchange Network
- Providing civil, hauling and jointing expertise to the South West region of Australia
- SABRENET So

❖ Equipment Fleet

- 8 Bulldozers
- 12 Directional Drills
- 26 Excavators
- 20 Trenching Machines





AUSDRIILL

Not Just a Drilling Company!

Now a Major Mining Services Group