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20 December 2010

The Company Announcements Platform  
Australian Securities Exchange  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

**By e-lodgment**

Dear Sir/Madam,

**OPERATIONS UPDATE**

The Directors of Every Day Mine Services Limited (EDMS) are pleased to provide shareholders with an update on the status of the company's operations.

EDMS has completed its contracted drilling commitments at:

- Shenhua Watermark – the last of the four rigs committed to the Watermark project completed work and demobilised to Gunnedah on the week ending 10 December 2010
- Aston Resources at Maules Creek in NSW – the project began a wind down in late November with the demobilisation being completed the first week of December 2010.

EDMS has now commenced or signed contracts for:

- Newmont, Cadia Operations – to drill four large diameter services holes using the RD20 surface rig on a 24 hour/day, 7 day a week basis operating through the Christmas/New Year period. This contract commenced in early December 2010 and is due for completion in mid April with a value in excess of \$6 million
- Xstrata Copper, Mt Isa Mines Qld – to drill more than 13,000 metres of 140mm holes using a Down the Hole (DTH) rig over a 3 month period. This work commenced in late November 2010, and has a value in excess of \$350,000
- CSA at Cobar NSW – to undertake up to 30,000 metres of underground diamond drilling over a two year period, with a value of more than \$3 million, and will commence in the New Year.

These contracts have a combined value of around \$10 million.

Other current project initiatives include:

- a 2 year labour hire contract, that is at the signing stage and is anticipated to be signed before the end of this calendar year, with a value of over \$5 million
- Several smaller surface hard rock exploration programs that are in the latter stages of negotiation – these would generate revenues in the range of \$250,000 to \$400,000 with a duration term of one to two months.

Ongoing projects such as Doyles Creek and Wambo will break for a Christmas/New Year shutdown and will resume early in 2011. The Wambo project will increase from the current 4 rigs to 7 rigs in January 2011, with the additional rigs coming from the completed Maules Creek/Watermark projects. This will add an additional \$7 million in revenue over 2 years.

Further, the Company's efficiency improvement program is now well underway and to date significant work has been completed to improve the delivery of current and future contracts and, as such, reduce costs. These initiatives are anticipated to result in cost reductions of \$3.5 million per annum. The full benefit of these and further cost reductions to be quantified and implemented are expected to flow from the second half of the 2010/11 financial year.

The rationalisation program of EDMS' assets is now underway. A disciplined approach to disposal is being applied that ensures EDMS retains its best revenue generating assets while disposing of those assets that do not contribute to profitable operations. This program is expected to be completed by the third quarter of the 2010/11 financial year, and reduce ongoing financing commitments in the order of \$1.2 million per annum.

For further information, please contact:

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About EDMS

EDMS provides a wide range of services to the Australian resources industry. With an extensive fleet of drilling and services equipment, more than 150 skilled employees, Head Office in Brisbane and operational hubs in the main metals, coal and gas regions of the East Coast of Australia, we are well placed to service the needs of our clients.

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