



MEDIA RELEASE

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SWICK MINING SERVICES PROFIT UP BY 164% SET FOR CANADIAN GROWTH PHASE

HIGHLIGHTS

- FY08 revenue of \$84.2 million, up 121% from FY07.
- FY08 net profit of \$10.3 million, up 164% from FY07.
- 80% increase in earnings per share to 7.17 cents.
- FY09 revenue guidance of \$155 million, up 84% from FY08.
- Strong outlook for mineral drilling services.

Swick Mining Services (ASX: SWK), the Perth-based mineral drilling specialists, today announced a record net profit after tax of \$10.3 million for the past financial year; on revenue of \$84.2 million. The record result represents a 164% increase in profit on the previous corresponding period.

Kent Swick, Managing Director said the record result reflects the Company's ability to successfully execute its growth strategy and capitalise on the strong demand for high quality mineral drilling services in the Australian mining industry.

"We are confident that this performance will be repeated in FY2009 on the back of ongoing demand in the commodities sector. We anticipate further strong growth opportunities across all of our drilling divisions, and are targeting revenue growth of 84% in the 2009 financial year to \$155 million."

Mr Swick added the Canadian market is expected to drive significant growth for the company in the coming years.

"We currently have more than 40 rigs in operation throughout Australia, with more earmarked for the remainder of the year. We are also in the process of establishing the infrastructure needed to support our expansion into North America.

"In July, we appointed Will Gove as General Manager in Canada and remain on track for the delivery of three drill rigs planned for later this year. The three rigs are currently being built at the Company's South Guildford engineering facilities in Perth and will be used for drilling trials with major mining houses in the Sudbury Mineral Province in Ontario."

The latest revenue result continues the trend of the Company approximately doubling its revenue each year for the last four years (FY07 - \$38.1m; FY06 - \$19.4m; FY05 - \$10.3m).

“Significantly, aside from the revenue growth in the past year, we have also been able to improve our profitability margins as a result of a strong operational focus and the development of economies-of-scale within key operational divisions,” Mr Swick added.

“We are pleased with our profitability margins as they position Swick at the upper end of ASX-listed mineral drilling service providers.

“Our recent performance was again driven by growth in the core underground diamond drilling division, with a strong demand for our jumbo mounted drill rigs. Underground diamond drilling accounted for 75% of our FY2008 operational revenue and was bolstered by additional contract awards with a number of major mining houses, including Barrick, Xstrata and Oz Minerals.

The Company’s other divisions, in particular the surface reverse circulation and surface diamond drilling divisions, were also solid revenue contributors.

“Much of the focus in these divisions during the year was on building the foundations to support new rig build programs and growth in the coming years. As a result, both the surface reverse circulation and surface diamond drilling divisions are now poised for breakout growth. We forecast that these divisions will contribute a significantly greater proportion of revenue in the 2009 financial year,” Mr Swick added.

“There is also a strong interest in our award winning reverse circulation drill rigs, particularly within the iron ore sector. We’re investigating an expanded reverse circulation rig build program over the next 24 months to capitalise on this demand.”

Commenting on the varying fortunes of the different commodities, Mr Swick pointed out that Swick’s revenue is generated across a range of different commodities and predominately at brownfields sites which are less affected by fluctuations in commodity prices and cycles than greenfields sites.

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About Swick Mining Service

Swick Mining Services (ASX:SWK) is a specialist mineral drilling services company that provides surface and underground drilling services to the Australian resources and mining industry. The Company is a market leader in productivity and safety and is recognised as one of the most efficient and cost effective operations in the Australian mining industry.

Swick operates five drilling divisions:

- Underground Diamond
- Surface Diamond
- Surface Reverse Circulation
- Surface Multi-Purpose
- Underground Longhole

The Company's clients target a diverse spread of minerals, including copper, nickel, gold, zinc, manganese and iron ore, and include some of the leading players in the mining industry, including Barrick, Newmont, Xstrata, Oz Minerals and Consolidated Minerals.

www.swickmining.com.au