



Swick Mining Services Ltd (ABN 20 112 917 905)
64 Great Eastern Hwy South Guildford WA 6055
PO Box 74 Guildford WA 6935
Phone (08) 9277 8800
Fax (08) 9277 8844
Email: admin@swickmining.com.au
Web: www.swickmining.com.au

11 May 2009

ASX ANNOUNCEMENT

REVISED GUIDANCE & MARKET OUTLOOK

HIGHLIGHTS

- ❑ **Forecast FY09 revenue of \$85 million.**
- ❑ **Underlying operating profitability improving.**
- ❑ **Rigs in work returning to previous high levels.**
- ❑ **Number of new contract awards and expanded scope with existing clients.**
- ❑ **Strong tender pipeline in Australia across the core drilling divisions.**

Swick Mining Services (ASX:SWK) announces revised FY09 guidance of \$85 million in revenue. The Company's rig fleet utilisation continues to improve, providing a solid revenue platform and significant upside moving into the new financial year.

Fleet Utilisation and New Contracts

The Company has experienced significant improvement in its fleet utilisation, having increased its rigs in work from a low of 22 rigs in January 2009 to its current level of 37 rigs in work (compared to a peak of 40 rigs in work in September 2008). Management expects fleet utilisation and revenue to continue to improve during the year, assuming market conditions remain stable.

The improved utilisation rate has resulted from organic growth opportunities within the Company's blue chip client base and from business development activities aimed at identifying and securing new opportunities in the gold and iron ore sectors where demand remains strong.

Managing Director Kent Swick said: "The return of 15 rigs back to work so far this calendar year is an excellent achievement, at a time when competition for work has been extremely fierce".

In the past week the Company has also been notified of new underground diamond drilling contract awards with Metals X (Renison Tin Mine) and Ramelius Resources (Wattle Dam Gold Mine) and a new RC drilling contract with Cudoco (Rocklands Group Copper Project). Once these contracts have commenced, the Company will have 40 rigs in work.

In addition, the Company awaits the outcome of a significant number of tenders submitted in recent months and has a strong pipeline of new tendering opportunities ahead. Management is therefore confident that fleet utilisation should continue to strengthen throughout 2009.

Fleet Utilisation Breakdown

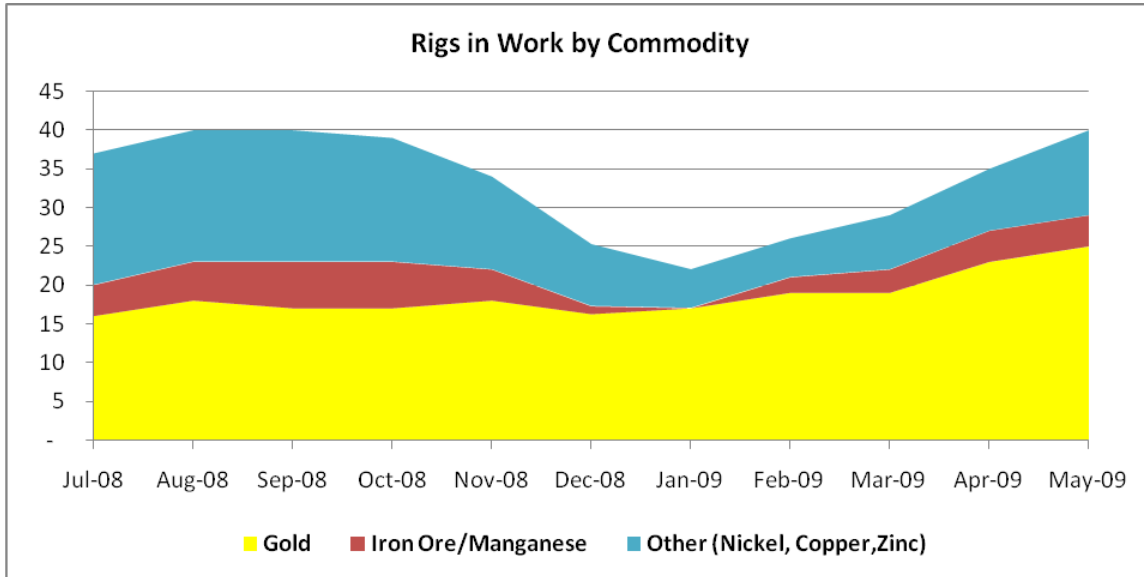
Fleet utilisation amongst the Company’s four core drilling divisions - underground production, underground diamond, surface diamond (multi-purpose) and surface RC - has rebounded strongly since January 2009. These divisions offer further significant upside for increased utilisation throughout the remainder of the year.

The movement in utilisation for these divisions since January 2009 (including new rigs expected to commence drilling in May) is set out below:

| Division | Fleet Jan 09 | In Work Jan 09 | Utilisation Jan 09 | Fleet May 09 | In Work May 09 | Utilisation May 09 |
|------------------------|--------------|----------------|--------------------|--------------|----------------|--------------------|
| Underground Production | 3 | 0 | 0% | 4 | 2 | 50% |
| Underground Diamond * | 37 | 19 | 51% | 37 | 30 | 81% |
| Surface Multi-Purpose | 4 | 3 | 75% | 4 | 3 | 75% |
| Surface RC | 6 | 0 | 0% | 7 | 5 | 71% |

* Australia only, excludes five rigs in North America

The breakdown of rigs in use by commodity for the past 10 months (including new rigs expected to commence work in May) is set out below. Importantly, the gold and base metal sectors are showing strong improvement.



EBITDA Margin

During the first half of FY09, Swick Mining Services achieved an EBITDA margin of 20.8%, weighed down by a number of one-off costs relating to employee redundancies, demobilisation of plant and equipment and several accounting charges. The absence of these one-off items in the second half, together with the positive impact of the cost reduction and efficiency measures implemented towards the latter part of 2008, is expected to lead to an improved EBITDA margin in HY2 FY09 and moving forward.

Financial Position

The Company's financial position continues to strengthen as a result of improving fleet utilisation generating additional revenue and the cost reduction and efficiency measures implemented. Management is confident that this trend will continue during the second half of the calendar year.

The application of new capital expenditure in FY10 will be limited, as a result of the focus on maximising utilisation of the existing fleet. It is important to note that full utilisation of the existing fleet for the core drilling divisions, without the need for further capital expenditure, would result in potential revenue of approximately \$12.5 million per month.

Yours faithfully



KENT SWICK
MANAGING DIRECTOR

About Swick Mining Services:

Swick Mining Services (ASX:SWK) is one of Australia's largest mineral drilling contractors and provides high quality underground and surface drilling services to a diverse group of blue chip mining houses. The Company has a strong reputation for innovation in rig design and drilling practices, and for delivering increased productivity, safety and value to its clients.

For further information about this announcement, please contact the following on (08) 9277 8800:

Kent Swick - Managing Director

Michael Fry - Finance Director

Jason Giltay - Company Secretary