

ASX Announcement

14 February 2022



DDH1 increases banking facilities

Specialist Australian drilling services company DDH1 Limited (**ASX: DDH**) (**DDH1** or the **Company**) is pleased to announce that it has amended the terms of the existing facility, with Bankwest, a division of Commonwealth Bank of Australia, to increase its credit facility to \$95 million and improve pricing.

The amended credit facility includes an \$85 million revolving credit line and a \$10 million asset finance credit line. The Bankwest facility is the sole significant credit lines arranged by and available to DDH1 and, importantly, allow DDH1 to secure an additional \$10 million in third-party, asset-backed funding if required.

Highlights

- Bankwest facility provides for \$85 million revolving credit and \$10 million asset finance.
- Bankwest facility add to DDH1's strong balance sheet, which had net cash of \$6.5 million at 31 December 2021
- DDH1 is continuing to execute its growth strategy to enhance further its market position as Australia's premier mineral drilling contractor, with the recent acquisition of Swick Mining Services Limited (**Swick**)
- The Company including Swick had 176 drill rigs across Australia, North America and Europe at 31 December 2021

Commenting on the Bankwest facility, DDH1's Chief Financial Officer Ben MacKinnon said:

"We are delighted to have the continued support of Bankwest with the increased facility and improved terms. This amended facility will enable us to continue to execute our growth strategy at a time when there is increasing market demand for the high-quality services that we deliver.

"The support from Bankwest underscores DDH1's standing as a financially responsible and disciplined mineral drilling sector operator and is built on our strong balance sheet, which had net cash of \$6.5 million at 31 December 2021."

"Since the company's inception in 2006, DDH1 has established a track record of executing its long-term vision alongside balancing short-term profitability and investment in growth, enabling us to remain consistently profitable while growing market share."

The Bankwest \$85 million revolving credit facility has a five-year term and can be used by DDH1 for general corporate purposes, including acquisitions, capital expenditure and working capital. The \$10 million asset finance master limit facility is uncommitted and can be used for equipment purchases. Both facilities are on normal customary terms and secured over DDH1 assets.

This ASX announcement has been authorised for release by the Managing Director & CEO of DDH1 Limited

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About DDH1 Limited

DDH1 Limited (ASX: DDH) is Australia's largest mineral drilling contractor providing high quality surface and underground drilling services to a diverse group of exploration and mining houses across a balanced spread of mineral commodities. Established in 2006, DDH1 is an industry leader in enabling its clients to secure quality mineral samples with exceptional spatial accuracy.

DDH1 employs around 1,600 people and operates a fleet of 176 highly specified mineral drilling rigs across its four brands, namely DDH1 Drilling, Ranger Drilling, Strike Drilling, and Swick Mining Services. Offering clients, the full suite of mineral drilling services including air core, reverse circulation, and both surface and underground core drilling.

DDH1's drill rig fleet is a strategically important asset within the Australian mining industry. Surface drilling is performed across Australia by DDH1 Drilling, Ranger Drilling, and Strike Drilling while Swick Mining Services has a global presence performing underground drilling services across Australia, North America, and Western Europe. DDH1 has a strong reputation for innovation in rig design and drilling practices that deliver improvements in productivity, safety, and value.

Central to DDH1's strategic approach is the pursuit of long-term relationships with clients, built on quality drilling services and a deep understanding of their business needs.

For more information, please visit www.ddh1drilling.com.au.