



Ausdrill Limited
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Canning Vale WA 6970

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www.ausdrill.com.au
ABN: 95 009 211 474

23 November 2007

Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir,

Ausdrill Limited Share Purchase Plan

The following documents have been dispatched to shareholders eligible to participate in the Share Purchase Plan ("SPP"):

1. Covering letter dated 23 November 2007,
2. Terms and Conditions of the SPP, and
3. The relevant application form.

A copy of the covering letter, the terms and conditions and a specimen application form are attached.

Yours faithfully
AUSDRILL LIMITED

DOMENIC SANTINI
Company Secretary

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23 November 2007

Dear Shareholder,

Share Purchase Plan

On 7 November 2007, Ausdrill Limited (**Ausdrill**) announced that it had raised approximately \$77.5 million before costs by way of a placement at \$2.50 per share to institutional and professional investors (**Placement**) (subject, in part, to shareholder approval at a general meeting to be held on 10 December 2007). At the same time, Ausdrill also announced the establishment of an underwritten Share Purchase Plan (**SPP**) to raise approximately \$17.4 million before costs (the exact amount to be raised could not be calculated at that time because the record date for the SPP had not yet occurred).

The purpose of the SPP is to provide an opportunity for all eligible shareholders to buy additional shares at terms better than those offered in the Placement. The price for the shares in Ausdrill being offered to you now is \$2.40 per share.

The issue price of \$2.40 for each share under the SPP represents a 4.76% discount to Ausdrill's average closing price on the Australian Securities Exchange (ASX) of \$2.52 over the five trading days prior to 31 October 2007, being the last trading day before the announcement of the Placement and SPP. The issue price also represents a discount of 4.76% to Ausdrill's average closing price on ASX of \$2.52 over the five trading days prior to 16 November 2007 (the record date for the SPP). Between the announcement of the SPP and the record date, Ausdrill shares have traded between a range of \$2.41 and \$2.65, closing at \$2.50 on the record date. You should note however that the market price of Ausdrill shares on ASX may rise or fall between the date of this offer, the date the offer closes and the date when Ausdrill issues shares to you. This means that the price you pay per share under this offer may be more or less than the price of Ausdrill shares at the time the shares are issued to you.

You should seek your own financial advice in relation to this offer and your participation under the SPP.

This letter sets out the basis of the offer to shareholders under the SPP. The Terms and Conditions of the SPP and an Application Form are attached to this letter. By accepting the offer to purchase shares under the SPP, you will have agreed to be bound by these terms and conditions and the Constitution of Ausdrill.

No brokerage or other transaction costs apply to purchases under the SPP. All new shares issued under the SPP will rank equally with existing fully paid ordinary shares in Ausdrill and will carry the same voting rights and all other entitlements.



You will be eligible to participate in the SPP if you were a registered holder of fully paid ordinary shares of Ausdrill at 5.00pm WGST on Friday 16 November 2007 with a registered address in either Australia or New Zealand (the Board of Ausdrill has determined it is not practicable for shareholders in other jurisdictions to participate in the SPP).

If you are eligible to purchase shares under the SPP, you may select only one of the following offers to purchase shares in Ausdrill:

Offer A	833 shares	Total amount payable at A\$2.40 per share	A\$1,999.20
Offer B	1,250 shares	Total amount payable at A\$2.40 per share	A\$3,000.00
Offer C	2,083 shares	Total amount payable at A\$2.40 per share	A\$4,999.20

The maximum investment of \$4,999.20 or (2,083 shares) will apply even if you receive more than one offer from the company (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts). Ausdrill reserves the right to reject any application for shares where it believes this rule has not been complied with.

The offer will close at 5.00pm WGST on Monday, 10 December 2007.

If you wish to apply for any shares under the SPP, you should complete the enclosed Application Form and forward it with your payment by cheque made payable to "Ausdrill Limited Share Purchase Plan Account" and crossed "Not Negotiable" to our Share Registry so that it is received no later than that time. Cheques must be in Australian dollars and drawn on an Australian bank account. Alternatively, you may pay by BPAY using the details set out on the Application Form. Applications received after 5.00pm WGST on Monday, 10th December 2007 will not be accepted. If the exact amount of money is not tendered with the Application Form (or via BPAY), Ausdrill reserves the right to return your Application Form and payment and not allot any shares to you. Address and contact details for the Share Registry are set out below.

Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840, Australia
Enquiries (within Australia) 1300 557 010 (outside Australia 61 3 9415 4000)

Participation in the SPP is entirely at your option. The offer to participate is non-renounceable, which means that you cannot transfer your right to purchase shares under the SPP to anyone else.

The SPP is underwritten by Argonaut Capital Limited. The underwriter will apply for or procure applications for any shortfall in shares at an issue price of \$2.40 per share, subject to Ausdrill obtaining shareholder approval. The Company issued a notice of meeting on 9th November 2007 convening a general meeting to be held on Monday 10th December 2007 to seek shareholder approval to (among other things) Argonaut Capital Limited participating as underwriter to the SPP. The maximum number of shares to be issued under the SPP (including shortfall shares issued to the underwriter) is 10,014,583

It is anticipated that the shares allotted to you under the SPP will be quoted on ASX Limited on or about 21 December 2007 and you should receive your holding statement or confirmation advice shortly after this date.



Timetable

The important dates applicable to the SPP are:

Record date for SPP	16 November 2007
Despatch of SPP documents and application form	23 November 2007
General meeting to approve underwriting of SPP	10 December 2007
Closing date for applications	10 December 2007
Advise underwriter of shortfall	12 December 2007
Underwriter settles shortfall	18 December 2007
Allot shares	20 December 2007
Apply for ASX quotation and despatch holding statements	21 December 2007

If you have any questions in respect of the SPP, please contact the undersigned on 08 9311 5666, facsimile 08 9311 5667 or email domenics@ausdrill.com.au.

Yours sincerely

Domenic Santini
Company Secretary

Ausdrill Limited ('Ausdrill')
ABN 95 009 211 474

**Share Purchase Plan
Terms and Conditions**

Participation

Participation in the share purchase plan ('SPP') is open to all persons who, as at the record date determined by the directors of Ausdrill ('Board') being 5.00pm WGST 16 November 2007, are registered as holders of fully paid ordinary shares in Ausdrill, except those shareholders whose registered address is in a country where, in the reasonable opinion of the Board, it is unlawful or impractical for Ausdrill to issue offers under the SPP. For the purposes of the SPP, "registered holder" will have the meaning given in ASIC Class Order 02/831.

Participation in the SPP is optional and is subject to these terms and conditions.

Offers

Offers under the SPP will be non-renounceable and shares may be issued only to the shareholder to whom they are offered. The SPP is fully underwritten by Argonaut Capital Limited. The underwriter will apply for or procure applications for any shortfall in shares at an issue price of \$2.40 per share, subject to Ausdrill obtaining shareholder approval to issue such shares.

Each offer will be made on the same terms and conditions. All eligible shareholders of Ausdrill ordinary shares will receive the same offer, irrespective of the number of shares which they hold on the record date.

The maximum value of shares for which each eligible shareholder may subscribe under the offer is \$4,999.20 although eligible shareholders may subscribe for a lesser amount being either \$1,999.20 or \$3,000.00. In any consecutive 12 month period, the maximum value of shares for which each eligible shareholder may subscribe under the SPP is \$5,000 (or such lesser amount as the Board may determine in its discretion). These limits apply to each shareholder even if that person holds shares in more than one capacity – for example, as a sole holder and as a first (or subsequent) named joint holder or where the shareholder holds more than one shareholding under separate share accounts.

Issue Price

Shares will be issued under the SPP at an issue price of \$2.40.

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Costs of Participation

No brokerage, commissions, stamp duty or other transaction costs will be payable by shareholders in respect of the application for, or issue of, shares under the SPP.

Issue of Shares

Ausdrill will issue shares for the purposes of the offer as soon as reasonably practicable after the closing date of the offer.

Shares issued under the SPP will rank equally with all other fully paid ordinary shares in Ausdrill on issue as of the date of issue and will therefore carry the same voting rights, dividend rights and other entitlements as those shares.

Ausdrill will apply for shares issued under the SPP to be quoted on the ASX.

Ausdrill will, within the period required by the ASX Listing Rules, send participants a holding statement in respect of any shares issued and allotted to them under the SPP.

Ausdrill may allot to any person fewer shares than subscribed for under the SPP (or none at all) if Ausdrill believes that the issue and allotment of those shares would contravene any law or the rules of any stock exchange on which Ausdrill shares are quoted.

Acceptance of Offers

An offer to participate in the SPP may be accepted by an eligible shareholder only by completing and returning the acceptance form provided by Ausdrill, together with the appropriate payment for the amount to which the acceptance relates, by no later than the closing date for the offer specified on the acceptance form.

Payment may be made only by cheque in Australian dollars drawn on an Australian bank or by any other method specified in the invitation or on the application form.

An offer will be taken to have been accepted by an eligible shareholder only if the cheque which accompanies the shareholder's acceptance form is paid in full on first presentation (or where cleared funds are otherwise received by Ausdrill).

If one or more acceptance forms are received by an eligible shareholder in relation to shares with a value greater than \$5,000 in any consecutive 12 month period, the shareholder will be issued with the maximum number of shares permitted by the SPP and the excess subscription monies will be refunded.

Shareholders resident in Australia may be subject to Australian capital gains tax upon the sale of shares purchased under the SPP. Shareholders should consult their taxation or investment advisers to clarify the financial and taxation implications for them of subscribing for shares under the SPP.

Dispute Resolution

Ausdrill may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the SPP, whether generally or in relation to any participant or class of participants, offer, application or shares, and the decision of Ausdrill shall be conclusive and binding on all participants and other persons to whom the determination relates.

Ausdrill reserves the right to waive compliance with any provision of these terms and conditions.

Notices

Notices and statements to participating shareholders may be given in any manner determined by the Board from time to time.

Timetable

The important dates applicable to the SPP are:

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Advise underwriter of shortfall	12 December 2007
Underwriter settles shortfall	18 December 2007
Allot shares	20 December 2007
Apply for ASX quotation and despatch holding statements	21 December 2007

Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
Facsimile 61 8 9323 2033
web.queries@computershare.com.au
www.computershare.com

Securityholder Reference Number (SRN)

000001
000
SAM
MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN VIC 3030



I 1234567890 I N D

Entitlement Number:
Record Date: 16 November 2007
Offer Closes: 5.00pm WDST, 10 December 2007
Price per Security: A\$2.40

SHARE PURCHASE PLAN APPLICATION FORM

IMPORTANT:

This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this form please consult a professional adviser.

Pursuant to the terms and conditions of the Ausdrill Limited Share Purchase Plan (SPP) contained in the letter to Ausdrill Limited securityholders dated 23 November 2007, Ausdrill Limited is offering eligible securityholders the opportunity to purchase Shares up to a maximum value of A\$4,999.20 per eligible securityholder, subject to a minimum application of A\$1,999.20.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Ausdrill Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Ausdrill Limited to subscribe for Ausdrill Limited Shares on the terms of the SPP. In addition, by submitting this Application Slip you certify that the aggregate of the application price paid by you for:

- the Shares the subject of this Application Slip; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of this Application Slip, does not exceed \$5,000.00.

METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

Ausdrill Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Ausdrill Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Ausdrill Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Ausdrill Limited does not notify you of that event.

This offer is Non-Renounceable - no Signature is required

Applications can only be accepted in the name printed on this form



Please see overleaf for Payment Options



Billor Code: 123456
Ref No: 123412341234123412

I/We wish to purchase:

☐ 833 shares
or
A\$1,999.20

or

☐ 1,250 shares
or
A\$3,000

or

☐ 2,083 shares
or
A\$4,999.20

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details

Drawer	Cheque number	BSB number	Account number	Cheque amount
				A\$

Make your cheque or bank draft payable to Ausdrill Limited - Share Purchase Plan Account

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Contact person's daytime telephone number

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return this slip if you are paying by electronic means.

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:

- agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this form;

Your cheque, bank draft or money order payable to Ausdrill Limited - Share Purchase Plan Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided.

If paying by cheque, return the Application Slip and Cheque, Bank Draft or money order in the envelope provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Share Purchase Plan Application Slip where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

Lodgement of Application

If you are applying for shares and your payment is being made by BPay, you do not need to return this form. Your payment must be received by no later than 4.00pm (WGST) on 10 December 2007. It is the responsibility of the applicant to ensure that funds submitted through BPay are received by this time.

If you are paying by cheque, bank draft or money order, your Application Slip must be received by Computershare Investor Services Pty Limited (CIS) Perth by no later than 5.00pm (WGST) on 10 December 2007. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand holders will need to affix the appropriate postage. Return your Application Slip with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 557 010.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 557 010 or visit www.computershare.com (certificated/issuer sponsored holders only).

CHESS holders must contact their Controlling Participant to notify a change of address

Payment Options:



Bill Code: 123456

Ref No: 123412341234123412

Telephone & Internet Banking - BPay

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail
Ausdrill Limited
Computershare Investor
Services Pty Limited
GPO Box D182
Perth WA 6840
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAPLETOWN TAS 7000

034156,000UEB

SPRB

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