

28 DECEMBER 2016

AFRICAN MINING SERVICES AWARDED NEW CONTRACT AT THE NATOUGOU GOLD PROJECT

Diversified mining services company Ausdrill Limited (**ASX: ASL**) is pleased to announce that its wholly owned subsidiary, African Mining Services (**AMS**) has received a Letter of Intent from Semafo Boungou S.A. (**SMFB**) for the award of a mining contract at its Natougou project in Burkina Faso, West Africa.

SMFB is a subsidiary of SEMAFO Inc (TSX, OMX: SMF). SEMAFO is a Canadian-based mining company with gold production and exploration activities in West Africa.

AMS will provide contract mining services to SMFB at its Boungou gold mine, which forms part of the Natougou project. The contract is expected to generate approximately USD\$277 million (AUD\$370 million) in revenue over a contract term of five years, with mining expected to commence in April 2017.

The principal terms and conditions of the contract are subject to full detailed documentation.

The project will require capital expenditure of approximately AUD\$55 million for the acquisition of new equipment, which will be funded from cash reserves. AMS anticipates it will employ approximately 235 personnel to complete the works, the majority of whom will be local.

Ausdrill's Managing Director, Ron Sayers, said: "We look forward to working with SEMAFO on this new contract in West Africa. Ausdrill's 25 years' experience working in the West African gold sector means we have the track record and know-how to ensure a successful outcome, delivering a safe and profitable mining operation, for Ausdrill and SEMAFO."

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. The Ausdrill Group employs over 3,800 staff worldwide.

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