



AUSDRILL LIMITED.

A.C.N. 009 211 474

DRILLING, BLASTING AND EXPLORATION CONTRACTORS

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AUSDRILL LIMITED HALF YEAR FINANCIAL REPORT

Ausdrill Limited has consolidated its financial position with a solid net profit after tax of \$3.9m for the half year to 31 December 2003. The dividend has been maintained with the declaration of a 2 cents per share interim dividend franked to 70% payable on 19 March 2004.

The operating result before tax of \$5.8m (after adjusting for write down of a loan to an associate and foreign exchange losses) is in line with the operating result forecast by the company.

The result includes a further write down of \$0.6m in relation to the loan owing from General & Civil (Australia) Pty Ltd ("GCA") which is now in liquidation. The liquidator of GCA has legal advice that he has a very good chance of recovering a substantial sum from a major client. He has obtained a commitment for financial backing for the claim. If the action is successful it will result in the partial or potentially full recovery of the loan written off. The potential recovery has not been recognised in the results.

The net profit after tax is down on the profit for the corresponding period of \$6.0m. Last year's result included a foreign exchange gain of \$0.6m (compared to a loss this year of \$0.3m) and a profit of \$0.7m relating to the closure of the Chile operations. The profit contribution from African Mining Services (Ghana) Pty Ltd has been reduced because of the sharp increase in the value of the Australian dollar over the past year.

Revenue for the period increased by 10.2% to \$77.2m. This is largely as a result of the inclusion of the iron ore exploration business through the purchase of the Drillex business, the performance of which has exceeded expectations.

Net tangible asset per share has increased from 61.7c at 30 June 2003 to 63.2c at 31 December 2003. Earnings per share for the half year is 4.21 cents.

The company outlaid cash of \$11.4m during the half year in acquiring property, plant and equipment. This includes new premises in Canning Vale costing \$3.3m, which have been



fully funded by a secured borrowing, and the acquisition of a number of second hand rigs that have been the subject of significant refurbishment and innovative improvements to provide a modernised fleet for the future benefit of the group.

Despite the large outlay on capital expenditure and the take on of GCA assets and associated debt, the gearing ratio based on net debt to equity at 31 December 2003 remains low at 7.5%. Gross interest cover is 7.7 times.

The company raised \$9.3m by the placement of 13.4m shares at 73cents in December 2003.

Earlier this week the company sold its investment in Amcom Telecommunications Ltd that will result in the recording of a \$1.3m profit before tax in the second half. The board is pleased with this outcome that results in further funds being available to commit to additional contracting work for Amcom.

For further information, please contact either Mr Ron Sayers, Managing Director, or Greg Dower, Company Secretary, on (08) 9353 3055.

AUSDRILL LIMITED

ABN 95 009 211 474

ASX Half-Year Information – 31st December 2003

Lodged with the ASX under Listing Rule 4.2A.

This information should be read in conjunction with the 30 June 2003 Annual Report

Contents

Results for Announcement to the Market	Page 1
Half-Year Report	Page 2
Supplementary Appendix 4D Information	Page 18

AUSDRILL LIMITED HALF-YEAR REPORT

ABN 95 009 211 474

APPENDIX 4D

Half-year ended 31 DECEMBER 2003

Results for Announcement to the Market

				\$000
Revenue from ordinary activities	up	10.19%	to	77,206
Profit from ordinary activities after tax attributable to members	down	36.46%	to	3,844
Net profit for the period attributable to members	down	36.46%	to	3,844
Dividends	Amount per security		Franked amount per security	
Interim dividend	2.0¢		1.4¢	
Previous corresponding period	2.0¢		1.4¢	

Payment date of dividend

19 March 2004

Record date for determining entitlements to the dividend

9 March 2004

Date for receipt of dividend reinvestment plan notices

9 March 2004

AUSDRILL LIMITED
ABN 95 009 211 474
Half-year report – 31 December 2003

Contents	Page
Directors' Report	3
Consolidated Statement of Financial Performance	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8
Directors' Declaration	15
Independent Review Report to the Members	16

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2003 and any public announcements made by Ausdrill Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

AUSDRILL LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Ausdrill Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2003.

Directors

The following persons were directors of Ausdrill Limited during the whole of the half-year and up to the date of this report:

T E O'Connor
R G Sayers
J E Askew
G P Connell

Review of Operations

A summary of consolidated revenues, results and assets by significant geographical segments is set out below:

	Segment Revenues		Segment Results	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Australasia	70,095	59,586	2,915	4,316
Africa	6,099	6,245	2,059	2,833
The Americas	132	2,905	174	472
Other	3,521	4,834	(254)	23
Intersegment eliminations	(607)	(975)	-	-
TOTAL	79,240	72,595	4,894	7,644
Operating profit before significant items and income tax			4,894	7,644
Income tax expense attributable to operating profit			1,033	1,560
Net profit after tax			3,861	6,084
Net profit attributable to outside equity interests			17	34
Net profit attributable to members of Ausdrill Limited			3,844	6,050

Ausdrill Limited has consolidated its financial position with a solid net profit after tax of \$3.9m for the half year to 31 December 2003. The dividend has been maintained with the declaration of a 2 cents per share interim dividend franked to 70% payable on 19 March 2004.

The operating result before tax of \$5.8m (after adjusting for write down of a loan to an associate and foreign exchange losses) is in line with the operating result forecast by the company.

The result includes a further write down of \$0.6m in relation to the loan owing from General & Civil (Australia) Pty Ltd ("GCA") which is now in liquidation. The liquidator of GCA has legal advice that he has a very good chance of recovering a substantial sum from a major client. He has obtained a commitment for financial backing for the claim. If the action is successful it will result in the partial or

potentially full recovery of the loan written off. The potential recovery has not been recognised in the results.

The net profit after tax is down on the profit for the corresponding period of \$6.0m. Last year's result included a foreign exchange gain of \$0.6m (compared to a loss this year of \$0.3m) and a profit of \$0.7m relating to the closure of the Chile operations. The profit contribution from African Mining Services (Ghana) Pty Ltd has been reduced because of the sharp increase in the value of the Australian dollar over the past year.

Revenue for the period increased by 10.2% to \$77.2m. This is largely as a result of the inclusion of the iron ore exploration business through the purchase of the Drillex business, the performance of which has exceeded expectations.

Net tangible asset per share has increased from 61.7c at 30 June 2003 to 63.2c at 31 December 2003. Earnings per share for the half year is 4.21 cents.

The company outlaid cash of \$11.4m during the half year in acquiring property, plant and equipment. This includes new premises in Canning Vale costing \$3.3m, which have been fully funded by a secured borrowing, and the acquisition of a number of second hand rigs that have been the subject of significant refurbishment and innovative improvements to provide a modernised fleet for the future benefit of the group.

Despite the large outlay on capital expenditure and the take on of GCA assets and associated debt, the gearing ratio based on net debt to equity at 31 December 2003 remains low at 7.5%. Gross interest cover is 7.7 times.

The company raised \$9.3m by the placement of 13.4m shares at 73cents in December 2003.

Earlier this week the company sold its investment in Amcom Telecommunications Ltd that will result in the recording of a \$1.3m profit before tax in the second half. The board is pleased with this outcome that results in further funds being available to commit to additional contracting work for Amcom.

Dividend

The Directors have decided to pay an interim ordinary dividend based on the December 2003 half year result of 2¢ per share, 70% franked, payable on 19 March 2004.

Rounding of Amounts to Nearest Thousand Dollars

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investment Commission, relating to the "rounding off" of amounts in the financial report and directors' report. Amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors:



R G SAYERS
Managing Director

Dated at Perth this 25th day of February 2004

AUSDRILL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Note	Half-year	
		2003	2002
		\$'000	\$'000
Sales revenue		72,742	64,709
Other revenue		4,464	5,360
Revenue from ordinary activities	3	77,206	70,069
Materials		(35,227)	(32,121)
Labour		(23,383)	(20,145)
Rental and hire		(1,216)	(950)
Depreciation and amortisation		(4,746)	(4,755)
Writedown in carrying value of loan to associates		(569)	—
Carrying amount of non-current assets sold		(2,560)	(1,352)
Bad and doubtful debts		(74)	(65)
Borrowing costs		(733)	(773)
Net foreign exchange losses		(299)	—
Other expenses from ordinary activities		(5,539)	(4,790)
Shares of net profits of associates accounted for using the equity method		2,034	2,526
Profit from ordinary activities before income tax expense	4	4,894	7,644
Income tax expense	5	1,033	1,560
Net profit		3,861	6,084
Net profit attributable to outside equity interest		17	34
Net profit attributable to members of Ausdrill Limited		3,844	6,050
Net exchange differences on translation of financial report of foreign controlled and associated entities		(1,707)	142
Total revenues, expenses and valuation adjustments attributable to members of Ausdrill Limited recognised directly in equity		(1,707)	142
Total changes in equity other than those resulting from transactions with owners as owners		2,137	6,192
		Cents	Cents
Basic and diluted earnings per share	9	4.21	8.03

The above consolidated statement of financial performance should be read in conjunction with the accompanying notes.

AUSDRILL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2003

	31 December 2003 \$'000	30 June 2003 \$'000
CURRENT ASSETS		
Cash assets	17,800	21,097
Receivables	26,559	20,754
Current tax assets	1,451	730
Inventories	8,762	8,048
Other	1,186	1,113
Total Current Assets	55,758	51,742
NON-CURRENT ASSETS		
Receivables	2,563	1,817
Investments accounted for using the equity method	13,587	11,879
Other financial assets	1,449	1,230
Property, plant and equipment	43,034	32,972
Intangible assets	3,087	3,179
Other	—	237
Total Non-Current Assets	63,720	51,314
TOTAL ASSETS	119,478	103,056
CURRENT LIABILITIES		
Payables	20,379	20,020
Interest bearing liabilities	9,100	7,703
Current tax liabilities	816	49
Provisions	2,905	2,479
Total Current Liabilities	33,200	30,251
NON-CURRENT LIABILITIES		
Payables	463	93
Interest bearing liabilities	13,804	10,672
Deferred tax liabilities	2,766	2,454
Provisions	870	1,075
Total Non-Current Liabilities	17,903	14,294
TOTAL LIABILITIES	51,103	44,545
NET ASSETS	68,375	58,511
SHAREHOLDERS' EQUITY		
Parent Entity Interest		
Contributed equity	58,951	49,446
Reserves	(8,697)	(6,990)
Retained profits	18,061	16,010
Total Parent Entity Interest	68,315	58,466
Outside equity interest in controlled entities	60	45
TOTAL EQUITY	68,375	58,511

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

AUSDRILL LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

		Half-year	
	Note	2003	2002
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		75,360	86,619
Payments to suppliers and employees (inclusive of goods and services tax)		(70,066)	(74,557)
		5,294	12,062
Interest received		389	1,563
Interest and other costs of finance paid		(733)	(530)
Income taxes (paid) received		(675)	(817)
Net cash inflow from operating activities		4,275	12,278
Cash flows from investing activities			
Payments for property, plant and equipment		(11,385)	(2,186)
Proceeds from sale of property, plant and equipment		997	2,331
Loans to associated entities		(285)	(1,096)
Repayment of loans by related parties		403	4,827
Payments for investments		(1,770)	(94)
Loans other		(2,173)	-
Other – restricted cash		-	(4,809)
Net cash (outflow) from investing activities		(14,213)	(1,027)
Cash flows from financing activities			
Proceeds from issue of shares	7	9,342	-
Proceeds from secured borrowings		3,331	-
Repayment of secured borrowings		(39)	(365)
Repayment of hire purchase and lease liabilities		(4,780)	(4,239)
Deferred cash from buy-backs		668	1,289
Dividends paid to shareholders		(1,630)	(1,358)
Net cash inflow (outflow) from financing activities		6,892	(4,673)
Net (decrease) increase in cash held		(3,046)	6,578
Cash at the beginning of the financial year		20,953	8,970
Effect of exchange rate changes on cash		(235)	95
Cash at the end of the financial year		17,672	15,643

The above consolidated cash flows should be read in conjunction with the accompanying notes.

AUSDRILL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

NOTE 1 Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2003 has been prepared in accordance with Accounting Standard AASB 1029 Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2003 and any public announcements made by Ausdrill Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTE 2 SEGMENT INFORMATION

Primary Reporting - Geographical segments	Australasia	Africa	The Americas	Other	Intersegment Eliminations	Consolidated
2003 half-year	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	65,498	3,813	-	3,431	-	72,742
Intersegment sales	277	199	-	90	(566)	-
TOTAL SALES REVENUE	65,775	4,012	-	3,521	(566)	72,742
Share of net profits of associates	210	1,824	-	-	-	2,034
Other revenue	4,110	263	132	-	(41)	4,464
TOTAL SEGMENT REVENUE	70,095	6,099	132	3,521	(607)	79,240
Consolidated operating profit before tax	2,915	2,059	174	(254)	-	4,894
Income tax expense						1,033
NET PROFIT						3,861

AUSDRILL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

NOTE 2 SEGMENT INFORMATION (continued)

Primary Reporting - Geographical segments 2002 half-year	Australasia \$'000	Africa \$'000	The Americas \$'000	Other \$'000	Intersegment Eliminations \$'000	Consolidated \$'000
Sales to external customers	56,506	3,400	147	4,656	—	64,709
Intersegment sales	67	180	392	232	(871)	—
TOTAL SALES REVENUE	56,573	3,580	539	4,888	(871)	64,709
Share of net profits of associates	—	2,526	—	—	—	2,526
Other revenue	3,013	140	2,366	(54)	(105)	5,360
TOTAL SEGMENT REVENUE	59,586	6,246	2,905	4,834	(976)	72,595
Consolidated operating profit before tax	4,316	2,833	472	23	—	7,644
Income tax expense						1,560
NET PROFIT						6,084

Notes to and forming part of the segment information

The economic entity operates predominantly in one industry being the supply of services to the mining industry. Intersegment pricing is on an “arms length” basis.

The African operations are carried on in Ghana. The Americas includes discontinuing operations in Chile.

The African and Australasia consolidated operating profit before income tax include the after tax share of profit of Associated Entities.

AUSDRILL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

Half-year
2003 **2002**
\$'000 **\$'000**

NOTE 3 REVENUE FROM ORDINARY ACTIVITIES

Revenue from operating activities

Sales revenue	72,742	64,709
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Revenue from outside the operating activities

Proceeds from sale of non-current assets	2,992	2,331
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Interest received/receivable

Related parties	75	209
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Others	440	364
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Net foreign exchange gains	-	608
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Other	957	1,848
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	4,464	5,360
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**Revenue from ordinary activities (excluding share of equity
accounted net profits of associates)**

	77,206	70,069
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NOTE 4 PROFIT FROM ORDINARY ACTIVITIES

Net gains and expenses

Profit from ordinary activities before income tax expense includes
the following specific net gains and expenses:

Net gains:

Net gains on disposal of property, plant and equipment	432	979
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Net foreign exchange gains	-	608
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Expenses:

Depreciation	83	30
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Buildings	4,510	4,360
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Plant and equipment	4,593	4,390
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Total depreciation	4,593	4,390
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Amortisation

Plant and equipment under finance leases	60	68
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Goodwill	93	297
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Total amortisation	153	365
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Borrowing costs

Finance charges relating to finance leases	12	19
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Hire purchase interest	695	637
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Interest paid/payable – other	26	117
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Borrowing costs expensed	733	773
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Net foreign exchange losses	299	-
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Costs of goods sold	16,247	13,173
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AUSDRILL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

NOTE 5 INCOME TAX

INCOME TAX EXPENSE

The aggregate amount of income tax attributable to the financial year differs by more than 15% from the amount calculated on the operating profit. The differences are reconciled as follows:

	Half-year	
	2003	2002
	\$'000	\$'000
Operating profit before income tax	4,894	7,644
Prima facie tax expense @ 30%	1,468	2,293
Tax effect of permanent differences:		
Non deductible amortisation and depreciation	28	90
Share of net profits of associate	(63)	(758)
Other	34	30
Prior year tax losses recouped	(52)	(95)
Prima facie tax adjusted for permanent differences	1,415	1,560
(Over) provision in previous years	(382)	-
Income tax expense attributable to operating profit	1,033	1,560

NOTE 6 DIVIDENDS

Ordinary Shares

	Half-year	
	2003	2002
	\$'000	\$'000
Dividends provided for or paid during the half-year	1,792	1,333

Converting preference shares

	Half-year	
	2003	2002
	\$'000	\$'000
Dividends provided for or paid during the half-year	-	98

Dividends not recognised at the end of the half-year

Since the end of the half-year the directors have recommended the payment of an interim dividend of 2 cents (2002 – 2 cents) per fully paid ordinary share, 70% franked (2002 – 75%) based on tax paid at 30%. The aggregate amount of the proposed interim dividend expected to be paid on 19 March 2004 (2 April 2003) out of retained profits at the end of the half-year, but not recognised as a liability, is

	Half-year	
	2003	2002
	\$'000	\$'000
	2,066	1,786

AUSDRILL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

NOTE 7 EQUITY SECURITIES ISSUED

	Half-year		Half-year	
	2003	2002	2003	2002
	Shares	Shares	\$'000	\$'000
Issue of ordinary shares during the half-year				
Placement	13,400,000	-	9,342	-
Conversion of converting preference shares	-	27,380,837	-	5,476
Dividend reinvestment plan issue	263,061	454,282	163	175
	13,663,061	27,835,119	9,505	5,651

AUSDRILL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

NOTE 8 DISCONTINUING OPERATION

On 31 May 2002, the company announced its intention for an immediate orderly withdrawal and closure of its Chilean operations. The withdrawal process is essentially complete with the only remaining asset being land and buildings in Antofagasta. The company has reached agreement for the lease of the land and buildings for a 5 year period to 31 March 2008 with an option to acquire at the end of the rental term.

Financial information relating to the discontinuing operation is set out below. Chile is the only remaining operation within The America's geographical included in the segment note.

Financial performance information for the half-years ended 31 December 2003 and 2002

	Half-year	
	2003	2002
	\$'000	\$'000
Revenue from ordinary activities	132	228
Revenue from the sale of assets as part of the closure	-	2,675
Total revenue	132	2,903
Expenses from ordinary activities	(41)	-
Expenses incurred in the closure	-	1,332
Carrying amount of assets sold as part of closure	-	865
Total expenses	173	2,197
Profit from ordinary activities before income tax	173	706
Income tax expense	-	-
Net Profit	173	706

Cash Flow Information for the half year ended 31 December 2003

Net cash inflow from ordinary activities	121
Net cash (outflow) from investing activities	(253)
Net (decrease) in cash in the division	(132)

Carrying amount of assets and liabilities as at 31 December 2003

Cash	46
Receivables	22
Other	-
Total Current Assets	68
NON CURRENT ASSETS	
Property, plant and equipment	251
Receivables	174
Total Non-Current Assets	425
TOTAL ASSETS	493
CURRENT LIABILITIES	
Accounts payable	74
Provisions	6
Total Current Liabilities	80
NON-CURRENT LIABILITIES	
Accounts payable	60
Borrowings	-
Total Non-Current Liabilities	60
TOTAL LIABILITIES	140
NET ASSETS	353

AUSDRILL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

NOTE 9 EARNINGS PER SHARE

	Half-year	
	2003 Cents	2002 Cents
Basic and diluted earnings per share	4.21	7.90
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	91,215,137	75,380,111

Reconciliations of earnings used in calculating earnings per share

	Half-year	
	2003 \$'000	2002 \$'000
Basic earnings per share		
Net profit	3,861	6,084
Preference dividends	-	(98)
Less: Net profit attributable to outside equity interest	17	34
Earnings used in calculating basic earnings per share	3,844	5,952

NOTE 10 CONTINGENT LIABILITIES

Changes in Contingent Liabilities since the last annual report are as follows :

	31/12/2002 \$'000	30/06/2003 \$'000
Associated Entities		
The Group has provided a several Guarantee and Indemnity to the financiers of associated entities for funding the acquisition of plant and equipment	569	4,259
The Group has provided a several Guarantee and Indemnity to a financier of an associated entity for an overdraft facility	1,995	2,247
	2,564	6,506

NOTE 11 EVENTS OCCURRING AFTER REPORTING DATE

Since the end of the half-year, the company has sold the shares it held in Amcom Telecommunications Limited and realised a profit before tax of \$1.3 million which will be recorded in the second half result.

On 24 February 2004, the directors declared the payment of an interim ordinary dividend of \$2,065,660 (2 cents per full paid share) to be paid on 19 March 2004 out of retained profits at 31 December 2003.

The financial effects of the above transactions have not been brought to account at 31 December 2003.

AUSDRILL LIMITED AND CONTROLLED ENTITIES

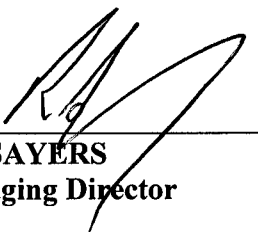
DIRECTORS' DECLARATION

The directors declare that the financial statement and notes set out on pages 5 to 14:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements,
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Ausdrill Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.


R G SAYERS
Managing Director

Dated at Perth this 25th day of February 2004.

Independent review report to the members of Ausdrill Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Ausdrill Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Ausdrill Limited Group (defined below) as at 31 December 2003 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Ausdrill Limited Group (the consolidated entity), for the half-year ended 31 December 2003. The consolidated entity comprises both Ausdrill Limited (the company) and the entities it controlled during that half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of company personnel, and
- analytical procedures applied to financial data.

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

NM Henry

NM Henry
Partner

Perth
25 February 2004

AUSDRILL LIMITED HALF-YEAR REPORT

ABN 95 009 211 474

SUPPLEMENTARY APPENDIX 4D INFORMATION

Half year ended 31 DECEMBER 2003

1 RETAINED PROFITS

Retained profits at the beginning of the financial year
Net profit attributable to members of Ausdrill Limited
Dividends paid
Retained profits at the end of the financial year

6 months to 31/12/03 \$'000	6 months to 31/12/02 \$'000
16,010	8,801
3,844	6,050
(1,793)	(1,528)
18,061	13,323

2 DIVIDENDS

A dividend of 2 cents per share (franked to 1.4 cents per share) was declared on 24 February 2004.

Date the dividend is payable

19 March 2004

Record date to determine entitlements to the dividend

9 March 2004

Amount per security

		Date declared	Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
Ordinary Securities Final dividend:	Current year	N/A	N/A	N/A	N/A
	Previous year	05/09/2003	2.0¢	1.5¢	NIL
Interim dividend:	Current year	24/02/2004	2.0¢	1.4¢	NIL
	Previous year	04/03/2003	2.0¢	1.5¢	NIL
Preference Securities 1st Half Yearly	Current year	-	-	-	NIL
	Previous year	30/09/2002	0.713¢	0.535¢	NIL
2nd Half Yearly	Current year				
	Previous year	N/A	N/A	N/A	N/A

Dividend Reinvestment Plans

The company has a dividend reinvestment plan – Ausdrill Ltd Dividend Reinvestment Plan which is available for participation by all shareholders.

The last date for the receipt of an election notice for participation in the dividend reinvestment plan is

9 March 2004

AUSDRILL LIMITED HALF-YEAR REPORT
ABN 95 009 211 474

SUPPLEMENTARY APPENDIX 4D INFORMATION

Half year ended 31 DECEMBER 2003

3 INVESTMENTS IN ASSOCIATES

Details of Aggregate Share of Profits of Associates

Name	Ownership interest		Contribution to net profit	
	2003	2002	31/12/03	31/12/02
	%	%	\$000	\$000
African Mining Services (Ghana) Pty Ltd	50	50		
African Mining Services Pty Ltd	40	40		
African Mining Services (Tanzania) Pty Ltd	40	40		
Remet Engineers Pty Ltd	50	-		
			2,034	2,526

Group's share of associates:	Current period \$A'000	Previous corresponding period \$A'000
Profit from ordinary activities before tax	3,032	3,742
Income tax on ordinary activities	998	1,216
Profit from ordinary activities after tax	2,034	2,526
Extraordinary items net of tax	-	-
Share of net profit of associates	2,034	2,526

AUSDRILL LIMITED HALF-YEAR REPORT

ABN 95 009 211 474

SUPPLEMENTARY APPENDIX 4D INFORMATION

Half year ended 31 DECEMBER 2003

4 NET TANGIBLE ASSETS PER SHARE

Net tangible asset backing per ordinary share

31/12/03	31/12/02	30/06/03
63.21¢	58.34¢	61.74¢

5 ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD

Category of securities	Total number	Number quoted	Issue price per security	Amount paid up per security (cents)
Preference securities				
7% converting preference shares	NIL	NIL	-	-
Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases	-	-	-	-
Ordinary securities	103,282,997	103,282,997	N/A	Fully paid
Changes during current period				
(a) Increases through issues - Shares Issued under Dividend Reinvestment Plan	263,061	263,061	62.04¢	Fully paid
Placement	13,400,000	13,400,000	73.00¢	Fully paid
Options			<i>Exercise price</i>	<i>Expiry date (if any)</i>
Director Options	1,200,000	-	1.20¢	9/11/04
Employee Options	100,000	-	0.48¢	9/11/04
Issued during current period	NIL	-		
Exercised during current period	NIL	-		
Expired during current period				
Director Options	-	-	-	
Employee Options	-	-	-	

AUSDRILL LIMITED HALF-YEAR REPORT

ABN 95 009 211 474

APPENDIX 4D

Half year ended 31 DECEMBER 2003

6 COMMENTARY ON THE RESULTS FOR THE PERIOD

The commentary on the results for the period is contained in the press release dated 25 February 2004 accompanying this statement.

7 AUDIT

This report is based on accounts which have been subject to review.