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Company Announcements Office
ASX Limited
Exchange Centre
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SYDNEY NSW 2001

Dear Sir/Madam

1H15 Results Conference Call and Slide Show

Please find attached the script from today's 1H15 Results Conference Call and Slide Show.

Yours faithfully
Imdex Limited

Paul Evans
Company Secretary

Imdex Limited
1H15 Webcast Script

<<Slide 1 – Cover >>

Welcome everyone. Thank you for joining us today as we present Imdex's results for the first half of the 2015 financial year.

I will begin by providing an overview of the results. Paul Evans, Imdex's CFO and Company Secretary, will present a more detailed analysis of the company's financial results, and I will then review the company's operations and divisional performance, comment on the outlook for Imdex's main end markets – mining and oil and gas – and outline our strategy and opportunities for growth in 2H15 and beyond.

The presentation will take approximately 15-20 minutes; we will then be happy to answer questions. For listeners who are not familiar with the Imdex Group, additional information has been included in the appendices to the presentation slides, and is available on our company website.

<<Slide 2 – 1H15 Results Overview>>

Challenging conditions in the global minerals industry persisted during the half, however we did see some improvement in the sector.

The Reflex rental fleet is a barometer of drill rig activity. Average instruments on active hire in 1H15 were up 8.5% on the prior corresponding period.

We had a growing number of SRU's on hire with further increases expected in calendar 2015.

Despite our oil and gas revenue being up 14% on the prior corresponding period, it will be impacted in 2H15 by the recent collapse in the oil price.

We have continued to invest heavily in our product development and the results from this investment are beginning to emerge and will continue for years to come.

Our Balance Sheet is in good shape with gearing at 13.7% compared to 18.5% at 30 June, 2014.

Our 1H15 results, which I will cover in more detail in the next slide, were positively impacted by a profit on sale of our remaining holding in Sino Gas and Energy Holdings (SEH) of $14.2 million and negatively by an additional $2.1 million provided in relation to the product containment incident announced to the market in March, 2014.

<<Slide 3 – Key Metrics>>

If I can turn now to Slide 3, which sets out the key financial results for 1H15 and comparative numbers for the prior corresponding period.

Combined revenue, which includes Imdex's 30% share of revenue from the VES joint venture, was up 12% to $114.4 million. EBITDA, was down 14% to $20.7 million.

Net profit after tax, was down 37% to $9.7 million.

Our pre-tax operational cash flow was up 5% to $4.4 million.

As mentioned earlier, our gearing remains low, with net debt to total capital at 13.7% and normalised EBITDA interest cover of 5 times.

Our global workforce is up by 4% to 585 people at 31 December 2014. However, this will be reviewed in the coming months as we ensure the Oil & Gas business is appropriately structured for the current operating conditions.

Given the trading results of the business, the Directors have not declared an interim dividend.

<<Slide 4 – Group Revenue>>

Slide 4 shows Imdex's combined half year revenue and normalised EBITDA since FY09.

Combined revenue of $114.4 million for 1H15, which includes our share of the revenue from the VES joint venture, is our best revenue since 2H13. The other key observation is the increasing contribution from oil & gas which contributed 38% of combined 1H15 revenue.

Normalised EBITDA of $8.6 million was our best performance since 2H13 and this trend is expected to continue.

<<Slide 5 – Global Business>>

Slide 5 shows our combined revenue by region broken down into Minerals and Oil & Gas. In each case, apart from oil & gas revenue in Europe, we have grown 1H15 revenue over 2H14 revenue.

This demonstrates what we have been saying about the commencement of a measured recovery in the Minerals business.

<<Slide 6 – EBITDA>>

Moving to slide 6, which looks at our 1H15 EBITDA Segment Result, I will hand the presentation over to our CFO, Paul Evans.

Paul – thank you Bernie

On slide 6 we provide more detail regarding our EBITDA result. The table shows the impact of the one-off items to better illustrate the underlying performance of our Divisions before these items were taken into account.

The one-off items net to a profit of $12.1 million and include:

- Profit on sale of the remainder of our investment in SEH of $14.2 million; and
- Additional $2.1 million provided for in relation to the product containment incident as announced to the market on 13 March 2014.

If we remove the impact of these one-off items, it provides a clearer picture of our underlying performance and highlights improvements in the performance of AMC Oil & Gas, VES and the Minerals business compared to the prior corresponding period. The most notable is the Minerals Division improvement and Bernie will talk to this in more detail later in the presentation.

<< Slide 7 – Balance Sheet >>

Moving to slide 7, net assets have increased $13.9 million since 30 June 2014, principally due to the decrease in borrowings achieved largely by the sale of our remaining interest in SEH and the increase in the value of our investment in VES due to the strengthening US dollar.

Outstanding amounts due from customers have increased during the period with the increase in business activity. Although customer average days outstanding have not deteriorated materially since 30 June 2014, the tougher collection environment does mean they continue to run at slightly higher levels than target. Despite this, we have not seen any increase in our overall provisioning levels for non collection of these amounts.

The company's balance sheet and financial position is sound. Net debt at 31 December 2014 was $30.4 million. Gearing, as measured by net debt to capital, is at low levels, decreasing from 18.5% at 30 June 2014 to 13.7% at 31 December 2014.

Normalised EBITDA interest cover stands at 5 times compared to 4 times at the same time last year.

<< *Slide 8 – Working Capital Management*>>

Moving to slide 8, during the half, $4.4 million was generated from operations. As stated previously, there has been a $2.7m build up in working capital, largely attributable to the increase in business activity and also due to the tougher collection environment.

I’ll now pass back to Bernie for the remainder of the presentation.

<< *Slide 9 – Operational review* >>

<< *Slide 10 – Minerals division* >>

Thanks, Paul.

Turning to slide 10, highlights during the half included:

- increased drilling activity
- increased number of Reflex instruments on rent
- increased deployment of SRU’s, particularly during the seasonal holiday period
- continued expansion of our customer base
- increased adoption of Reflex HUB
- the strategic acquisition of 2iC which has been integrated into Reflex; and
- our continued product development across the Minerals business in order to provide solutions for our customers

<< Slide 11 – Minerals division revenue>>

The bar chart on slide 11 shows our Minerals Division's half year revenue of $70.8 million, representing 62% of Group combined revenue, up 11% on 1H14.

Asia Pacific continued to be the dominant region generating 41% of this division's revenue. The Americas and Africa contributed strongly with 35% and 15% of revenue respectively whilst Europe made up the balance of 9%.

During the half, there was an increase in spending on mineral exploration and development globally as the major resource companies returned to spending on brownfield projects. At the same time, Junior miners and explorers were more active, albeit not in a major way.

Despite the challenging environment, AMC remains a leading brand of drilling fluids for the global mining industry and REFLEX is a leading global provider of data management and data analysis solutions to that industry.

Given these market leading positions the business is well placed to grow Minerals revenue in the current market and as conditions improve.

AMC's solids removal technology is continuing to gain interest from our customers. We have units on BHP, Rio, Barrick, Vale, Cameco and Kinross sites, to name a few. The large companies are continuing to embrace this technology and we expect improved utilisation of our existing SRU fleet in calendar 2015.

<< Slide 12 – Revenue base>>

Slide 12 provides an overview of our minerals revenue base. During 1H15, gold and copper continue to make up approximately 60% of our minerals revenue and iron ore a smaller but strong contributor at 10%. Just over 65% of revenue came from development and production activities and we are aiming to increase this percentage over time.

Our share of revenue from non-mining activities increased to 12% during the half.

Major and intermediate companies dominated our customer base by contributing almost 75% of our Minerals revenue in 1H15.

Slide 12 shows what the Reflex rental fleet has been doing.

We experienced month on month increases from June 2014 and the number of instruments on rent was quite strong in the period prior to the traditional slowdown during the Christmas/New Year holiday season. At 31 December 2014, you can see the negative seasonal impact; nevertheless instruments have been going back out on hire post the traditional holiday slowdown period and we have seen a 58% rebound from the 31 December low point as at 31 January 2015.

The number of instruments on rent at 31 January, 2015 was 24% higher than at 31 January, 2014.

As more rigs return to work we expect additional instruments will be on active rental in the coming months.

<< Slide 13 – Reflex Leading Technologies>>

I have mentioned a couple of times earlier in this presentation about our product development. In the case of REFLEX, we have previously just had a range of down hole instrumentation. However, through the acquisition of ioGlobal in late 2012, we have been able to develop a whole new platform for growth. This includes data management and data analysis. We are able to introduce technologies that transform the efficiencies of customers operations, enhancing data accuracy, providing real time visibility and accessibility of data globally combined with leading analytics and consulting advice for effective decision making.

Resource companies and drilling contractors want more information faster so that they can drill and mine smarter and have more time to make the right decisions. These initiatives assist our customers to reduce costs and increase efficiencies. The major resource companies are very focused on optimisation and evaluating new technologies to assist in increasing their efficiencies and are not only receptive to our product and technology offerings, they are starting to embrace it.

The new technologies, when combined with our global presence and specialist skill set, are allowing us to grow our business and provide solutions to our customers. In many cases, we have first mover advantage due to our aggressive product development spend through the cycle.

Our strategy is right and we are confident of continuing to implement our technologies into many of the leading resource companies and drilling contractors.

<< Slide 14 – Oil & Gas Division>>

<< Slide 15 – Oil & Gas Division>>

Slide 15 shows that in 1H15, the Oil & Gas Division combined revenue was up 14% to $43.6 million compared to the previous corresponding period, and represented 38% of Group combined revenue. Included in this revenue figure is $13 million, being Imdex's share of the VES joint venture.

AMC Oil & Gas continued to grow during the half, however, challenging conditions are being experienced in the early part of 2H15 and are expected to continue for the foreseeable future.

Accordingly, AMC Oil & Gas is in the process of ensuring it is appropriately structured for the current market conditions.

<< Slide 16 – Oil & Gas Division – Revenue>>

Turning to slide 16, you can see that both AMC Oil & Gas and VES have been experiencing half on half revenue growth. However, both businesses will experience revenue declines in 2H15 due to the collapse in the oil price and the effect on service companies in the sector.

<< Slide 17 – VES >>

VES supplies downhole survey services to both the onshore and offshore oil and gas industry, primarily in the land based market in the US and is building in the Middle East and Latin America.

VES competes with the two well established incumbents, being Scientific Drilling and Gyrodata.

VES employs its own Gyroflex technology and also operates the unique InFlex technology from Imdex. The InFlex inertial navigation system is the most accurate of any down hole survey technology being used in the global oil and gas industry.

In 1H15, VES generated revenue of US$37.1 million, up 24% on the previous corresponding period and EBITDA of US$13.3 million, up 22% on the previous corresponding period.

Imdex owns 30% of VES and our overall equity accounted share of profit after tax for 1H15 was $0.5 million. The small contribution to our profit is due to the high amortization and depreciation charges in the business.

<< Slide 18 – Outlook and key priorities>>

<< Slide 19 – FY15 outlook – cautiously optimistic>>

There is evidence of increasing activity in the Minerals business and there is cautious optimism that we are in the early stages of a measured Minerals recovery.

Due to our aggressive product development program, we have developed a strong growth platform.

These technologies, as they are implemented by customers, allows them to improve efficiencies and lower costs.

We are strongly positioned to improve the Minerals result for FY15.

In relation to the oil and gas industry, reduced spending on exploration and development due to the lower oil price will shrink the industry, however, it is large and offers opportunities for growth over many years. However, in the short term, conditions will be challenging.

<< Slide 20 – 2H15: Key priorities>>

Our priorities for the balance of FY15 include:

- Actively focusing on the following broad initiatives:
    - Pursuing market share growth in the Minerals Division: underpenetrated markets, non-mining business, SRU's & new Reflex technologies;
    - Continuing to develop innovative technologies — to satisfy growing customer demand for productivity & operational efficiencies;
    - Ensuring the oil & gas diversification strategy remains appropriate and AMC Oil & Gas is structured properly for the current operating conditions in the sector; and
    - Maintain a strong focus on prudent working capital management, cost structures, efficiency & productivity improvements

That brings the formal part of our presentation to an end. Thank you for your interest in Imdex. Paul and I are now happy to answer any questions you may have.

Closing Comments

Many thanks for dialing in to this call and your questions. Before finishing, we would like to leave you with the following comments:

- In terms of financial performance, we believe the worst is behind us in the Minerals industry, however, challenges remain in the oil and gas sector.

- We have invested heavily in technology development for both minerals and oil & gas. A number of those technologies are now commercial which allows us to increase revenue, particularly in the Minerals business
- In addition, we have some really smart technologies in the pipeline and a sound balance sheet to fund them
- The large resource companies are looking at ways to reduce costs and increase efficiencies – it is these new products and services which will assist them to do that
- The oil and gas industry has been a logical diversification for us. We will continue to monitor the impact of the current market challenges to ensure this strategy remains appropriate
- The depth of experience across our business and the sophistication and application of our technologies has never been better
- We look forward with a lot of enthusiasm as we apply our strengths to increase revenue and profits

Thank you again.