

HARBERT ANNOUNCES INVESTMENT IN TECHDRILL CIVIL & MINING SERVICES

Summary:

- Harbert acquires 45% of the newly merged Techdrill Civil & Mining Services
- Existing management team retaining 55% while continuing to drive the business

1 February 2012 - Harbert Australia Private Equity (“Harbert”), the private equity firm targeting lower-middle market investments, today announces the acquisition of a 45% interest in Techdrill Civil & Mining Services Pty Ltd (“TCMS”), a diversified mining and infrastructure services group. TCMS was formed in December 2011 from the merger of Techdrill Services (“Techdrill”) and Rock Drilling Australia (“RDA”).

Techdrill is an established drilling contractor based in Central Western New South Wales, and provides mobile Greenfield and Brownfield drilling services to a large number of resource exploration companies in eastern Australia. The business has expanded rapidly over the last two years and operates a modern fleet of Reverse Circulation and Diamond Drilling rigs. Whilst Techdrill has strong expertise in local mine sites - in particular the Cobar region, one of the highest potential gold and copper regions in Australia – the business has also delivered successful projects in Queensland and Victoria.

RDA is a well known Brisbane-based drilling services contractor which provides trenchless drilling services and horizontal directional drilling (“HDD”) to infrastructure companies in the electricity, water, sewerage and telecommunications sectors. HDD is ideal for installing infrastructure beneath highways, roads and railway tracks with minimal disruption to traffic and the surrounding area, and results in considerable cost savings versus open trenching due to significantly shorter project times. RDA’s modern drilling equipment is highly mobile and can deliver projects anywhere in Australia.

TCMS intends to use Harbert’s experience and financial capacity to bolster its operational capabilities and management team to enable the company to continue to meet its service levels for key customers, as well as fund the group’s aspirations for medium term expansion.

The existing management team will remain in place with Jason Entwistle as Chairman of TCMS, Neil Weber as General Manager of Techdrill and Martin Rowland as General Manager of RDA. The company will bolster the management team over the next twelve months via the recruitment of high calibre experienced industry professionals to ensure the group is appropriately positioned to meet the planned growth. Commenting on the transaction Jason Entwistle, Chairman of TCMS said:

“We are thrilled to have secured Harbert as a partner in TCMS. Following the merger of Techdrill and RDA, TCMS is well positioned for strong growth in its key mining and infrastructure markets. Harbert is an ideal partner for the group, bringing a depth of experience in working with businesses such as ours and providing access to capital at a time when many businesses are highly capital constrained.”

“We are very excited about working together to further develop our capabilities to ensure that TCMS has the capacity to meet our customers’ needs both now and into the future. It has quickly become apparent that Harbert has the same drive as we do to grow TCMS into a significant player in the mining and infrastructure drilling markets.”

Jeremy Steele, Managing Director of Harbert Australia Private Equity said:

“We are delighted to have the opportunity to be part of the TCMS growth story and to be able to invest additional capital and resources to support the continued growth of the group. TCMS has two very successful and highly complementary businesses, with RDA’s infrastructure drilling operations providing a natural hedge against the more cyclical exposure of Techdrill’s resource drilling business. The company has an exceptionally competent management team who have set up, managed and grown two very successful businesses. We look forward to working with the management team to take this company forward – both in terms of growth, and its ability to capitalise on the exciting opportunities presented by the existing customer base and expected market developments in general.”

“The medium term outlook for the Australian mining drilling market is highly favourable based on forecast energy and minerals production, expected mining sector capital expenditure, and a predicted stable commodity price environment. Similarly, the outlook for the Australian infrastructure drilling market is strong with a large pipeline of infrastructure projects scheduled for delivery over the next decade, many of which are in RDA’s key utilities space.”

Harbert continues to focus on investment in Australian companies within the lower-middle market (i.e. valued between A\$10 million and A\$100 million). This market is usually characterised by companies that are not used to dealing with professional investors, have no large scale finance, strategic planning or legal teams and are more reliant on existing management teams’ ongoing commitment and focus on the business. This investment will be split between Harbert Australian Private Equity Fund I (which is closed to new investors) and Harbert Australian Private Equity Fund II (the first investment in this fund).

Advisers to the transaction were Henslow Partners, Westoria Capital, Arnold Bloch Leibler and McCullough Robertson (TCMS), and Middletons and PricewaterhouseCoopers (Harbert).

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CONTACTS:

Harbert

Jeremy Steele
Harbert Australia Private Equity
Senior Managing Director
Ph: (03) 8660 7102
Email: jsteele@harbert.net

Techdrill Civil & Mining Services

Jason Entwistle
Techdrill Civil & Mining Services
Chairman
Ph: (03) 9813 3882
Email: jason.entwistle@westoria.com.au

NOTES TO EDITORS:

About Techdrill Civil & Mining Services

Techdrill Civil & Mining Services (“TCMS”) is a diversified mining and infrastructure services group formed in December 2011 from the merger of Techdrill Services (“Techdrill”) and Rock Drilling Australia (“RDA”).

Techdrill is an established drilling contractor based in Central Western New South Wales, and provides mobile Greenfield and Brownfield drilling services to resource exploration companies in eastern Australia.

RDA is a successful Brisbane-based drilling services contractor which provides trenchless drilling services and horizontal directional drilling to infrastructure companies in the electricity, water, sewerage and telecommunications sectors.

About Harbert

Harbert Australia Private Equity (“Harbert”) is a sponsored affiliate of the well established Harbert Management Corporation (“HMC”), an independent diversified alternative asset business based in the US with assets under management of US\$2.5bn. Harbert launched its first Australian based private equity fund in late 2008. Harbert is focused on investment in Australian companies within the lower-middle market, targeting companies with a total enterprise value in the A\$10 million to A\$100 million range, with a particular emphasis on companies with a total enterprise value in the A\$20 million to A\$50 million range.

Harbert is led by Senior Managing Director Jeremy Steele, with headquarters based in Melbourne. Jeremy was previously head of private equity at ANZ. Other investments include Aēsop, a body, skin and hair care beauty products company, and Sumo Visual Group, a leading player in the Merchandising Signage Solutions market. More information is available at www.harbert.net/australia.