

Imdex Limited

Annual General Meeting

15 October 2009

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Today's AGM

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Welcome

Good morning ladies and gentlemen. It gives me great pleasure to welcome you to the 2009 Annual General Meeting of Imdex Limited.

My name is Ian Burston. As Chairman of the Board of Directors of Imdex Limited, I will occupy the Chair for this meeting and as previously announced to the market in September, due to my other work commitments, I will be stepping down as Chairman at the conclusion of this meeting.

Your Directors

- Ian Burston – Chairman
- Bernie Ridgeway – Managing Director
- Ross Kelly – Non-Executive Director
- Kevin Dundo – Non-Executive Director
- Magnus Lemmel – Non-Executive Director

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I would like to take this opportunity to introduce my fellow directors, company secretary and other attendees today:

- Bernie Ridgeway is the Managing Director;
- Ross Kelly, is a Non Executive Director;
- Magnus Lemmel is a Non Executive Director;
- Kevin Dundo is a Non Executive Director;
- Paul Evans is the Company Secretary.

Also attending today are:

- Gary Weston, Group General Manager;
- Derek Loughlin, Divisional Manager - Down Hole Instrumentation Division;

- Paul Mander, Divisional Manager – Fluids and Chemicals Division (Minerals);
- Marc Quesnel, Divisional Manager – Fluids and Chemicals Division (Oil & Gas);
- Roberto Forte, HR Manager;
- Khoe Sheng Neoh, Drilling Fluids and Chemicals Divisional Finance Manager; and
- Leslie McGill and Harvey Farrington from Imdex's corporate office.

Other divisional staff members are also present today and I am sure they would welcome the opportunity to meet with you over tea and coffee after the meeting.

We are also joined today by Mr Peter Rupp and Mr Adam Humphryson of the Perth firm of Deloitte, the Company's auditors. Peter will be available to answer relevant questions later in the meeting. Also attending is Ms Jaella Morrissey from QLegal, the Company's solicitors.

Quorum/Meeting Open

I confirm that a Quorum of members is present and accordingly declare the meeting open.

Notice of Meeting

I advise the meeting that notice of this Annual General Meeting was mailed to all registered members on Friday, 11 September 2009, and consequently as sufficient notice of the meeting has been given to all shareholders, I will take the notice as read.

Minutes of previous meeting

The last meeting of the Company was the 2008 Annual General Meeting held on 16 October 2008. The minutes of this meeting were approved by the Board and signed by myself as the Chair of that meeting in accordance with the provisions of Section 251A of the Corporations Law.

The original minutes are tabled and there are copies of the minutes available for inspection should any member wish to see them.

Proxies

I will now ask the Company Secretary to advise the meeting how many proxies have been received.

SECRETARY - Thank you Mr Chairman. I advise that 315 valid proxies have been received representing a total of 81,988,731 shares or 42.04% of the issued capital of the Company. Thank you Mr Chairman.

Agenda

- Welcome
- Chairman's address
- Managing Director's address
- Resolutions and voting
 - Resolution 1 : Annual Financial Report, Directors' and Auditor's Reports
 - Resolution 2 : Re-election of Ross Kelly
 - Resolution 3 : Ratification of issue of 10m shares
 - Resolution 4 : Approval of Employee Performance Right Plan
 - Resolution 5 : Issue of Performance Rights to Bernie Ridgeway
 - Resolution 6 : Remuneration Report
- Close of Meeting

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Order of business and conduct

The meeting will follow the order of proceedings outlined in the Notice of Meeting.

- I will give a brief report on the year just completed.
- Our Managing Director, Bernie Ridgeway, will then make a presentation covering the significant events of the year.
- We will then consider the Financial Statements and Reports for the year ended 30 June 2009. At this time I will invite questions and comments on the financial statements and the Company generally.
- This will be followed by the election of Directors.
- And the Remuneration Report.
- Prior to each resolution, I will advise the meeting of the proxy votes cast for and against that resolution.

- And finally, as this is an Annual General Meeting, may I remind you that only the matters listed in the notice can be considered at this meeting.

When we get to questions and comments, if you wish to speak, could you please raise your hand, and when I call upon you, could you please give us your name.

Chairman's address

Ian Burston

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Sound results given difficult markets

- Revenue from continuing operations ↓ 4% to \$137m (FY08 - \$142m)
- EBITA from continuing operations* ↓ 37% to \$24.5m (FY08 - \$38.8m)
- NPAT before non-operational items ↓ 46% to \$11.3m (FY08 - \$21.1m)
- Cash flow from operations ↑ 58% to \$16.2m (FY08 - \$10.3m)
- Low gearing – net debt / capital of 16.0% (Jun 08 - 17.4%)
- Interest cover : EBITA of 30 times
- Bank facilities extended until 2014
- Full year dividend 1 cps fully franked (FY08 – 4 cps)
- Signs of recovery experienced in 4Q09

* Excluding non-operational items

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Ladies and Gentlemen,

I am pleased to report that despite the challenging market conditions, brought about by the global financial crisis and sudden downturn in mineral exploration expenditure, Imdex's 2009 full year financial results demonstrated the Company's strength, the success of the company's strategy, the resilience of the company's business model, and the dedication of Imdex's employees.

Total revenue for FY09 was \$137.0 million which represents a 4% decrease to FY08. I am pleased to report, however, that revenue generated from Imdex's Drilling Fluids and Chemicals Division increased 7%, and Group revenue generated from the oil and gas sector increased as a proportion of total Group revenues from 9% to 19%.

EBITA from continuing operations was down 37% to \$24.5 million, with net profit after tax before non operational items down 46% to \$11.3 million.

We have continued to strengthen an already strong balance sheet, and the Company's cash flow from operations increased 58% to \$16.2 million. Net debt to total capital was 16% with interest cover to EBITA of 30 times.

It is worth pointing out that in the past four years, we have successfully integrated nine strategic acquisitions into the Group, and on 31 July 2009, the final instalment of £1.1 million relating to the acquisition of Imdex Technology UK (formerly Chardec) was paid. This payment discharged the Company's final liability relating to these nine acquisitions.

The Board remains confident that the Company's strategy is robust, and the Directors remain committed to increasing shareholder value by growing our global business, expanding into new markets, particularly the oil and gas market, maintaining product leadership, increasing rental based revenue, and achieving operational efficiencies.

Imdex has now well and truly established itself as a global business. The Company's global presence and broad and diversified market exposure, contributed to our ability to deal with the impact of the global financial crisis. Significant opportunities still exist for the Group to enter new geographical markets and expand Imdex's market presence. We will continue to pursue these opportunities through our international operations and global alliances over the current financial year and beyond.

Expansion of our operations in the global oil and gas market is a key part of Imdex's strategy. This sector is significantly less cyclical in nature than the mineral exploration market, which makes it attractive for sustainable growth. During FY09 significant achievements were made which align with this strategy. We acquired Brisbane based Wildcat Chemicals Australia Pty Ltd (Wildcat) which has been successfully integrated into the Group. This acquisition has provided expansion opportunities, additional expertise and products for the oil and gas market. In addition, our Down Hole Instrumentation Division refined and commercialised its suite of survey instrumentation for the oil and gas industry. These unique and advanced instruments are based on intellectual property owned by the Group and are expected to facilitate significant expansion in this sector during FY10.

Our commitment to product leadership through research and development has allowed the Company to emerge from FY09 in a strong position to take advantage of future product development opportunities. During FY10, both the Drilling Fluids and Chemicals Division, and Down Hole Instrumentation Divisions, will continue to enhance our competitive advantage by refining their product ranges for our global customers.

The decision to adopt a rental model in preference to a sales model within our Down Hole Instrumentation Division proved to be a good one during FY09. Core rental activity continued to generate revenue and cash flows for the Group when sales significantly decreased due to customer cost control measures. During FY10 we are looking to increase the proportion of rental based revenue from both Divisions, with a view to generating greater and more sustainable returns for shareholders in the medium to long term.

As a result of the combined impact of the global financial crisis on profitability in the second half of FY09, our focus on ongoing research and development, and our commitment to capital expenditure for future growth, the Directors considered it prudent not to pay a final dividend for FY09, maintaining the full year dividend at 1 cent per share. Notwithstanding this conservative approach, the Board's commitment to delivering a sustainable and increasing dividend stream, which reflects the earnings profile and capital requirements of the Company, remains unchanged.

Signs of recovery were evident towards the end of the financial year and we are cautiously optimistic in relation to the outlook for FY10. Recovery is likely to be boosted by the fundamental long term supply versus demand imbalances and the demand of emerging economies for energy and resources which drives exploration spending. A gradual recovery in the mineral exploration industry and expansion within the oil and gas market is expected during FY10.

As announced in September, this will be my last AGM as Chairman of your Company and I intend to retire from the Board at the end of this meeting. I would like to thank all of our Shareholders for your support during my time as Chairman.

Subject to his re-election as a Director by Shareholders at this AGM, the Board has decided that Ross Kelly should take my place and I believe he will be a most capable Chairman. Ross has been a Director of the Company since 2004. He has broad business and leadership experience which includes serving as Chairman and a Director of a number of companies, acting in an advisory role to the West Australian Government and consulting to a number of major Australian companies.

With my retirement, it presents a timely opportunity to increase the oil & gas expertise on the Board which fits neatly with Imdex expanding its business within that sector. Imdex expects to make a non-executive appointment in this regard shortly.

I would like to express my thanks and appreciation to my fellow Directors for their unfailing support, diligent focus, and good humour. It has been a terrific experience and a great privilege to have worked with you.

I would also like to thank Imdex's Managing Director, Bernie Ridgeway, and Imdex's Group General Manager, Gary Weston, the management team, and all of Imdex's employees and contractors for their achievements throughout my time as Chairman, and in particular the very challenging 2009 financial year. It has been an inspiring effort from all of you – thank you.

Since my appointment in November 2000, I have seen Imdex evolve into a truly global company with world class expertise, research and development capabilities, together with an advanced product range for both the mining and oil and gas industries. I am extremely proud of these achievements and have every confidence in the Company's Board, management team and Imdex's ability to grow and prosper for its shareholders.

Thank you.

Managing Director's address

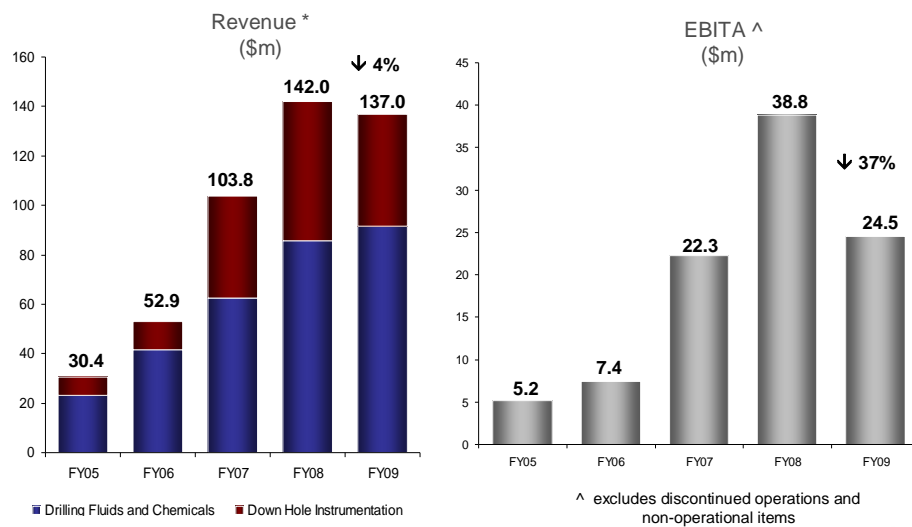
Bernie Ridgeway

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Revenue and EBITA



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Good morning everyone and I will begin by providing an overview of the Imdex Group results for the 2009 financial year. I will also briefly cover the operations and divisional performance, comment on the Outlook regarding Imdex's main end markets of mining and oil and gas, and outline Imdex's strategy and opportunities for growth in FY10 and beyond.

You will all agree that the past 12 months have been tumultuous and unprecedented in terms of their volatility. Like many other companies providing products or services to the mining and oil and gas industries, Imdex was negatively impacted by the global financial crisis and severe downturn in mineral exploration expenditure globally, particularly from November 2008. However, even with the challenging market environment, Imdex was able to achieve positive financial results – a testament to the company’s strategy and resilient business model, and the dedication and commitment of Imdex’s staff around the world.

Despite FY09 being a difficult year, Q409 saw signs of recovery, and this has continued into the first quarter of FY10. I will cover off on this later in the presentation.

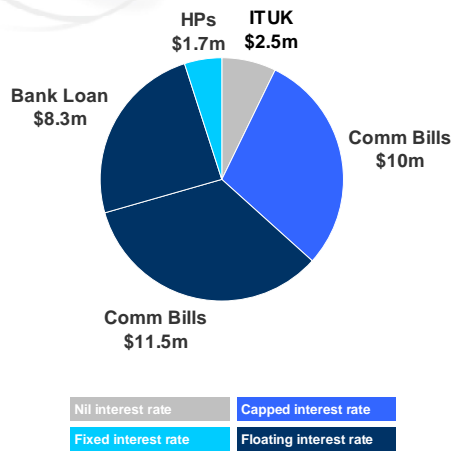
As illustrated by the bar charts on this slide, the global financial crisis and downturn in mineral exploration disrupted the upward trend of revenue and EBITA which the Group has historically achieved. Nevertheless, we expect this upward trend to resume in FY10, with signs of market recovery appearing in the fourth quarter of FY09 and continuing into the first quarter of FY10. In addition, we have a number of organic growth initiatives in the pipeline that will start to contribute this financial year.

Whilst revenues were down slightly in FY09, EBITA fell by a greater amount given the impact of the global financial crisis and downturn in mineral exploration on earnings. Costs were not able to be reduced at the same speed at which revenue was reduced, particularly in the second half.

In addition, there were a number of costs that had a short term impact on earnings during FY09. These one-off costs amounted to approximately \$800,000 for the restructure and relocation of down hole tool manufacturing for the mining industry and a further \$800,000 was incurred rationalising the global workforce.

Over and above these one off costs, Imdex continued to carry costs associated with the specialist skill set built up over a number of years across the Group to ensure the business is able to respond quickly and benefit from the current recovery.

Low gearing



- Total debt at 30 Jun 09 - \$34.0m
- Net debt at 30 Jun 09 - \$22.1m
- Low gearing 16%
- Bank facilities extended to 2014
- Interest cover = 30 times
- ITUK (Chardec) liability paid July 09
- No outstanding vendor liabilities
- FY09 cash flow from operations up 58% to \$16.2m

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Imdex had total debt at 30 June 2009 of \$34.0 million and net debt of \$22.1m. Gearing, represented by the percentage of net debt to capital remains low at 16%. We have extended our Australian banking facility to June 2014 and the Company's robust cash flows from operations allowed the Group to maintain strong liquidity with EBITA interest cover of 30 times. The ITUK liability was paid on 31 July 2009 leaving no outstanding liabilities in relation to the 9 acquisitions undertaken in the last 4 years.

A snapshot of Imdex's business

Drilling Fluids & Chemicals (DFC)

- Consumable item
- Keep drill holes open and lubricate moving parts while removing cuttings to the surface
- Environmental focus
- Manufacture & supply



Down Hole Instrumentation (DHI)

- Core orientation
- Survey tools
- Magnetic and non-magnetic
- World class technology
- Innovation
- Rental model
- Manufacture & supply



Key markets

Mining & Mineral Exploration

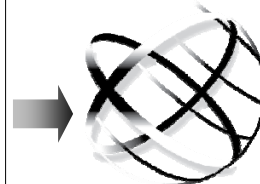


Oil & Gas



Other markets

- Coal Bed Methane (CBM)
- Water well
- Horizontal directional drilling / Civil



Global Reach

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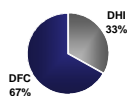
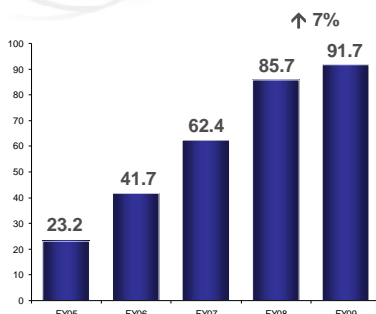


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As many of you know, Imdex operates two divisions, being Drilling Fluids and Chemicals, and Down Hole Instrumentation. These two divisions mainly supply two key global end markets, namely mining and mineral exploration, and oil & gas. Other markets that Imdex supplies include coal bed methane, water well and horizontal directional drilling.

Key highlights & operational review (DFC)

Revenue (\$m)



FY09 Divisional Revenue Split

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- Strong organic growth to Oct 08 followed by decline in world markets
- Wildcat successfully integrated and provided positive contribution
- Commissioned new plants to better service regional markets
 - Samchem, Johannesburg
 - Southernland, Chile
- Commercialised unique surface solids control units
- Continued to support global alliances



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Looking firstly at the Drilling Fluids and Chemicals Division, revenue was up marginally on FY08 despite the severe downturn in mineral exploration expenditure from November 2008 – an excellent performance under the circumstances. This Division contributed 67% of total revenue and the marginal increase on the previous financial year continued the year on year growth trend and validates our strategy in both mining and oil and gas.

Revenue was boosted by the continued support of our global alliances with Boart Longyear, Major Drilling, Layne Christensen and Sandvik, and the acquisition of Wildcat Chemicals based in Brisbane.

Whilst revenues were slightly up, earnings were down given the sudden fall in mineral exploration expenditure. In addition, fixed and variable costs were not able to be cut at the same speed as the drop in revenue. Given the specialised nature of the drilling fluids business and the continued building of the global foot print, certain costs were carried in the second half that position this Division for the current upswing.

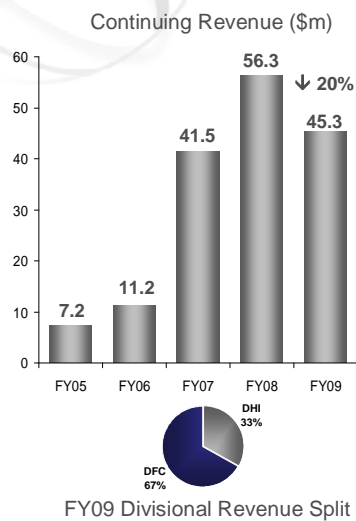
Wildcat was acquired, effective 1 September 2008, for \$1.9 million and specialises in the manufacture of production and completion chemicals for the oil and gas industry, providing Imdex with additional expansion opportunities in domestic and international markets.

A polymer plant was built and commissioned at Samchem in Johannesburg to replace a buy-in product, lower costs and provide greater control over the supply chain. A manufacturing and blending facility was also built and commissioned in Santiago, Chile, which is facilitating further expansion into the Latin American market.

Towards the close of FY09, we were able to commercialise our unique solids control equipment for the diamond drilling industry. It is becoming environmentally unacceptable to have in ground sumps for the drilling fluids next to the drilling rig. Our unique technology allows drilling fluids to be contained while the solids are removed from the fluid and disposed of separately.

By 31 December, 2009, we are confident of having large and small surface units to offer the market as well as underground units. Demand is robust for all three versions of this unique technology.

Key highlights & operational review (DHI)



- Decline in global mineral exploration partially offset by resilient rental model
- Continued to support global alliances
- Flexit \$10m liability settled by 10m shares
- Repositioned DHI trading brands
 - Reflex – mining & mineral exploration
 - Flexit – oil and gas
- Innovative down hole instrumentation launched at PDAC and OTC
- Research and development centres of excellence
- Relocated Reflex manufacturing from UK to Australia

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Moving on to the Down Hole Instrumentation Division, FY09 revenue was down 20% on the previous financial year at \$45.3 million. This Division accounted for 33% of Group revenues.

The global financial crisis meant that customers were not buying new tools and the severe downturn in global mineral exploration expenditure led to a significant reduction in rental income. Nevertheless, the rental model proved resilient and ensured a certain level of income through the worst months of the crisis. Some positive instrumentation movement, albeit small, was experienced each successive month from May through to and including September 2009.

Earnings in this Division were reduced due to the sudden drop in mineral exploration expenditure and the return of approximately half the rental fleet from the peak in July 2008. Other major initiatives such as research and development spend and the commercialisation of a suite of tools for the oil and gas industry also reduced earnings. However, it is expected that significantly increased revenue from these initiatives will emerge from FY10 that will also increase earnings.

The Down Hole Instrumentation Division also maintained its strategy of supporting global alliances which underpinned performance.

In late 2008, the Division repositioned its two trading brands Reflex and Flexit to target and directly market to the global mineral exploration and oil and gas industries respectively.

Ongoing product development ensured that Reflex remained the number one supplier of instrumentation to the mineral exploration industry globally, and the company successfully introduced its new survey instrumentation to this market at the Prospectors and Developers Association of Canada in March 2009.

Throughout the year Flexit focused on commercialising its world class down hole instrumentation for the oil and gas industry. Flexit has three advanced instruments which were introduced to the oil and gas market in May 2009 at the Offshore Technology Conference in Houston. Commercialisation of these instruments took longer than originally planned, however they are expected to generate significant returns in FY10 and beyond.

We have further restructured our research and development cells as centres of excellence specialising in micro electro mechanical systems and gyro technology. Reflex's manufacturing facility at Imdex Technology in the UK was relocated to Australia. This planned relocation was accelerated to take advantage of the downturn to minimise disruption to operations and, despite some one-off costs during FY09, this restructuring is expected to generate cost savings and efficiencies going forward.



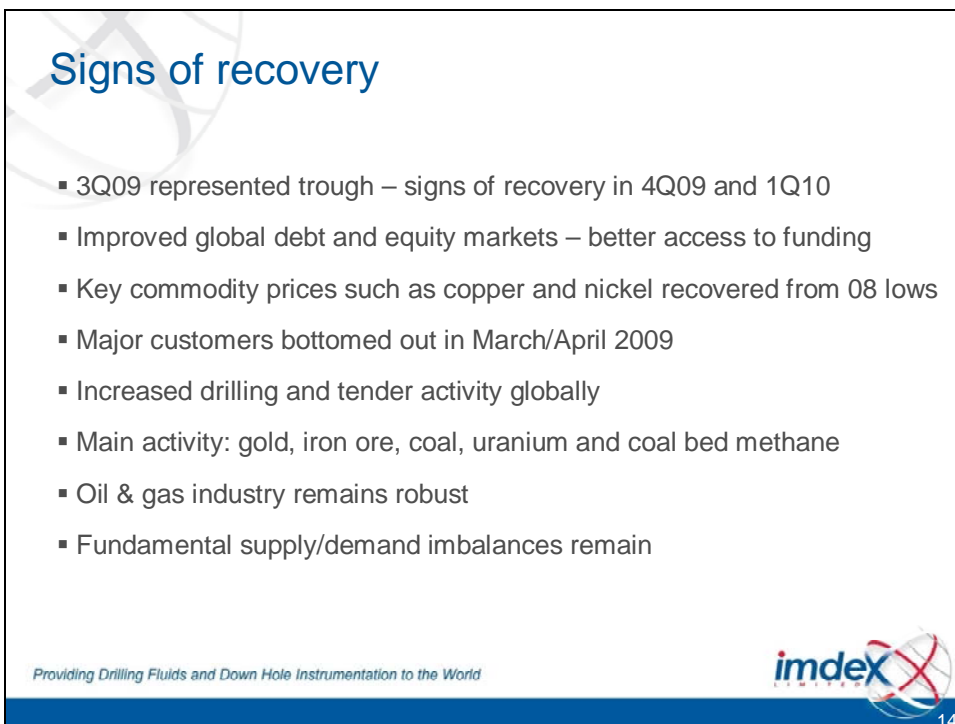
Market outlook

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That covers Imdex's performance in FY09. Now I'd like to spend a few minutes discussing the outlook and the prospects for our business going forward.



Signs of recovery

- 3Q09 represented trough – signs of recovery in 4Q09 and 1Q10
- Improved global debt and equity markets – better access to funding
- Key commodity prices such as copper and nickel recovered from 08 lows
- Major customers bottomed out in March/April 2009
- Increased drilling and tender activity globally
- Main activity: gold, iron ore, coal, uranium and coal bed methane
- Oil & gas industry remains robust
- Fundamental supply/demand imbalances remain

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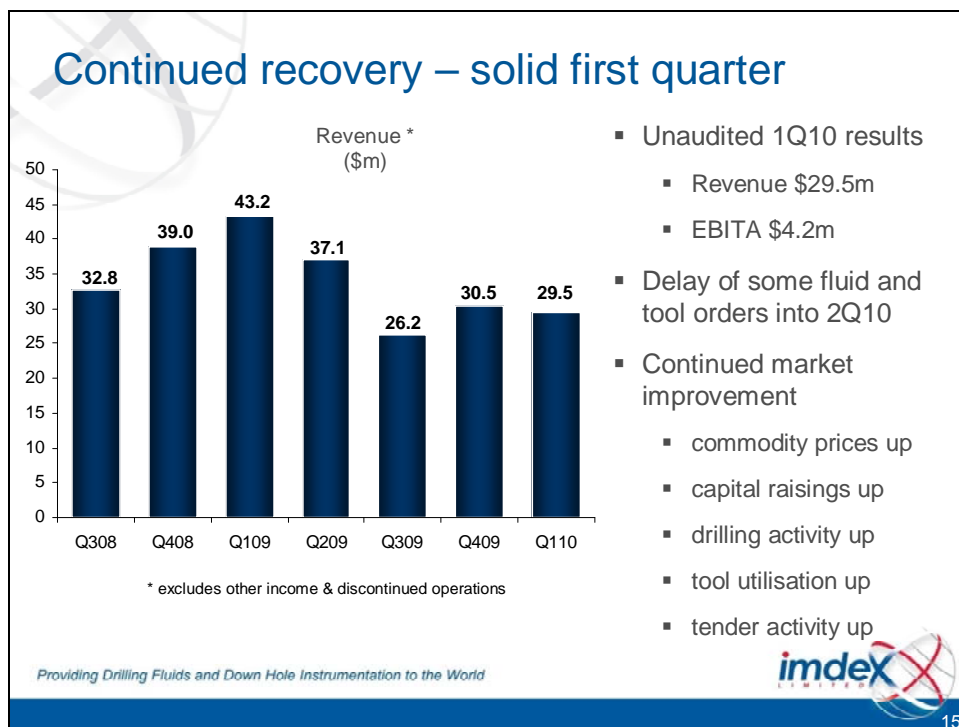
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FY09 was a period of unprecedented volatility, reaching record trading highs in October 2008 and dropping rapidly after that. The third quarter of FY09 represented a low point in the cycle and we believe the worst is now over.

Improved debt and equity markets since March 2009 have eased access to funding for resource companies, particularly equity markets. At the same time, commodity prices have recovered, and the combination of the two has seen some pick-up in exploration and mining activity.

We have seen material increases in commodity prices from their lows last year, and our major customers are telling us that their activity levels bottomed out in March and April this year. They are also reporting an increase in the number and quality of tender enquiries and more rigs back at work. The recovery however, seems to be region specific. For example, drilling rig activity in Australia is returning more strongly than Africa and in Canada.

Globally, the main activity is around gold, copper, iron ore and uranium. The oil and gas industry was not affected to the same extent as the mining industry, and appears to be more robust. Nevertheless, fundamental supply/demand imbalances remain and these will support continued growth and exploration in both resources and energy.



This slide shows the Group's revenue performance over the last seven quarters, including the first quarter of FY10 recently completed.

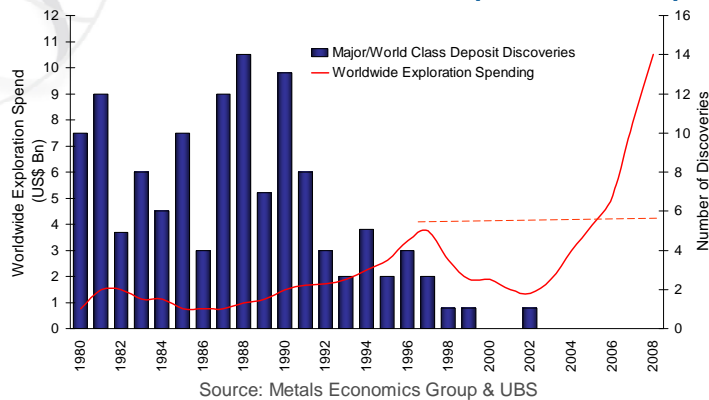
As stated a little while ago, Q309 was the lowest at \$26.2 million, and we saw a 16% uplift to \$30.5m in 4Q09. The unaudited 1Q10 revenue was \$29.5 million.

The unaudited EBITA for the first quarter of FY10 was \$4.2 million. We had expected some drilling fluids and down hole instrumentation opportunities to be realised in the first quarter, but given timing issues, they will now fall into the second quarter and should ensure a considerably stronger first half FY10 compared with the second half of FY09.

The signs of recovery that we have seen are:

- Improved key commodity prices;
- Numerous capital raisings by resource companies;
- A general increase in drilling activity, particularly in Australia;
- Positive monthly movements in the tool rental fleet since May 09; and
- Customers advising that the number and quality of tenders is increasing.

Lack of discoveries drives exploration spend



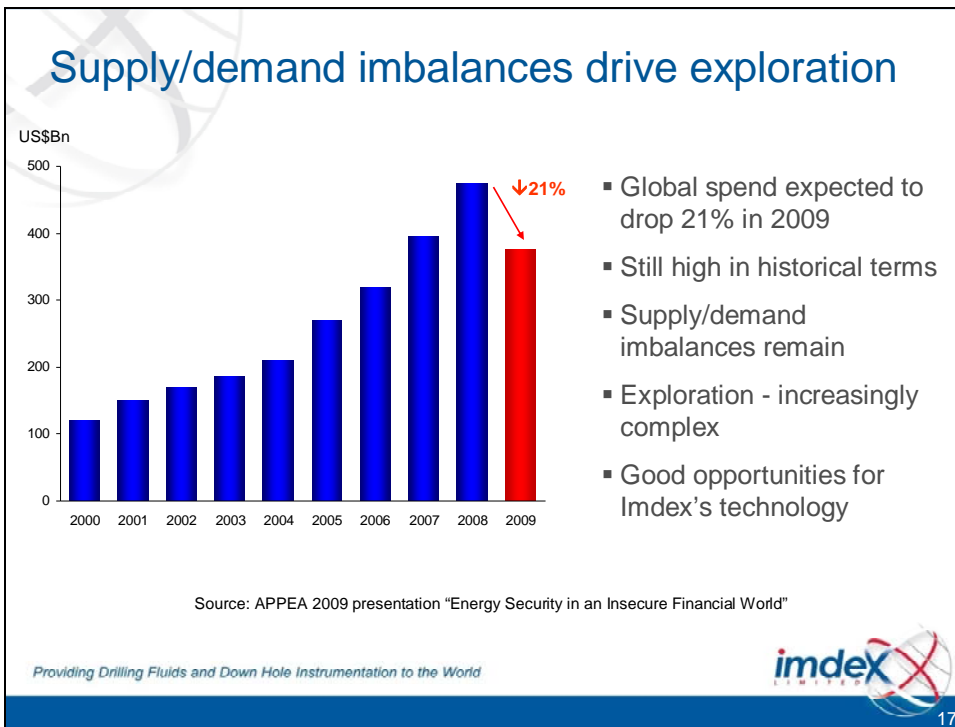
Source: Metals Economics Group & UBS

- 1 new world class discovery in 8 years
- Higher costs, deeper & more complicated ore bodies
- Supply issues unaddressed
- Misaligned supply and demand

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Many of you may have seen this slide previously relating to exploration spend versus discovery. It clearly illustrates the lack of exploration success in the last eight years or so, despite the large increase in global mineral exploration expenditure up to October 2008. Lead time from discovery to production takes approximately 20 years, and discovery is becoming increasingly challenging. Ore bodies are deeper, more complicated, and cost significantly more to bring into production.

This is good news for Imdex because mining companies will need to continue spending on exploration and development requiring down hole instrumentation and drilling fluids to be able to access deeper and more complicated ore bodies.



A similar picture applies to the oil and gas industry where new world class discoveries are deeper, more complicated and more costly to develop. In early June 2009, the International Energy Agency stated that 64 million barrels per day of gross capacity needs to be installed by 2030 to meet demand growth and offset decline. To give this some perspective, this is seven times the current capacity of Saudi Arabia.

Budgeted spending on exploration and production worldwide for 2009 currently totals US\$375 billion, down about US\$100 billion or 21% on 2008. However, in terms of spend, this is still the third highest level historically and close to 2007 levels.

Again this is exciting for Imdex due to the increasing requirement for sophisticated down hole technology, particularly in the offshore market, and our focus on further growing in the oil and gas market.

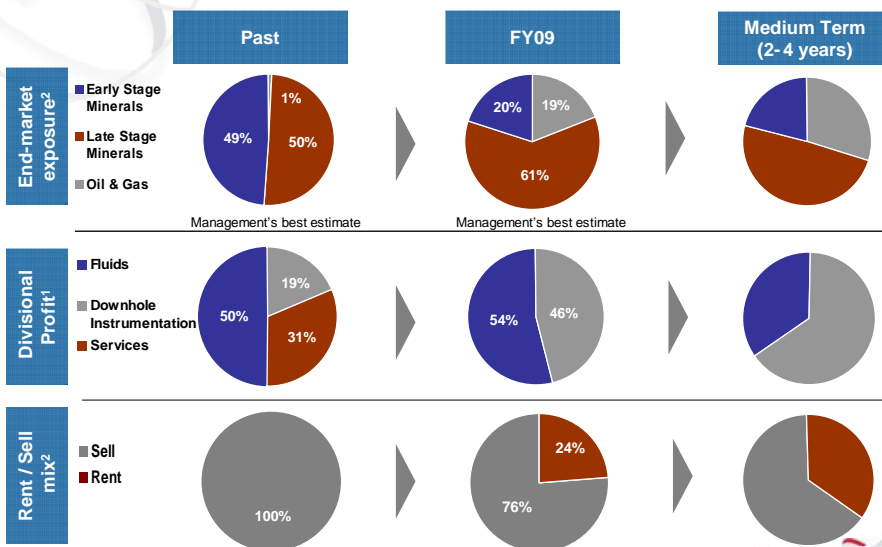
Strategy & growth opportunities

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Whilst exploration spend is lower in the near term, as I have just covered, the longer term fundamentals are attractive and Imdex is well placed to grow through its leading global technologies.

Robust strategy – progress on track



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¹ Based on actual or anticipated EBITA
² Based on actual or anticipated Revenue



Our focused strategy of having two distinct operational Divisions, drilling fluids and down hole instrumentation, supplying two end markets, mining and oil and gas is the right one.

As illustrated by this slide, Imdex will continue to concentrate on late stage minerals applications and further penetrate under-developed mining markets globally, while growing our oil and gas business for both the Drilling Fluids and Down Hole Instrumentation Divisions.

Our objective over the next two to four years continues to focus on generating at least 40% of Group revenue from the oil & gas industry. In FY10, revenue from this sector should exceed 25% which is significantly up from the 9% in FY08, and well on the way to achieving the target of 40%. Such business sector diversification is logical, and is an extension of our existing business into a sector in which we have considerable expertise.

In addition to increasing our business within the oil and gas sector, we will continue to implement the rental model, where possible.

FY10 strategy & opportunities – DFC & DHI	
Rental	<ul style="list-style-type: none"> Market Solids Control Units – 100% rental Continue rental preference to sales in DHI
Global	<ul style="list-style-type: none"> Continue to expand and support global alliances Underpenetrated markets: Canada, Africa & Latin America
Oil and Gas	<ul style="list-style-type: none"> Market DHI to offshore/onshore industry globally Provision of drilling fluids, production & treating chemicals to niche markets
Research and Development	<ul style="list-style-type: none"> Innovative R & D to ensure technology leadership Commission new and improved down hole instruments
Operational efficiencies	<ul style="list-style-type: none"> Lower input costs – purchasing and local manufacturing operations Manufacturing/repair capabilities in Perth, WA

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The key areas of focus for Imdex in FY10 will be:

- renting products in preference to selling and continue to introduce solids control units to diamond drilling contractors globally;
- growing relationships with global customers and expanding our business in under penetrated markets such as Canada, Africa and Latin America;
- expanding our presence in the oil and gas market through both the drilling fluids and down hole instrumentation divisions;
- investing in research and development to continue technology leadership;
- enhancing operational efficiencies through lower input costs and having local manufacturing operations.

Resilient business with attractive growth opportunities

- 4Q09 signs of recovery continued into 1Q10
- Global growth opportunities in FY10 and beyond, particularly oil & gas
- Strong position to deliver on focused strategy
- Conservative balance sheet - bank facilities extended to 2014
- Strong management team
- World class expertise and innovation
- Continuing R&D spend to maintain market leadership

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Despite the challenging market conditions presented for most of FY09, market fundamentals are improving and signs of recovery appeared in Q409 and have continued into 1Q10.

During FY09, Imdex continued to deliver on its focused growth strategy and made significant progress in cementing the Company's position as a global business and expanding its presence within the oil and gas market.

We continued to strengthen the management team throughout the Group and engaged employees with world class expertise to develop and grow Imdex's business. Importantly, we continued to invest in research and development which has put Imdex at the forefront of the industries in which we operate, and strengthened our ability to capitalise on future opportunities as exploration spend grows and new markets are developed.

We have a strong balance sheet with low gearing, strong liquidity and debt facilities extended out to June 2014.

Imdex has shown through these results, achieved in the very difficult market conditions of the past 12 months that it is a strong and resilient business with a focused strategy that is being delivered on. We are excited by what lies ahead given the technologies recently commercialised and the other growth opportunities that we see. Imdex is well positioned to capitalise on these opportunities and grow shareholder value over the longer term given the company's unique suite of proprietary technologies, customer relationships and global footprint.

I would like to take a moment to thank Ian for his outstanding contribution to Imdex over the past nine years as Chairman. On a personal level, I have very much appreciated your counsel and involvement through Imdex's transition, acquisitions, and evolution into a leading global drilling fluids and downhole instrumentation group. I speak on behalf of the Board and staff in thanking you and wishing you all the best of luck for the future.

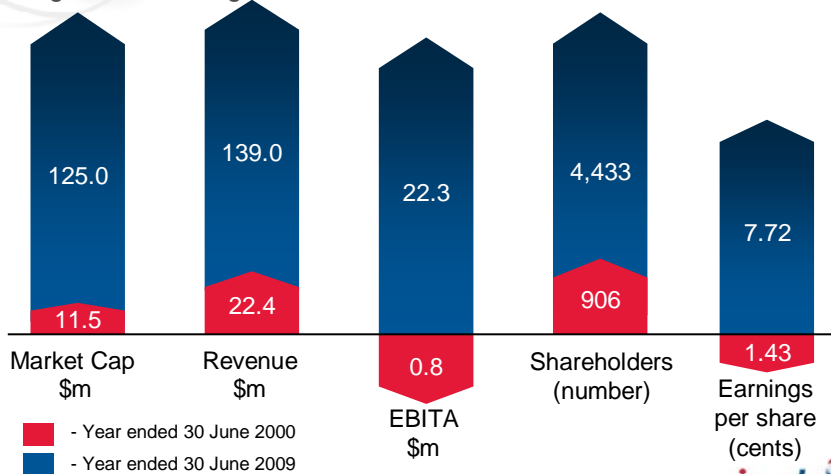
I will now hand back to Ian.

Resolutions and other formal business

Providing Drilling Fluids and Down Hole Instrumentation to the World

Dr Ian Burston – appointed 22 Nov 2000

Since Dr Burston's appointment to the Board, Imdex has transitioned from a local company to a global company with a focussed and proven strategy for growth in drilling fluids and down hole instrumentation.



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Appendices

Profit & loss

(\$ millions)

	FY07	FY08	FY09	FY08 / FY09 Var %
Revenue	103.8	142.0	137.0	4% ↓
EBITDA	25.5	42.1	27.8	34% ↓
Depreciation	(3.2)	(3.3)	(3.3)	2% ↑
EBITA	22.3	38.8	24.5	37% ↓
Amortisation	(3.4)	(6.0)	(6.5)	8% ↑
Net interest expense	(1.9)	(0.9)	(0.8)	4% ↓
Tax expense	(5.8)	(10.8)	(5.9)	46% ↓
Operating profit after tax	11.2	21.1	11.3	46% ↓
Discontinued operations	1.6	10.9	-	-
RTE recovery	0.7	-	-	-
Forex gain on SGE	-	-	0.8	-
Net profit after tax	13.5	32.0	12.1	62% ↓
<i>Earnings per share (continuing operations)</i>				
Basic (cents per share)	7.72	11.22	6.37	43% ↓
Diluted (cents per share)	7.09	10.79	6.23	42% ↓
Cash flow from operations	16.3	10.3	16.2	58% ↑

Conservative balance sheet

(\$ millions)

	June 09	June 08
Net cash	12.0	13.3
Receivables	23.4	32.1
Inventory	26.4	21.7
Investment in SGE	20.5	17.5
Fixed assets	10.8	7.1
Intangibles	79.2	79.9
Other assets	1.5	1.4
Total Assets	173.8	173.0
Payables	18.1	25.3
Commercial bills	21.5	17.0
Bank loan	8.3	13.1
Vendor finance	2.5	5.4
HP Finance	1.7	-
Provisions / Deferred tax	5.5	6.6
Total Equity	116.2	105.6
<i>(CA – Inventory)/CL</i>	1.62	1.53
<i>CA/CL</i>	2.37	2.05
<i>Gearing (net debt / capital)</i>	16.0%	17.4%

- Solid working capital ratios
- \$12.0m cash on hand
- \$5.4m unused facility
- Total debt down \$1.5m to \$34.0m
- \$8.5m Flexit liability extinguished
- SGE
 - Investment \$8.1m
 - Secured receivable \$12.4m

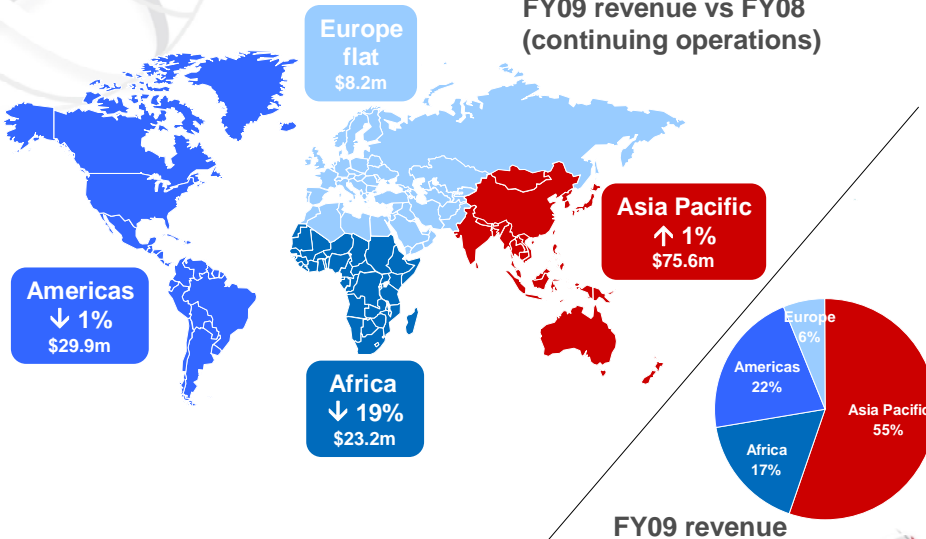
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Global presence

FY09 revenue vs FY08
(continuing operations)

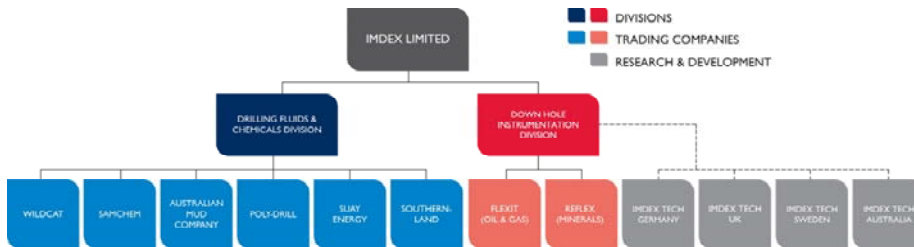


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Imdex Group structure



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