ASX RELEASE

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AUSDRILL COMPLETES SALE OF DTA BUSINESS

Ausdrill Limited **(ASX: ASL**) refers to its announcement dated 19 May 2016 and is pleased to confirm that it has successfully completed the sale of its Drilling Tools Australia ("**DTA**") business to Robit Plc with effect from today.

Under the terms of the Sale and Purchase Agreement, the full purchase price for the shares of $66 million is to be paid by Robit in two tranches being:

- Tranche 1 of $46.2 million received 30 June 2016
- Tranche 2 of $19.8 million payable by no later than 31 December 2016

Transaction Overview

The transaction includes DTA's drill bit manufacturing and distribution business, but excludes the net assets of DTA's oil and gas and spare parts business.

DTA will continue manufacturing operations at its facility in Canning Vale, Western Australia, under a five year leasing arrangement with Ausdrill.

Ausdrill has also entered into a 2.5 year preferred supply arrangement with DTA for the supply of drill bits going forward.

Managing Director, Ron Sayers, said "We are pleased to have secured this agreement with Robit, which opens up a range of opportunities for DTA and enables Ausdrill to focus on its core businesses."

Proceeds from the sale will be used to fund future capital expenditure and to pay down debt.

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 3,500 staff worldwide.

For further information, please contact:

Ron Sayers
Managing Director
Ausdrill Limited
Tel: +618-9311 5666

Theresa Mlikota
Chief Financial Officer
Ausdrill Limited
Tel: +618-9311 5666

David Ikin
Professional Public Relations
Tel: +618-9388 0944