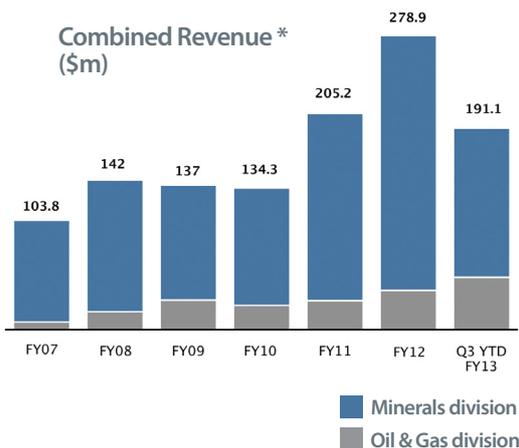


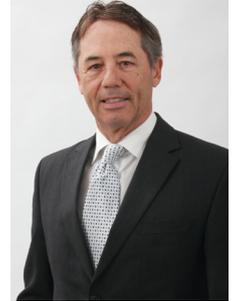
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Key Performance Indicators



Imdex News - 3Q13



Dear shareholders,

It is my pleasure to present Imdex's third quarter (3Q13) shareholder newsletter for the 2013 financial year (FY13). This year we are also providing a question and answer session via a live teleconference, which you may participate in or listen to at a later time. The teleconference will be held at 10:00am (WST) on 23 April 2013, dial-in numbers and conference details are available on the company's website www.imdexlimited.com.

Imdex's performance in 3Q13 was impacted by continued subdued activity in the minerals sector. Despite early signs of increased activity reported at the end of 2Q13, a sustained recovery in activity has not materialised. At 31 March 2013 the number of Reflex instruments on hire was up 49% from the low point at 31 December 2012, but still down 36% from the high experienced in June 2012.

Despite challenging market conditions in the Minerals Division, I'm pleased to report Imdex's Oil & Gas Division is continuing to perform strongly and is now contributing close to 30% of group revenue. This demonstrates the increasing importance of Imdex's diversification strategy and supports the ongoing investment in this area. The benefits of this strategy are now beginning to emerge and the company has considerable confidence in what the future holds for Oil & Gas.

There were a number of other positives throughout the quarter including advancements with Imdex's product development and the integration of ioGlobal, which is progressing to plan. This success reflects the cultural fit of the two teams and the strategic fit of the combined technologies.

Imdex has undergone tremendous growth and development over the past seven years. The company has significantly increased its global capabilities, successfully gained market share in under-penetrated regions, expanded its presence and opportunities for growth in niche oil and gas markets, diversified its customer base across size and commodity, and developed a product range to support customers at every stage of the mining cycle.

Imdex continues to evolve from primarily a drilling fluids, chemicals and downhole instrumentation business, into a company that provides integrated technologies, information and services to the global minerals industry and niche oil and gas markets.

Group Financial Performance

In the nine months to 31 March 2013, Imdex's unaudited results were:

- Combined revenue (including Imdex's share of VES International joint venture revenue) of \$191.1 million, down 7.5% from the previous corresponding period (9 months to 31 March 2012: \$206.5 million); and

Provide Feedback 

- EBITA (including equity accounted VES International joint venture result) of \$31.9 million, down 41% from the record result achieved in the previous corresponding period (9 months to 31 March 2012: \$54.1 million).

The headline unaudited results for 3Q13 were:

- Combined revenue (including Imdex’s share of VES International joint venture revenue) of \$55.5 million, down 17% from the previous corresponding period (3Q12: \$66.6 million) and down 10% on 2Q13 (\$61.9 million). This represents the second highest third-quarter revenue following the record revenue achieved in 3Q12; and
- EBITA (including equity accounted VES International joint venture result) down 64% to \$5.7 million from the record result achieved in the previous corresponding period (3Q12: \$15.8 million).

During 3Q13 Imdex continued to leverage its assets and advance initiatives, which will improve EBITA margins in the future including:

- Extensive marketing of its innovative Solids Removal Units (SRUs) globally;
- Continued integration and growth of ioGlobal;
- Introduction of new technologies in both the Minerals and Oil & Gas Divisions;
- Market share growth in key international markets including Africa, Brazil, USA, Chile and Peru; and
- Implementation of operational efficiencies and cost initiatives.

The company also continued to maintain a strong balance sheet and gearing remains at comfortable levels:

Minerals Division

Financial Update

Imdex’s Minerals Division consists of the AMC, Reflex and ioGlobal businesses. These businesses market innovative drilling fluids, chemicals, solids removal technologies, downhole instrumentation and data solutions, together with geo-analytics services, to the global minerals industry.

Imdex’s Minerals Division contributed 71% of the company’s combined revenue for 3Q13, generating revenue of \$39.5 million. This result represents a 30% decrease on the previous corresponding period (3Q12: \$56.4 million).

Minerals Division - Revenue (\$m)

Europe 4%
Africa 19%
Americas 31%
Asia Pacific 46%
(Year-to-date percentages)



^Comparative purposes only. Regional structure adopted 1 July 2010

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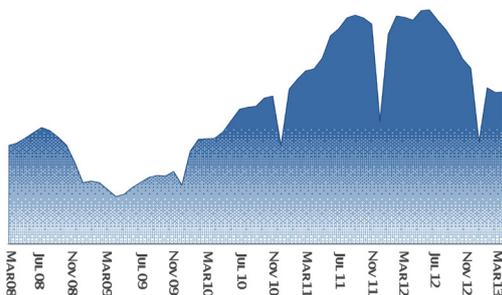
Operational Update

Highlights for Imdex’s Minerals Division during 3Q13 included:

- Continued integration of recent acquisition ioGlobal (acquired in November 2012), including the rebranding of ioHUB under the Reflex banner;
- Marketing of Reflex Mobile (formerly ioMobile) and subsequent commissioning by a major global resource company and drilling services’ company in Western Australia. Customer feedback regarding the efficiency of the paperless reporting system is very positive. Further trials are planned to commence shortly in Chile;
- Additional orders for Imdex’s unique SRUs from Australia, Asia/Pacific, Africa, the USA, Canada and Chile. Imdex’s customers continue to acknowledge the environmental and economic benefits, particularly in remote or sensitive areas. Despite the continued subdued activity within the minerals sector, Imdex remains confident the units will generate significant rental revenue as activity returns;
- The first explosion proof SRU placed into the coal bed methane industry in Queensland. The industry is moving towards sumpleless drilling to ensure environmental disturbance by drilling activities is minimised;
- Progress with planned 2H13 customer trials utilising Imdex’s underground SRUs. Customer trials have been arranged in the USA and negotiations are progressing with resource companies and a number of Australian-based drilling service providers. The company’s research and development team has also been collating quantifiable data for customers, which clearly demonstrates the benefits of utilising SRUs;
- Continued investment in product research and development of Imdex’s instrumentation, resulting in a number of significant advances with the Reflex EZ-Gyro. Further work is required to ensure the Reflex EZ-Gyro and Reflex Smart Barrel instruments meet all of Imdex’s stringent performance standards, however, customer demand is high and the company remains confident they will generate significant rental revenue once released, which is likely to be in FY14 as previously advised; and
- Continuing development of innovative drilling fluid products. AMC’s leading fluids laboratory is continually developing and enhancing its product range to optimise the efficiency of its customers’ operations. Recent new commercialised products include AMC Maxivis and AMC Residrill.

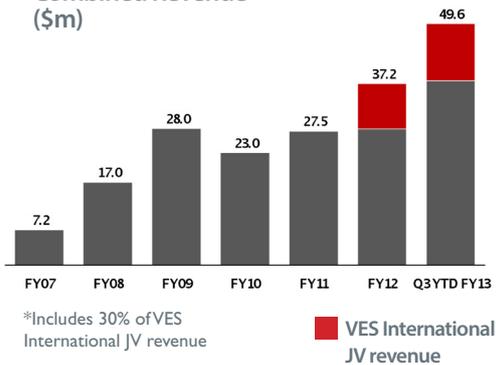
Reflex Rental Fleet

Number of instruments on rent



Provide Feedback 

Oil & Gas Combined Revenue* (\$m)



Oil & Gas Division

Financial Update

Imdex's Oil & Gas Division consists of AMC Oil & Gas and a 30% share of VES International (VES, formerly DHS Energy Services). VES provides downhole survey services to the oil and gas markets, primarily in the USA and Middle East. Together these businesses provide drilling fluids, production and completion chemicals, and downhole survey services to the oil and gas industry in strategic markets.

Imdex's Oil & Gas Division contributed 29% of Imdex's combined revenue for the quarter, generating combined revenue of \$16.0 million. This result represents a 57% increase on the previous corresponding period (3Q12: \$10.2 million) and demonstrates Imdex's success in gaining market share and moving closer towards its target business split.

Operational Update

While Imdex is still in the relatively early stages of developing its oil and gas business, progress to date is positive and it is trading around breakeven for the quarter. During 3Q13, the company continued to increase its customer base and presence in the sector. There remains significant potential for growth in the sector. Imdex will continue to strengthen its ability to capitalise on this growth in 4Q13 and as its oil and gas business expands, it will yield higher margins.

During the quarter, VES expanded its presence in Latin America by acquiring a downhole survey business in Ecuador.

Operating conditions in the USA during the early part of 3Q13 were slow due to the abnormally cold weather in key oil and gas areas in the onshore market. Despite these conditions, VES finished the quarter strongly and achieved a record month in March. Revenue for March was approximately US\$5 million, with calendar year-to-date revenue of circa US\$13 million and an EBITDA margin of 34%. Projected revenue for calendar 2013 is approximately US\$70 million. The financial numbers referred to are 100% rather than Imdex's 30% share.

Future growth for VES will come from the Middle East and Latin American markets with marginal increases in the land based US market.

Highlights for the Oil & Gas Division during 3Q13 included:

- Continued strong revenue performance;
- Continuing growth from the coal bed methane industry in Australia with an increased demand for sumplex drilling solutions;
- Continuing strong revenue and EBITDA performance by the VES International joint venture;
- Continuing investment in the necessary personnel to support the delivery of the Division's growth potential; and
- Progress with the relocation of Imdex Technology from Germany to California. The initiative remains on schedule for its 30 June 2013 completion date.

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Outlook

Activity within the minerals sector now looks likely to remain subdued throughout calendar 2013. In addition to the cyclical slowdown and recent falls in commodity prices, leadership changes at many of the major miners appear to be delaying investment decisions, making any meaningful recovery in activity unlikely before early calendar 2014.

Conversely the oil and gas industry remains strong and there is significant opportunity for long-term growth within this sector. As Imdex's presence in this sector grows and continues to increase scale, margins will improve.

Imdex maintains a strong and continued focus on cost discipline and prudent working capital management. The company has historically continued to invest in the business through the cycle which has positioned the business well for long term growth and the upswing in the cycle. Imdex maintains a very prudent approach to investment decisions and will continue to review its cost structure in light of market conditions.

Despite Imdex's minerals business being negatively affected in the short-term, the company is in a unique position of having a highly diversified geographic, customer and commodity base, with high exposure to major and intermediate companies engaging in long-term projects; a leading range of technologies and services that enhance efficiency at every stage of the mining cycle; and increasing revenues from the oil and gas sector, which is less cyclical and offers material growth opportunities.

In addition, Imdex's strong balance sheet provides it with the capacity to advance growth initiatives during normal industry slowdowns, which has proven to be of significant benefit in the past.

While Imdex is confident in its ability to capitalise on opportunities in both of its core markets, given activity within the minerals sector is now expected to remain subdued throughout calendar 2013, the business will deliver a lower 2H13 result compared to 1H13.

Key Priorities for 4Q13

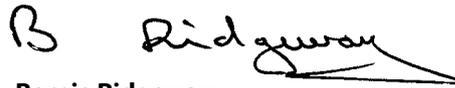
Imdex's growth platform remains sound. In 4Q13 the company will continue to focus on:

- Strong cost discipline and prudent working capital management;
- Marketing the company's SRUs via Imdex's global distribution channels;
- Continuing to increase Imdex's market share in underpenetrated regions such as Canada, Latin America, Africa, the United States and Europe;
- Utilising Imdex's specialist technical expertise and product development capabilities to enhance existing and develop new drilling fluid products and downhole instrumentation for the minerals and oil and gas markets, and prepare new products and technologies for release in FY14;
- Expanding ioGlobal's data solution offerings to new and existing customers globally; and

Provide Feedback 

- Growing oil and gas market presence to increase return on investment in this Division.

Yours faithfully,



Bernie Ridgeway

Managing Director

Imdex Case Studies

Customers Embrace New Efficiencies – Reflex HUB Implementation

Reflex Instruments recently commissioned its Reflex Mobile product (formerly part of ioGlobal) with a major global resource company and drilling services’ company at a site in Western Australia. Feedback from the operations has been positive with full implementation of the daily drill report module (DDR) and a quarterly surface drill rig inspection checklist.

Accessed via a tablet or smartphone, the Reflex Mobile software streamlines the collection of data in the field through the Reflex HUB cloud based infrastructure and can be used for diverse functions including: maintenance tasks; environmental assessments; drilling shift reports; operator proficiency assessments; and asset management. Such operational forms can be tailored for individual customer needs and eliminate conventional paper reports, which are commonly viewed as inefficient, cumbersome and prone to error. The system seamlessly integrates with client ERP and Geological Database systems.

The customers were impressed with the Reflex Mobile DDR module and its ability to reduce the sign-off process for daily drilling activities from three days to just one hour. They also commented on the ability to implement changes efficiently and were looking forward to seeing more paperless reporting in this format in the future.

Reflex HUB Data Systems Analyst, Mr. Scott Davies, conducted DDR training at the rig sites with the day shift and provided a group session for the night and cross shifts. Everyone found Reflex Mobile easy to use and were happy not to have paper reports, or ‘plods’, as they are known in the industry.

While on-site, Reflex Area Manager (WA and Asia), Mr. Phillip Herrera, provided a demonstration of the Reflex ACTIII core orientation tool with geology field employees.

Mr. Herrera said he was really pleased with the success of the site visit. ‘It was excellent to see our customers responding so positively to both the Reflex Mobile and the Reflex ACTIII’, said Mr. Herrera.

‘Seeing our range of survey instrumentation, core orientation and data workflow software on-site really reinforced the synergies for me between Reflex Instruments and the technologies acquired via the ioGlobal acquisition. We have been offering our customers the most advanced



Accessed via a tablet or smartphone, the Reflex Mobile software streamlines the collection of data in the field through the Reflex HUB cloud based infrastructure.

Provide Feedback 



SRU operating at a remote drilling site on the Nullarbor Plain.



MAXIVIS solids removal from hole



850mm Reamer



Poly pipe entering the hole

instruments to accurately obtain survey and geological data, and now we also offer technologies that efficiently collect, transfer, store and interpret operational data', added Mr. Herrera.

200,000 Reasons to Hire a SRU

An Imdex SRU recently demonstrated its value at a remote drilling project on the Nullarbor Plain, some 1,600km from Perth in Western Australia and approximately 1,500km from Adelaide in South Australia. The customer was quoted in excess of \$250,000 to dig and rehabilitate conventional sumps at the project's seven drilling locations. The cost of hiring the SRU for the proposed duration of the drilling programme was approximately \$50,000.

AMC Goldfields Regional Manager, Mr. Ja Smith, was on-site to assist with the commissioning and operation of the SRU and the customer's mud programme.

'In addition to the economic benefits, the SRU effectively removed the diamond cuttings from the flowline. At no stage did the mud weight exceed safe operating levels during the nine days I was on-site. There was no buildup of sludge on the backend, no stuck tubes and no poor tube landings', said Mr. Smith.

Happy HDD client endorses MAXIVIS and AMC support

AMC successfully assisted an HDD customer with a challenging project in Victoria using its new product MAXIVIS.

The customer had spent six weeks on the challenging bore trying to achieve production and move forward. During that time they had only completed the borepath and partial reaming out of the first forty metres of the hole. The reamer was twisting off and getting stuck, leaving 560 metres to complete.

AMC was called on-site to help resurrect the bore, turn the bore around and move it forward using its newly developed mixed-metal oxide (MMO) program known as MAXIVIS.

AMC took control of the bore and unlocked the rods and reamer from the borepath. This set up a successful reaming procedure to open the hole up to 650mm (inner diameter) back to the rig. Once this process was completed, the final reaming pass commenced and the bore was opened up to a diameter of 850mm (the bore's specification) allowing the pipe to be pulled into the hole.

Rodney Cahill (AMC Technical Sales Representative) was on-site overseeing the process.

'The first and second reaming passes were cut using our MMO mud program with great success. The hole was kept open and the spoil removal process was completed with ease. The MMO fluid programme kept the hole open in the sand formations, which is a great result as the water inflow into the hole was quite substantial – around 200 litres of constant water every 30 minutes', said Rodney.

Provide Feedback
 

The final preparation to pull the pipe into the hole was completed after four weeks. The procedure started at 10.30am and was completed by 1.00pm the following afternoon. Rig pressure was extremely low. When the pipe was completely pulled into the hole, the pressures were 2000psi (rotation) and 1500psi (pullback). The pullback pipe procedure took 15 hours and 30 minutes, 2 hours and 30 minutes quicker than planned.

Rodney said the customer was very happy with the result and the support provided by AMC. The Directors of the company indicated they will now use AMC for projects in future.

Exceptional Results with RESIDRILL

AMC Oil and Gas' unique RESIDRILL product is continuing to provide economic and environmental benefits to customers within the oil and gas and coal seam gas (CSG) industries.

RESIDRILL is a revolutionary and environmentally friendly product created by AMC's research and development team. It is designed to give drilling fluids non-invasive properties, which reduces dynamic filtration loss, stabilises wellbores and protects reservoirs from damage.

When discussing RESIDRILL's performance, AMC Oil and Gas' Manager Nick Santarelli said, 'The results have been exceptional for zonal isolation in both oil and gas and CSG industries in diverse drilling environments.

'The zonal isolation imparted by RESIDRILL saved a casing string for a customer in Papua New Guinea, and in South East Asia another customer has seen zero break-out in deep pressured wells, enabling drilling to continue without excessive mud weight ups and stuck pipe.'

'We have the most experienced team of engineers within the CSG market. Our guys are available 24/7 to provide workable solutions – from developing site-specific high temperature high pressure (HTHP) drilling fluid systems, to assisting customers with recycling equipment to reduce their site footprint or overcome environmental concerns', said Mr Santarelli.

INDABA and PDAC

During 3Q13, AMC, Reflex and ioGlobal attended the INDABA and PDAC mining shows in Cape Town, South Africa and Toronto, Canada.

INDABA is Africa's largest mining industry conference. Significant interest was shown in Imdex's SRU units which were on display.

The PDAC international convention, trade show and investors exchange, is known as the world's leading convention for people involved with mineral exploration.



SRU unit on display at INDABA, Cape Town



PDAC, Toronto Canada

Provide Feedback

Imdex's Growing Global Presence



Sunrise on Queensland Drill Rig, Australia



Mobile office, Western Australia



-56C overnight, Hope Bay, Canada



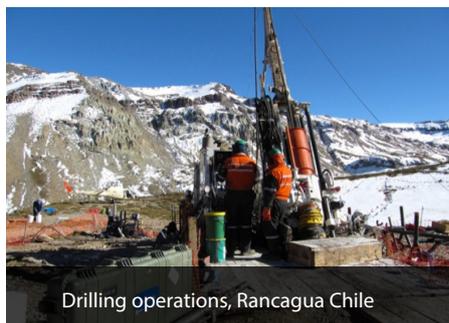
Unconventional transport, Southeast Asia



Product training, Atacama Region Chile



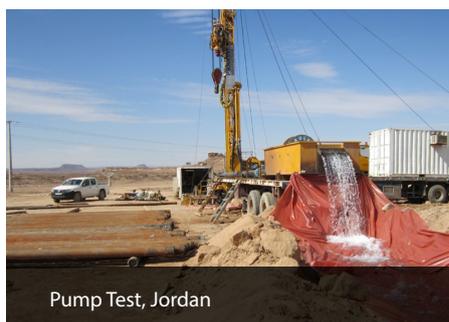
8 1/2" Core, Western Australia



Drilling operations, Rancagua Chile



Analysing customer mud returns, Calama, Chile



Pump Test, Jordan



Solids Control Units, Romania

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About Imdex Limited

Imdex is an ASX listed industrial company (ASX: IMD) and is included in the S&P/ASX 200 Index. The company has a market capitalisation of approximately \$257.8 million and 606 employees (as at 31 March 2013).

Imdex is a leading provider of drilling fluid products, advanced downhole instrumentation, data solutions and geo-analytics services to exploration, development and production companies in the minerals and oil and gas sectors worldwide. The company's strength is derived from its global operations, superior customer service and leading technologies.

The company supports a diverse range of customers at all stages of the mining cycle, from junior explorers to major producers across a wide range of commodities. To provide optimal service to these customers, Imdex has operational centres in key mining regions of the world, including: Asia-Pacific, Africa, Europe and the Americas.

Imdex's commitment to on-going research and development maintains the company's product leadership and unrivalled technologies. The company's range of fluids products and instrumentation are continuously refined to ensure the most efficient operations for its customers.

Further information can be found at www.imdexlimited.com

Imdex News - Shareholder Newsletter

Imdex News is published quarterly to keep Imdex's valued shareholders informed of the company's performance and operational highlights.

Your feedback and questions are always welcome. Please send all investor communication to Imdex's Marketing Manager, Ms Kylie Kniepf at kylie.kniepf@imdexlimited.com.

Alternatively contact Managing Director, Mr Bernie Ridgeway or the Chief Financial Officer and Company Secretary, Mr Paul Evans on +61 8 9445 4010.