

**ASX RELEASE**

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## **2015 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS**

I am pleased to present the annual report for the year ended 30 June 2015.

The 2015 financial year, although challenging, was a busy and exciting year for Mitchell Services with a number of key achievements.

In September 2014 the Company purchased 29 drill rigs and support equipment from Tom Browne Drilling Services (in liquidation), increasing both its fleet size and ability to service its Tier 1 client base of major mining companies.

In March 2015 the Company was awarded a significant contract with global mining company Anglo American. The award of this contract provided further evidence of our ability to forge strong relationships among Tier 1 clients.

In June 2015 the Company announced to the market that it had entered into an agreement to acquire the assets of Nitro Drilling Pty Ltd (In liquidation). The assets acquired include 25 drilling rigs and a wide array of support equipment and inventory. These assets provide capacity for Mitchell Services to fulfil a strong Tier 1 tender pipeline. Similar to the Tom Browne assets acquisition, this is a compelling bottom-of-the market investment of the highest quality assets that will allow Mitchell Services Limited to further extend its service offering with Tier 1 clients.

The Company has made significant progress towards delivering on its long term vision of being Australia's leading provider of drilling services. This has involved the implementation of appropriate systems and structures, ramping the business up and building on the strong foundation that the team has built, whilst demonstrating to the market that we were capable of winning and delivering on Tier 1 contracts in a suppressed market.

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With the business ready and ramp up phases and the associated costs now completed, our short term goals have shifted towards taking advantage of our strong position in the drilling market and capitalising on long term revenue streams from high quality Tier 1 clients. This also involves a strong focus on reducing costs in the business, delivering efficient, safe and quality services to our clients and identifying appropriate levels of surplus assets that can be sold to reduce debt levels.

The first quarter of the 2016 financial year has produced a number of highlights. Most notably, the award of a two year, 6 rig contract with Tier 1 Australian gold miner Evolution Mining Limited that includes the provision of both underground and surface drilling. The award further strengthens an ever increasing Tier One client base that now includes the likes of Peabody Energy, Anglo American, South 32, Glencore and Evolution Mining.

We will continue to be heavily reliant on the general strengthening of our sector, however the broader strategy of the business remains; that upon return to normal market conditions with a significantly diminished competitor base, we will be well placed to deliver strong returns to our shareholders.

Thank you to all shareholders who took part in the September 2014 and June 2015 capital raisings. We thank you for your ongoing support and patience. Your board of directors and senior management team urge you to vote in favour of all 5 resolutions on the notice paper before you today.

On behalf of the Board, I would like to welcome Mr Neal O'Connor to the Mitchell Services Board of Directors. Mr O'Connor was formerly General Counsel and Company Secretary and an Executive Committee member of the global Xstrata Copper. He brings a wealth of experience from many years in the resource industry and an added focus on Corporate Governance and Risk Management to the Company. Mr O'Connor will also chair the Audit and Risk and Remuneration and Nomination Committees of the Board. His appointment will take effect following today's Annual General Meeting.

Finally, I would also like to thank the Senior Executive team for their efforts over the last year. I would also like to recognise the broader team that enables Mitchell Services to be recognised for its operational excellence across a wide range of commodities and market sectors.

Thank you