




2010 ANNUAL GENERAL MEETING, 14 OCTOBER 2010

Imdex Limited
Annual General Meeting
14 October 2010

Providing Drilling Fluids and Down Hole Instrumentation to the World




AGM 2010 Presentation 1

This slide features a background of a stylized globe with grey and white curved lines. The text is centered in the upper half. The footer contains the company tagline, logo, and slide number.

Today's AGM

Providing Drilling Fluids and Down Hole Instrumentation to the World



AGM 2010 Presentation 2

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Welcome

Good morning ladies and gentlemen. It gives me great pleasure to welcome you to the 2010 Annual General Meeting of Imdex Limited.

My name is Ross Kelly. As Chairman of the Board of Directors of Imdex Limited, I will occupy the Chair for this meeting.

Your Directors

- Ross Kelly – Chairman
- Bernie Ridgeway – Managing Director
- Kevin Dundo – Non-Executive Director
- Magnus Lemmel – Non-Executive Director
- Betsy Donaghey – 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;
- Magnus Lemmel is a Non Executive Director;
- Kevin Dundo is a Non Executive Director;
- Elizabeth (Betsy) Donaghey, is a Non Executive Director
- Paul Evans is the Company Secretary.

Also attending today are other Imdex staff members 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 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 Mr Nino Odorisio from QLegal, the Company's solicitors.



Quorum/Meeting Open

I confirm that a Quorum of members is present and accordingly declare the meeting open. [*Constitution Article 15.3, 2 members present shall be a quorum for the meeting*].

Notice of Meeting

I advise the meeting that notice of this Annual General Meeting was mailed to all registered members on Monday, 13 September 2010, 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 2009 Annual General Meeting held on 15 October 2009. 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 233 valid proxies have been received representing a total of 101,983,587 shares or 52.28% 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 Kevin Dundo
 - Resolution 3 : Re-election of Betsy Donaghey
 - Resolution 4 : Issue of Performance Rights to Bernie Ridgeway
 - Resolution 5 : Approval of Financial Assistance by Subsidiaries
 - 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 2010. 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 then approval of financial assistance by certain of the Company's subsidiaries;
- And finally the approval of 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

Ross Kelly

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Solid Performance in a Difficult Year

- After effects of global financial crisis still present in FY10
- Slow 1H10 with a strong 2H10 recovery
- FY10 revenue ↓2% to \$134.3m (FY09 - \$137.0m)
- EBITA excluding non-operational items ↓15% to \$20.7m (FY09 - \$24.5m)
- Impairment charges of \$34.0m (1H10 \$28.4m; 2H10 \$5.6m)
- Low gearing – net debt / capital of 19.6% (June 09 - 16.0%)
- Launch of new and improved down hole instrumentation helped mining rental tool fleet numbers recover by nearly 200% from April 09 lows
- Successful acquisition of Fluidstar / Ecospin effective 1 September 2010
- Strong 1Q11 results

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Ladies and gentlemen,

The 2010 financial year has been one of recovery – a year that has seen Imdex recover strongly from the effects of the Global Financial Crisis.

In addition and, as announced to the market this morning, I am very pleased to report that our performance has continued to improve and that our company has had a strong unaudited result for the first quarter of the 2011 Financial Year.

Bernie will review the year's results in some detail however the headline outcomes that are shown on the slide behind me summarise what has occurred.

It was a year of two halves – sluggish trading conditions in the first half followed by a strong and accelerating recovery led by the Australian Mining Sector in the second.

Revenue of \$135.6m was achieved for the year – down 2.5% on the 2009's figure of \$139m.

EBITA excluding non operational items declined to \$20.7m – down 15% on the 2009 figure.

An impairment loss of \$34m was also incurred resulting in an overall loss after tax for the year of \$21.5m.

\$23.6m of the impairment resulted from writing off goodwill and intangible assets to reflect lower than expected cash flows from some of our operating entities – a direct consequence of the GFC. This was done at the half year.

The remaining \$10.4m was the result of marking the value of Imdex's investment in Sino Gas and Energy Holdings to market as at June 30 of this year.

What is very significant is that:

- in almost every instance cash flows for the “impaired entities” are now at or higher than those that prevailed “pre GFC”
- the value of our investment in Sino Gas and Energy has recovered to above its previous level.

As my fellow Board Members can confirm, after considerable discussion we decided not to declare a dividend even though as a Board we remain firmly committed to delivering worthwhile dividends to shareholders. We decided not to declare a dividend for 3 reasons:

- uncertainty over the extent of the recovery from the GFC and whether any recovery that occurred would be sustained
- the need to continue to invest in the development of new down hole instrumentation and in particular in the equipment needed to support our strategy to penetrate the Oil and Gas sector
- the opportunity to consolidate our position in the Asia Pacific Region by acquiring Fluidstar and the need for additional cash to do this.

So why did we recover so strongly?

There is no doubt that along with the rest of Australia we were and are still fortunate to be the beneficiaries of a growing Chinese economy and its unprecedented demand for minerals. However Imdex's sound recovery and good first quarter are not due to this alone. In addition to experiencing good market conditions we were well positioned to capitalise upon them.

We now operate in 11 countries, have exposure to a number of under penetrated markets and hence opportunities to grow that we would not have, had we remained solely focused on Australia.

As an aside, it is also interesting to reflect upon the new Mining Super Tax and its potential to drive mining investment offshore. Even if a worst case scenario eventuates and mining activity migrates to other countries, our geographic diversity and international customer base will help protect us from much of the impact.

Also, as well as investing in geographic diversity Imdex has also invested (and continues to invest) to acquire and develop the best down hole technology presently available. This, along with our policy of renting our instrumentation, as opposed to selling it, allowed us to maintain a reasonably strong revenue stream throughout the GFC. It also ensured that our rebound would be rapid as evidenced by the fact that our tool rental numbers are currently at all time highs.

Ladies and gentlemen, all that is in the past – how do we see the future?

Even allowing for the fact that there are many reasons to be concerned over the health of the global economy and the negative impact that another downturn could have on commodities and hence our results, we are reasonably optimistic about our prospects.

Metals prices and demand are both high and appear likely to remain so for at least a year or so.

The gold price is high and continues to climb. In turn, this is driving strong levels of expenditure on gold exploration.

As previously noted the Chinese economy remains strong fuelled by investment in infrastructure and urban development. The Indian economy is relatively strong as well and is likely to strengthen further. All of these impact positively upon the demand for drilling fluids and instrumentation in both of our target sectors.

In order to exploit these relatively favourable conditions we intend to continue to pursue the successful strategy with which I am sure most of you are familiar. In particular, we will:

- Consolidate our strong position in the minerals industry in Australia and the nearby Pacific while growing market share in the other regions in which we operate and in particular in Africa and North and South America. To do this we will focus on providing our customers with the best possible service. This, as much as our products, is what differentiates us from the rest of the market.
- Continue our efforts to diversify into oil & gas, particularly into the onshore sub sector.
- Maintain our level of investment in research and development and by doing so retain our technical leadership in down hole instrumentation within the minerals sector as well as improve our technical offerings to oil & gas.
- Continue to explore opportunities to grow through acquisition while at all times ensuring that any potential acquisition both improves the company's earnings per share and has the appropriate strategic focus. (The recent Fluidstar acquisition is an example of the type of company we might seek to acquire)

There is a downside to the minerals boom – the strong Australian Dollar.

Our results are being impacted negatively by this and although I am by no means an authority on our dollar's future movements relative to other currencies (and if I was there would be no need for me to be standing before you today) there is a reasonable body of opinion that says the \$A will continue to strengthen against the \$US.

To date we have managed to contain the resultant exchange losses to manageable levels in two ways viz:

- by selectively increasing prices to compensate whenever the competitive situation allows us to do so; and
- through natural hedging i.e. maximizing the extent to which costs and associated revenues are incurred in the same currency.

We are also exploring options to convert an appropriate portion of our \$A debt to \$CAD/US debt and so increase our natural hedge. At this stage we have no firm plans to formally hedge our position by entering into future currency contracts because the benefits potentially available do not appear to justify the costs and risks involved.

Finally, strategy is fine but nothing of value eventuates unless you have the right people. We have a very strong team and continue to strengthen it. Imdex is committed to being a leader in its field and as part of this commitment we continue to employ the best people we can find – not only from Australia but from the rest of the world as well.

Within this context I wish to recognise and thank Managing Director Bernie Ridgeway for his efforts and outstanding leadership over a particularly testing year. I also wish to recognise the outstanding dedication and great skill shown by his management team and the rest of our employees and staff.

Thanks also to my fellow board Members for their hard work, dedication and insight. In particular I welcome Betsy Donaghey to the Board. Betsy adds greatly to our deliberations. She has a highly developed strategic sense, a deep understanding of the Upstream Oil and Gas Industry and a great sense of humour. Her only obvious failing is that she follows Essendon.

And finally may I thank you, our shareholders, for your ongoing support of, and belief in, the Company.

We have started the new financial year well and should continue in this vein.

Thank you.

Business of the Meeting

I will now move to the business detailed in the Notice of Meeting.

Item 1 - To receive the Financial Statements and Reports

The first item of ordinary business deals with the 2010 Annual Report.

The 2010 Annual Report has been distributed to all shareholders. Additional copies are also available in the meeting today and are available for download on the Company's Website.

(NB. No requirement to formally adopt the Annual Report, but simply under Corporations Act s. 317 to lay it before the AGM and allow a reasonable opportunity for questions to be put concerning the Annual Report).

Before I invite Shareholders to ask questions concerning the Accounts I will invite the Managing Director to Address the Meeting.

[Bernie Addresses the Meeting]



The slide features a large, faint background logo of a globe with intersecting lines. The main text is centered and reads: **Managing Director's address** followed by *Bernie Ridgeway*. At the bottom left, the tagline "Providing Drilling Fluids and Down Hole Instrumentation to the World" is displayed. At the bottom right, the "imdex" logo is present. A blue footer bar at the very bottom contains the text "AGM 2010 Presentation" on the left and the number "7" on the right.

1Q11 Builds on 2H10 Recovery

1H10

- Trading activity robust in Asia/Pacific
- Canada, Africa and Latin America slower to recover
- Margins ↓ due to slower recovery in other major mining regions
- But ... 1H10 showed improvement on 2H09 low

2H10

- Significantly improved trading conditions globally
- Improved revenue and margins
- Mining tool rental fleet reached new historic highs
- Fluids businesses rebranded to AMC to gain global synergies

1Q11

- Sustained recovery in trading conditions globally
- Continued revenue and EBITA growth
- Mining rental tool fleet reached record high at end September, 2010
- Acquisition of Fluidstar / Ecospin

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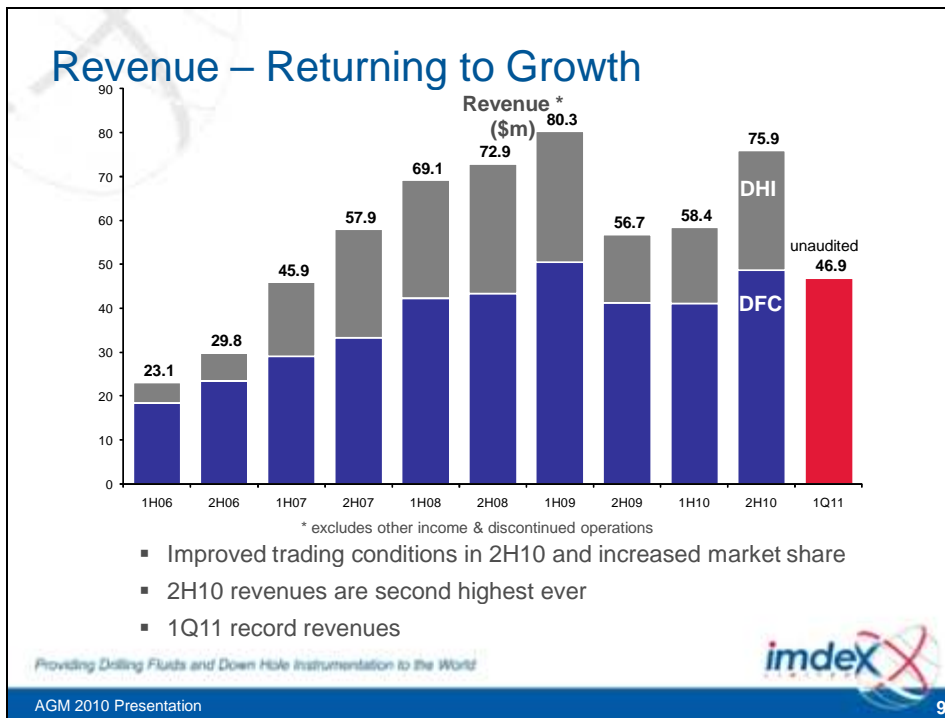
Good morning everyone. I will begin by providing an overview of the Imdex Group trading performance for the 2010 financial year and into 1Q11. I will also briefly cover the operations and divisional performance, comment on the Outlook regarding Imdex's main end markets of mining and oil & gas, and outline Imdex's strategy and opportunities for growth in FY11 and beyond.

The 2010 financial year was a tale of two halves where trading activity was robust in the first half, our performance was impacted by some of the major mining regions of Africa, Canada and Latin America being slower to recover. Given the lag in recovery in these regions, both revenue and margins were down in the first half. However, this all turned around in the second half of the year where we experienced significantly improved trading conditions globally.

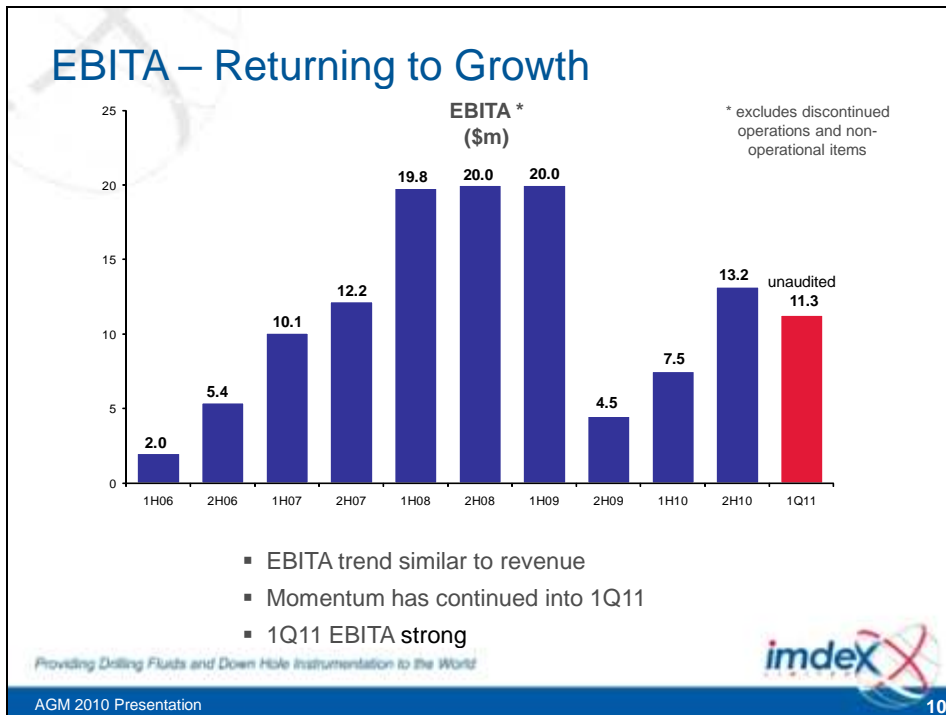
Our mining tool rental fleet reached new highs by the end of the financial year and our drilling fluids business showed growth in all regions.

These buoyant trading conditions have continued into 1Q11 where we have seen continued revenue and EBITA recovery and new record highs reached in the mining tool rental fleet. Also, our drilling fluids business continues to gain market share in Canada and Latin America.

We acquired the drilling fluids business Fluidstar at the beginning of September and additional solids control technology through the acquisition of Ecospin at the same time.



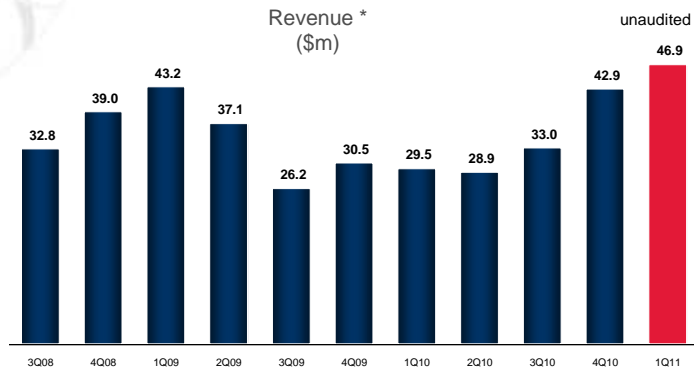
As illustrated by the bar charts on this slide, the global financial crisis and resultant downturn in mineral exploration in calendar 2009, disrupted the upward trend of revenue which the Group historically achieved. However, this upward trend has resumed as shown by 2H10 revenue of almost \$76m which is only 5.5% below our record half year revenue of \$80.3m prior to the GFC in 1H09. Given our revenue of \$46.9m in 1Q11, we have set a new quarterly benchmark and are on track to set a new high in 1H11 and for the full year.



The EBITA trend is similar to that of revenue, however, it fell by a greater amount given the impact of the global financial crisis and downturn in mineral exploration, combined with a conscious decision by the Company to continue to reinvest in the business. As a result, costs were not reduced at the same speed as revenue reduced. We took the view that we should continue to spend on product development, carry fixed costs and costs associated with the Company’s specialist skill set built up over a number of years in the mining regions of Africa, Canada and Latin America. This has ensured that we are in a strong position to benefit from the upturn in markets which we are now experiencing.

As you can see, 2H09 was the low point in the cycle followed by a fairly sharp recovery in earnings in 1H10 and again in 2H10. This trend has continued into 1Q11 with EBITA of \$11.3m.

1Q11 Continues 2H10 Recovery



* excludes other income & discontinued operations

- 1Q11 revenue highest ever for a quarter
- Expected to continue in 2Q11 and the full year

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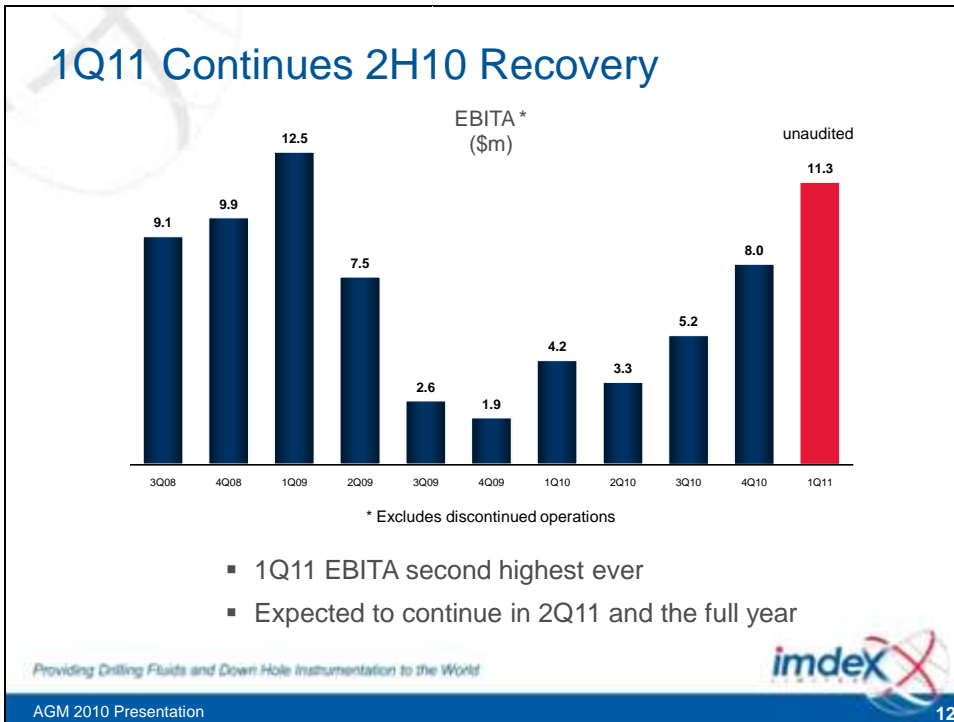


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Strong commodity prices have continued to drive mineral exploration expenditure and this is evidenced in our 1Q11 results where revenue reached a new quarterly record of \$46.9m, surpassing the previous high of \$43.2m in 1Q09 which preceded the GFC. The 1Q11 revenue includes \$1.5m from Fluidstar, acquired effective 1 September, 2010.

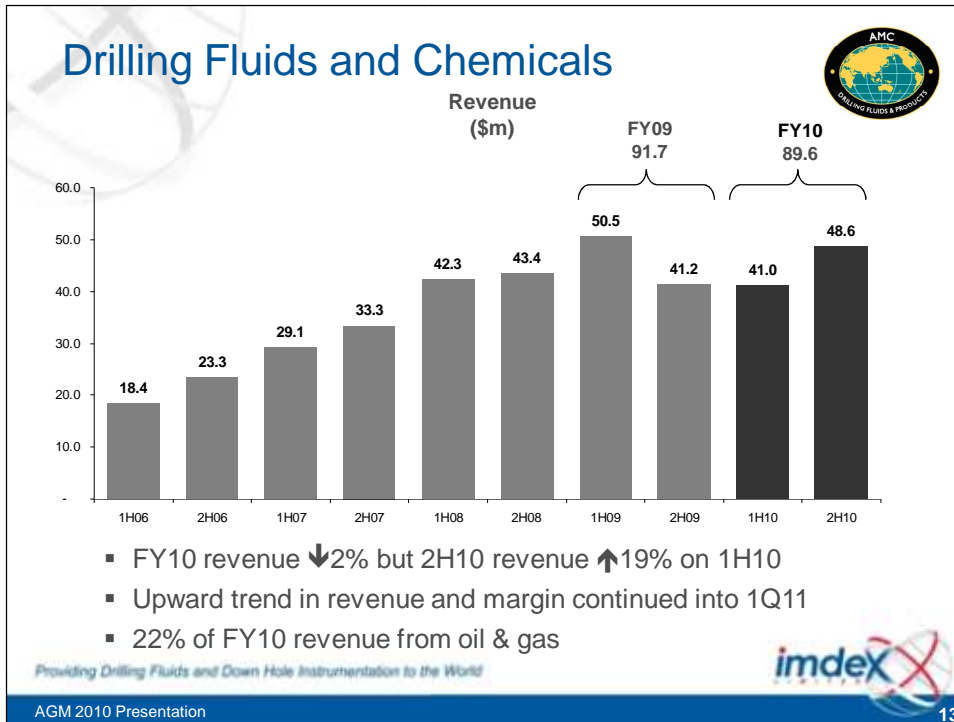
This strong revenue trend is expected to continue in 2Q11 and the full year.



The strong revenue recovery has resulted in a significant increase in profitability with EBITA in the quarter of \$11.3m, within 10% of the \$12.5m achieved in 1Q09. 1Q11 EBITA included profit from Fluidstar for the month of September.

The key profit drivers have been the increase in the mining tool rental fleet to new highs and the increased revenue from the global expansion of the drilling fluids business.

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.



Looking firstly at the Drilling Fluids and Chemicals Division, revenue was down 2% on FY09, however, importantly, 2H10 revenue was up 19% on 1H10 revenue, with the trend continuing into 1Q11. This Division contributed 67% of total revenue for the year and 22% of drilling fluids revenue came from the oil & gas industry.

Revenue was underpinned by the continued support of our global alliances with Boart Longyear, Major Drilling, Layne Christensen and many other global and local drilling contractors.


At the beginning of this presentation, I said that FY10 reflected a tale of two halves. This is particularly evident when looking at margins for this division. EBIT margin in 1H10 was 5.5% due to the slower recovery of activity in Africa, Canada and Latin America, however, once the recovery became global, our trading conditions improved whereby EBIT margin for 2H10 was 12.75%.

We expect that drilling fluid EBIT margins should increase to around 15% for FY11 as we expand the business globally, integrate Fluidstar and as other growth initiatives such as the solids control technology contribute to both revenue and earnings.

We still have some work to do to perfect this technology, however, with the recent acquisition of Ecospin and the employment of a new experienced manager in this area, we are confident of getting


the technology right and providing a much needed solution to the global diamond drilling industry and other industries such as water well and HDD

Acquisition of Fluidstar/Ecospin



- Purchase price \$12.8m (Fluidstar - \$12.3 m, Ecospin - \$0.5m)
- Settled by additional debt facility
- Effective date 1 September 2010
- Unaudited FY10 financial results (Fluidstar)
 - Turnover \$ 12.8m
 - EBIT \$ 2.8m
- Benefits to the Imdex Group
 - Increasing market share
 - Earnings accretive
 - Additional Solids Control IP (Ecospin)

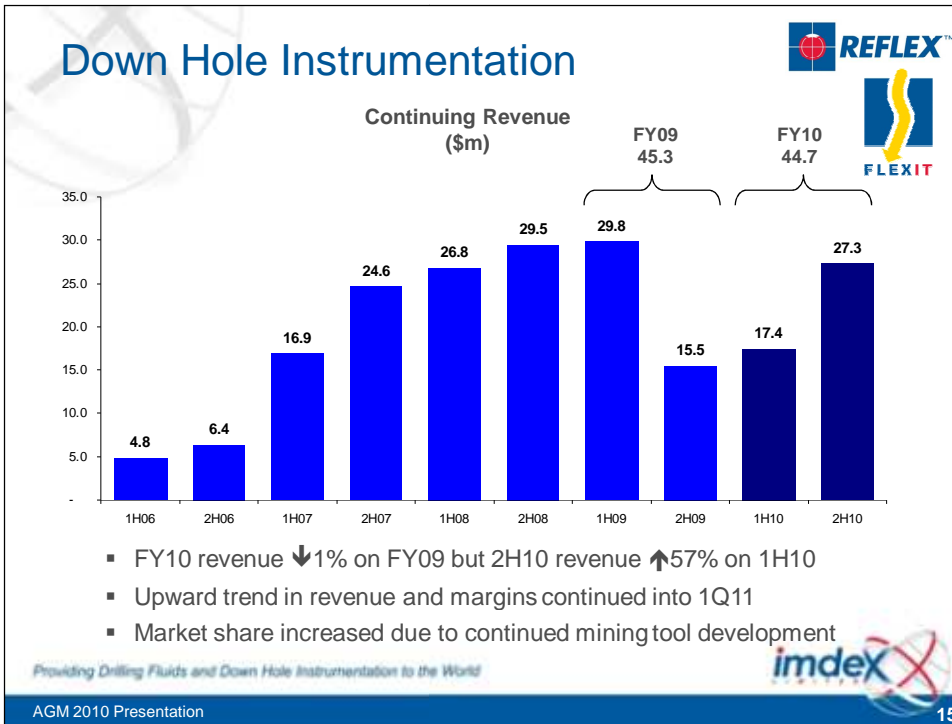
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On 8 September, 2010, Imdex announced the acquisition of Fluidstar, a drilling fluids and chemicals business based in Brisbane. The purchase price was approximately \$12.3m for Fluidstar which is around 4.3 times trailing EBIT. The business traded well in September, being the first full month attributable to Imdex with revenue of \$1.5m and brings to the Group additional market share and expertise through the retention of Fluidstar drilling fluid engineers and is earnings accretive.

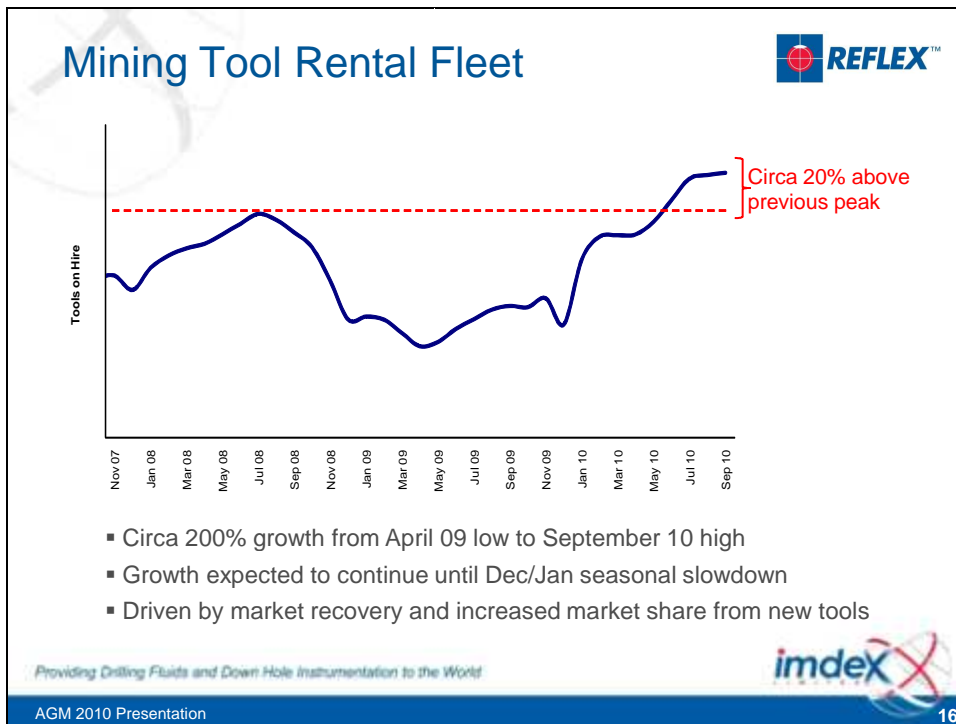
We also acquired Ecospin at a cost of \$500,000 for its solids control technology on which a provisional patent has been lodged.



Moving on to the Down Hole Instrumentation Division, FY10 revenue was in line with the previous financial year at \$44.7 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. As the bar chart shows, the low point in the cycle was 2H09 with a marginal recovery in 1H10 followed by a massive 57% increase in revenue in 2H10. The recovery trend has continued into 1Q11.

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



Ongoing product development through the cycle ensured that Reflex remained the number one supplier of down hole instrumentation to the mineral exploration industry globally. The investment in product improvements and the introduction of new products has been a key driver for the Company's growth. This is evidenced by the fact that drilling rig utilisation pre GFC was approximately 85%, however, at 30 September, 2010, drilling rig utilisation is estimated to be around 70%, yet our mining tool rental fleet is approximately 20% above the previous peak recorded in July 2008.

I am pleased to say that all of the mining tools are now manufactured in Osborne Park, Western Australia.

The underperforming part of this division is the contribution from the oil & gas industry. This is largely as a result of the additional time it has taken to develop a robust suite of tools, including the Target INS and Drop Tool. However, significant improvements continue to be made to maximise returns in this area.

Conservative balance sheet

(\$ millions)	Jun 10	Jun 09	
Net cash	9.0	12.0	
Receivables	41.2	23.4	
Inventory	28.6	26.4	
Investment in SGE	6.8	20.5	
Fixed assets	13.6	10.8	
Intangibles	50.0	79.2	
Other assets / Deferred tax	14.2	1.5	
Total Assets	163.4	173.8	
Payables	34.5	18.1	
Commercial bills	19.5	21.5	
Bank loan – Canada	5.7	-	
Bank loan – Sweden	2.9	8.3	
Vendor finance	-	2.5	
HP Finance	3.9	1.7	
Provisions / Deferred tax	2.4	5.5	
Total Equity	94.5	116.2	
<i>(CA – Inventory)/CL *</i>	1.03	1.62	
<i>CA/CL *</i>	1.58	2.37	
<i>Gearing (net debt / capital)</i>	19.6%	16.0%	

- Low gearing at 30 June, 2010 of 19.6%. Increased to 26.5% at Sep 10 (post Fluidstar)
- Low capital intensity
- Working capital investment supports recovery
- \$34.0m impairment drops intangibles and SEH value
- Deferred tax asset on unrealised profits in tools
- SEH:
 - Investment \$6.8m. Cash cost \$7.5m. Market value at 13 Oct 10 - \$15.6m

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* using CIBC repayment terms not reported disclosure



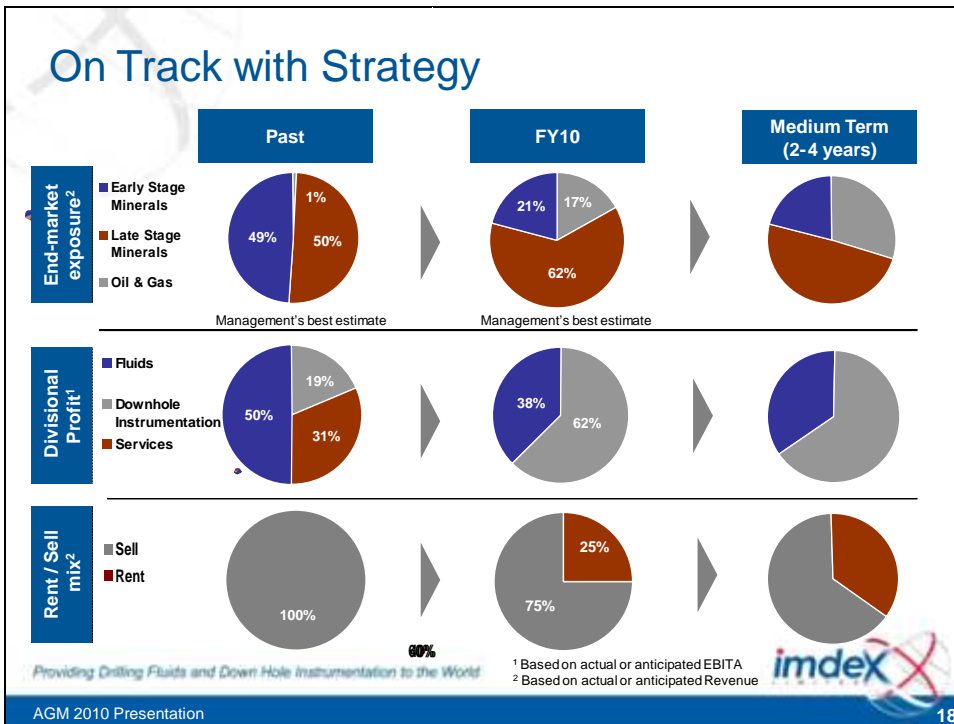
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As at 30 June 2010, Imdex had \$32.0m total debt, down \$2.0m from June 09. Gearing, represented by the percentage of net debt to capital, was 16% at 30 June, 2010 and has increased to 26.5% at 30 September, 2010, post the Fluidstar and Ecospin acquisitions.

Cash flow from operations has allowed the Group to maintain strong liquidity with EBITA interest cover of 27 times.

The investment in Sino Gas & Energy (Sino) has a cash cost at 30 June, 2010 of \$7.5m; carrying value was \$6.8m and at close of trading yesterday, market value was approximately \$15.6m.



That covers Imdex’s performance in FY10. Now I’d like to spend a few minutes discussing the outlook and the prospects of our business going forward.

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

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 & 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 FY11, revenue from this sector should exceed 20% which is up from the 17% in FY10, and 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, which has proven to be resilient and has been a significant factor in our earnings improvement, particularly in 2H10 and 1Q11.

Key Business Drivers and Outlook

Mineral exploration spend	→	Commodity prices continue to be robust Exploration activity levels and spend increasing
Client rig utilisation %	→	Client utilisation levels ~ mid 70% ^s by 31/12/10
Level of tool rentals	→	Sept 10 new high Currently manufacturing to demand Reductions expected over Dec/Jan shutdown
Development of new instrumentation	→	R&D investment spending has continued Both mining and oil & gas tools Successful launch of new mining tools in late FY10
Key growth strategy	→	Increasing no. of preferred supplier agreements
Revenue and cost synergies	→	3 global brands (AMC, Reflex, Flexit) Regional structure = more effective cross selling

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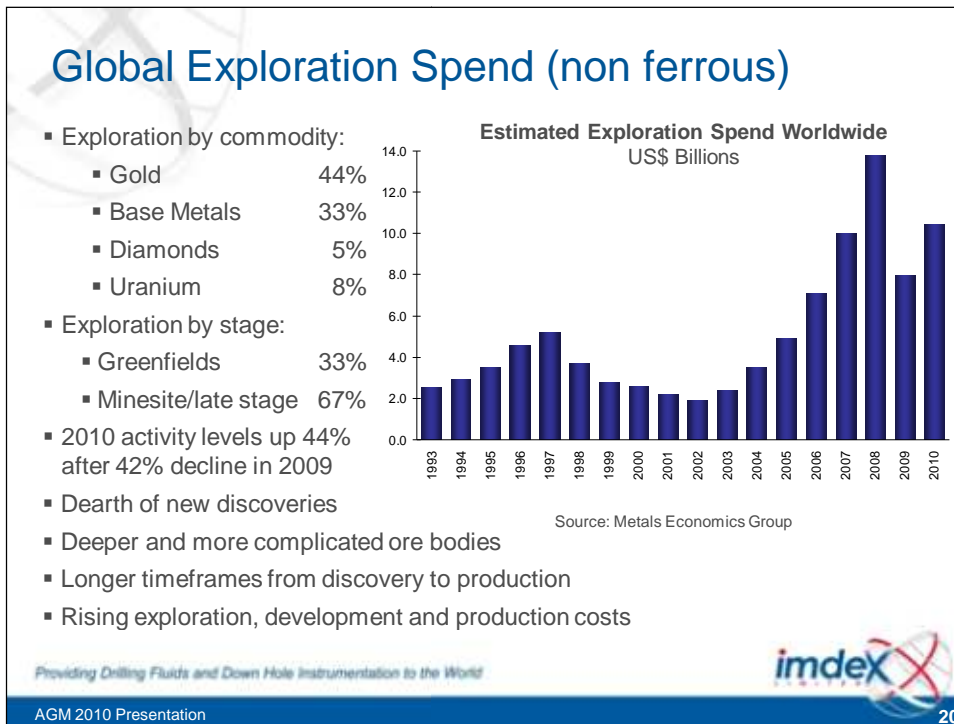
Over the years, we have simplified this business and it is useful for shareholders to have an understanding of the key drivers for Imdex.

Mineral exploration spending and drilling rig utilisation are critical to our business and these are largely dependent on commodity prices and liquidity. Both are robust at the moment and are leading to a high level of demand for drilling fluids and down hole instrumentation. As mentioned earlier, our mining tools are all manufactured in Australia and our rental fleet is at new highs due to robust demand as well as having an increased product offering resulting from investing through the cycle.

We have been able to increase the number of preferred supplier agreements we have with customers globally and we have simplified the brands to three, being AMC, Reflex and Flexit. We have implemented a regional management and reporting structure which is already paying dividends by leveraging off the stronger division in the various regions.

Activity is strong in the Asia Pacific region, West and Central Africa and South Africa is looking more robust.

Canada has experienced a strong summer drilling season, however the seasonal slowdown (transition between summer and winter drilling season) will impact from October to December. This may be offset to some extent by the active season in Latin America as summer approaches.

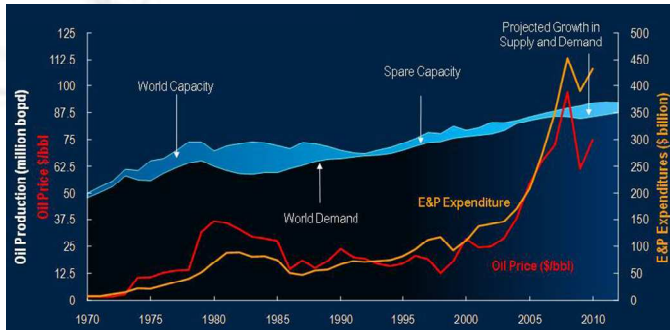


Many of you may have seen this slide previously relating to exploration spend. It clearly illustrates the sharp increase in global mineral exploration expenditure post the GFC. Metals Economics Group indicated last month that they expect 2010 expenditure to be up by more than 44% in 2010 after the 42% decline in 2009. Gold and base metals make up in excess of 75% of budget spending.

Lead time from discovery to production for the average copper project takes approximately 23 years, and for the average gold project, it is 10-12 years. 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.

Oil and Gas E & P Expenditure



Source: BP Statistical Review, IEA World Energy Outlook, Monthly Oil Market Report, Medium-Term Oil Market Report, Barclays. Revised 0310

- E&P spending up in 2010 after decreasing in 2009 due to GFC
- More drilling needed to sustain and increase world oil & natural gas production
- Deeper and more complex reserves mean greater drilling intensity and complexity
- Unconventional hydrocarbons - increased drilling intensity and complexity to reach remote reserves and improve recovery rates

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A similar picture applies to the oil and gas industry where new world class discoveries are deeper, more complicated and more costly to develop. The International Energy Agency expects budgeted spending on exploration and production worldwide for 2010 to be up on 2009 levels.

Energy companies are forecast to increase drilling intensity and complexity to reach remote reserves and to increase recoveries.

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

Summary

- **Focused strategy has delivered results**
 - 2H10 revenue and EBITA returned to growth, continued into 1Q11
 - New peak in mining tool rental numbers end 1Q11
 - Healthy balance sheet with comfortable gearing
 - Successful acquisition of Fluidstar/Ecospin
- **Strongly positioned for future growth**
 - Well positioned to increase market share via expanded product offering
 - Global growth in mining tool fleet
 - Further development of oil & gas technologies
 - Regional structure driving cross-selling and efficiency gains
 - Brand simplification:



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So, in summary, I'd like to leave you with the following key take-aways:

- The key business drivers of robust commodity prices and liquidity are leading to increased demand for drilling fluids and down hole instrumentation.
- Imdex is a direct beneficiary of this increased spending as shown by the sharp increases in revenue and EBITA in 2H10 which has continued into 1Q11, with both revenue and earnings either exceeding or near pre GFC levels.
- These activity levels are expected to continue for the balance of FY11.
- We have a strong balance sheet with low gearing and strong liquidity.
- We have a number of growth initiatives, we have a better structure and an increased product offering with our mining tool rental fleet at record highs.
- Despite a competitive market place, we are genuinely excited by what lies ahead as Imdex is uniquely positioned to capitalise on these opportunities and grow shareholder value over the medium to longer term.

That concludes my presentation and I am now happy to take questions.

Chairman – Thank you Bernie.



Resolutions and other formal business

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Appendices

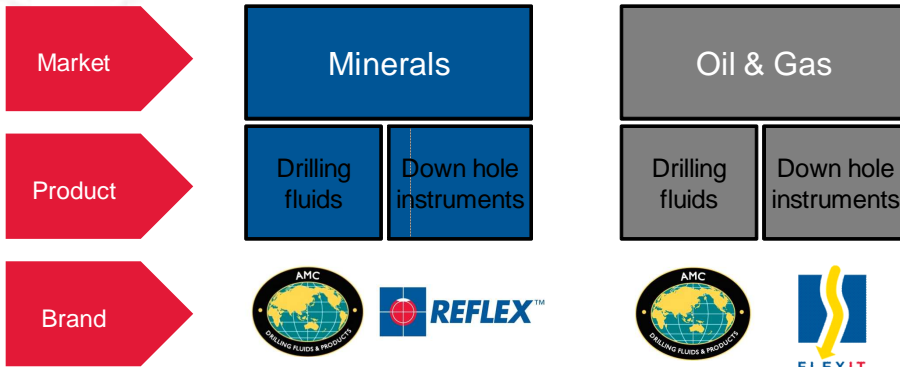
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Comprehensive product portfolio



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Corporate Snapshot

Board of Directors

Ross Kelly	Non-Executive Chairman
Bernie Ridgeway	Managing Director
Kevin Dundo	Non-Executive Director
Magnus Lemmel	Non-Executive Director
Betsy Donaghey	Non-Executive Director
Paul Evans	Company Secretary / CFO

Capital Structure

Shares on issue – 195m
 Employee rights – 0.58m
 Employee options – 13.4m
 Market price 13 October 10 - \$1.14
 Market capitalisation - \$222m



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Profit & Loss

(\$m)	FY10	FY09	Var %
Revenue (excl interest income)	134.3	137.0	2% ↓
EBITDA	24.9	27.8	11% ↓
Depreciation	(4.2)	(3.3)	26% ↑
EBITA	20.7	24.5	15% ↓
Amortisation	(6.4)	(6.5)	3% ↓
Net interest expense	(0.7)	(0.9)	7% ↓
Tax expense	(3.8)	(5.8)	35% ↓
NPAT before non recurring items	9.8	11.3	14% ↓
Impairment	(34.0)	-	-
Forex on SGE loan	(0.7)	1.1	-
Tax effect of non recurring items	3.4	(0.3)	-
Reported NPAT	(21.5)	12.1	-
<i>NPAT / Weighted average shares on issue (cents)</i>	5.02	5.98	16% ↓
Cash flow from operations (\$m)	5.7	16.2	65% ↓

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Non-cash impairment charges

Area	\$ m	Comment
Sino Gas and Energy Holdings Limited (SEH)	4.9 (1H10) 5.6 (2H10)	<ul style="list-style-type: none"> Mark-to-market valuation Cash cost \$7.5m Carrying value \$6.8m (30 Jun 10) Market value \$8.3m (22 Sep 10)
Fluids Businesses	11.0 (1H10)	<ul style="list-style-type: none"> AMC performed well. Asia Pacific strong. Other regions slower to recover. Re-branding to "AMC" globally for both mining and oil & gas markets
SEG/Flexit Business	12.5 (1H10)	<ul style="list-style-type: none"> Development and market entry of oil & gas tools taking longer to ensure "best in class" Three tools commercial
	34.0 (FY10)	

- Non-cash adjustments to balance sheet carrying values
- No impact on funding

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