



AUSDRILL LIMITED.

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DRILLING, BLASTING AND EXPLORATION CONTRACTORS

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Ausdrill Raises \$32m

Ausdrill Limited is pleased to announce a capital raising of \$32m through a private placement and an underwritten share purchase plan.

Private Placement

Commitments have been received by its brokers from a number of institutional and private investors for the placement of 13,700,000 ordinary shares at \$1.45 per share resulting in a net cash raising of around \$19m. The placement price represents a 6.45% discount to Ausdrill's closing share price on 1 March 2006. The placement represents 12.7% of Ausdrill's current issued shares. The placement shares will not participate in the interim dividend.

Share Purchase Plan

The Board has resolved to establish a Share Purchase Plan ("SPP") to allow eligible shareholders an opportunity to acquire shares also at \$1.45, the private placement price, to a value of \$5,000, raising approximately \$12.5m before costs. The record date for participation by shareholders in the SPP will be 23 March 2006 with the anticipated closing date being 19 April 2006.

As the SPP is to be underwritten, accordingly shareholder approval will be required to approve the issue of shares to the underwriters. Further details regarding the terms of the SPP and the notice of general meeting will be mailed to shareholders.

The funds raised are to meet increased growth, to fund future capital expenditure and further expansion opportunities. The current financial strength of the Ausdrill balance sheet will be improved significantly from the proceeds of the capital raising thereby positioning the Company to capitalise on opportunities as they arise.

The Board is very pleased with the strong interest and support received for the private placement and the underwriting of the SPP.

The raising was led by Argonaut Capital Limited and co-managed by Patersons Securities Limited, who will jointly manage the underwriting of the SPP.
