BRANDRILL LIMITED

ABN 46 061 845 529

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2009

APPENDIX 4E

CONTENTS

RESULTS FOR ANNOUNCEMENT TO THE MARKET
Year Ended 30 June 2009

Reporting Period:

The current reporting period is for the financial year ended 30 June 2009.

The previous corresponding reporting period is the financial year ended 30 June 2008.

	CONSOLIDATED ENTITY		
	30 Jun 09 $A'000	30 Jun 08 $A'000	% change prior year
Revenues from ordinary activities	**178,424**	168,680	5.8%
Profit from ordinary activities after tax attributable to members	**2,764**	10,990	(74.8%)
Net profit for the period attributable to members	**2,764**	10,990	(74.8%)
Dividends (distributions)			
No Dividends have been declared or are payable for the financial year ended 30 June 2009			
Record date for determining entitlements to the dividend	N/A	N/A	

COMMENTS ON RESULTS

Headline Results

	2008-09 $000	2007-08 $000	(%)
Revenues	$178,424	$168,680	+6%
EBITDA	$23,136	$34,671	-33%
EBITA	$7,242	$22,779	-68%
Profit before tax	**$1,127**	**$16,895**	**-93%**
Tax benefit/(expense)	$1,456	($5,636)	
NET PROFIT ATTRIBUTABLE TO MEMBERS	**$2,764**	**$10,990**	**-75%**

Review of Operations

The Group generated revenue of $178.4 million for the year, up 6% on the $168.7 million achieved in 2008. Net profit after tax was $2.8 million, a 75% decline from the $11.0 million recorded in 2008. A tax benefit for the year resulted from consolidation of the Group's tax position.

The year was a tale of two halves. Revenue in the second half was 36% below the first half as the impact of the global financial crisis lead to declines in coal, civil and exploration drilling activities, and caused deferral of orders for the DT Hi Load business. Operating performance in the first half had been disappointing for a range of external and internal factors, and hence half yearly profit before tax of $5.8 million was disappointing. Despite overcoming many of these operational factors, the financial results for the second half suffered from the steep decline in revenues and a tightening of competitive pressures on margins. These were not able to be offset by cost saving initiatives and a loss before tax of $4.7 million resulted for the second half.

Drilling activities contributed $167.4 million revenue in 2009, an increase of 9% over the $153.8 million in 2008. These drilling activities include in-pit and exploration RC drilling as well as coal, hard rock and civil production drill and blast activities.

DT Hi Load sales were $9.6 million in 2009 compared to $13.0 million in 2008. A small loss was incurred.

RockTek sales were $1.2 million for 2009 similar to $1.3 million in 2008. Reduced marketing cost structures reduced the loss in 2009.

Capital expenditure for the year was $31.9 million of which $24.8 million was in the first half. Expenditure in the second half of $7.1 million was well contained with replacement capital of $4.8million and an additional RC rig of $2.3 million.

At year end Net Debt/Equity was 75% with aggregate gross debt of $58.4 million being slightly above the level of June 2008 but reduced by $4.9 million from December 2008 following the high level of committed capital expenditure in the December half.

Subsequent Events

On 2 July 2009, to assist with working capital, $2.0 million was raised by private placement at 4 cents to Resource Capital Funds. After the placement RCF holds 19.9% of the equity in Brandrill.

As announced at the time of the placement, based on the results for 2009, Brandrill has now formally sought a short term waiver from one of its lenders for a breach of one of three lending covenants for an $8 million facility. The Company is providing the lender with the information needed to obtain the waiver.

On 17 August 2009, the Company announced a proposed merger with Ausdrill Limited. The merger is unanimously recommended to shareholders by Brandrill Directors in the absence of a superior proposal. If the merger is approved, eligible Brandrill shareholders will receive one share in Ausdrill for every 14.5 shares in Brandrill. It is proposed the merger will be implemented via a scheme of arrangement. The proposed merger is subject to a number of conditions, including Brandrill shareholder approval and Court approval.

Outlook

The overall outlook for the mining services sector is improving, with expansions in the Pilbara and in oil and gas creating immediate opportunities for civil work; coal activity in Queensland is gradually rebounding; and in the longer term new developments in magnetite mining seeming now assured for Western Australia.

For Brandrill, in July, drilling revenues began returning to historic levels with the ramp up of a major civil project and the commencement of mobilisation of another. Exploration drill utilisation is also improving as demand for exploration services increases. The order book for DT Hi Load has also improved with sales expected well above last year and several new trials underway with major mining clients in Australia and overseas.

This overall improved outlook for Brandrill is expected to continue at least through to the end of 2009, and beyond depending on timing of project developments. Emphasis remains on increasing utilisation of our existing capacities, ongoing debt reduction initiatives and the completion of the proposed merger with Ausdrill.

INCOME STATEMENT
Year Ended 30 June 2009

	Note	CONSOLIDATED 2009 $000's	2008 $000's
Continuing Operations			
Revenue	1(a)	178,424	168,680
Other income	1(b)	197	453
Materials, consumables and external services		(45,096)	(43,289)
Employee benefits expense	1(c)	(86,276)	(68,240)
Equipment ownership and maintenance expenses		(18,140)	(17,712)
Amortisation and depreciation expense	1(g)	(16,449)	(13,419)
Other expenses	1(d)	(5,973)	(5,221)
Finance costs	1(f)	(5,560)	(4,357)
Net profit before income tax		1,127	16,895
Income tax benefit/(expense)		1,456	(5,636)
Net profit for the period		2,583	11,259
Attributable to:			
Minority interest		(181)	269
Members of the parent		2,764	10,990
		2,583	11,259
Earnings per share (cents per share):			
Basic for profit for the year attributable to ordinary equity holders of the parent	8	0.61	2.93
Diluted for profit for the year attributable to ordinary equity holders of the parent	8	0.61	2.86

BALANCE SHEET
At 30 June 2009

	Note	Consolidated 2009 $000's	2008 $000's
CURRENT ASSETS			
Cash and cash equivalents	9(b)	1,340	840
Trade and other receivables		26,812	30,374
Inventories		14,694	15,901
Other current assets		2,819	5,621
Total current assets		45,665	52,736
NON-CURRENT ASSETS			
Property, plant and equipment		94,953	79,033
Intangible assets and goodwill		22,321	21,870
Deferred tax assets		838	2,953
Other		54	66
Total non-current assets		118,166	103,922
TOTAL ASSETS		**163,831**	**156,658**
CURRENT LIABILITIES			
Trade and other payables		19,828	23,300
Interest bearing loans and borrowings		24,910	21,726
Income tax payable		1,375	3,191
Provisions		4,466	4,311
Total current liabilities		50,579	52,528
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings		33,494	35,493
Deferred tax liabilities		3,133	6,107
Provisions		898	603
Total non-current liabilities		37,525	42,203
TOTAL LIABILITIES		**88,104**	**94,731**
NET ASSETS		**75,727**	**61,927**
EQUITY			
Contributed equity	4	129,814	118,834
Reserves		269	299
Accumulated losses	3	(54,442)	(57,206)
Parent interests		75,641	61,927
Minority interests		86	-
TOTAL EQUITY		**75,727**	**61,927**

CASH FLOW STATEMENT
Year Ended 30 June 2009

	Note	Consolidated 2009 $000's	2008 $000's
Cash Flows from Operating Activities			
Receipts from customers		199,849	173,111
Payments to suppliers and employees		(170,458)	(149,164)
Interest received		182	570
Interest and other costs of finance paid		(5,560)	(4,357)
Income tax paid		(1,194)	-
Net cashflows from operating activities	9(a)	**22,819**	**20,160**
Cash Flows from Investing Activities			
Payments for plant and equipment		(12,845)	(9,742)
Purchase of business		-	(18,721)
Investment in controlled entity		(1,340)	-
Proceeds from the sale of plant and equipment		161	310
Net cashflows used in investing activities		**(14,024)**	**(28,153)**
Cash Flows from Financing Activities			
Proceeds from share issue		11,250	15,248
Costs associated with issue of securities		(294)	(470)
Loans to other entities		-	(2,336)
Repayment of borrowings		(2,029)	(12,060)
Payment of hire purchase and lease liabilities		(11,411)	(7,460)
Payment of equipment loans		(8,100)	(6,758)
Proceeds from equipment loans		1,972	13,672
Net cashflows used in financing activities		**(8,612)**	**(164)**
Net increase/(decrease) in cash held		**183**	**(8,157)**
Cash at the beginning of the financial year		(2,200)	5,957
Effects of exchange rate changes on the balances of cash held in foreign currency		8	-
Cash at the end of the financial year	9(b)	**(2,009)**	**(2,200)**

STATEMENT OF CHANGES IN EQUITY
Year Ended 30 June 2009

CONSOLIDATED	Issued Capital $'000	Accumulated Losses $'000	Other Reserves $'000	Minority Interests $'000	Total $'000
Balance as at 30 June 2008	**118,834**	**(57,206)**	**299**	**-**	**61,927**
Transfer of minority interests from reserves	-	-	(231)	267	36
Foreign currency translation	-	-	125	-	125
Total income/(expense) for the period recognised directly in equity	**-**	**-**	**(106)**	**267**	**161**
Profit for the period	-	2,764	-	(181)	2,583
Total income and expense for the period	**-**	**2,764**	**(106)**	**86**	**2,744**
Issue of share capital	11,250	-	-	-	11,250
Share based payment	-	-	76	-	76
Cost of equity raising	(294)	-	-	-	(294)
Related income tax	24	-	-	-	24
	10,980	**-**	**76**	**-**	**11,056**
Balance as at 30 June 2009	**129,814**	**(54,442)**	**269**	**86**	**75,727**
Balance as at 1 July 2007	**103,907**	**(68,196)**	**642**	**-**	**36,353**
Foreign currency translation	-	-	(13)	-	(13)
Total income/(expense) for the period recognised directly in equity	**-**	**-**	**(13)**	**-**	**(13)**
Profit for the period	-	10,990	-	269	11,259
Transfer of reserve	-	-	269	(269)	-
Retained earnings minority interest	-	-	(778)	-	(778)
Total income and expense for the period	**-**	**10,990**	**(522)**	**-**	**10,468**
Issue of share capital	15,248	-	-	-	15,248
Share based payment	-	-	261	-	261
Transfer from share option reserve	82	-	(82)	-	-
Cost of equity raising	(471)	-	-	-	(471)
Related income tax	68	-	-	-	68
	14,927	**-**	**179**	**-**	**15,106**
Balance as at 30 June 2008	**118,834**	**(57,206)**	**299**	**-**	**61,927**

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 30 June 2009

1. REVENUES AND EXPENSES

	Consolidated 2009 $000's	2008 $000's
(a) Revenues		
Rendering of services	168,214	153,826
Sale of goods	10,028	14,284
Finance revenue – interest received	182	570
	178,424	**168,680**
(b) Other income		
Net gain on disposal of property, plant & equipment	23	26
Net foreign exchange gain	-	157
Other	174	270
	197	**453**
(c) Employee benefits expense		
Wages and salaries	72,868	58,466
Defined contribution superannuation expense	5,391	3,450
Share based payments expense	75	261
Other employee benefits expense	7,942	6,063
	86,276	**68,240**
(d) Other expenses		
Bad debts written off	1	3
Operating lease rentals on property, plant and equipment	1,460	897
Net foreign exchange loss	291	-
Other	4,221	4,321
	5,973	**5,221**
(e) Inventory		
Write off of inventory	292	175
	292	**175**
(f) Finance costs		
Interest expense		
Hire purchases	3,358	1,208
Finance leases	428	599
Equipment loans	1,635	2,055
Interest paid or payable to other persons	139	423
Borrowing costs	-	72
	5,560	**4,357**
(g) Amortisation and depreciation expenses		
Amortisation customer contracts	-	640
Amortisation contract completion	-	739
Amortisation marketing rights	197	148
Amortisation client retention	358	-
Depreciation of plant and equipment	15,894	11,892
	16,449	**13,419**

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 30 June 2009

2. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No Dividends have been declared or are payable for the financial year ended 30 June 2009.

3. ACCUMULATED LOSSES AND DIVIDENDS

	Consolidated 2009 $000's	Consolidated 2008 $000's
Accumulated losses		
Operating profit after tax and minority interest	2,764	10,990
Accumulated losses at the beginning of the financial year	(57,206)	(68,196)
Total available for appropriation	(54,442)	(57,206)
Dividends provided for or paid	-	-
Accumulated losses at the end of the financial year	(54,442)	(57,206)

4. CONTRIBUTED EQUITY

(a) Issued and paid up capital

	2009	2008
Ordinary Shares fully paid	129,814	118,834

(b) Movements in shares on issue	2009 Number of shares	2009 $'000	2008 Number of shares	2008 $'000
Beginning of the financial year	380,413,103	118,834	318,623,103	103,907
Issued during the year				
Equity placement 6 Aug 2008	45,000,000	11,250	47,790,000	11,948
Share options exercised	-	-	2,000,000	382
Shareholder purchase plan	-	-	12,000,000	3,000
Share issue costs				
Transaction costs on share issues	-	(294)	-	(471)
Related income tax	-	24	-	68
End of the financial year	425,413,103	129,814	380,413,103	118,834

5. NET TANGIBLE ASSETS PER SECURITY

	CONSOLIDATED 2009 $000's	CONSOLIDATED 2008 $000's
Net Tangible Assets	53,406	40,057
	2009 Number of Shares	**2008 Number of Shares**
Number of ordinary shares of the entity	425,413,103	380,413,103
	cent(s)	**cent(s)**
Net tangible asset backing per ordinary security	12.55c	10.53c

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 30 June 2009

6. DETAILS OF ASSOCIATES OR JOINT VENTURE ENTITIES

Brandrill Limited has no investments in associates or joint ventures.

7. SUBSEQUENT EVENTS

On 2 July 2009, to assist with working capital, $2.0 million was raised by private placement at 4 cents to Resource Capital Funds. After the placement RCF holds 19.9% of the equity in Brandrill.

As announced at the time of the placement, based on the results for 2009, Brandrill has now formally sought a short term waiver from one of its lenders for a breach of one of three lending covenants for an $8 million facility. The Company is providing the lender with the information needed to obtain the waiver.

On 17 August 2009, the Company announced a proposed merger with Ausdrill Limited. The merger is unanimously recommended to shareholders by Brandrill Directors in the absence of a superior proposal. If the merger is approved, eligible Brandrill shareholders will receive one share in Ausdrill for every 14.5 shares in Brandrill. It is proposed the merger will be implemented via a scheme of arrangement. The proposed merger is subject to a number of conditions, including Brandrill shareholder approval and Court approval.

In the Directors opinion there are no other events or circumstances that have arisen since the end of the year that have significantly affected, or would significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity for the financial year subsequent to the period ended 30 June 2009 that have not otherwise been disclosed in this report.

8. EARNINGS PER SHARE

	Consolidated	
	2009	**2008**
	$'000s	**$'000s**
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Profit used in calculating basic earnings per share	2,764	10,990
	2009	**2008**
	Number of shares	**Number of shares**
Weighted average number of ordinary shares used in calculating basic earnings per share:	420,986,873	375,600,889
	2009	**2008**
	$000's	**$000's**
Effect of dilutive securities:		
Profit used in calculating basic earnings per share	2,764	10,990
Share options	-	-
Profit used in calculating diluted earnings per share	2,764	10,990
	2009	**2008**
	Number of shares	**Number of shares**
Weighted average number of ordinary shares used in calculating diluted earnings per share:	420,986,873	384,499,859

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 30 June 2009

9. CASHFLOW STATEMENT

(a) **Reconciliation of net profit after tax to net cash flows from operations**

	Consolidated	
	2009 **\$000's**	**2008** **\$000's**
Net profit	2,583	11,259
Non-Cash Items		
Profit on sale of fixed assets	(23)	(26)
Amortisation and depreciation	16,449	13,419
Unrealised exchange loss	282	90
Share based payments	75	261
Write off of stock	292	175
Changes in assets and liabilities		
Inventories - (increase)/decrease	979	1,936
Receivables - (increase)/decrease	3,245	(10,994)
Other operating assets - (increase)/decrease	4,724	(4,714)
Deferred income tax – (increase)/decrease	(2,651)	5,636
Trade and other creditors – increase/(decrease)	(415)	1,836
Provisions - increase/(decrease)	158	1,076
Other operating liabilities – increase/(decrease)	(2,879)	206
Net cash flow from operating activities	**22,819**	**20,160**

(b) **Reconciliation of cash**

For the purposes of the cash flow statement cash and cash equivalents comprise the following at 30 June:

	2009	2008
Cash on hand	1	4
Cash at bank	1,339	836
Bank overdraft	(3,349)	(3,040)
	(2,009)	**(2,200)**

(c) **Non Cash Financing and Investing Activities**

The consolidated entity acquired plant and equipment with an aggregate fair value of \$18,528,000 (2008: \$34,380,000) by means of lease, hire purchase or equipment finance and entered into financing agreements for \$1,915,000 relating to insurance premium funding. These transactions are not reflected in the Cash Flow Statement.

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 30 June 2009

10. SEGMENT INFORMATION

Segment products and locations

The consolidated entity's operating companies are organised and managed separately according to the nature of the products and services they provide, with each segment offering different products and serving different markets.

The contracting segment operated in Australia. Contracting includes open cut and civil drilling and blasting services and RC and exploration drilling.

The DT-Hi Load segment operates in Australia. DT-Hi Load provides lightweight haul truck trays produced from a patented design.

The RockTek segment operates in Australia and the USA. The operations are centered on the new rock-breaking technologies. These are principally its wholly owned PCF® non-explosive rock-breaking technologies and associated in-situ explosive rock-breaking technologies.

Geographically the group operated in two segments, being Australia and the USA.

Segment accounting policies

The group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributed to geographic area based on the location of the assets producing the revenues.

Segment accounting policies are the same as the consolidated entity's policies.

During the financial year there were no changes in segment accounting policies that had a material effect on the segment information.

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 30 June 2009

10. SEGMENT INFORMATION (Cont)

	Contracting		DT-Hi Load		RockTek		Consolidated	
	2009 $000's	2008 $000's	2009 $000's	2008 $000's	2009 $000's	2008 $000's	2009 $000's	2008 $000's
Business segments								
Revenue								
Sales to customers outside the consolidated entity	167,446	153,826	9,634	13,003	1,162	1,281	178,242	168,110
Total segment revenue	167,446	153,826	9,634	13,003	1,162	1,281	178,242	168,110
Non-segment revenues								
Interest revenue							182	570
Total consolidated revenue							178,424	168,680
Results								
Segment result	8,177	21,010	(592)	1,886	(329)	(856)	7,256	22,040
Non segment expenses and significant items								
Finance costs							(5,560)	(4,357)
Unallocated expenses							(569)	(788)
Consolidated entity profit before income tax							1,127	16,895
Income tax benefit/(expense)							1,456	(5,636)
Consolidated entity profit after income tax							2,583	11,259
Minority interest							181	(269)
Profit attributable to members of the parent							2,764	10,990
Assets								
Segment assets	153,647	142,060	7,512	8,331	984	836	162,143	151,227
Unallocated segment assets							6,911	5,431
							169,054	156,658
Liabilities								
Segment liabilities	90,428	91,804	2,241	1,706	37	135	92,706	93,645
Unallocated segment liabilities							621	1,086
							93,327	94,731
Other segment information:								
Depreciation	15,727	11,734	141	134	26	24	15,894	11,892
Amortisation	358	739	-	-	-	-	358	739
Unallocated amortisation							197	788
Acquisition of property, plant and equipment and other non-current assets	31,852	44,737	93	1,253	3	12	31,948	46,002
Acquisition of intangibles	-	14,358	-	5,730	-	-	-	20,088

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 30 June 2009

10. SEGMENT INFORMATION (Cont)

Geographic segments	Australia		United States		Consolidated	
	2009	2008	2009	2008	2009	2008
	$000's	$000's	$000's	$000's	$000's	$000's
Segment revenue	177,440	167,146	802	964	178,242	168,110
Segment assets	168,341	156,153	713	505	169,054	156,658
Segment liabilities	93,299	94,619	28	112	93,327	94,731
Consolidated profit after income tax and minority interests	3,039	11,737	(275)	(747)	2,764	10,990
Acquisition of plant and equipment and other non-current assets	31,945	45,990	3	12	31,948	46,002
Acquisition of intangibles	-	20,088	-	-	-	20,088

Compliance statement

1. This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Interpretations or other standards acceptable to ASX.

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed.

4. This report is based on the accounts that are in the process of being audited. The accounts are unlikely to be subject to dispute or qualification.

Sign here: .... Date: 31 August 2009

(Company Secretary)

Print name: Philip Werrett