



Financial Results Presentation

August 2009



FY09 Highlights

A year of consolidation



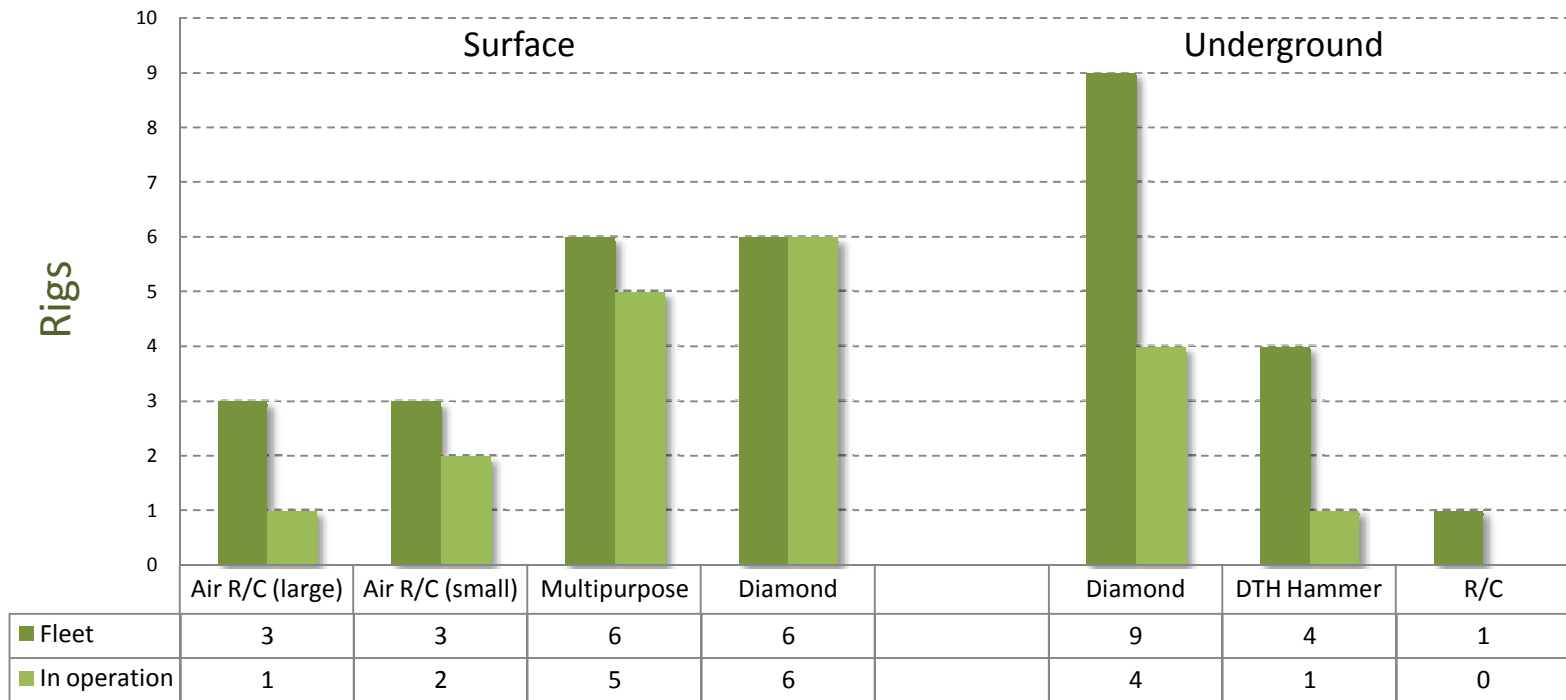
- Survived the worst downturn in base metals ever experienced and diversified into coal and energy with 14 rigs placed with new clients in last 12-months;
- Successfully raised \$2.7m through a SPP and private placement. An additional \$1.75m is currently being raised through a rights issue. Proceeds used to repay debt, for fleet expansion and for the acquisition of Henry Drilling;
- Attracted new investors who bring considerable additional mining industry experience and contacts to the group;
- Overhaul of internal systems to ensure improved accountability and customer/rig performance and profitability analysis;
- Attracting quality employees who endorse the company's vision and direction;
- Rationalisation of back-office completed in April 2009 to cut +\$2.2m from annual operating costs;
- Relocated head-office to heart of the coal and CSG region.

Rig Fleet

Surface fleet almost fully utilised



Rig fleet in work (1 Aug 09)



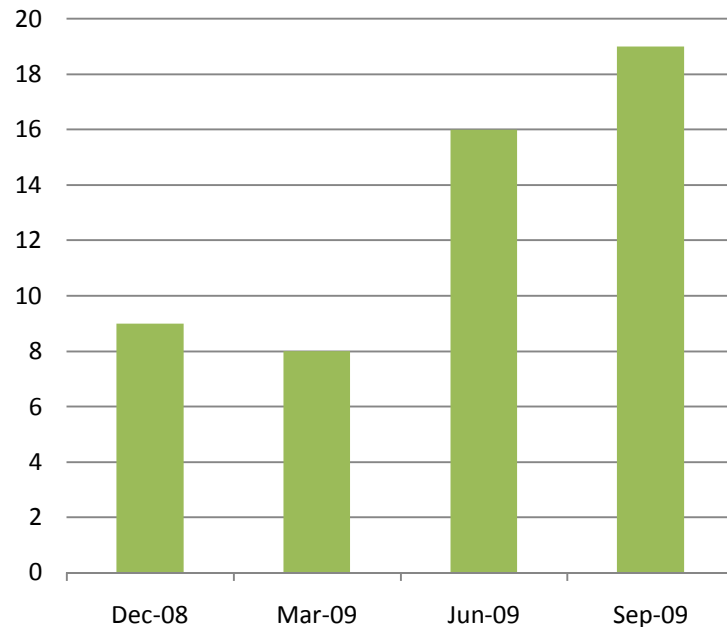
Re-engineering underground diamond rigs to meet ongoing surface demand

Diversification into coal and energy...



Due to the weakness in metalliferous demand management implemented a strategy to diversify into coal and energy which began yielding results with first contact win in August 2008.

Rigs working in the field



New major customers wins

- Donaldson Coal (Aug '08)
- Peabody Energy – Nth Goonyella (Sep '08)
- Peabody Energy - Wambo (Jan'09)
- Shenhua Watermark Coal (June'09)

These are in addition to CSA Mine in Cobar

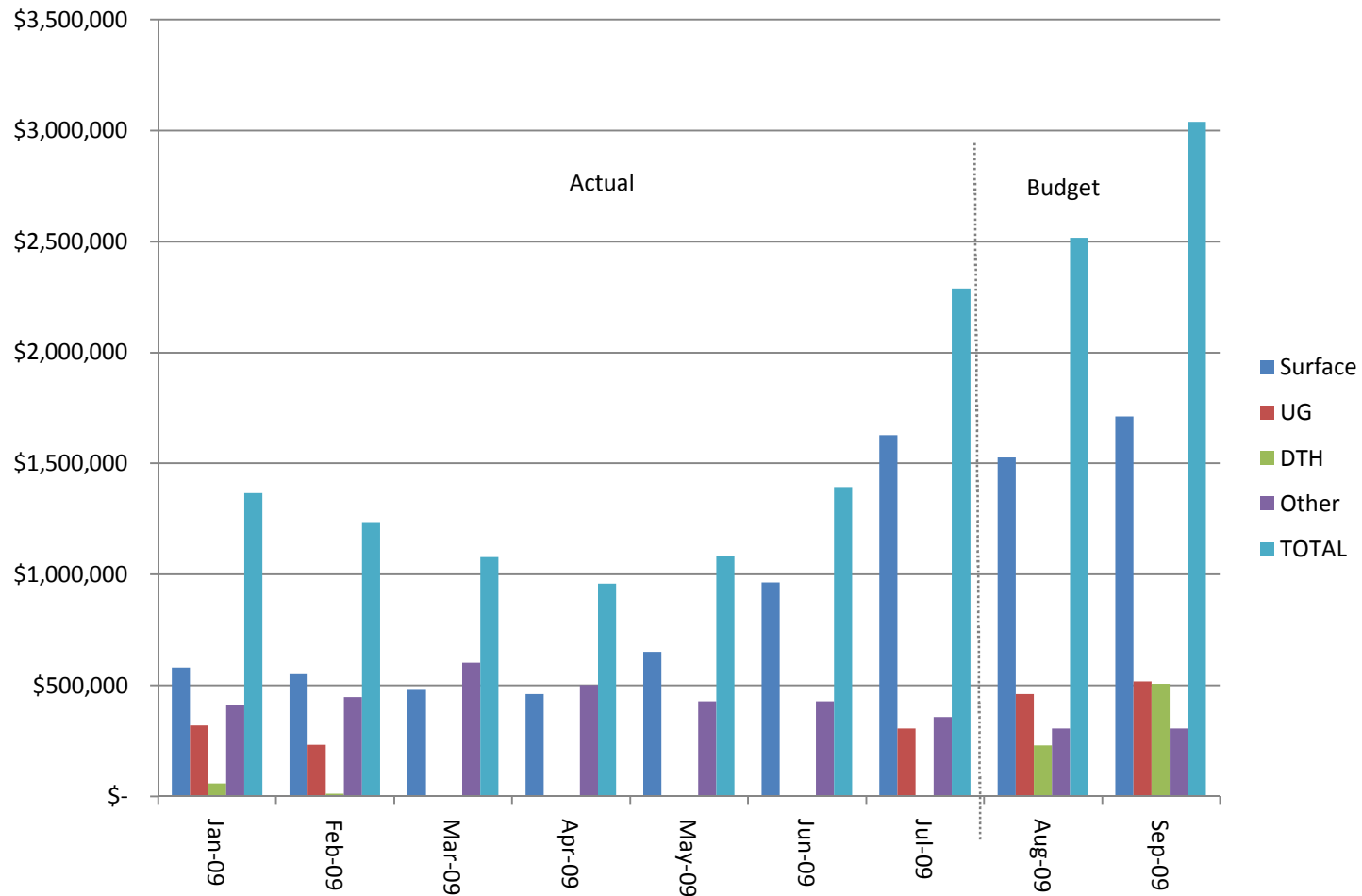
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2009 Financial Performance...



	1H09 \$ '000	2H09 \$ '000	FY09 \$ '000
Revenue	16,112	7,053	23,165
EBITDA	(2,419)	(536)	(2,955)
NPBT (after impairment)	(12,113)	(2,746)	(14,859)
NPAT	(10,095)	(2,661)	(12,755)

Revenue profile...



Outlook for FY10...



- Customers large and small are in the same position - decision making is taking longer and FY10 budgets are still to be approved . Once approved, demand is immediate.
- Base metals have turned in the Cobar and Mt Isa regions and mines are ramping back up. Demand in these regions is encouraging.
- Demand in coal and other energy is very strong for drilling – we are declining a lot of work due to a shortage of suitable rigs.
- Opening of a depot in Gunnedah is planned to be our next “Cobar” with a focus on providing a diversified service offering in the region to new developing mines.
- Full benefits of FY09 operational review to be realised.
- Continue to focus on our costs and working efficiently to maximise our return on investment.

Comparison to last year...



12 mths ago:

- 25 rigs with 18 clients
- Located in 15 different geographical areas
- Extensive resources required to manage this = large overhead costs
- All metalliferous clients with no commodity diversification.

Current:

- 19 rigs with 6 clients
- Located in 5 geographical locations
- Key management located in 3 of the regions
- Majority blue chip clients – Glencore, Xstrata, Peabody, China Shenhua
- Good spread of energy and metalliferous

Competitive advantages

The opportunity is now



EDMS has a number of advantages which should continue to underpin growth

- One of few drilling companies with headquarters and full servicing capability in the heart to the east coast coal and CSG region;
- Successfully established operations at a number of reference sites for surface coal drilling whilst not forgetting our metalliferous roots;
- Certification for OH&S systems extended beyond BHP FRP into coal;
- One of the most modern diamond and DTH fleets in the eastern seaboard with an average age of 3 years;
- Investor funding will continue to allow the group to acquire plant and equipment below cost (e.g. Henry Drilling: cost \$0.25m, management valuation of assets +\$1.0m);
- Attracting high quality drillers from the global coal industry, which were previously unavailable due to the resources boom.

Outlook

The worst is behind us



- Pricing pressure is not being experienced in the surface drilling, but likely to continue to be competitive in underground services.
- Restructure of the business should result in a substantial improvement in margins.
- Strong demand for all service offerings. A lot of tenders out with decisions pending.
- Committed management team in place and attracting high quality employees – big difference to 12 mths ago.
- The management team and Board are committed to the success of EDMS and have personally invested \$380,000 in the company in the last 6-months.
- Fibrecrete opportunity remains.

Capital Structure



Ordinary Shares:

167,010,887	Ordinary shares on issue post rights issue
<u>10,934,054</u>	To be issued as rights issue shortfall
177,945,704	

Options:

1,850,000	\$0.50 options expiring 30 June 2012.
678,000	\$0.40 options expiring 30 June 2010.
700,000	\$0.41 options expiring 30 June 2012.
5,150,000	\$0.08 options expiring 6 July 2014
<u>9,000,000</u>	\$0.08 options expiring 30 June 2014 ¹ .
17,378,000	

1. to be issued subject to shareholder approval



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