



Managing Director's Presentation Annual General Meeting



30 November 2010

Board of Directors



- Craig Burton – Chairman & Non Executive Director
- Tom Henderson – Non Executive Director
- Roger Jackson – Non Executive Director
- Declan Franzmann – Non Executive Director
- Stephen McCoy – Managing Director & Chief Executive Officer
- Paul Brenton – Chief Financial Officer & Company Secretary

2009/10 In Review



- Resources industry emerging from GFC
 - Renewed investment in resources
 - Confidence returns in lag commodities
 - A new breed of ‘explorer’ in the market
- Senior Executive changes in 2010
- A year of challenges and two halves for EDMS
 - First Half \$1.2m NPAT
 - Increase in demand & rates
 - Second half \$5.3m Loss
 - Extended periods of wet weather
 - Periods of standby awaiting client licensing approvals
- A disappointing full year result – \$4.1m loss

Performance



Financial	2007/8	2008/9	2009/10
Revenue	\$29.0m	\$23.2m	\$26.9m
EBITDA	\$5.6m	(\$2.9m)	\$1.5m
NPAT	\$1.9m	(\$12.8m)	(\$4.1m)*
Net Assets	\$24.9m	\$14.0m	\$20.2m
Earnings Per Share (cents per share)	\$0.024	(\$0.095)	(\$0.02)

* Includes a \$1.4m inventory write off and \$0.2m write off of the Mine Mixers investment

Executive Management Team



- Stephen McCoy
 - Managing Director & Chief Executive Officer
- Paul Brenton
 - Chief Financial Officer & Company Secretary
- Tony Glass
 - General Manager – EDMS Energy
- Steve Earp
 - General Manager – EDMS Assets & Logistics

Operational focus



- EDMSL
 - Review of business completed
 - Focus on People, Process & Efficiency
 - Consolidate drilling business for profitability
 - Grow existing labour hire & maintenance offerings
 - Packaging of existing services to 'solution sell'
 - Assess additional mining services offerings

General Market Overview



- Market Generally
 - Two major competitors reported significant losses 09/10
 - Demand increasing but contract terms shorter
 - Growing number of new explorer/promoters
 - Some expansion in mature mineral provinces (Hunter Valley & Bowen Basin)
 - Significant increase in emerging coal & CSG provinces (Gunnedah, Surat & Galilee basins)
 - Gas sector still confident but impacted by environmental issues
 - Positive indicators in all resources sectors including base metals

Structure



Strategic focus to deliver value



- Deliver on the EDMS Strategic Plan Four Principles

- Health, Safety & Environment

- Zero harm, reduce impact

- Commercial Success

- Deliver the promise, managing risk

- Stakeholder Focus

- Engaging the investment & general community

- High Performance Organisation

- Right people, right roles, fit for purpose

‘Creating Exceptional Value For All’

First Quarter FY11



Revenue	\$5.8m*
EBITDA	(\$0.7m)*
Net Loss	(\$2.2m)*
Assets	\$17.9m*

*These results have not been audited

- **Major impacts**
 - **Contract operations** (Being addressed in the re-organisation process currently underway)
 - Identified over resourcing & resource management issues
 - Legacy contract arrangements
 - **Impacts of extended periods of under utilisation**
 - Standby for wet weather/client approval (Addressed in contract terms & conditions in new contracts)
 - Mechanical reliability (Maintenance regime moving to preventative rather than reactive maintenance)
 - **Organisational review commenced**
 - Expenses with additional staff in key roles
 - Costs in unravelling inefficient operational arrangements
 - **\$1.5m depreciation & finance costs**
 - Half the drilling assets not generating revenue

Key priorities for FY11



- Complete re-organisation of business – First half of 2010/11
- Complete rationalising of resources –By third quarter of 2010/11
- Executing drilling contracts to return to profitability
- Development of additional low capital cost mining services offerings



Thank you for your time today

Contact: Stephen McCoy
Managing Director & Chief Executive Officer

Telephone: 07 3232 1119

Email: smccoy@edmsl.com.au