



Capital Drilling Limited  
("Capital Drilling" or "the Group")

## Interim Management Statement 7 November 2011

**Capital Drilling Limited (CAPD: LN), the emerging and developing markets drilling company, provides its Interim Management Statement ("IMS") for the period to 17 May 2011.**

### Highlights

- Revenues of \$32.5m for the 3 month period to 30 September 2011 (\$92m for the 9 month period) compared with \$20.8m for the same period last year (\$49.5m for 9 months in 2010), representing 56% year-on-year growth for the quarter and another record of quarterly revenue for the Group.
- Another strong quarter for all key metrics, with utilisation over the Q3 period of 84% (up from 81% in H1'11) and quarterly ARPOR of \$160,000 (up from \$154,000 in H1'11) on a weighted average fleet size of 78 rigs.
- Further rig growth in October with the arrival of four rigs in Zambia (to be deployed with Barrick Gold at the Lumwana Mine) and two rigs in Tanzania (currently working at African Barrick's North Mara gold mine). The rig additions take the current fleet size to 83 rigs (versus 65 rigs at 30 September 2010 and 77 at the half-year end).
- Successful renewal and award of a number of new contracts including:
  - Four year production drilling contract to 2015 with Centamin Egypt
  - Two additional diamond rigs for development drilling in Tanzania with African Barrick
  - Metre extension and additional diamond rig for exploration drilling in Egypt with Thani Dubai
- Significant expansion of activities at the Lumwana Mine in Zambia, following Barrick Gold's acquisition of Equinox Minerals.
- Commenced operations in two new countries, namely Ghana (Kinross) and Ethiopia (BHP Billiton).
- Achievement of a number of safety records including:
  - The Simberi project in Papua New Guinea achieved 500 days LTI free in September
  - Chile reached 500 days LTI free in September
  - Mozambique reached 1,000 days LTI free in November
- Despite global uncertainty, market conditions remain strong with buoyant commodity markets and continued strong levels of tendering activity.
- Challenges remain with the highly competitive labour market.

## Trading Update and Outlook

We are pleased to report another solid quarter for the Group with record quarterly revenues of \$32.5m. Headline operating trends for the period continued to be strong with rig utilisation of 84% and Average Revenue per Operating Rig (ARPOR) of \$160,000 for the quarter, on a weighted average rig count of 78 rigs.

The results were particularly pleasing given the significant rig movements in Zambia due to recent contract wins with First Quantum at the Kansanshi Mine and the significant expansion underway with Barrick Gold in Zambia. Since Barrick Gold's acquisition of Equinox Minerals, the Group has doubled its rigs at the Lumwana Mine from seven to 14. Three of the rigs for Barrick Gold were sourced from the existing fleet with a further four new rigs acquired to meet the increased demand. All of these rigs have now arrived on site with commissioning due in Q4.

The Group currently has 83 rigs in the fleet and continues to see opportunities necessitating continued investment in fleet and inventory for future growth, which is anticipated from new contracts, existing contract extensions and expansions.

Rig utilisation levels remain close to peak levels. Despite continued salary pressure and tightening of labour markets, trading continues to be in line and the Group remains on track to meet earnings expectations for the full year.

### Commenting on the IMS, Jamie Boyton, Executive Chairman, said:

*"We have enjoyed another strong quarter of record revenue through maintaining our focus on leading mining companies with long life assets. Following the recent corporate activity involving Barrick Gold (Equinox Minerals) & Rio Tinto (Riversdale), the Group's exposure to the "majors" has increased to c.70% of revenue. We continue to see expansion opportunities within and outside of our existing client base and continue to invest in our future growth.*

*Though global financial markets are continuing to experience significant volatility, the long term demand for natural resources remains strong, evidenced by the on-going development of large mining assets. We remain confident that the business will continue to grow strongly for the foreseeable future".*

For further information please access Capital Drilling's website [www.capdrill.com](http://www.capdrill.com) or contact:

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## About Capital Drilling

Capital Drilling, which has a Premium Listing on the Main Market of the London Stock Exchange, provides specialised drilling services to mineral exploration and mining companies in emerging and developing markets, for exploration, development and production stage projects. The Company currently owns and operates a fleet of 83 drilling rigs with established operations in Tanzania, Zambia, Egypt, Mauritania, Mozambique, PNG, Ethiopia, Ghana and Chile. The Group's corporate headquarters is in Singapore and it has its administrative offices for South America in Santiago.