

4 September 2015

The Company Announcements Platform
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

By e-lodgment

New Contract awarded to Hughes Drilling

New Production Drilling Contract

Hughes Drilling Limited (Hughes, HDX or the Company) is pleased to advise that the company has entered into a long term agreement with Downer EDI Limited (Downer) for the provision of overburden and coal drilling services at the BHP Billiton Mitsubishi Alliance (BMA) owned Blackwater Coal Mine.

The contract is to provide services over a three year period with the option by both parties to extend the agreement by a further two years. The contract will require six (6) REICHdrill production drill rigs which will be a mixture of new and existing fleet.

Managing Director, Bob Hughes stated that this is an exciting opportunity for Hughes Drilling and the company welcomes the opportunity to work together with Downer in this mutually beneficial agreement. Mr. Hughes further added this clearly cements Hughes Drilling as the premier coal production drilling company on the East coast of Australia and continues to demonstrate the capabilities of the company to meet clients' demands and requirements. Mr. Hughes went on to say that the company, managers and employees are focused on the provision of a safe and professional provision of drilling services which has been reflected in the continued success of maintaining current contracts and the winning of new contracts for the future.

For further information, please contact:

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Hughes Production Drilling:

Hughes Production Drilling is one of Australia's premier coal production drilling specialists with a client base consisting of Australia's major mine operators and owners. Our people are among the leading professionals in their field with the latest and among the most powerful and reliable drill rig fleets in the industry.

Hughes has built a twenty year reputation in the delivery of high quality production drilling projects for many mining organisations within Australia. Year on year Hughes has sustained continued growth and today has long term contracts in place with Tier 1 clients across Australia with continued requests to extend these services as well as provide our expertise to new clients.

Hughes has a proactive stance on maintenance of its 40 strong rig fleet with a commitment to trained maintenance personnel on every shift to ensure equipment downtime is kept to a minimum. Ability to manufacture heavy engineering requirements and access to lathes to make consumable drilling equipment reduces maintenance and purchasing costs. Our long term relationships with suppliers further contribute to our success.

Express Hydraulics:

Express Hydraulics is the purchasing, agency, distribution, drilling industry related product manufacturing and workshop based refurbishment business wholly owned by Hughes. Client support is provided from Hughes' Queensland facilities (located in Yatala and Mackay) that includes large warehouses, internal manufacturing and workshop facilities.

Express Hydraulics is the exclusive Australia distributor for REICHdrill, an industry leader in the manufacture of rigs and drilling equipment, including an extensive range of rotary crawler blast hole and water well rigs. Other agency and distribution arrangements include high performance rotary screw compressors, drill pipe and drill stem accessories, rotary drill bits, down hole hammers, and hydraulic fittings.

In house manufacturing produces spare parts for OEM drill manufacturers such as Reedrill, Sandvik, Atlas Copco and Furukawa Drills. Products include drilling subs, cross over subs and rotary deck bushings.

The workshops are also fully equipped for complete rig refurbishment services.

REICHdrill® (www.REICHdrill.com):

REICHdrill® manufactures a complete line of rotary and down the hole drilling equipment for use in the open cut coal mining sector (with a leading market share in Australia) as well as oil and gas, quarrying, construction, water well, and general mining industries. REICHdrill is committed to manufacturing the highest quality, most durable and dependable drills in the industry. In conjunction with its core clients the company continually drives innovation in the design process leading to the development of technologically advanced drilling equipment.

The company was founded in the late 1940s by Wendell Reich and has roots leading back to the development of the first hydraulic top-drive rotary drill. The company has been producing drilling equipment at its current location in Philipsburg, Pennsylvania, USA since 1984 when REICHdrill® acquired the CP line of rotary drills.

The same attention to detail and superior performance associated with its first drills holds true today. REICHdrill® has built a solid reputation in the industry for manufacturing quality, high performance rigs. Wendell Reich's superior performance and ease of maintenance philosophies are still important to REICHdrill® today.

JSW Australia Pty Ltd (www.jswaustralia.com):

JSW Australia was formed in March 2010 through a management buy-out from Ausdrill-Brandrill of the original Strange Drilling business which was established in 1996 as a single rig operation. JSW's board and management team has over 500 years of drilling related experience and includes founding members of Brandrill Limited as well as Strange Drilling's founding employee. JSW has been able to grow to provide a state of the art fleet of 24 specialist drill rigs servicing Australia's major companies in the mining, civil construction and oil & gas sectors.

JSW is one of the safest operators in the Australian drilling sector and is one of only three drilling companies in Australia to gain accreditation as an enterprise Registered Training Organisation (RTO). JSW's enterprise RTO enables JSW to ensure its workforce of over 140 industry professionals have the best company specific nationally accredited training available, which leads to structured and long term career paths.

With facilities in Kalgoorlie, Boddington, Port Hedland and Perth, JSW can ensure immediate response to any commercial requirement and with fully equipped workshops JSW are able to maintain the machinery to the highest of operational and reliability standards, including the dedicated drilling specific machine shop for specialist tooling and equipment manufacture.

Hughes Equipment Hire (www.hughesequipmenthire.com.au):

Driven by client demand, the Hughes Group is now offering a fleet of 40 new Sullivan Palatek mobile compressors (in various sizes and configurations) for hire.

Having secured its first long term hire agreement with a blue chip mine operator in September 2014, Hughes Equipment Hire has further expanded its equipment offering to 6-in-1 welding units, fuel cells and several makes of handheld pneumatic drilling tools for either long or short term hire.