



FULL YEAR RESULTS PRESENTATION

Financial Year 2015



Mitchell
SERVICES

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SAFETY UPDATE

- Even though rig utilisation has increased the incidence and severity of safety incidents has **continued to decrease**.
- The company has retained ISO-14001, ISO-9001, OHSAS-18001 and AS/NZS 4801 safety, environment and quality **certifications**
- Numerous initiatives implemented to further strengthen **safety culture and performance**



2015 BUSINESS OVERVIEW

Average rig utilisation

7.8 vs **13**
2014 vs 2015

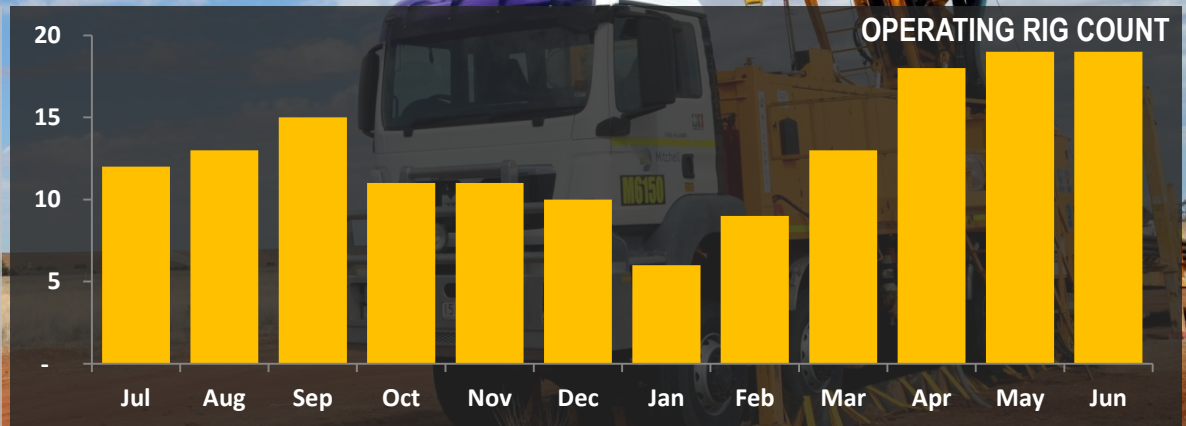
Tier 1 client revenue

↑ **195%**

Total revenue

↑ **68%**

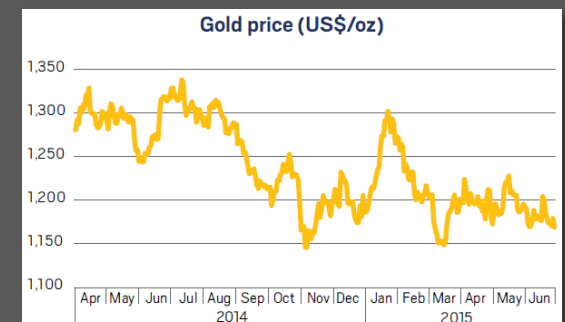
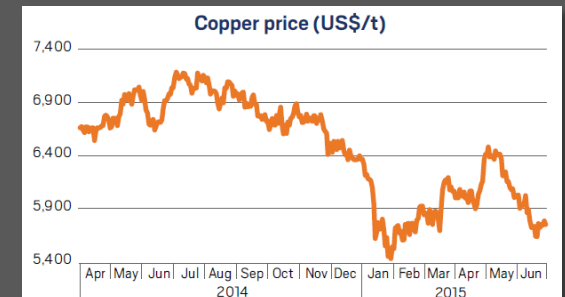
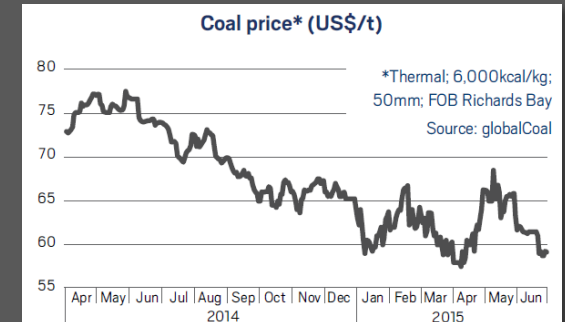
Tom Brown acquisition and
integration completed
on time and under budget



SUBDUED GENERAL MARKET CONDITIONS CONTINUE

- General market conditions remain challenging with the prices of major revenue generating commodities reducing throughout FY15
- Demand for drilling services in the greenfield exploration sector remain subdued
- Ongoing demand for brownfield drilling services in key markets due to previous periods of inactivity and increased mine production

Commodity Price Trends*



* Source: SNL Metals & Mining: State of the Market June Quarter, 2015

BUSINESS OPTIMISATION STRATEGY

Phase 1: Business Ready

- ISO certification and implementation of electronic safety, training and human resources management system
- Review and implementation of Industrial Relations strategy to increase flexibility across the business
- Moved operational base, corporate office and rented Townsville premises to major global defence contractor
- Auction of surplus equipment
- Increased rig utilisation from 3 to 12 rigs

Phase 2: Ramp Up

- Implement initiatives to improve safety culture and performance
- Reached goal of \$24m operating revenue in FY 2015
- \$20.2m capital raise for the acquisition of Tom Browne Drilling Services assets from receivers
- Integration of Tom Browne Drilling Services including auction of surplus equipment
- Increase “Tier 1” client base and increase rig utilisation

Phase 3: Refinement

- Take advantage of strong position in key markets
- Capitalise on long term revenue streams from high quality tier one clients
- Focus on reducing costs in the business
- Deliver efficient, safe and quality services to our clients
- Identify appropriate levels of surplus assets that could potentially be sold to reduce debt levels
- Integration of Nitro assets

RESULTS OVERVIEW

Statutory Profit & Loss

	2015	2014	Change
	\$000's	\$000's	%
Revenue	25,291	15,015	68%
EBITDA	(4,322)	(3,070)	(41%)
EBIT	(12,648)*	(5,669)	(123%)
NPBT	(13,174)	(6,286)	(110%)

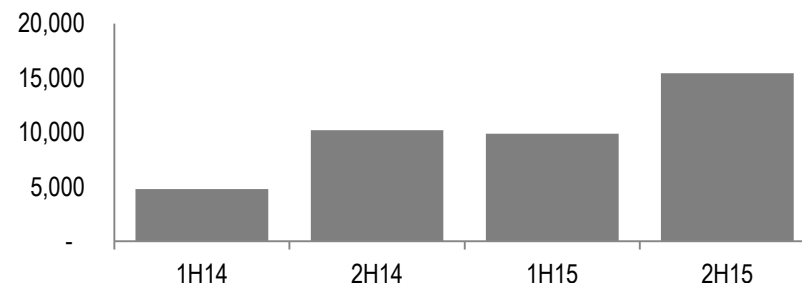
* Includes \$4.9m goodwill and investment property write-downs

Adjusted Profit & Loss

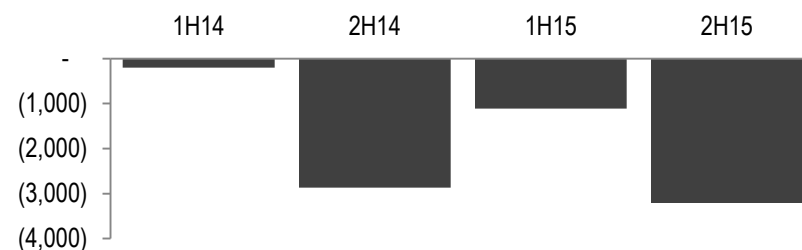
	2015	2014	Change
	\$000's	\$000's	%
Revenue	25,291	15,015	68%
EBITDA	(219)	(2,407)	91%
EBIT	(3,648)	(5,005)	27%
NPBT	(4,175)	(5,622)	26%

Please note "Adjusted" figures represent non-IFRS information that has not been subject to an audit or review at 30 June 2015

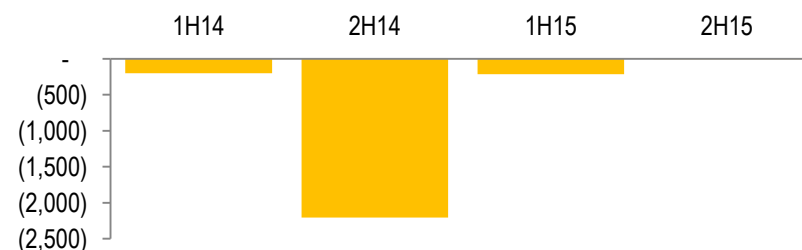
Revenue (\$000's)



Statutory EBITDA (\$000's)



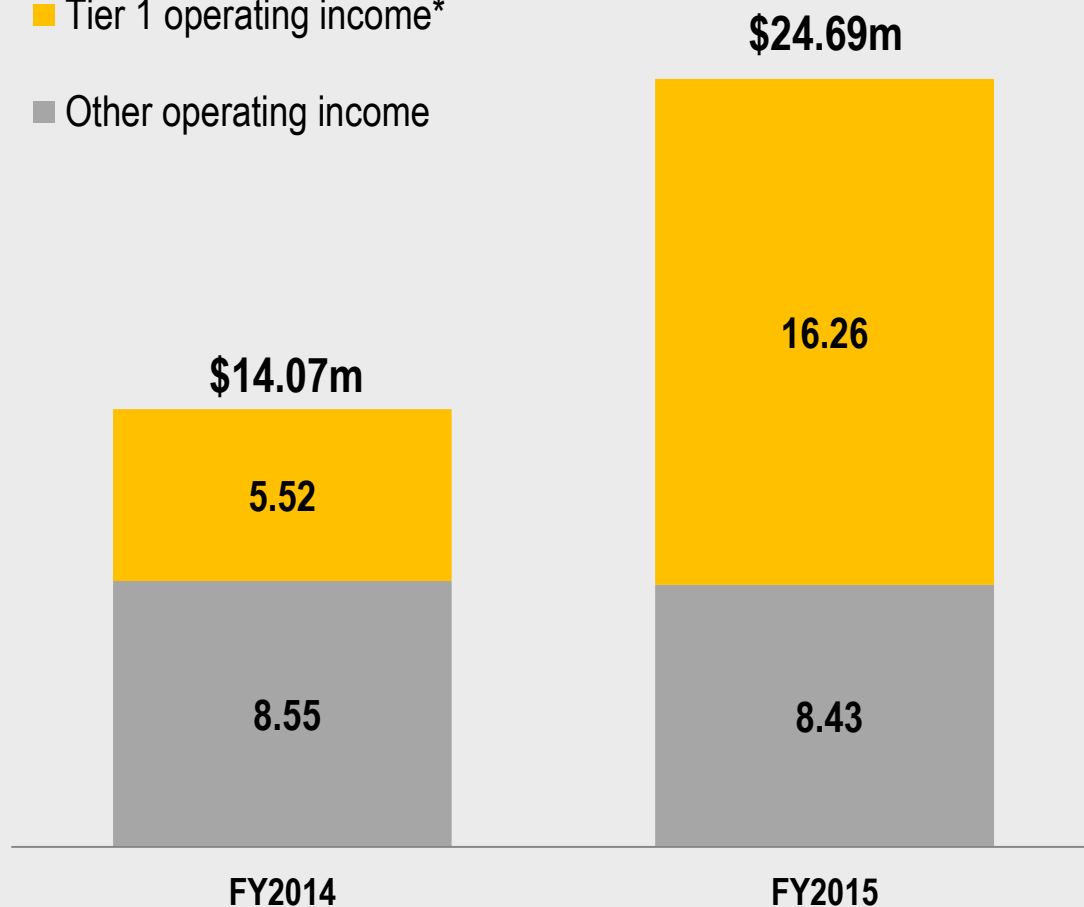
Adjusted EBITDA (\$000's)



OPERATING REVENUE BY CLIENT TYPE

■ Tier 1 operating income*

■ Other operating income

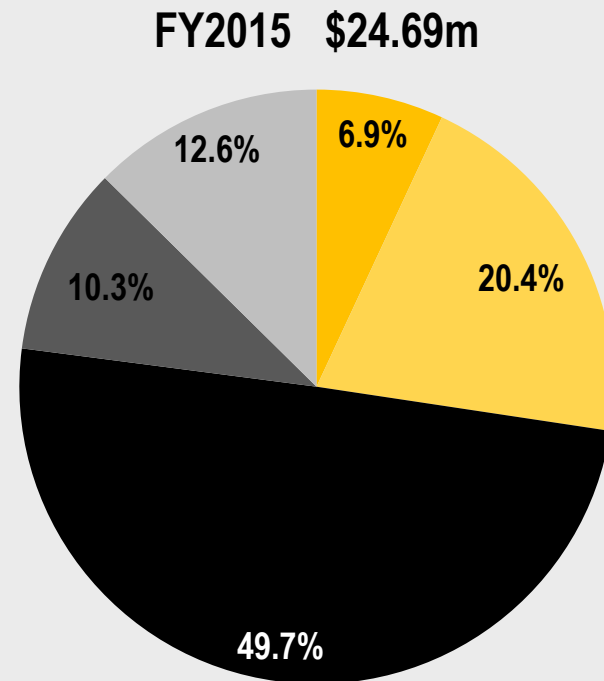
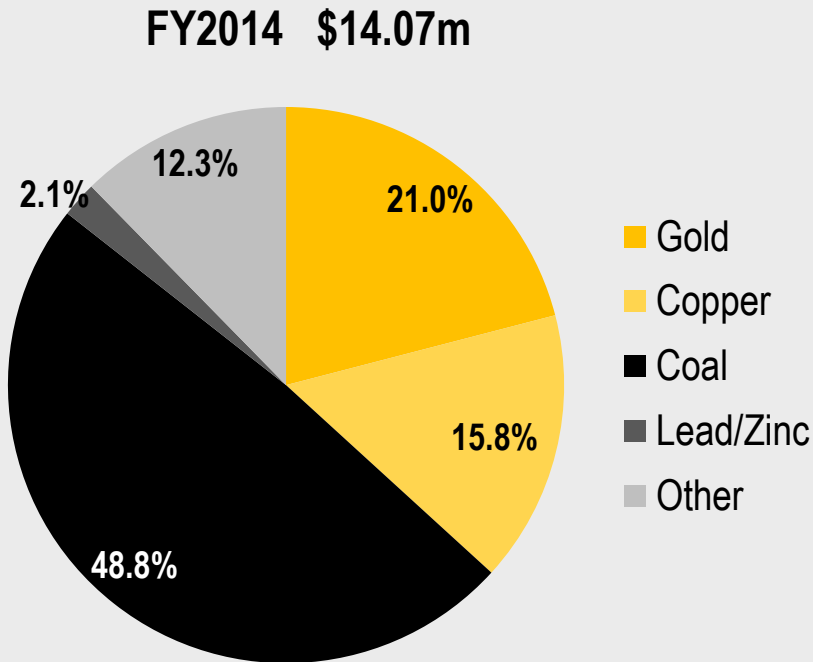


*multinational mining & energy companies

VALUE OF TIER 1

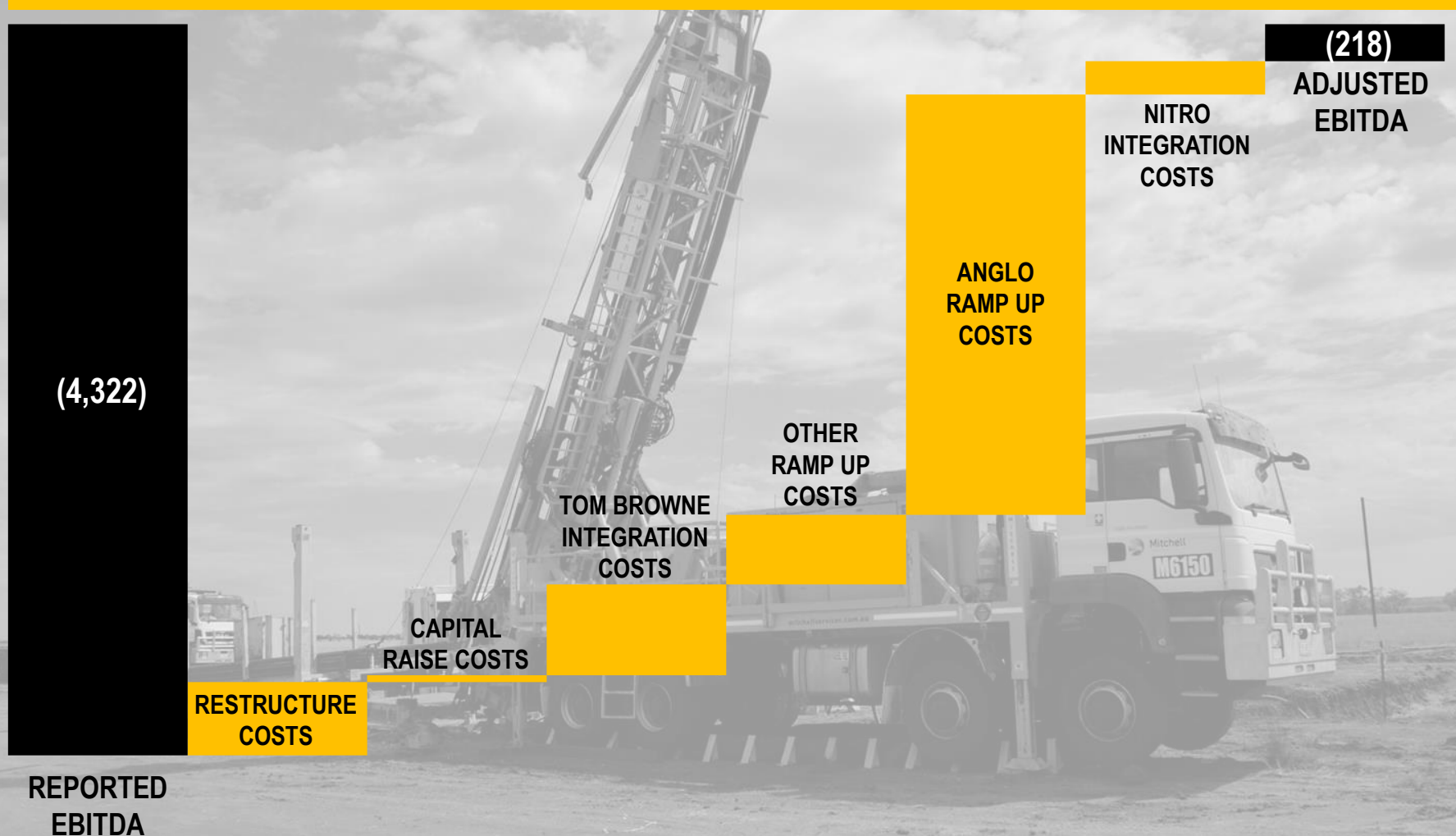
- Multinational mining and energy companies
- Very high safety and business system requirements
- Generally brownfield work for existing mining operators
- Longer term contracts

OPERATING REVENUE SPLIT



Management mindful of managing risk by commodity mix

ADJUSTED EBITDA



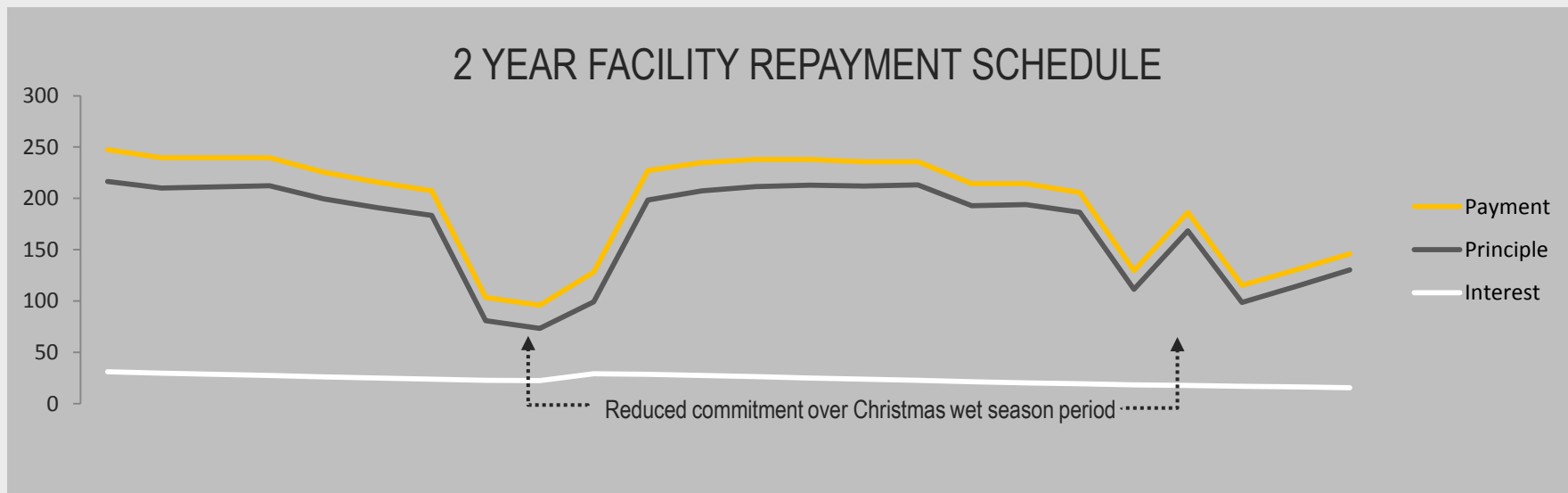
Please note ADJUSTED EBITDA represents non-IFRS information that has not been subject to an audit or review at 30 June 2015

BALANCE SHEET

	30 Jun 15	06 Jul 15*	Change
	Actual \$	Pro-forma \$	%
Current assets	26,103	8,864	(66%)
Property, plant and equipment	21,262	37,387	76%
Other non-current assets	21	21	0%
Total assets	47,386	46,272	(2%)
Current liabilities	28,378	11,010	(61%)
Non-current liabilities	3,754	12,254	226%
Total liabilities	32,132	23,264	(28%)
Net assets	15,254	23,008	51%

* Takes into account post 30 June 2015 settlement of Nitro asset purchase and related capital raise and has not been subject to an audit or review at 30 June 2015

DEBT COMMITMENTS



	30 Jun 15	30 Jun 14	Change
	\$	\$	%
Equipment leases/loans	1,708	1,924	(11.2%)
Working capital/insurance loans	585	525	11.5%
Current financial liabilities	2,293	2,449	(6.4%)
Equipment leases/loans	2,643	3,383	(21.9%)
Working capital loans	1,013	1,316	(23.1%)
Non-current financial liabilities	3,656	4,699	(22.2%)
Total financial liabilities	5,949	7,149	(16.8%)

Debt to equity ratio
improved from
0.56 to 0.39

NITRO INTEGRATION UPDATE

- Asset integration complete with full service history loaded into our business systems
- Inventory integration scheduled to be complete by 30 September 2015
- Strategic plan in place to sell surplus over time and reduce debt accordingly
- Nitro integration project as a whole is running on time and on budget and is scheduled to be completed by 31 October 2015

