



Master Drilling Group Limited
(Incorporated in the Republic of South Africa)
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JSE share code: MDI
ISIN: ZAE000171948
("Master Drilling" or the "Company")

Voluntary announcement to shareholders: Master Drilling and Ghella announce creation of TunnelPro Joint Venture to combine expertise and unlock key mining and civil tunnelling projects

Master Drilling, listed on the JSE in South Africa and a world leader in the Raise bore drilling services industry, has concluded a joint venture ("Joint Venture") with Ghella SpA ("Ghella"), a leading Italian Construction Company in the construction of major infrastructure projects worldwide. The Joint Venture will operate under the newly registered Italian company, TunnelPro and will pursue tunnel boring projects in the smaller scope civil construction and broader mining industries while also offering select product supply and professional services to industry third parties.

Commenting on the Joint Venture, Danie Pretorius, Master Drilling's CEO, said: ***"This Joint Venture is aligned to our strategy of pursuing a wider and more diversified footprint. Through TunnelPro and Master Tunnelling, Master Drilling will access projects in new sectors and across various countries whilst providing a platform for further vertical integration and risk mitigation."***

Through the Joint Venture, Master Drilling and Ghella have acquired the business and trademarks of SELI Technologies s.r.l. ("SELI"), an Italian company that designs and manufactures tunnel boring machines and offers project support through professional services for the civil construction industry. SELI was contracted by Master Drilling in constructing a Mobile Tunnel Borer ("MTB") to be used specifically in the horizontal and near horizontal development of mines, which is believed to cater for 80% of the underground mining industry's access and contact tunnel infrastructure. The MTB was successfully commissioned at an Italian quarry site recently and will join Master Tunnelling's fleet, the Master Drilling subsidiary which will operate it.

"The acquisition of SELI also gives us access to critical intellectual property and a deeper pool of skills, from engineers to experienced tunnelling personnel. I believe access to such skills will strengthen the overall competitive offering of TunnelPro and Master Tunnelling and help us to advance our tunnelling ambitions," added Koos Jordaan, Master Drilling's Executive tasked with furthering Master Drilling's tunnelling strategy.

Through TunnelPro, Ghella will be able to access mining sector projects in which Master Drilling is well entrenched, while Master Drilling will further diversify its activities into the smaller civil and construction sectors requiring tunnel boring. The Joint Venture thus brings together two highly skilled and experienced companies and aptly positions them to become even more significant players in

specialised infrastructure projects worldwide. The acquisition of SELI will further complement the skills and expertise provided by the Joint Venture partners.

Lorenzo Ghella, Vice President of Ghella, concluded: ***“We are pleased to partner with Master Drilling to explore new opportunities. The Joint Venture brings together two specialised sets of skills with complementary sector expertise to share the risk and upside of specific tunnelling projects.”***

Founded in Italy in 1894, Ghella has a rich history, with unique skills and experience in underground works, renowned worldwide for its experience and know-how in the use of Tunnel Boring machines. The company is involved in the construction of many infrastructure projects such as subways, railways, motorways, water and hydraulic works around the world. Master Drilling is an innovative South African company founded in 1986, which exploits technology to deliver disruptive, customised, safe and blast-free drilling solutions to its clients.

The joint venture will be owned 51% by Ghella and 49% by Master Drilling. The purchase consideration for the shares in SELI Technologies contributed by Master Drilling will be settled from available internal resources.

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NOTES TO EDITORS

About Master Drilling

“We challenge the status quo to provide our clients with specialised, adaptive and integrated drilling solutions.”

Master Drilling was established in 1986 and listed on the Johannesburg Stock Exchange in 2012. The company delivers innovative drilling technologies and has built trusted partner relationships with blue-chip major and mid-tier companies in the mining, civil engineering and building construction sectors across various commodities worldwide.

The Master Drilling business model of providing drilling solutions to clients through tailor-made designs coupled with a flexible support and logistics chain makes it the preferred drilling partner throughout the lifecycle of projects from exploration to production and capital stages. www.masterdrilling.com

About Ghella

Founded in 1894, Ghella is an Italian Construction Company mainly dedicated to the construction of major infrastructure projects worldwide. The company is especially renowned for its unique skills and experience in underground works, using mechanical and conventional excavation methods.

With its presence on a global scale and a workforce of over 2,500 people with continuous training programmes, the use of modern technologies combined with the development of innovative and up-to-date productive methods, Ghella has completed complex engineering works that have contributed to its dynamic and steady growth and have converted the Company into a leader in mechanised

excavation and tunnelling projects worldwide, always paying particular attention to safety and environmental requirements.

Along with its presence in major infrastructure works, Ghella is involved also in the field of Renewable Energies, with more than 482 MW already built. Although its Corporate Headquarter is in Rome, Italy, the Company has most of its workload in Oceania, the Far East, Europe, Central and South America.
www.ghella.com