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AUSDRILL SELLS DTA BUSINESS TO ROBIT PLC

Ausdrill Limited (**ASX: ASL**) is pleased to announce that it has signed a Sale and Purchase Agreement to sell its Drilling Tools Australia (“**DTA**”) business to Robit Plc, for \$66 million.

The transaction is in line with Ausdrill’s strategy to refocus on its core competencies.

Ausdrill Managing Director Ron Sayers said: “The sale of DTA provides Ausdrill with the opportunity to crystallise considerable value on a portion of the Group’s earnings, generating a profit after tax in the order of \$35 million¹ and allowing us to further pay down debt.”

Robit, is a Finnish manufacturer of high quality drilling products which it exports to over 100 countries.

“This is an exciting development in the rationalisation of our sector. As Robit is a renowned manufacturer of quality drilling products with an extensive global distribution network, they will be able to service Ausdrill’s drill consumable needs into the future,” Mr Sayers said.

The effective date of the sale will be 30 June 2016 and remains subject to certain customary closing conditions.

Transaction details

The transaction includes DTA’s drill bit manufacturing and distribution business, which generates annual revenue from internal and third party sales of approximately \$35 million.

The sale will exclude the net assets of DTA’s oil and gas and spare parts business, which will be transitioned to other divisions of the Ausdrill Group.

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

DTA will continue manufacturing operations at its facility in Canning Vale, Western Australia, under a five year leasing arrangement with Ausdrill. All current DTA employees will remain employees of DTA as part of the transaction.

“I would like to take this opportunity to thank all of our DTA employees for their loyalty and service over many years. We wish them and Robit every future success and we expect the relationship between DTA and Ausdrill to remain strong going forward,” Mr Sayers said.

Notes:

¹ Includes impairment reversal in the order of \$5 million and remains subject to statutory audit.

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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.

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