

CAPITAL RAISING

15 September 2017

Mitchell
SERVICES

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OVERVIEW & EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- Mitchell Services Limited ("**Mitchell Services**") is seeking to raise approximately $8.79m **to fund preparation and mobilisation of unutilised rigs and associated equipment, procurement of consumables and recruitment of personnel to fulfil current and expected contract pipeline requirements and additional working capital.**

- The Capital Raising Comprises of:
  - An institutional and sophisticated investor Placement to raise approximately $2.52m at $0.034 per share ("Placement Offer")
  - A **1** for **8** non-renounceable rights issue to existing shareholders located in Australia and New Zealand to raise approximately $6.27m at $0.034 per share ("Entitlement Offer").

- The rights issue will be fully underwritten by Morgans Corporate Limited.

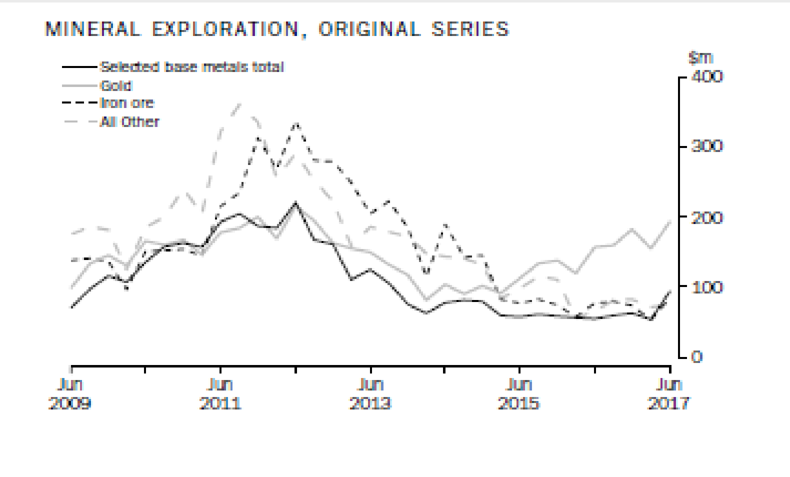
- Phase 2 ramp up of BHP Olympic Dam contract up to 7 rigs as announced on 5 September 2017.

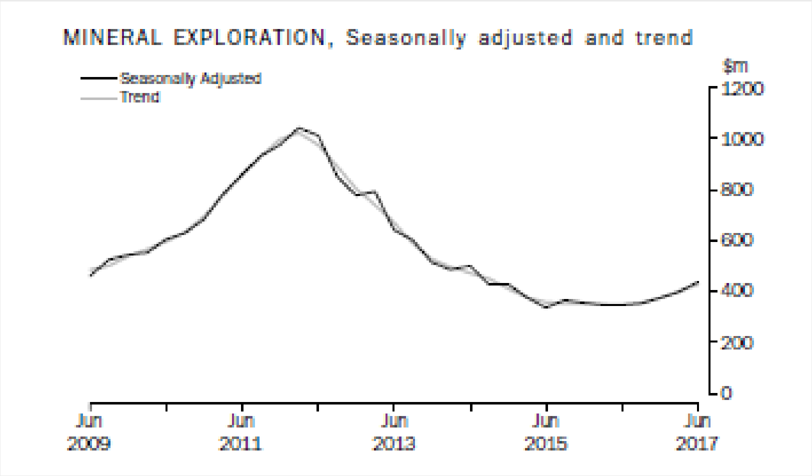
- Major shareholder Mitchell Group has committed to take up its rights in full under the Entitlement Offer.

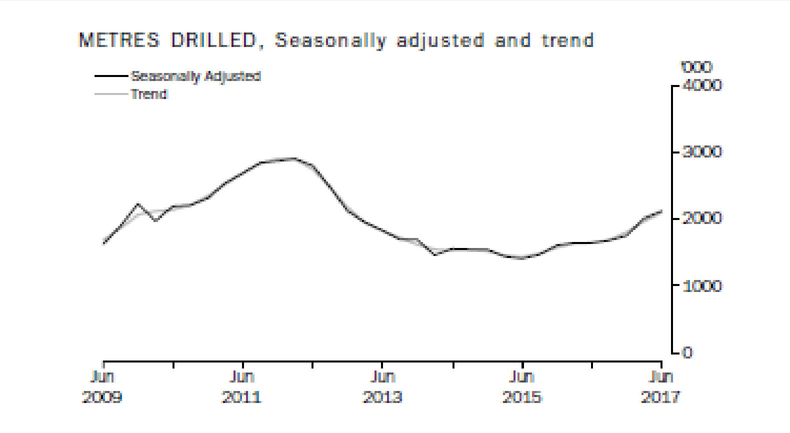
- All Directors and eligible Senior Management have committed to participate in the Entitlement Offer.

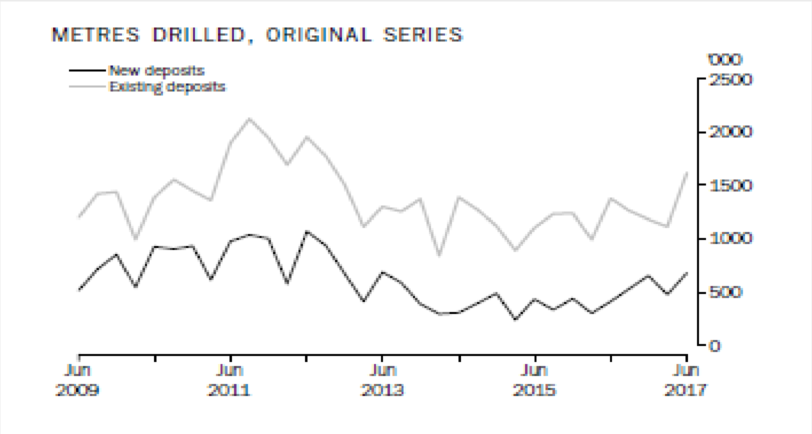
WHERE ARE WE IN THE CYCLE?

ABS 8412.0 Mineral and Petroleum Exploration, Australia. Released 4 September 2017 for June 2017 Quarter.



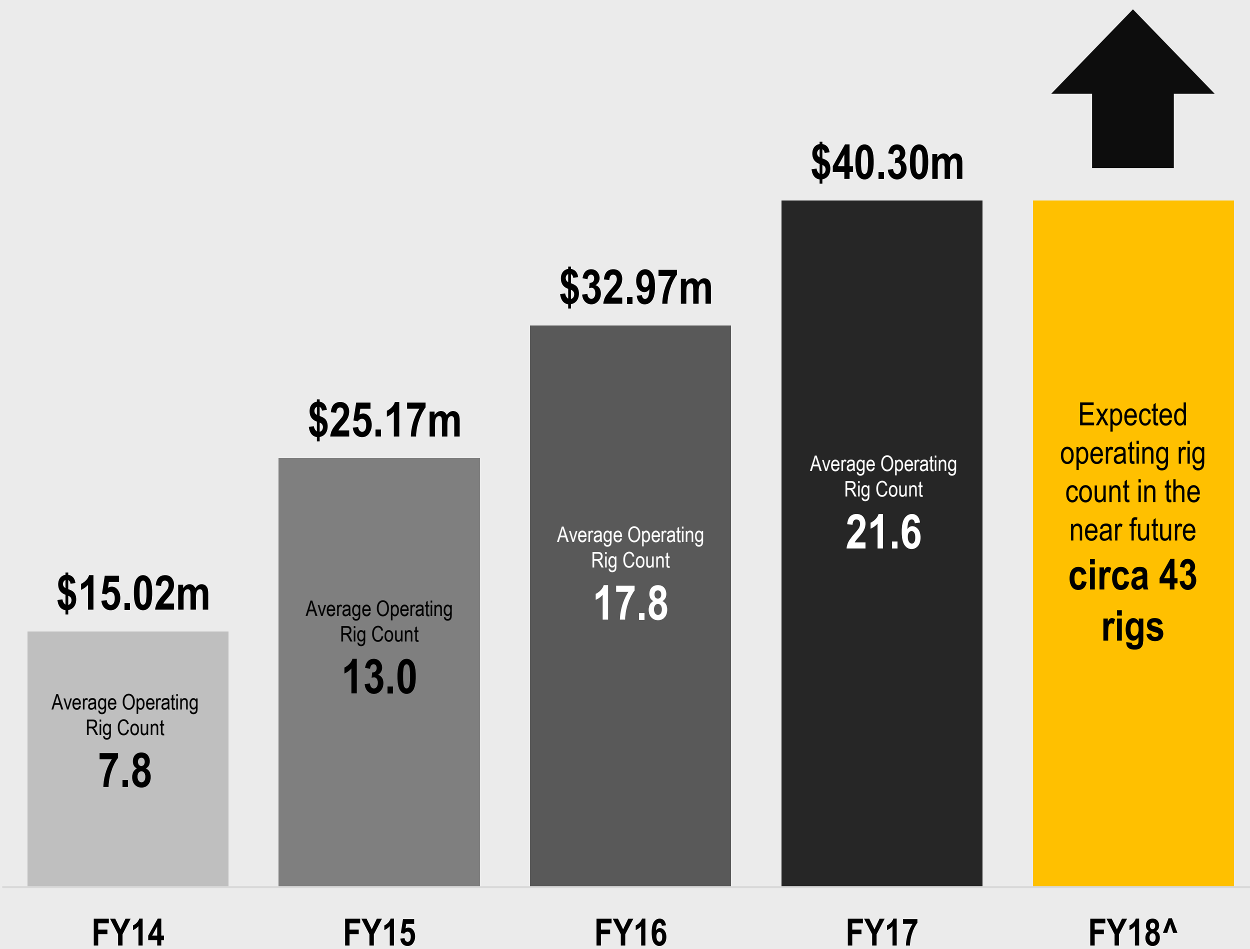




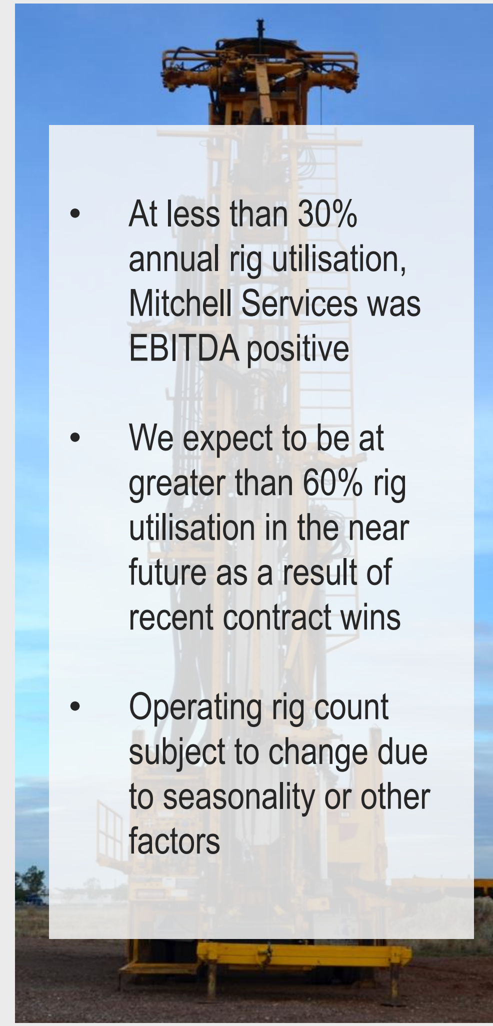


June quarter mineral exploration 2017 spend is 23.5% higher than June quarter 2016 spend

IMPACT OF INCREASED UTILISATION ON REVENUE



^Forecast only



- At less than 30% annual rig utilisation, Mitchell Services was EBITDA positive
- We expect to be at greater than 60% rig utilisation in the near future as a result of recent contract wins
- Operating rig count subject to change due to seasonality or other factors

BUSINESS OVERVIEW

MITCHELL SERVICES MARKET PROFILE

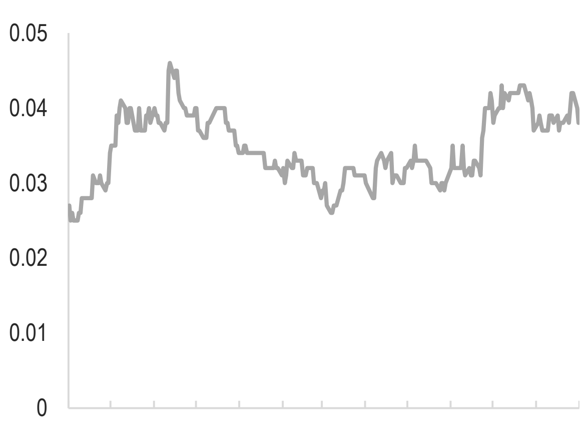
ASX Information

ASX Stock Symbol:	MSV
Shares Issued:	1,476,414,072
Share Price (at 12/9/2017):	A$0.037
Market Capitalisation:	A$54.6m

Board of Directors

- Executive Chairman – Nathan Mitchell
- Non-Executive Director – Peter Miller
- Non-Executive Director – Robert Douglas
- Non-Executive Director – Neal O’Connor

12 Month Closing Share Price at 12 Sep 17



Senior Management Team

- Chief Executive Officer – Andrew Elf
- CFO & Company Secretary – Greg Switala
- GM People and Risk – Josh Bryant
- GM Commercial – Todd Wild

2017 RESULTS OVERVIEW

8,357 shifts in FY2017

↑ 28%

from FY2016

Total recordable injury frequency rate improved by

7.8%

from FY2016

200+

experienced employees

Major project wins increase **geographical diversity** and materially **increase operating rig** count

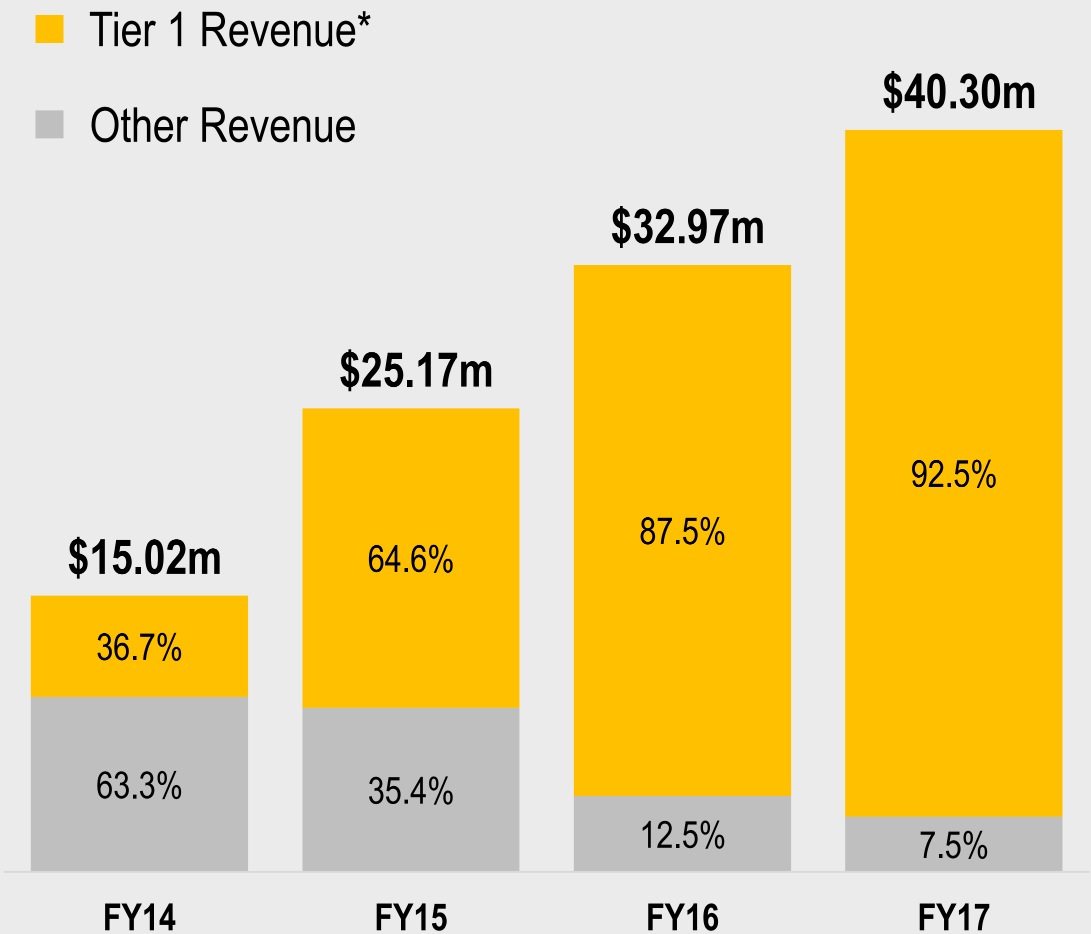
330% increase in EBITDA to **$2.2m** with **$4.3m** cash flow from operations

Total revenue of $40.30m

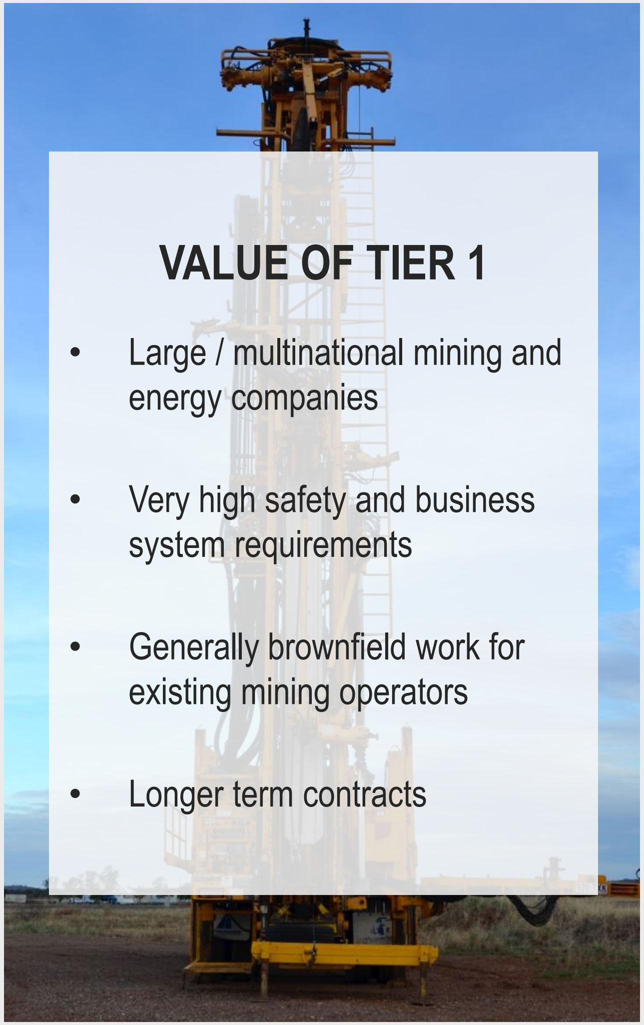
↑ 22%

from FY2016 driven by a 21% increase in operating rig count

REVENUE BY CLIENT TYPE



*large / multinational mining & energy companies



VALUE OF TIER 1

- Large / multinational mining and energy companies
- Very high safety and business system requirements
- Generally brownfield work for existing mining operators
- Longer term contracts

GROWTH OPPORTUNITY

LEVERAGE IN AN IMPROVING MARKET

STAGE 1: UTILISATION INCREASES

- More rigs start working (This is happening)

STAGE 2: PRODUCTIVITY IMPROVES AS UTILISED RIGS WORK MORE SHIFTS

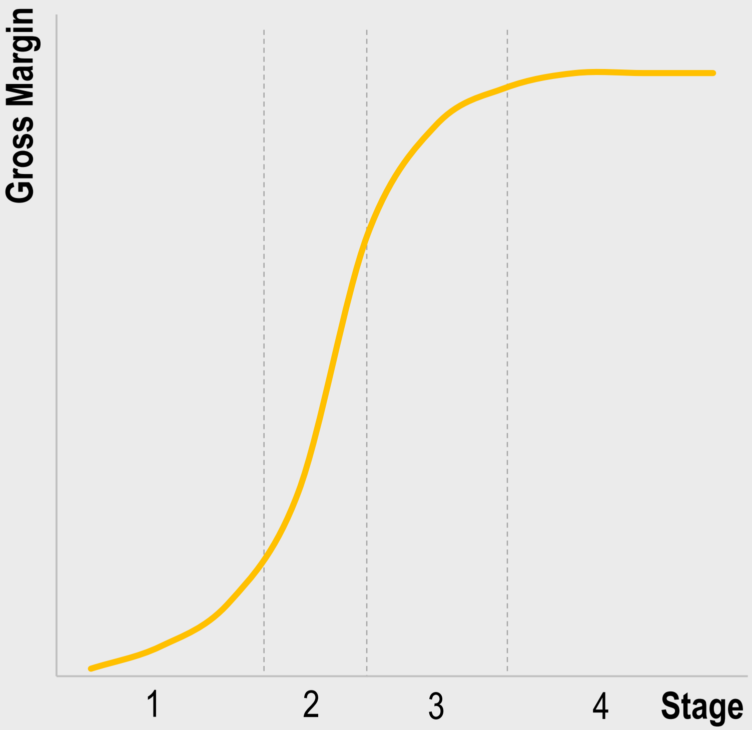
- Seasonality impact reduces as rigs work through the wet season (This is starting to happen in limited areas)
- More rigs work 24 hours a day 7 days a week versus 12 hours a day (Limited rigs in the Energy sector work 24 hours a day)

STAGE 3: PRICE INCREASES AS SUPPLY AND DEMAND CHANGES IN FAVOUR OF SERVICE PROVIDERS

- On average across a range of different drilling types prices are still circa 20% - 40% below those of the highs in the last cycle (Large Diameter, Surface and Underground)
- Example – Core drilling in the Coal sector is currently circa \$110 per metre down from circa \$150 per metre in the last cycle

STAGE 4: GENERAL CONTRACT TERMS & CONDITIONS IMPROVE

- Larger up front mobilisation charges to manage ramp up costs
- Larger demobilisation charges
- Take or pay contracts
- More flexible pricing schedule of rates



BUSINESS DEVELOPMENT

Improving market will lead to further increases in rig utilisation

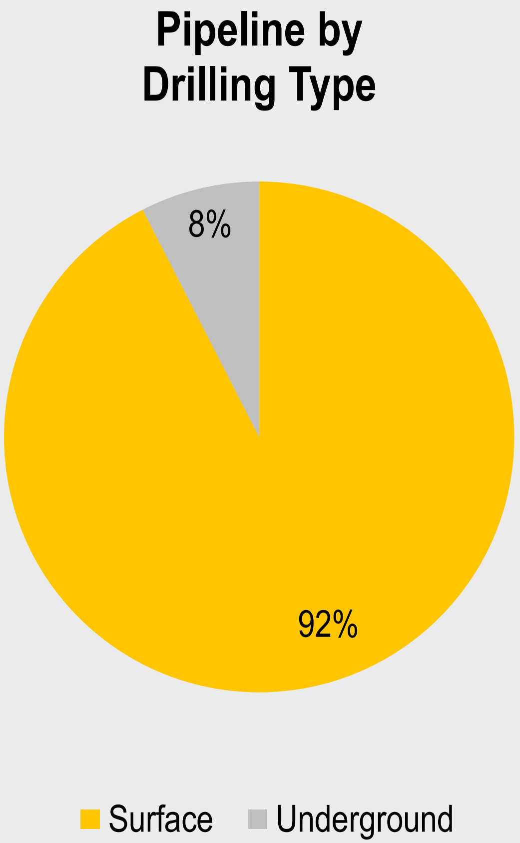
- Highly focused on **lead generation**

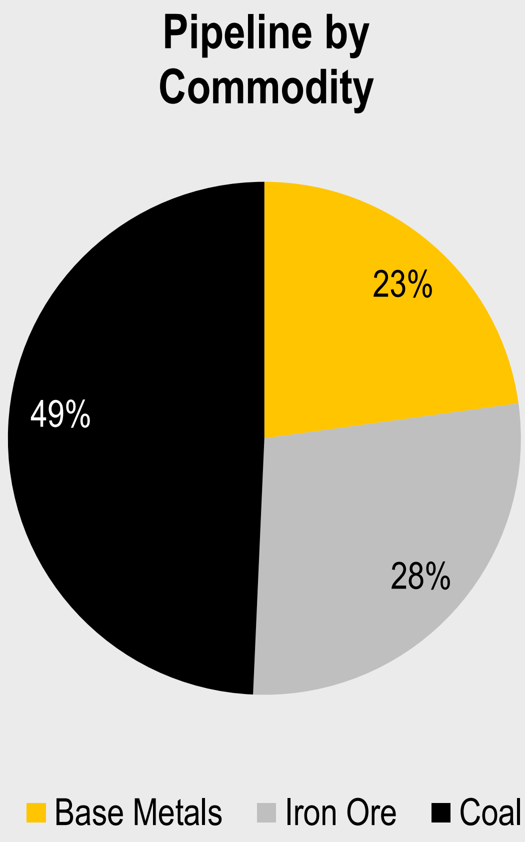
- Request for tender, proposals and tender activity **has doubled to over $200m** since March 2016

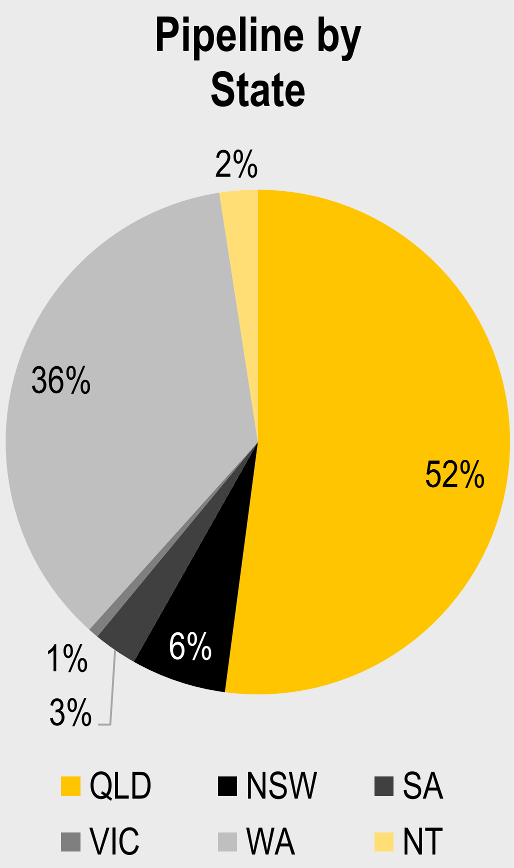
- **Continue to win multi rig, multi year contracts** with Tier 1 clients which is **reflected in utilisation levels** and revenue growth

- **National Footprint**. Operating in Queensland, Northern Territory, New South Wales and South Australia with Western Australia entry underway.

MAJORITY OF $200M+ PIPELINE IS SURFACE DRILLING







OFFER STRUCTURE

EQUITY OFFER OVERVIEW

THE OFFER	**The capital raising consists of the following components** • A placement of 74,000,000 million shares at $0.034 per share to raise approximately $2.52m ("Placement Offer") • A 1 for 8 non-renounceable rights issue to existing shareholders located in Australia and New Zealand to raise approximately $6.27m at $0.034 per share ("Entitlement Offer") • Top-Up Offer to existing shareholders to subscribe for shares greater than their entitlement. Any allocation of additional shares under the Top-Up Offer is subject to the shortfall amount under the Entitlement Offer and the discretion of the Board. All new shares will rank equally with Mitchell Services existing shares
PRICING	**Offer price of $0.034 per share represents:** • 8.1% discount to last close of $0.0370 per share • 15.0% discount to 1 week VWAP of $0.0400 per share • 7.1% discount to TERP* of $0.0366 per share
SHAREHOLDER SUPPORT	• Major shareholder Mitchell Group has committed to take up its rights in full under the Entitlement Offer • All Directors and eligible Senior Management have committed to participate in the Entitlement Offer
USE OF PROCEEDS	Fund preparation and mobilisation of unutilised rigs and associated equipment, procurement of consumables and recruitment of personnel to fulfil current and expected contract pipeline requirements and additional working capital
UNDERWRITING	The Entitlement offer is fully underwritten by Morgans Corporate Limited

* The theoretical ex rights price (TERP) is the theoretical price at which MSV shares should trade immediately after the ex date for the entitlement offer. TERP is a theoretical calculation only and the actual price at which MSV shares trade immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

FINANCIAL POSITION

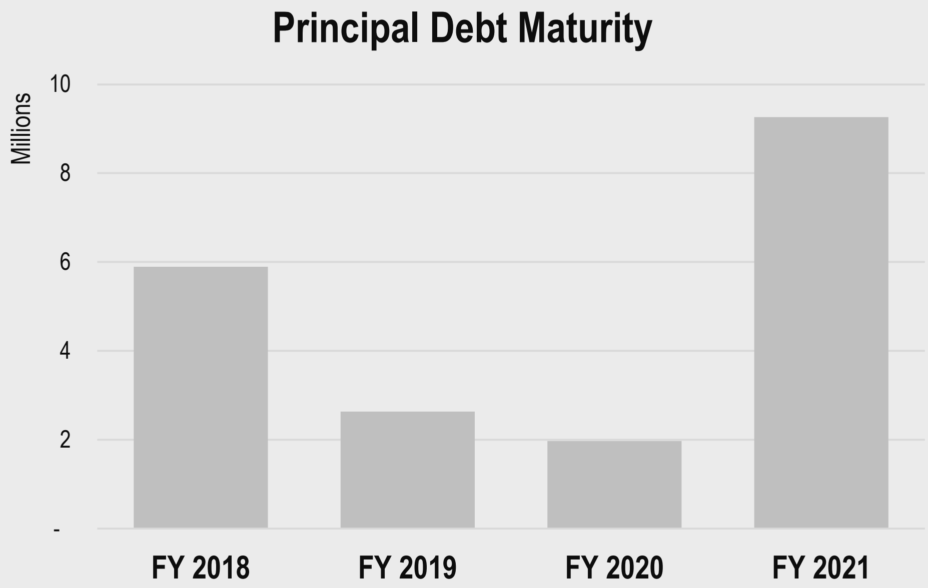
	31 Jul 17*	Capital Raise^	Post-Raise
	$000's	$000's	$000's
Current assets	12,064	8,300	20,364
Property, plant and equipment	29,838	0	29,838
Other non-current assets	16	0	16
Total assets	**41,918**	**8,300**	**50,218**
Current liabilities	14,316	0	14,316
Non-current liabilities	13,913	0	13,913
Total liabilities	**28,229**	**0**	**28,229**
Net assets	**13,689**	**8,300**	**21,989**

* Unaudited

^ Approximate only

Net of costs, the capital raising will fund preparation and mobilisation of unutilised rigs and associated equipment, procurement of consumables and recruitment of personnel to fulfil current and expected contract pipeline requirements and additional working capital.

DEBT PROFILE OVERVIEW



	30 Jun 17	31 Aug 17
	$000's	$000's
Equipment finance	6,476	7,156
Overdraft	535	3,453
Shareholder loans	8,500	8,500
Total	**15,511**	**19,109**

Shareholder Loans

- Originated in 2015 as a funding mechanism for the Nitro asset acquisition
- Interest at 10% pa, payable monthly in cash
- Matures July 2020
- Secured by all ex-Nitro assets
- Debt is not convertible to equity
- No exit fees for early settlement
- Provided by major shareholders Washington H Soul Pattinson & Company Limited and Mitchell Family Investments (Qld) Pty Ltd

Figures based on debt levels at 12 September 2017

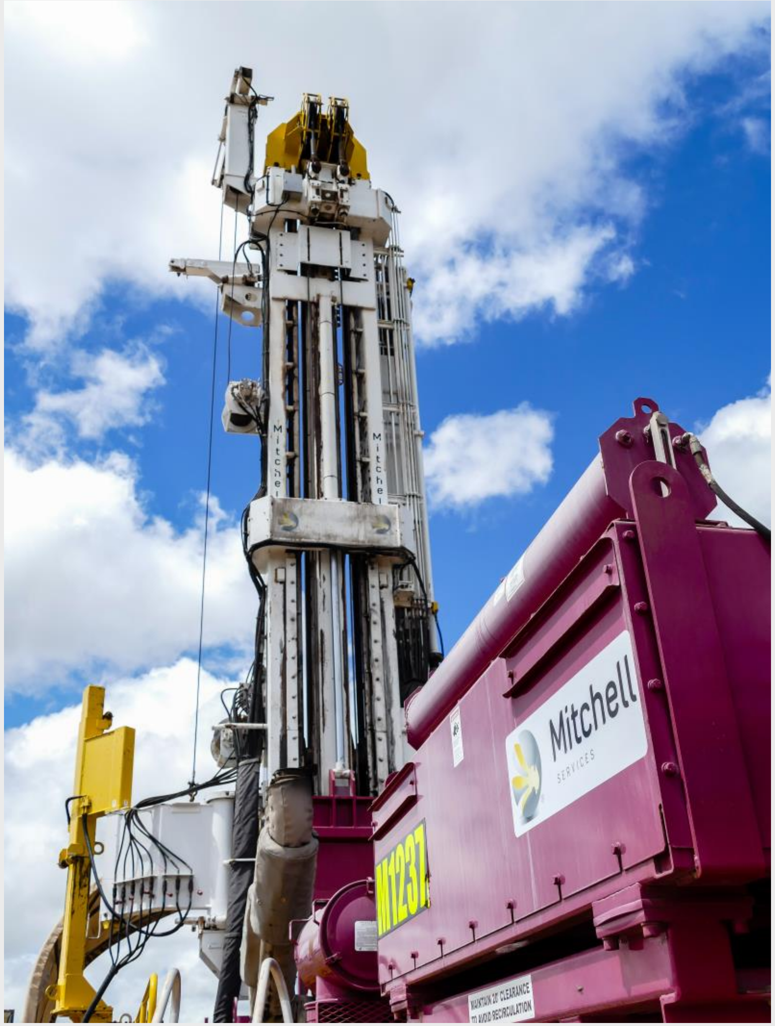
OFFER TIMETABLE

INDICATIVE TIMETABLE (subject to change)

Activity	Date
Announcement of Placement & Entitlement Offer	Friday, 15 September 2017
Ex date for Entitlement Offer	Tuesday, 19 September 2017
Record date for Entitlement Offer	Wednesday, 20 September 2017
Placement Offer shares settle	Wednesday, 20 September 2017
Placement Offer shares are issued	Thursday 21, September 2017
Entitlement Offer opens	Monday, 25 September 2017
Entitlement Offer closes	Monday, 9 October 2017
Entitlement Offer shares settle	Friday, 13 October, 2017
Entitlement Offer shares are issued	Monday, 16 October 2017
Entitlement Offer shares commence trading on a normal basis	Tuesday, 17 October 2017

SUMMARY

- Mitchell Services vision is to be **Australia's leading provider of drilling services** to the global exploration, mining and energy industries.
- Significant increase in **rig utilisation** to circa **43 rigs** during 1H2018 from an average of 22 in FY17.
- $200+ million tender pipeline is **primarily surface drilling**.
- Successful **geographical expansion** to date and entry into Western Australia underway.
- Ability to **leverage increased returns** in an improving market.
- Mitchell Services has an **experienced board** and management team who have **proven success** in business development and growth.



APPENDIX

- Appendix 1 – Capital Structure
- Appendix 2 – Board and Management
- Appendix 3 – Where are we in the cycle?
- Appendix 4 – Types of Drilling
- Appendix 5 – Investment Risks

APPENDIX 1 – CAPITAL STRUCTURE

Current shares on issue	1,476,414,072
Placement shares	74,000,000
Expanded share capital	1,550,414,072

Rights issue ratio	1 for 8
Rights issue shares	184,551,759

New shares on issue post Capital Raising	1,734,965,831

APPENDIX 2 - BOARD AND MANAGEMENT

NATHAN MITCHELL – Executive Chairman
During his tenure as CEO for Mitchell Drilling Contractors the company doubled in size with Mr. Mitchell directing an international expansion into China, Indonesia, USA and various countries across Southern Africa.

PETER MILLER - Non Executive Director
Mr. Miller founded Drill Torque in 1992 with one drill rig, which grew to 29 prior to the acquisition of Well Drilled. Mr. Miller has been involved in all aspects of the drilling industry for the past 28 years and has extensive knowledge of the drilling conditions, equipment requirements and pricing structure to maximize productivity.

ROBERT DOUGLAS (BCom, LLB) – Non Executive Director
Mr. Douglas has over 15 years experience in finance and investment banking and is currently Executive Director of Morgans Financial. He has vast experience in all aspects of corporate advisory and equity capital raising for listed public companies and companies seeking to list.

NEAL O'CONNOR (LLB, GAICD) – Non Executive Director
Mr O'Connor was appointed a Non-Executive Director on 20 October 2015 and is also Chairman of the Audit and Risk and Remuneration and Nomination Committees. Mr O'Connor was formerly General Counsel and Company Secretary and an Executive Committee member of the global Xstrata Copper.

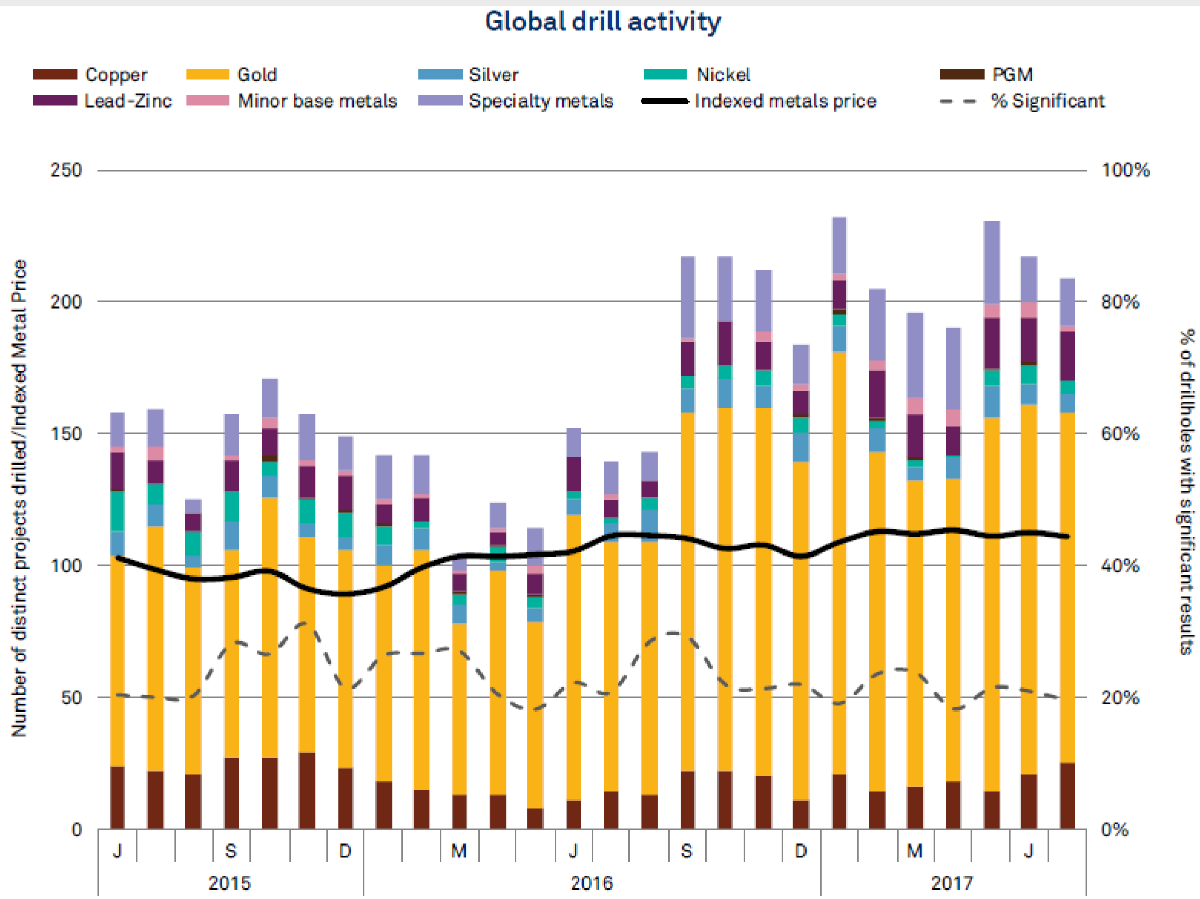
ANDREW ELF (B.Com, FCPA, MBA, GAICD) – Chief Executive Officer
Mr. Elf has over 15 years finance, commercial and operation experience. He has held senior roles with Boart Longyear where he spearheaded the growth of the African business to an annual turnover in excess of $30 million.

GREG SWITALA (B.Com Hons CTA, CA) - CFO & Company Secretary
Greg joined Mitchell Services in 2014 and has lead the finance team through a period of substantial growth. Greg has over 10 years' experience in audit and commercial finance roles.

JOSH BRYANT (B.Sc (Geology), Grad Dip Applied Finance) – General Manager People & Risk Mr Bryant has over 17 years' experience in the resources industry. He has a family history in the drilling industry being the son of a diamond driller and having worked as a drillers offsider.

TODD WILD (B.Bus.C) – General Manager Commercial
Todd was appointed General Manager Commercial in October 2015. Todd has held senior business and client relationship management roles in the mining and exploration sector for the past eight years. Prior to joining Mitchell Services, Todd held the role of General Manager Business Development for global mining contractor and civil consultancy, HDR

APPENDIX 3 – WHERE ARE WE IN THE CYCLE?



Source: S&P Global Market Intelligence

Significant increase in global drilling activity in base metals

APPENDIX 4 – TYPES OF DRILLING

Types of Drilling		MSV
SURFACE DRILLING COAL	**Activity:** Medium to High -Activity is primarily focused on production **Competition:** High **CAPEX:** Medium to High **Comment:** Work volumes continuing to increase in this sector	Recognised as experts in this market sector and leading provider of services in Queensland and New South Wales
SURFACE DRILLING METALS	**Activity:** Medium - Activity is primarily focused on brownfield but greenfield showing “green shoots” **Competition:** High **CAPEX:** Medium to High **Comment:** Gold is “hot” and Copper / Zinc are improving	Continue to gain momentum since Australian market re-entry and have won first Western Australia contract
UNDERGROUND DRILLING METALS	**Activity:** High -This work is primarily production related **Competition:** Medium to High **CAPEX:** Medium **Comment:** Material increase in utilisation for a majority of service providers in this sector	Fleet fully utilised and BHP Olympic Dam contract win is testament to the quality of our performance
OIL & GAS	**Activity:** Medium **Competition:** High **CAPEX:** High **Comment:** High risk high return. Long term contracts critical to success	Highly experienced in specific segments of this market sector but not currently active in this sector
OTHER SERVICES	**Activity:** Low to Medium **Competition:** Medium to High **CAPEX:** Low to High pending service **Comment:** Diversification from cyclical minerals cycle	Not core business but have Logging Units and provide other minor services to compliment drilling

APPENDIX 5 – INVESTMENT RISKS

Seasonal conditions and business interruptions
The Company has exposure to a number of natural events such as cyclones, persistent rainfall, floods and fire which are beyond its control. Natural events would affect the Company's productivity and ability to engage in contract drilling for customers and, as a result, could have a material adverse effect on the Company. Unstable weather conditions, unstable service sites, regulatory intervention, delays in necessary approvals and permits or supply bottlenecks may reduce the Company's ability to complete drilling services contracts resulting in performance delays, increased costs and loss of revenue. The Company seeks to mitigate these and other risks by securing clients in multiple geographic locations so as to minimise the impact of events such as the Queensland wet season.

Dependence on key personnel and labour shortages
The Company's primary intellectual asset is the skill and experience of its staff. It is essential that appropriately skilled staff be available in sufficient numbers to support the Company's operations. While the Company has initiatives to mitigate this risk, including implementing special training programs, loss of key staff or failure to attract new staff may have a negative impact on the financial performance or otherwise of the Company and in particular its ability to expand its business. The loss of key staff to a competitor may magnify this impact.

Effects of amended industrial relations laws
Any future changes to Commonwealth industrial relations laws particularly in regard to new awards may result in increased labour and compliance costs. This could impact on the ability of the Company to retain key personnel, attract new workers or replacement personnel. Any further changes to Commonwealth industrial relations laws may result in additional labour and compliance costs.

Industrial accidents
Industrial accidents may occur with respect to the Company's business. In the event of a serious accident, for example resulting in a fatality or serious injury, or a series of such accidents on projects, substantial claims may be brought against the Company. Any such claim could result in substantial liability for the Company, which could negatively impact on growth prospects and adversely affect the financial performance and/or financial position of the Company.

Customer demand and outlook for resources industry
The Company's business depends on, amongst other things, the level of mining activity. Levels depend on a number of factors outside the control of the Company, including, but not limited to, continued global economic growth, continued international demand and infrastructure constraints experienced by the Company's clients. Any prolonged decline in the demand for resources may result in a corresponding decline in the use of the Company's services which will have an adverse effect on the financial performance and/or financial position of the Company. Commodity prices are volatile. Industry experience indicates that when commodity prices fall below certain levels, mining expenditure and activity decline in the following 12 months. There is a risk that a significant, sustained fall in commodity prices could substantially reduce future mining activity and accordingly demand for the Company's services.

Equipment constraints and obsolescence
Some of the specialist services provided by the Company require the use of purpose-built drilling rigs and equipment. The Company may have difficulty in gaining access to additional purpose-built rigs or equipment or adequate supplies of equipment at appropriate prices and in a timely manner or the quality of the available equipment may not be acceptable or suitable for its intended use. As technology continues to improve, the current rig fleet may require further investment to prevent obsolescence. The Company may also not be able to make the necessary capital investment to maintain or expand its rig fleet. Any of these factors may constrain the Company's ability to provide services and may ultimately have an adverse effect on its growth opportunities, financial performance and/or financial position.

Concentration risk and industry downturn
The Company's focus on drilling gives rise to some degree of concentration risk in that the prospects of the Company are largely tied to the prospects of the mining industry.

Operational risks
The Company and its customers are exposed to a range of operational risks relating to both current and future operations. Such operational risks include equipment failures, information technology system failures, external services failure, industrial action or disputes and natural disasters. Whilst the Company endeavours to take appropriate action to mitigate these operational risks and to insure against them, the Company cannot control the risks to which its customers are exposed, nor can it completely remove all possible risks relating to its own business.

APPENDIX 5 – INVESTMENT RISKS (CONT.)

Changing customer preferences regarding contractual arrangements
The majority of the Company's contracts for the provision of services are negotiated on a variable costs relationship-based agreement. However, a small number are negotiated on a fixed-price basis. Fixed-price contracts are typically higher risk. Should customers in the future exhibit a preference for fixed-price contractual arrangements, this may have an adverse effect on the financial performance and/or financial position of the Company.

Capital and maintenance expenditure
The Company requires sufficient access to capital to fund the maintenance and replacement of its existing fleet of rigs, plant and equipment and any future expansion. Failure to obtain capital on favourable terms may hinder the Company's ability to expand and maintain its fleet of rigs or equipment which may reduce the Company's competitiveness.

Operating costs
This is a risk of unexpected increases in variable operating costs including but not limited to labour, insurance and maintenance, which may adversely affect the Company's operating and financial performance.

Remote locations
The Company regularly undertakes projects in remote locations. The remoteness of the location exposes the Company to an increased risk of a shortage of skilled and general labour and potentially increased costs which may or may not be able to be passed onto the customer. The Company may also be exposed to a greater risk of logistical difficulties with plant and equipment because of the remote locations of its projects.

Early mine closure
The Company typically enters into contracts for the provision of services in relation to large, individual mines, which remain in force over extended periods of time. The Company ordinarily deploys its equipment and/or personnel with a view to providing services in relation to the particular mine on a continual basis over the duration of a service contract's life.
Early or unforeseeable closure of a mine could result in loss of expected revenues, and additional expenses for demobilisation, maintenance and storage of equipment used at that time.

Environmental incidents and claims
The Company operates in an industry where environmental issues, including inclement weather, may delay contract performance or result in complete shutdown of a project, causing a deferral or preventing receipt of anticipated revenues.

Reputation
The Company's ability to retain and source new customers is heavily dependent on its reputation and current relationships with key customers. A dissatisfied customer, poor performance or litigation may result in significant damage to the Company brand and may impact on the Company's ability to maintain existing customers or enter into new customer relationships, resulting in an adverse impact, on its financial performance and/or financial position.

Insurance risks
The Company provides drilling services to third parties, which exposes the Company to the risk of liability from non-performance. The Company contractually limits its exposure to liability, and the Company maintains public liability insurance. The Company also has Directors' and Officers' insurance, which it believes to be commensurate with industry standards, and adequate having regard to the business activities of the Company. Nevertheless, there remains a risk that the Company's insurance coverage will be insufficient to meet a very large claim or a number of large claims or that the Company is unable to secure insurance to satisfactorily cover all anticipated risks or that the costs of insurance will increase beyond anticipated levels.

Future funding
While the Directors believe that the Company will have sufficient funds to fund its activities in the short term, the Company is operating in a dynamic and rapidly growing industry. If the Company does not meet its stated objectives, it may need additional debt or equity funding. There can be no guarantee that such funding will be available to the Company on reasonable terms or at all. Any such failure to obtain funding on reasonable terms may result in a loss of business opportunity and excessive funding costs, including dilution to Shareholders if equity funding is pursued. Mitchell Services is obliged to adhere to covenants in its debt facilities. If Mitchell Services performance is significantly below expectations, there is a risk that it may not comply with its borrowing covenants, which may relate in it having to repay debt facilities earlier than their scheduled maturities.

Recognition of revenue
The Company's performance is influenced by its ability to win new contracts for the provision of drilling services and the completion of those contracts in a timely and efficient manner. Where new and existing contracts are delayed the recognition of revenue for those contracts may be deferred to later accounting periods.

APPENDIX 5 – INVESTMENT RISKS (CONT.)

Entry of new competitors
The entry of additional competitors in the drilling services sector could result in reduced operating margins and loss of market share. Such occurrences could adversely affect the Company's operating and financial performance.

New and existing customers
The Company's ability to grow its business depends, to a large degree, on its ability to secure new customers and contracts. Failure to obtain new drilling contracts or non payment by existing customers may have a material adverse effect on the Company.

Regulatory environment
The sector in which the Company operates is highly regulated by the various state and federal governments. The Company must comply with the relevant regulations and, as a consequence, its ongoing operations are subject to regulatory changes. Changes to the way in which the market is regulated could adversely affect the business or financial performance of the Company by the imposition of additional capital and/or operational obligations on the Company.

Concentration of shareholding
Entities associated with the Mitchell Group are expected to hold approximately 20% of the issued shares in the Company immediately following the issue of shares under the offer. Accordingly, the Mitchell Group and its associated entities will continue to be in a position to exert significant influence over the outcome of matters relating to the Company, including the election of Directors and the consideration of material Board decisions. Although the interests of the Company, the Mitchell Group and other shareholders are likely to be consistent in most cases, there may be instances where their respective interests diverge.

Litigation
Litigation risks to the Company include, but are not limited to, contractual claims, environmental claims, occupational health and safety claims, regulatory disputes, legal actions from special interest groups, as well as third party damage or losses resulting from drilling actions. The Company is not currently involved in any disputes and is not aware of any circumstances which could give rise to any claims or disputes.

General risks
Other than the specific risks identified above, the price at which the Company's shares trade on the ASX may be determined by a range of factors, including inflation, interest rates and exchange rates, changes to government policy, legislation or regulation, the nature of competition in the markets in which the Company operates, inclusion or removal from major market indices and other general operational and business risks. The market for Company shares may also be affected by a wide variety of events and factors, including variations in the Company's operating results, recommendations by securities analysts, and the operating and trading price performance of other comparable listed entities. Some of these factors could affect the Company's share price regardless of the Company's underlying operating performance.