

SWICK MINING SERVICES

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ASX ANNOUNCEMENT

OPERATIONS UPDATE

HIGHLIGHTS

- ❑ **Significant number of new contract awards and contract renewals.**
- ❑ **Increase in scope giving rise to additional rigs at a number of existing client sites.**
- ❑ **Forecast record number of 55 rigs in work across Australia and North America by mid March 2010.**
- ❑ **Award of 3 rig contract with Canadian gold-major Agnico-Eagle Mines Limited after successful completion of a three month drilling trial.**
- ❑ **New senior appointments in Operations and Research & Development.**

Australian mineral drilling contractor Swick Mining Services Ltd (ASX:SWK) is pleased to provide an update on recent contract awards and renewals, which have combined with increased scope at a number of existing client sites to deliver a forecast record number of 55 rigs in work (by mid March 2010) across its Australian and North American operations.

Australia - Contract Awards and Increase in Work on Hand

Swick is pleased to report strengthening demand for its mineral drilling services and an increased number of rigs in work in Australia, reinforcing the improved outlook for the mining industry after the challenges of the last 15 months.

Swick has recently been awarded a number of new drilling contracts for its surface drilling division in Australia, which include both surface diamond and surface reverse circulation drilling rigs. The new contracts include New Gold (Peak Gold Mine in NSW), Cape Lambert (Lady Annie Operations in Queensland), Metals X (Renison Tin Mine in Tasmania) and Perilya (Broken Hill Mine in NSW). Swick already provides underground diamond drilling services at Peak, Renison and Broken Hill. The new contracts total approximately 37,000 metres of diamond drilling and 370,000 metres of RC drilling.

Swick has also confirmed significant programs of work for its surface reverse circulation drill rigs for the upcoming drilling season with Rio Tinto (iron ore) and BHP Billiton (manganese). In addition, a number of existing underground diamond drilling clients have requested additional drill rigs to support increased drilling requirements or have recommenced drilling operations after short-term suspensions.

The net result is that Swick will have a forecast record number of 49 rigs in work in Australia by mid March 2010, taking in account recent contract completions and sites where the drilling scope has reduced. The Company also has a strong tendering pipeline ahead for securing additional contract renewals at existing sites and new drilling contracts at new sites.

"The recent contract awards and renewals highlight the improved sentiment within the mining industry and Swick's strengthening position in both the underground and surface drilling sectors. We are pleased to see that our strong focus on improving operational performance and value is delivering results", said Mr Kent Swick, the Company's Managing Director.

North America - Agnico-Eagle Drilling Contract

The Company has secured an 18 month, three rig drilling contract with Agnico-Eagle Mines Limited (**Agnico-Eagle**) at the LaRonde Gold Mine in the Province of Quebec, Canada. The contract requires one Swick mobile diamond drill rig, predominately for definition drilling, and two larger capacity underground diamond rigs for deep exploration drilling. Swick commenced a three month drilling trial with one Swick mobile diamond drill rig at LaRonde in September 2009, enabling Swick to demonstrate the benefits of its service prior to the contract tender.

LaRonde is the largest gold deposit in Canada, with gold reserves of five million ounces and annual gold production of approximately 380,000 ounces (gold equivalent). The mine has operated continuously since 1988, producing in excess of three million ounces of gold. The mine's owner, Agnico-Eagle, is a multi-billion dollar Canadian based mining house with operations spread across Canada, Finland, Mexico and the USA.

Managing Director Kent Swick said: "We are very pleased to have secured the LaRonde drilling contract with one of the premier gold mining companies in Canada. The contract award is a significant milestone for our Canadian expansion program and demonstrates that the advantages of the Swick underground mobile diamond drill rig are recognised and valued in the Canadian mining industry."

Update on Other North American Operations

Swick advises that it has mobilised a second Swick mobile diamond drill rig to the Niblack Project in Alaska owned by CBR Gold and joint venture partner Heatherdale Resources. The second rig is scheduled to commence drilling next week.

Together with the Agnico-Eagle contract, this makes a current total of five rigs secured under contract in North America, with Swick confident of additional awards on the basis of a solid tender pipeline and a number of new opportunities currently being pursued.

The Company also has one rig in work on trial at Goldcorp's Musselwhite Gold Mine in Ontario.

Senior Management Appointments

Swick Mining Services is also very pleased to advise that it has recently made two new appointments to the Company's Senior Management team.

Mr Troy Wilson has been appointed to the newly created position of General Manager Operations, where he will be responsible for overseeing the management of the Company's Australian drilling operations. Troy has extensive experience in managing underground mining operations in both Australia and overseas and joins the Company at an opportune time as it prepares to significantly increase the number of rigs in work. He holds a degree in Mining Engineering and an MBA (Exec), both from Queensland University.

In addition, Dr Paul Attiwell has been appointed to the newly created position of Research & Development Manager, where he will be responsible for managing the Company's research and development programs for new rig and drilling technologies. Paul has extensive experience in research and development with some of the world's largest drilling supply

companies and will play a key role in further establishing Swick's reputation as the innovators in the mineral drilling industry. He holds a degree in Mechanical Engineering from Leeds University and a Ph.D. in Engineering from California State University.

Yours faithfully



KENT SWICK
MANAGING DIRECTOR

About Swick Mining Services:

Swick Mining Services (ASX:SWK) is one of Australia's largest mineral drilling contractors, providing high quality, high value underground and surface drilling services to a diverse group of mining houses in gold, iron ore, nickel, copper, lead, zinc and manganese. The Company has a strong reputation for innovation in rig design and drilling practices that delivers improvements in productivity, safety, versatility and value. Swick recently committed to expanding its operations outside of Australia and building a global brand through an expansion into targeted international markets, with an initial focus on North America.

For further information re this announcement, please contact the following on (08) 9277 8800:

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