

1H16 Financial Results Presentation



1H16 Key Metrics



| \$M | 1H16 | 1H15 | VAR | Var % |
|---|-------|-------|-------|-------|
| Statutory Revenue From Continuing Operations | 74.5 | 71.4 | 3.1 | 4% |
| EBITDA From Continuing Operations* | 10.9 | 22.1 | -11.2 | -51% |
| Normalized EBITDA From Continuing Operations | 10.9 | 8.6 | 2.3 | 27% |
| NPAT | -1.3 | 9.7 | -11.1 | -114% |
| EPS (Cents) | -0.58 | 4.5 | -5.08 | -129% |
| Operating Cash Flow** | -1.7 | 4.4 | -6.1 | -139% |
| Gearing (%) (ND / (ND + E)) | 11.3% | 13.7% | -2.4% | -17% |
| Interest Cover (Times) (Normalized EBITDA / Interest Expense) | 4.54 | 4.89 | - | - |
| Net Assets | 169.9 | 160.8 | 9.1 | -6% |
| Number of Employees | 519 | 585 | -66 | -11% |

AMC Oil & Gas and Imdex's share in VES are now classified as Assets Held for Sale.

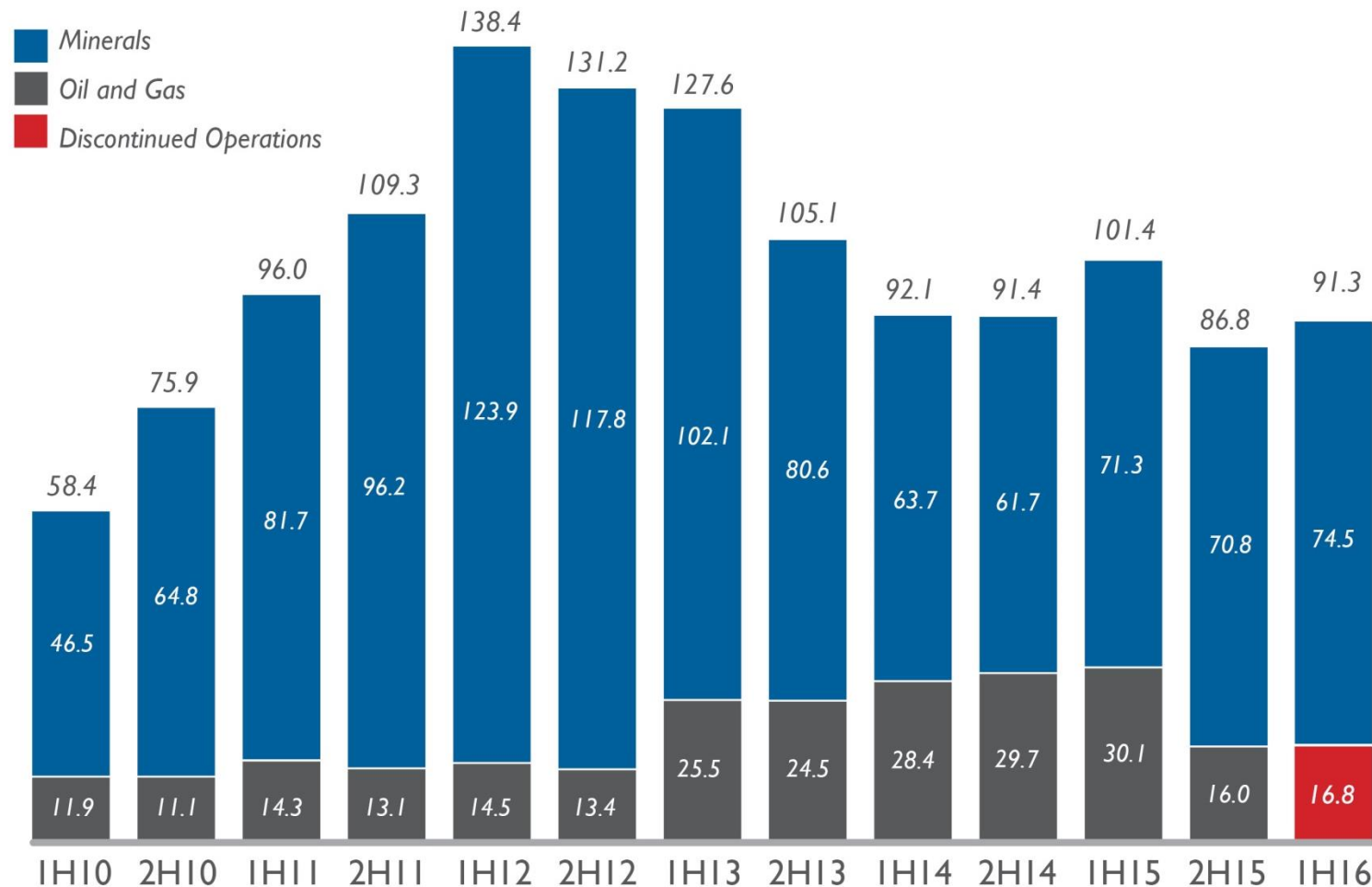
- 1H15 result of \$22.1m includes profit on sale of remaining investment in SEH, together with provisions in relation to the product containment incident, as announced to the market on 13 March 2014.

** Includes one-off items relating to: the final settlement payment for the product containment incident; costs associated with financing; and cash outflow associated with FY15 impairments and provisioning.

1H16 Revenue



SALES(\$M)



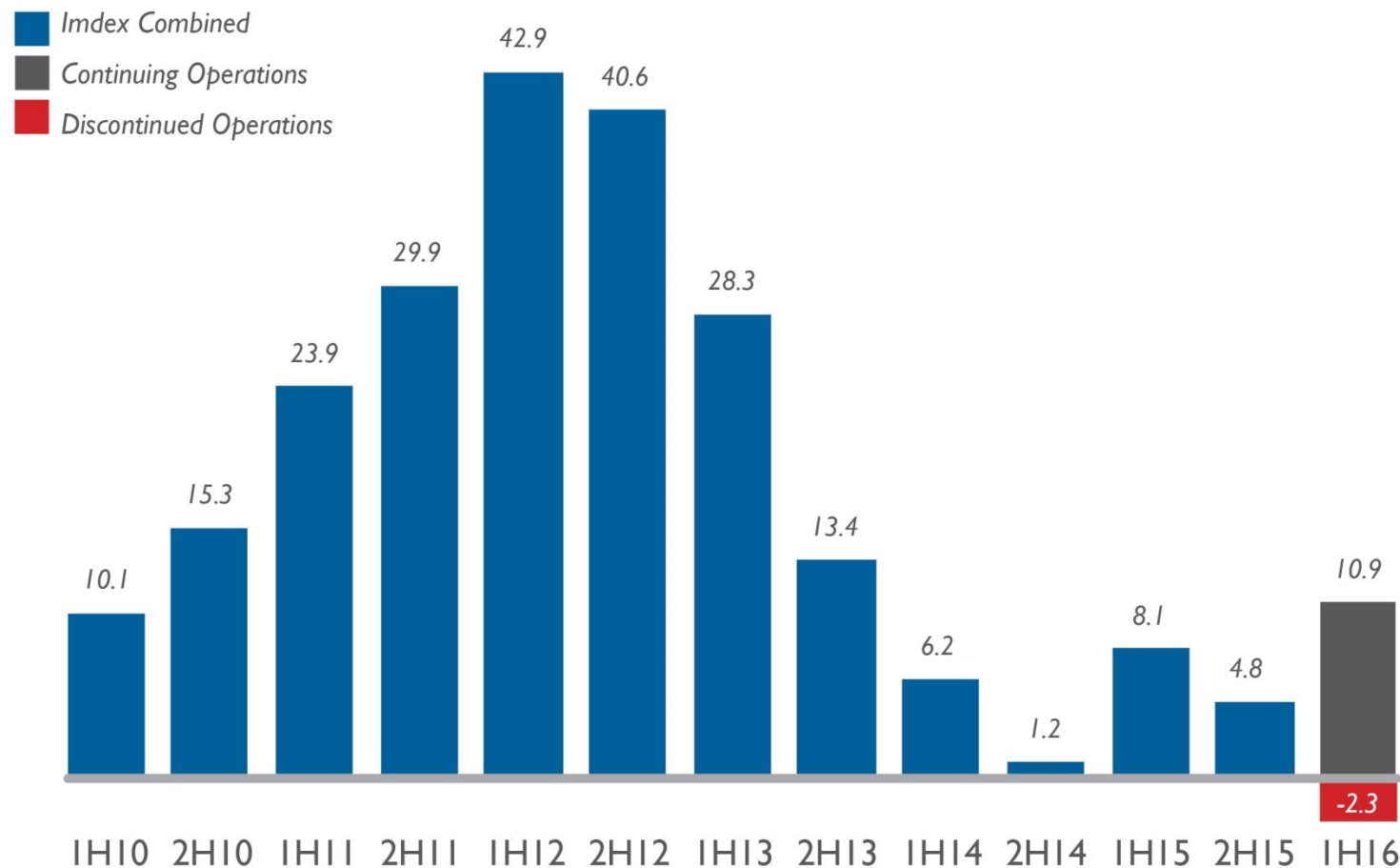
Discontinued operations includes AMC Oil & Gas

Oil & Gas R&D now forms part of minerals product development – continuing operations

1H16 Normalized EBITDA



\$M



Discontinued operations includes AMC Oil & Gas

EBITDA comparatives excludes the contribution from VES to allow ease of comparison

1H16 EBITDA Segment Result



\$M

| | <i>IH FY16 Statutory Total</i> | <i>IH FY15 Normalized Total</i> | <i>Variance</i> |
|----------------------------------|--------------------------------|---------------------------------|-----------------|
| DISCONTINUED OPERATIONS | | | |
| AMC Oil & Gas | (2.3) | - | (2.3) |
| CONTINUING OPERATIONS | | | |
| AMC Oil & Gas | - | 0.2 | (0.2) |
| Oil & Gas R&D (Instrumentation)* | (0.6) | (1.2) | 0.6 |
| VES JV ** | - | 0.5 | (0.5) |
| Minerals | 14.2 | 12.1 | 2.1 |
| Corporate | (2.7) | (3.0) | 0.3 |
| | 10.9 | 8.6 | 2.3 |
| Combined EBITDA | 8.6 | 8.6 | 0.0 |

* Oil & Gas R&D now forms part of minerals product development – continuing operations

** At 30 June 2015 VES was reclassified to Assets Held for Sale

Balance Sheet



| \$M | 31 December 2015 | 30 June 2015 |
|---|------------------|--------------|
| Cash | 18.9 | 8.4 |
| Receivables | 24.3 | 31.1 |
| Inventory | 26.7 | 37.3 |
| Assets Held for Sale | 49.3 | 32.2 |
| Fixed Assets | 38.3 | 42 |
| Intangibles | 62.5 | 62.6 |
| Other assets / deferred tax | 24.1 | 22.7 |
| TOTAL ASSETS | 244.1 | 236.3 |
| Payables | 17.0 | 23.4 |
| Bank Loans | 40.1* | 40.4 |
| HP Finance | 0.8 | 1.5 |
| Other Liabilities, Provisions and current tax | 8.9 | 10.2 |
| Liabilities directly associated with assets classified as held for sale | 7.4 | 0 |
| TOTAL EQUITY | 169.9 | 160.8 |
| Quick Ratio** - (CA - Inventory) / CL | 0.80 | 0.70 |
| Current Ratio** - (CA / CL) | 1.23 | 1.27 |
| Gearing - (ND / (ND+E)) | 11.3% | 17.2% |

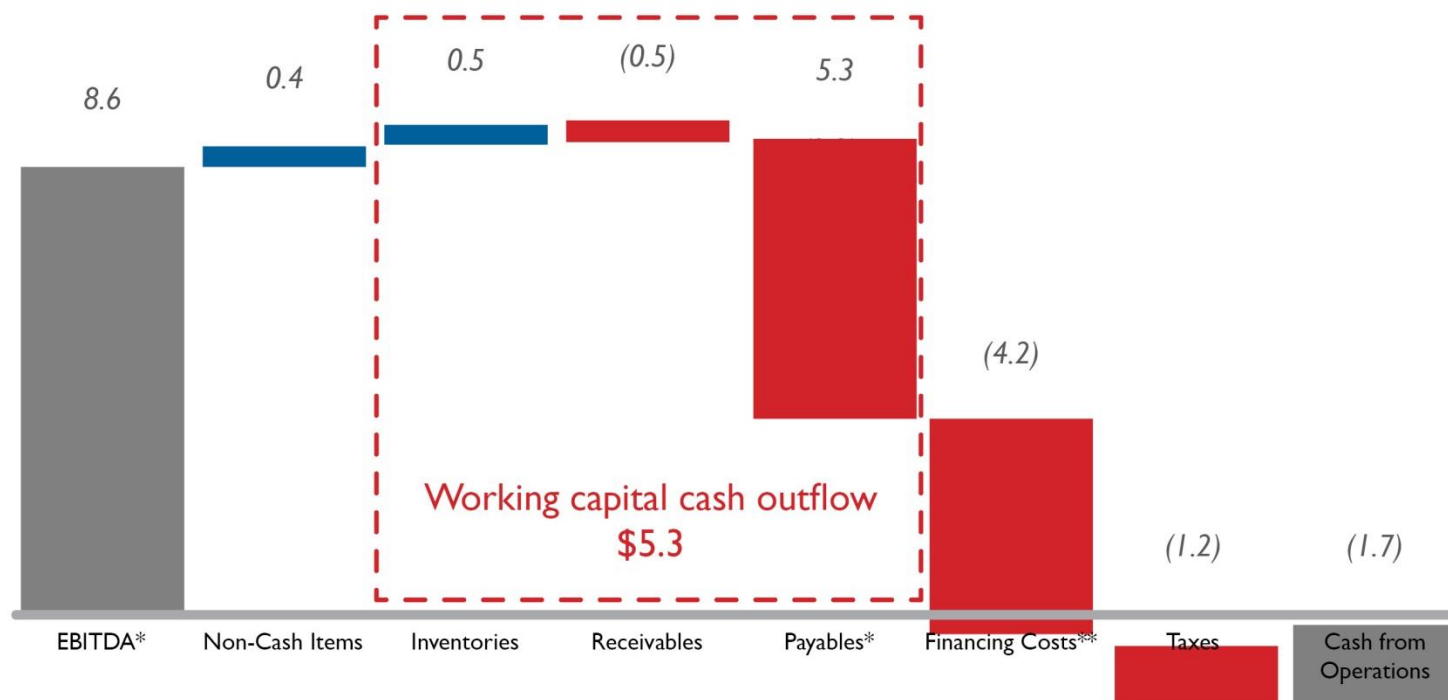
* Bank loans of \$54m (fully drawn) less borrowing costs / warrants / foreign exchange revaluation of \$13.9m

** Excludes Assets Held for Sale (includes AMC Oil & Gas and 30.65% of VES)

Working Capital Management



(\$M)



* Includes the final settlement payment for the product containment incident and the balance of costs associated with the FY15 impairment and provisioning.

** Includes interest and other financing costs.

Operational Overview



Minerals – Update and Strategy



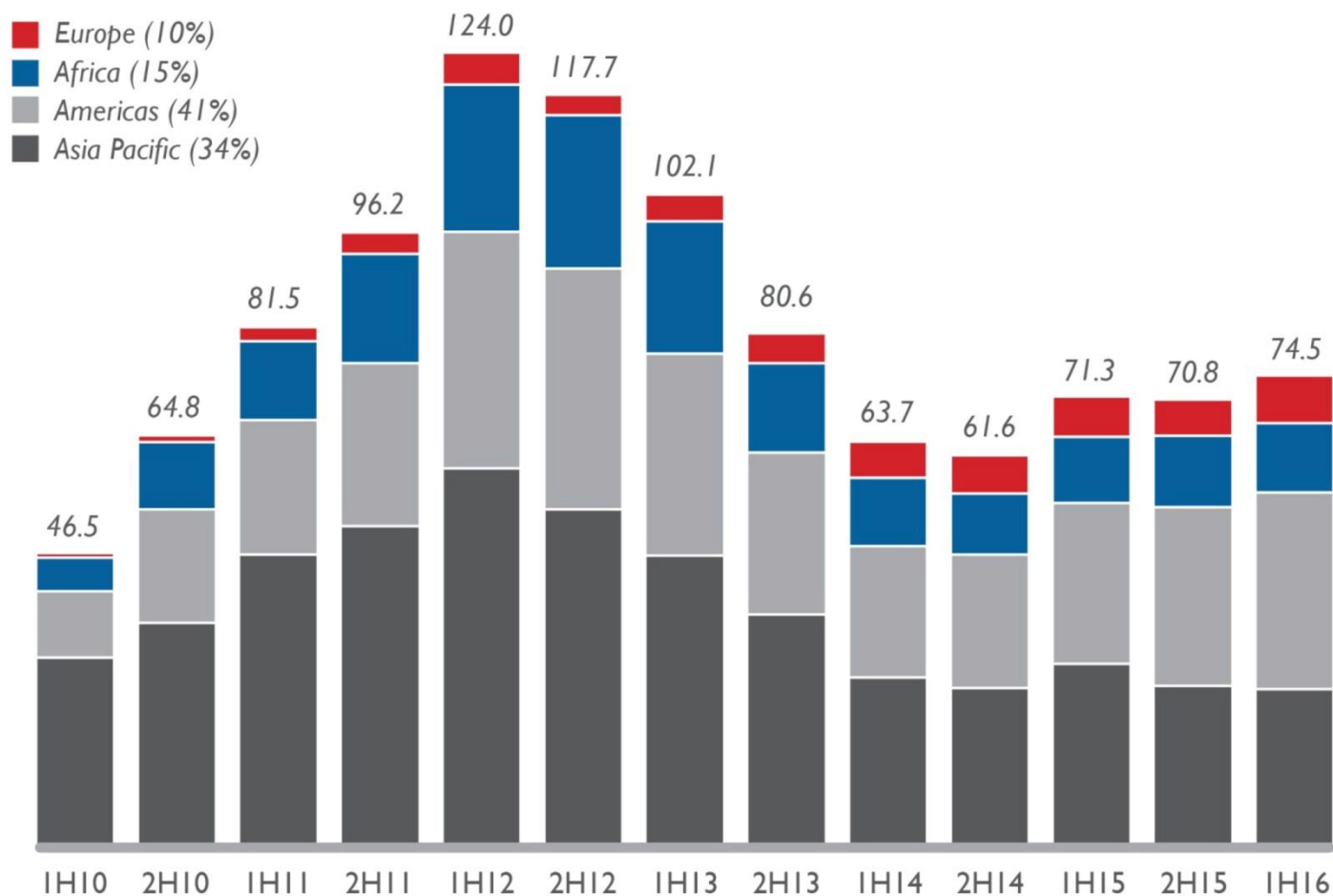
| | |
|---------------------------|---|
| Financial Update | <ul style="list-style-type: none">➤ 1H16 revenue increased 4% to \$74.5m (1H15: \$71.3m)➤ 1H16 EBITDA increased 17% to \$14.2m (1H15: \$12.1m) |
| Operational Update | <ul style="list-style-type: none">➤ Increased rentals and revenues➤ Decrease in exploration expenditure in key markets – increase in low-risk drilling➤ Performance reflects competitive advantages – technologies & diversified customer base |
| Strategy | <ul style="list-style-type: none">➤ Market new technologies – efficient pathway via established global business➤ Leverage first mover advantage➤ Maintain and increase market share through technological leadership➤ Continue to diversify customer base – resource companies & non-mining applications |



Minerals Revenue – Regions



REVENUE (\$M)

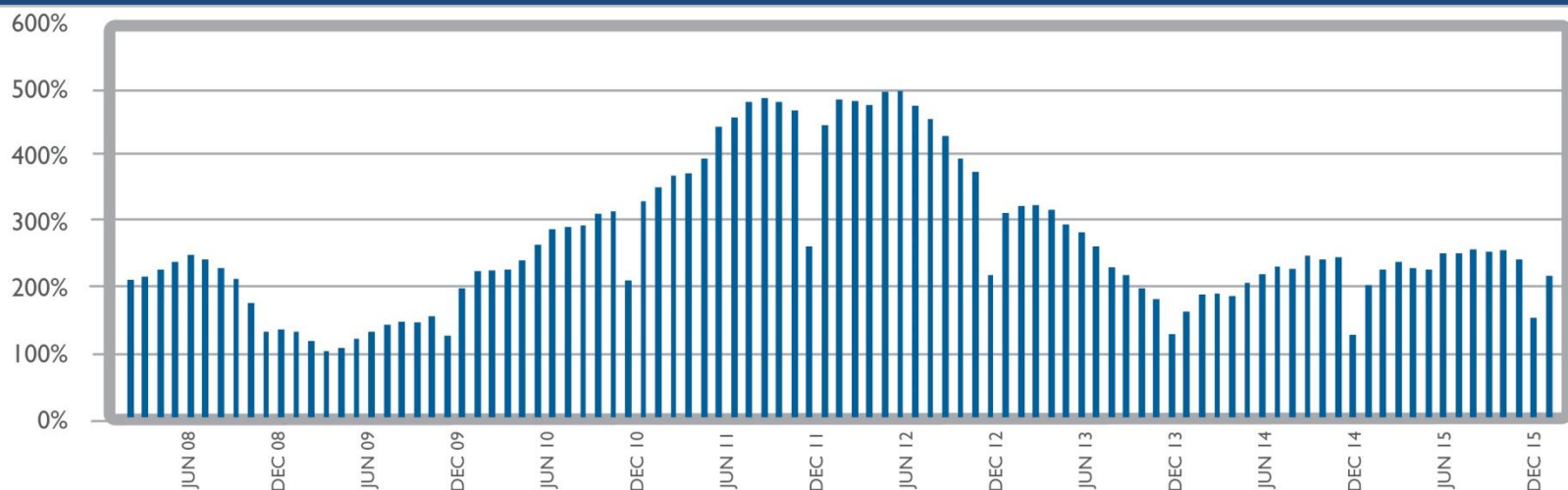


► Gaining market share in the Americas

Minerals – Barometer



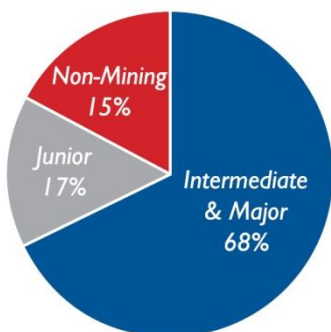
Number of Instruments on Rent – 1H16 Average up 6% on 1H15



Seasonal factors: April / May 2015 change over from winter to summer drilling programme in North America; December – January traditional holiday shutdown

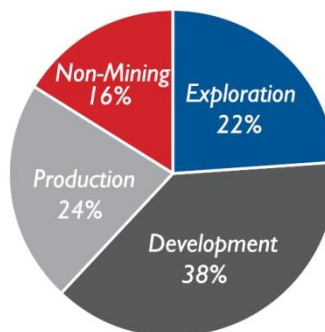
Customer

Principally mid tier and major resource companies
Growing exposure to non mining client base



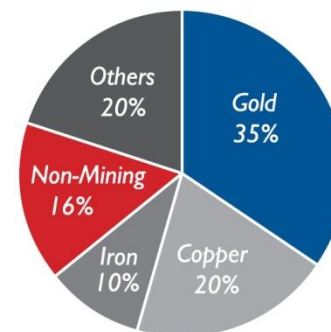
Project Phase

Balanced exposure to project phase
Growing exposure to non mining

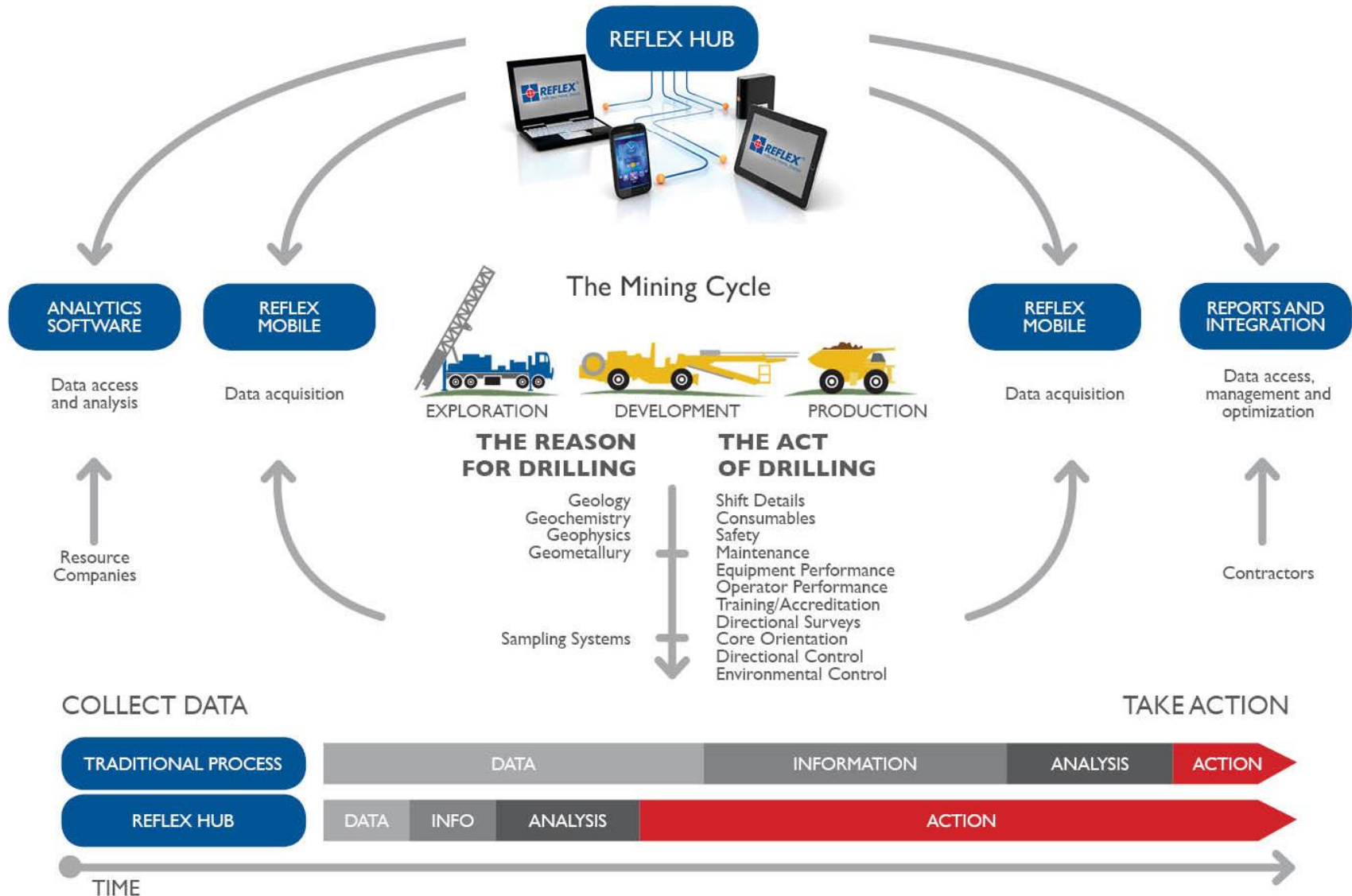


Commodity

Diverse mix – primary exposure to gold and copper



Reflex HUB – increasing efficiencies



Oil & Gas – Update and Strategy



| | |
|-------------------------------|--|
| | <ul style="list-style-type: none">➤ 1H16 revenue of \$16.8m (1H15: \$30.1m)➤ 1H16 EBITDA loss of \$2.3m (1H15: a loss of \$1.0m*) |
| Strategy | <ul style="list-style-type: none">➤ Divestment of oil and gas assets➤ Proceeds will be applied to debt reduction and working capital |
| Progress on Divestment | <ul style="list-style-type: none">➤ AMC Oil & Gas – global M&A firm, Simmons & Co, short-listing interested parties➤ VES – progressing energy divestment strategy |

**Normalized 1H15 EBITDA excluding VES to allow like for like comparison .*



Summary

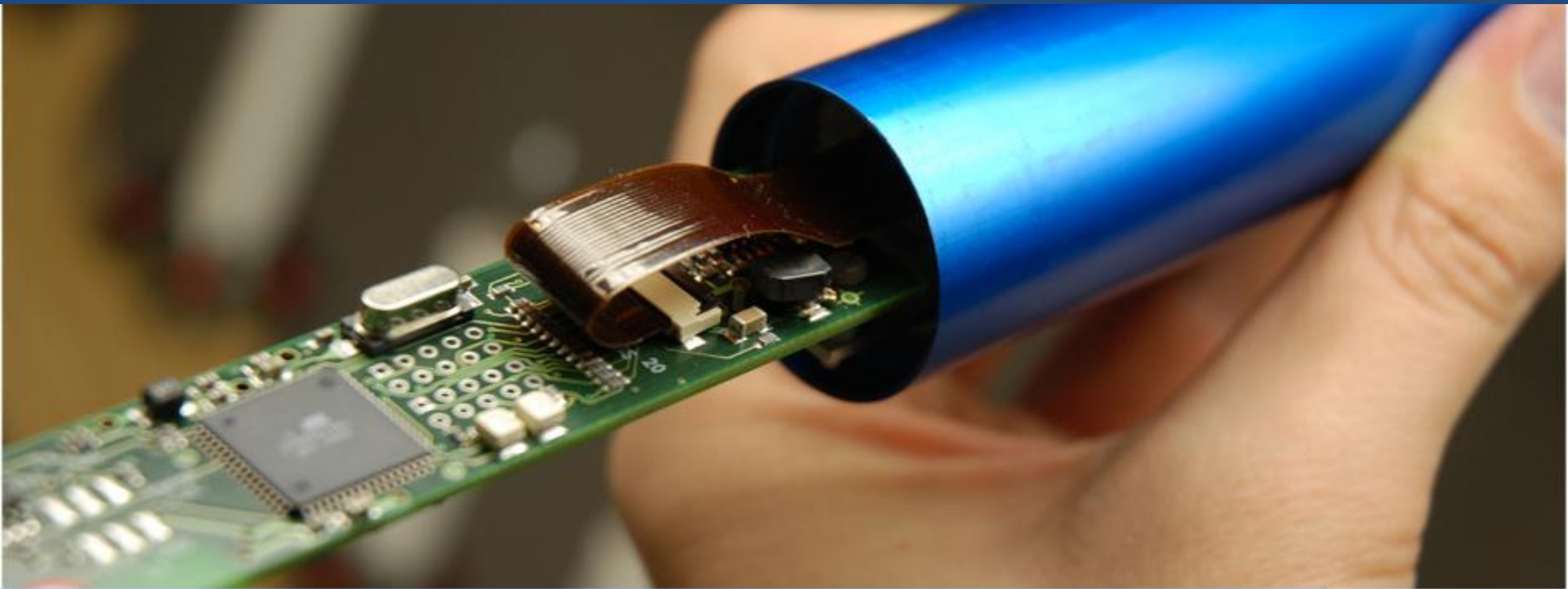


1H16 & Key Areas of Focus

- 1H16 minerals revenue increased by 4% and EBITDA increased by 17%
- Progressing divestment of oil and gas assets
- Proceeds will be applied to debt reduction and working capital
- Heightened focus on improving and growing the minerals business
- Focusing on real-time and driller operated technologies
- Marketing technologies to resource companies to assist them reduce costs and increase efficiencies



Appendices



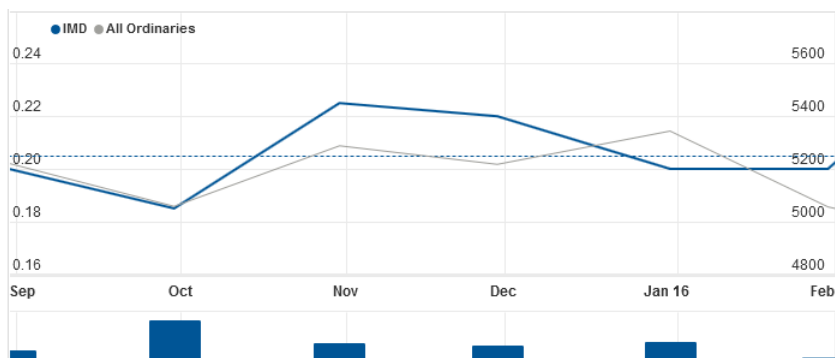
Company Snapshot



Corporate Information

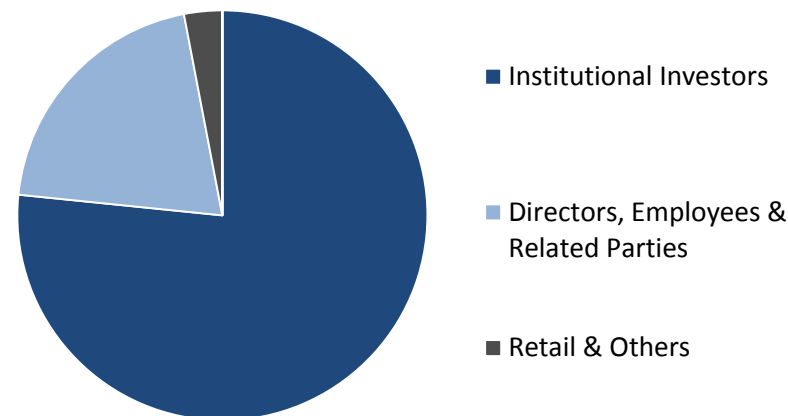
| | | |
|-------------------------------|------|-------|
| ASX Listed | | IMD |
| Share Price (31 Dec 2015) | A\$ | 0.20 |
| Issued Shares | m | 248.6 |
| Market Cap (31 Dec 2015) | A\$m | 49.7 |
| Cash (as at 31 Dec 2015) | A\$m | 18.9 |
| Term Debt (as at 31 Dec 2015) | A\$m | 40.9 |

6 Month Share Price Performance



Share Register – Dec 2015

Analysis of top 75% of shareholders as at 31 December 2015



Substantial Shareholders – Dec 2015

| | Shares (m) | % |
|--------------------------|------------|-----|
| Fidelity Investments | 21.8 | 8.8 |
| Iron Compass Partners | 21.2 | 8.5 |
| Celeste Funds Management | 20.5 | 8.2 |
| Braeside Capital | 14.8 | 5.9 |
| Northcape Capital | 14.0 | 5.6 |

Global Business



Business Overview – Minerals



| | | |
|------------------------------------|--|--|
| Product / service offerings | Downhole instrumentation In field geoanalysis Data collection & management software Geoscientific data analysis software | Drilling fluids & chemicals Solids removal units |
| Target markets | Drilling contractors Resource companies Non-mining applications | Drilling contractors Resource companies Non-mining applications |
| Strategic focus | New technologies Increasingly integrated data solutions | Expansion of equipment rental business |
| Competitive advantages | Leading technology Multi-disciplinary skill set Market penetration Established global presence & regional support centres | SRUs Manufacturing & technical capabilities Drilling fluid engineers User-friendly mud systems Global distribution network |

Non-mining applications include horizontal directional drilling, water well and civil construction

The REFLEX Story



The REFLEX Story



...EXCEPT MINING

CURRENT PRACTICE



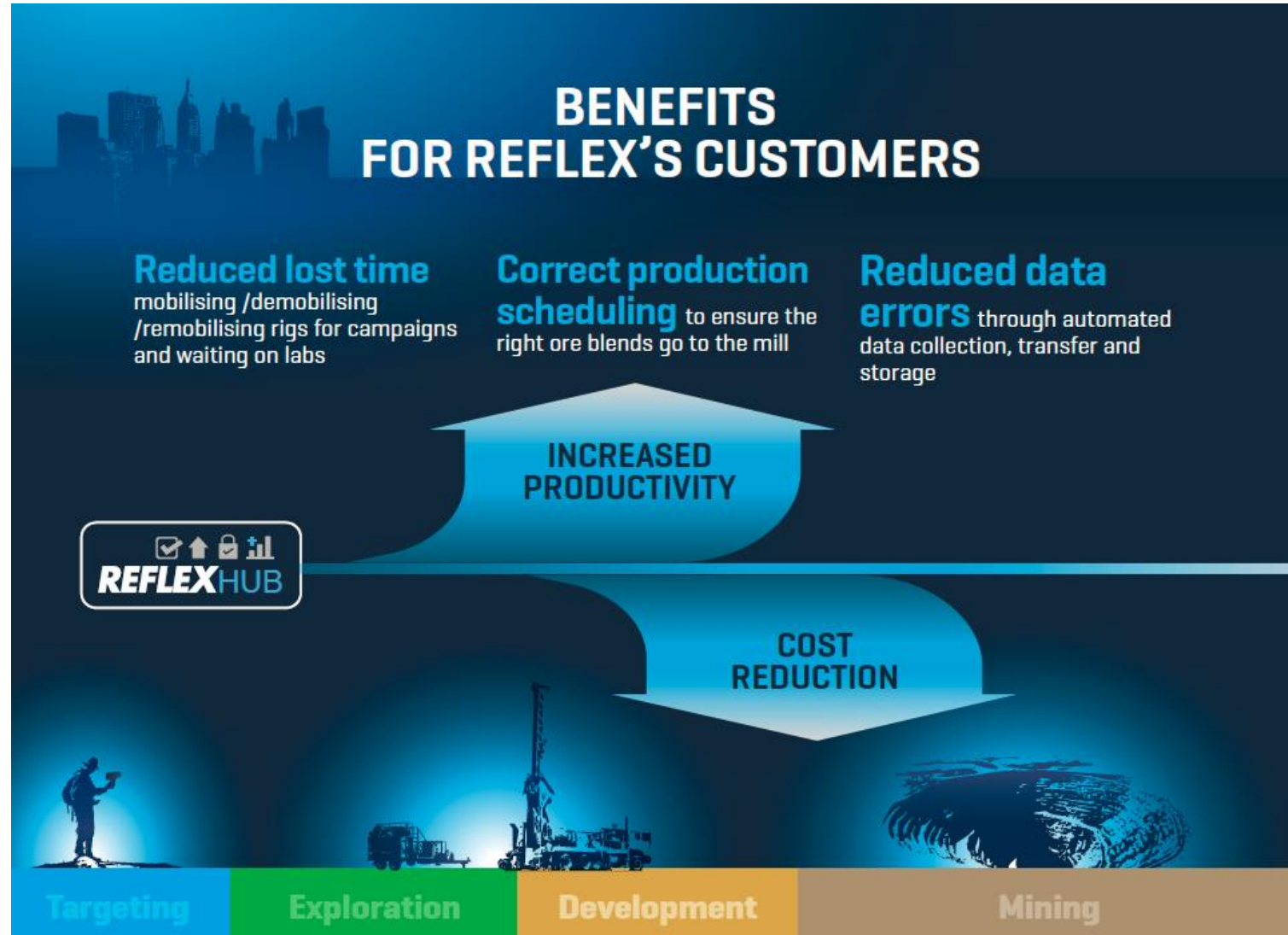
REFLEX MODEL



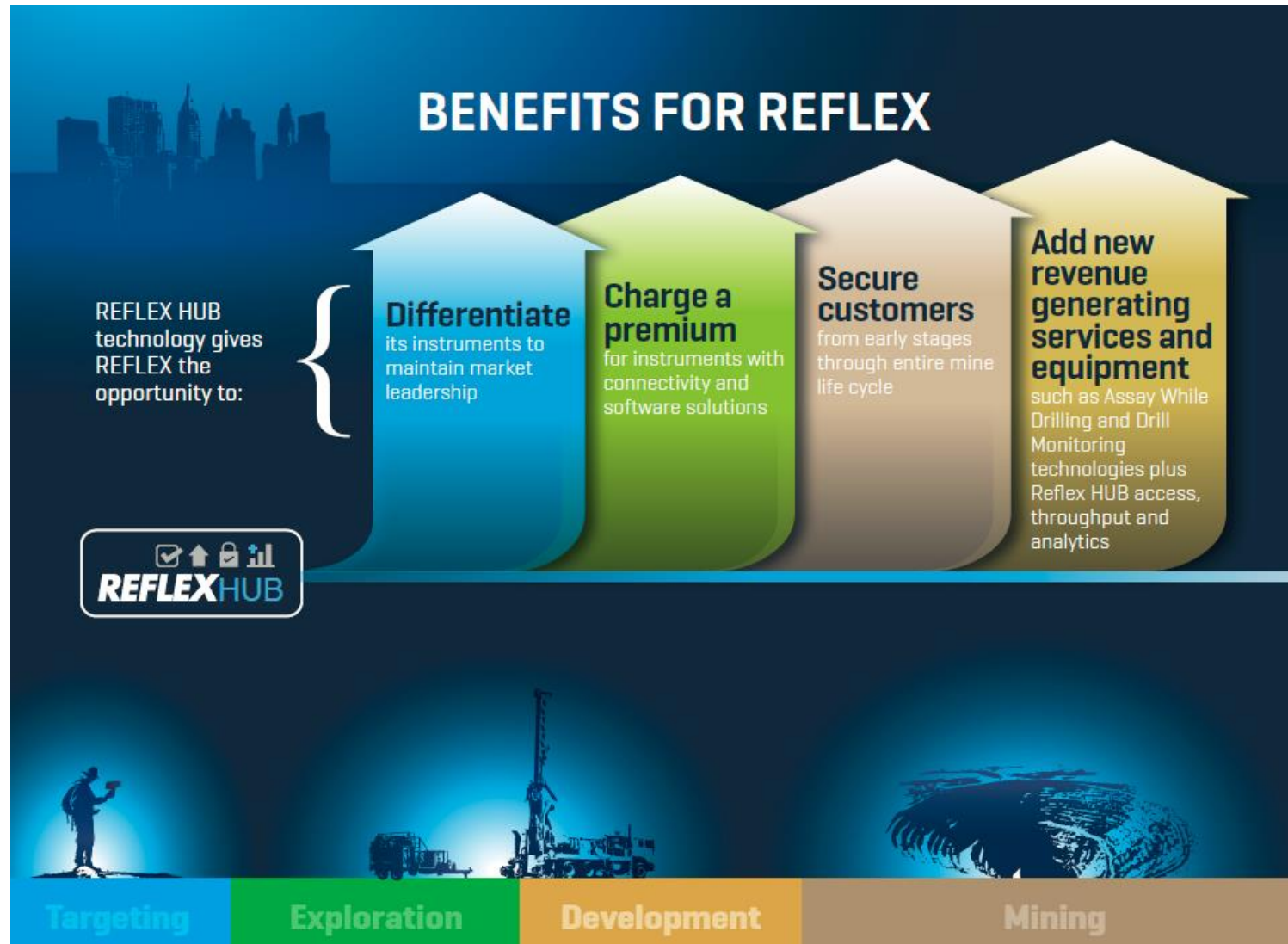
The REFLEX Story



The REFLEX Story



The REFLEX Story



REFLEX– Blue Chip Customers



SRU Growth Drivers and Benefits



- › Unique sump-less technology
- › Increasing adoption of the SRU technology in the US and Europe
- › Increasing environmental regulation & awareness
- › Increasing focus on reduction of cost, increasing drilling efficiency and improving safety of personnel
- › Reduced water consumption; minimal drilling footprint; lower site set up & remediation costs
- › AMEC Environment Award Winner – July 2014



Traditional drilling fluid sumps



No sumps – closed loop system

CUSTOMERS ARE EMBRACING ENVIRONMENTAL & ECONOMICAL BENEFITS



RioTinto



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