

17 MARCH 2016

AUSDRILL SELLS DT HILOAD BUSINESS

Ausdrill Limited (**ASX: ASL**) has sold its DT HiLoad truck tray manufacturing business to WA-based Schlam Engineering (Schlam).

Ausdrill Managing Director, Ron Sayers, said the sale includes \$2.6 million in up-front consideration, with additional steel and tray inventories provided on a fixed price, consignment basis over three years. The sale is expected to generate total proceeds of up to \$8 million over three years, resulting in a small book profit for the Group.

“This sale concludes the shutdown of DT HiLoad that was announced in January 2016, and aligns with our strategy of exiting non-core and underperforming assets. Importantly, the sale to an industry participant will consolidate the activities of both Schlam and DT HiLoad for the benefit of all stakeholders,” Mr Sayers said.

The sale includes all brands, patents and material fixed assets related to the DT HiLoad business. Any residual inventories and non-critical business assets will be disposed of by way of auction or sale to third parties.

Schlam Engineering is a reputable supplier of services across asset management, maintenance and manufacture. Managing Director, Ryan Schlam, said the acquisition of DT HiLoad was a strategic decision to increase capability in its core areas of expertise.

“DT HiLoad has synergies with Schlam Engineering in that it is a specialist in design and manufacture of dump truck bodies and mining buckets. Schlam has been experiencing a period of organic and acquisitive growth, we saw this as the positive next step,” Mr Schlam said.

About Ausdrill

Ausdrill (ASX: ASL) is a diversified mining services company. Since its formation in Kalgoorlie in 1987, Ausdrill has grown significantly and now has operations across Australia, Africa and the United Kingdom. Ausdrill is a leader in providing services in contract mining, grade control, drill & blast, exploration, mineral analysis, procurement & logistics and manufacturing. The Ausdrill Group employs over 4,000 staff worldwide.

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