

Stock Exchange Announcement

2 July 2009

Capital Raising and Market Update

Brandrill Limited has today placed 50 million shares to Resource Capital Fund IV, L.P. ("RCF"), an existing substantial shareholder of the Company. The shares have been placed at a price of 4 cents to raise \$2 million. The equity issue strengthens the Brandrill balance sheet position, provides additional working capital, and supports capital equipment acquisitions. Upon completion of the placement, RCF holds 19.9% of Brandrill Limited.

Brandrill Managing Director, Ken Perry stated "It is pleasing to continue to have the strong support of RCF. With investments in a range of Australian mining and mining service companies, RCF understands that the outlook for the mining services sector is positive."

In looking to the future, Ken Perry commented "In Brandrill's case, we have seen our activity levels rise significantly in June with the ramp up of our new civil project at CP Mining with NRW. This \$23 million project is expected to proceed through the remainder of the 2009 year. We have also been awarded a letter of intent to commence another major \$7 million civil project in the Pilbara that will run through most of FY2010. There are signs of activities in coal picking up with a series of tenders pending award. Our exploration fleet also is back now at higher levels of utilisation, and we have recently been awarded a 2½ year diamond drilling contract, further expanding our services. The sales outlook for DT Hi Load was boosted by orders late in June that will underpin activities through the next half year."

On 4 June 2009 Brandrill announced that, due primarily to significant project delays and deferrals, the Company expects to incur a loss for the January to June 2009 half, but to maintain profitability for the full year. The extent of the loss for the second half remains subject to final results for June, however, the current outlook indicates a full year revenue of approximately \$177 million with a profit after income tax in the range of \$1-2 million. These results remain dependent on the settlement of claims and other possible adjustments.

The Company has a multi-option facility with an \$8m facility limit with a commercial bank, the balance of which fluctuates depending on intra-month cashflow. As a consequence of the recent decline in revenue referred to above, one of the three lending covenants for the facility may require a short term waiver from the Bank. If required, Brandrill intends applying for that waiver.

The capital raising together with the improving market conditions, and order book for the 2010 financial year, supports continued growth and financial stability for Brandrill.

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