



Mitchell
SERVICES

4 July 2014

MITCHELL SERVICES LIMITED
(ASX: MSV)

ASX Announcement

INVESTOR UPDATE

CONTRACT WINS WORTH MORE THAN \$30m PUT MITCHELL SERVICES ON RAPID GROWTH PLAN

Key Points

- **Contracts for 6 rigs won in last 30 days**
- **Strong tender submission pipeline with tenders for 22 rigs currently active**
- **More than \$30m of contracts by expected revenue won since December 2013**

Mitchell Services Limited is emerging as one of Australia's leading drilling services providers having won contracts with total expected revenue of more than \$30 million with leading resource companies over the last six months.

Executive Chairman, Nathan Mitchell, said the Company's rapid success had bucked sector trends and vindicated the decision to re-enter the drilling services business in Australia at the bottom of the market via a merger of Mitchell Services Pty Ltd with ASX-listed Drill Torque Limited last year.

"There has definitely been a positive response to our return this year. We have 22 rigs out to tender at the moment and although there are no guarantees of success, we have won contracts for six rigs since our previous update on June the 2nd," Mr Mitchell said.

"We still have a lot of work ahead of us in order to expand the business to its previous size and grow beyond that, but the quality of our offering has enabled us to win a number of significant contracts in a short space of time. Importantly, we remain intently focused on laying down strong foundations for future growth."

In 2008, AJ Lucas Limited paid \$150 million to acquire Mitchell Groups Australian drilling business. The sale was subject to a five-year non-compete condition which expired last year, enabling Mitchell Group to re-enter the Australian drilling services market.

Since concluding the transformational merger and integrating the two businesses into a Tier 1 drilling company, Mitchell Services has won contracts with resource majors including Peabody, generating a growth rate not experienced in the sector since the downturn in 2012.

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Chief Executive Officer, Andrew Elf, said he was optimistic about the Company's prospects of winning more contracts in the near future given the number of tenders recently submitted by Mitchell Services.

"We specifically restructured the business to ensure that the resource companies, which were out of reach of the previous listed company, became our primary focus. These leading resource companies are now becoming our clients," Mr Elf said.

"There has been a lot of hard work to transform the business and get its operations up to the required standard, but we are now in a very strong position to take on any drilling contract with any client in the industry."

About Mitchell Services

The Mitchell Group began operations in 1969 and soon established a strong track record of delivering services on a global scale to the exploration, mining and energy industries. In 2013 Mitchell Services Pty Ltd merged with listed company Drill Torque Limited. The merged group has since rebadged itself as Mitchell Services Limited.

Mitchell has a history of innovation in the drilling industry and this is due to its philosophy of constantly striving to find a better way for clients. Mitchell Services operates in Australia and overseas and offers a range of drilling services including Mineral Exploration, Coal Exploration, Mine Services including large diameter and production drilling, Coal Mine Methane Drainage, Coal Seam Gas, Directional Drilling and Wireline Services.

Mitchell Services is headquartered in Brisbane, Australia and is listed on the Australian Securities Exchange. (ASX: MSV)

More information about Mitchell Services can be found at www.mitchellservices.com.au

Andrew Elf

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Disclaimer

The announcement contains certain "forward-looking statements." The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward looking statements are not guarantees of future performance and include known and unknown risks uncertainties and other factors, many of which are beyond the Companies control and may cause actual results to differ from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

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