



Capital Drilling Limited

Corporate Presentation

February 2012

Disclaimer

IMPORTANT NOTICE

- This document, which is personal to the recipient and has been issued by Capital Drilling Limited (the “Company”), comprises written materials/slides for a presentation in connection with the proposed placing and application for admission to the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s Main Market for listed securities, of all the ordinary shares (the “Shares”) in the capital of the Company (together, “Admission” or the “Placing”). This document is an advertisement and not a prospectus and investors should not subscribe for or purchase any Shares referred to in this document except on the basis of information in the prospectus to be published by the Company in due course in connection with the Placing and Admission (the “Prospectus”). Copies of the Prospectus will be available, following publication, from the Company’s registered office and from the offices of Nabarro LLP, Lacon House, 84 Theobald’s Road, London WC1X 8RW.
- This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares, nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company.
- This document is being supplied to you solely for your information. The information in the presentation has been provided by the Company or obtained from publicly available sources. Some of the information in this document is still in draft form and has not been legally verified and will only be finalised at the time of Admission.
- No reliance may be placed for any purposes whatsoever on the information or opinions contained in this document or on its completeness. No representation or warranty, express or implied, is given by or on behalf of the Company, Liberum Capital Limited or any of such persons’ directors, officers or employees or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability whatsoever is accepted by the Company, Liberum Capital Limited or any of such persons’ members, directors, officers or employees nor any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith.
- This document and its contents are confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. This document and the Placing are only addressed to and directed at persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (“Qualified Investors”). In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and Qualified Investors falling within Article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). This document must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the United Kingdom, relevant persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons.
- Liberum Capital Limited is acting for the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Liberum Capital Limited or for providing advice in relation to the Placing or any transaction or arrangement referred to in this document.
- Neither this document nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions or distributed, directly or indirectly, in the United States of America, its territories or possessions. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada, Japan or the Republic of South Africa or to any securities analyst or other person in any of those jurisdictions. Any failure to comply with this restriction may constitute a violation of United States, Australian, Canadian, Japanese or South African securities law. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.
- The securities mentioned herein have not been, and will not be, registered under the US Securities Act of 1933 (the “Securities Act”), or under the applicable securities laws of Canada, Australia or Japan, and may not be offered or sold in the United States (as such term is defined in Regulation S under the Securities Act) unless they are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and, subject to certain exceptions, may not be offered or sold within Canada, Australia, Japan or the Republic of South Africa or to any national, resident or citizen of Canada, Australia, Japan or the Republic of South Africa. No public offer of securities in the Company is being made in the United States, Canada, Australia, Japan or the Republic of South Africa.
- Certain statements, beliefs and opinions in this document, including those related to the Placing, are forward-looking, which reflect the Company’s or, as appropriate, the Company’s directors’ current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or other wise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document.
- By attending the presentation to which this document relates or by accepting this document you will be taken to have represented, warranted and undertaken that: (i) you are a relevant person (as defined above); (ii) you have read and agree to comply with the contents of this notice; (iii) you will use the information in this document solely for evaluating your possible interest in the Placing and for no other purpose; and (iv) you will not at any time have any discussion, correspondence or contact concerning the information in this document or the Placing with any of the directors or employees of the Company, or their respective subsidiaries nor with any of their suppliers, customers, sub contractors or any governmental or regulatory body without the prior written consent of the Company.



Business Overview

Who We Are

- ❖ High growth drilling company providing services to mining, exploration & energy companies.
- ❖ Focus on emerging & developing markets.

What We Do

- ❖ Exploration, development and production drilling in Africa, Asia, and Latin America.
- ❖ High quality, long standing customer base includes AngloGold, Barrick, BHP Billiton, Centamin Egypt, First Quantum & Kinross.

Where We Are Headed

- ❖ Robust demand environment driving record revenues.
- ❖ Significant expansion opportunities with existing & new clients.
- ❖ Increasing management depth & new debt facilities to drive further growth.

Well positioned for growth in an improving market



Management & Board

Executive



Jamie Boyton
Executive Chairman

- Over 15 years experience in finance industry
- Co-founder of Capital Drilling
- Previously Executive Director and Head of Asian Equity Syndication and Corporate Broking at Macquarie Bank (HK) and prior to which he was a director at ABN AMRO (HK)



Geoff Fardell
CEO

- Over 25 years experience with large companies in different industries and countries.
- 6 years as CFO of ASX listed Coates Hire, Australia's largest equipment rental company. Part of exec team to successfully building Coates to \$1.6B prior to sale to private equity.
- Consulted over last 4 years to a diverse range of companies in roles such as acting CEO.



Brian Rudd
Executive Director

- 25 years experience in the mining industry in Africa and Australia
- Co-founder of Capital Drilling
- Previous experience includes 6 years as operations/general manager for Stanley Mining Services Tanzania (Layne Christensen)



David Payne
CFO

- Over 15 years experience in the finance industry in Africa and Australia
- Previous experience includes general manager at Australian national law firm, and 8 years at Zurich Financial Services

Non-Executive



Tim Read
Senior NED

- Over 40 years' experience in the natural resources sector
- Ex President/CEO of Adastra
- Ex Merrill Lynch Global Co-head of Mining Investment Banking
- NED for several AIM/ASX/TSX mineral companies



Alex Davidson
NED

- 30 years experience in mining
- 16 years at Barrick Gold; Executive VP of Exploration and Corporate Development
- Ex NED for Highland Gold, now Namakwa Diamonds & NED of Yamana Gold



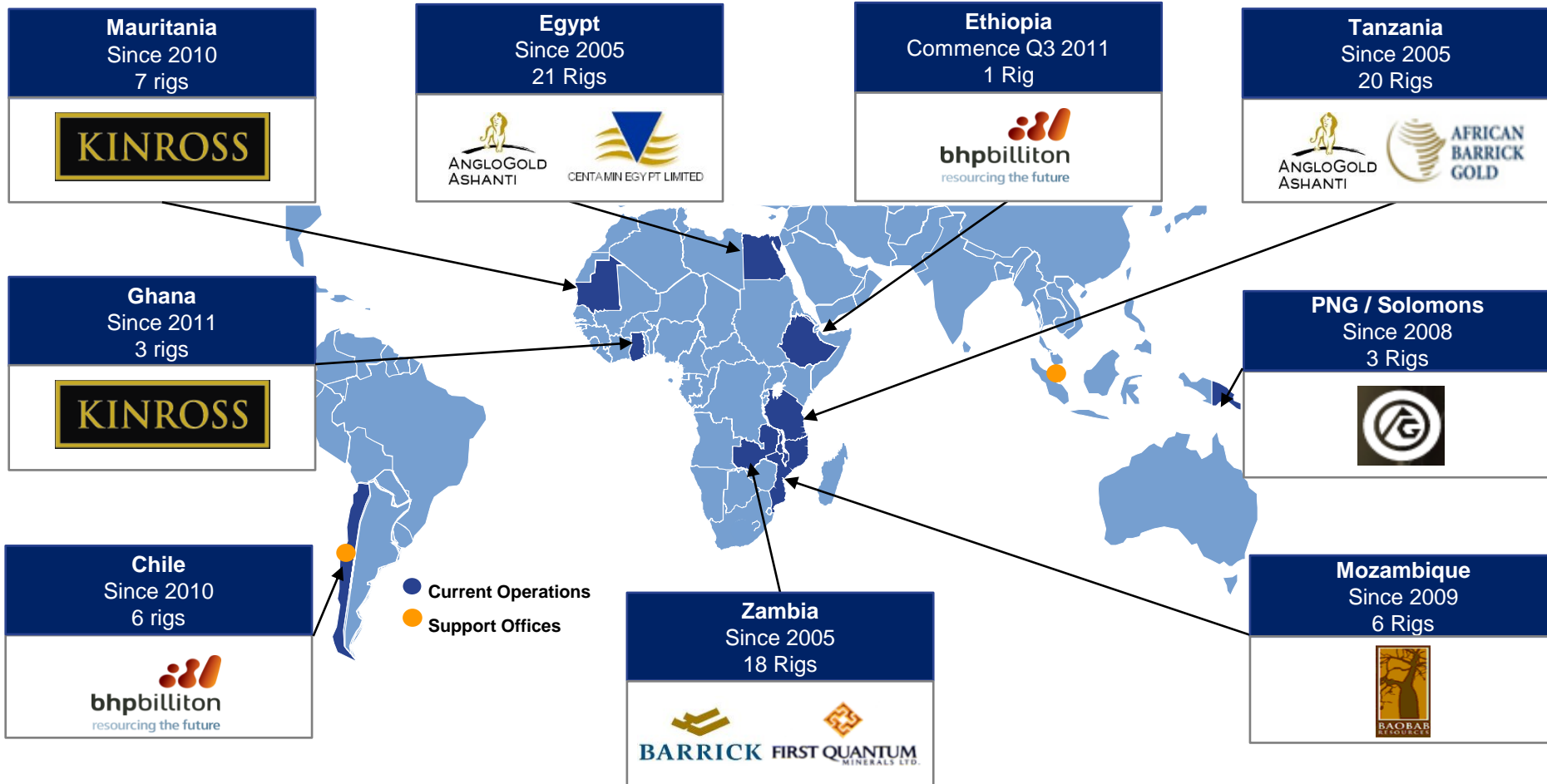
Craig Burton
NED

- 15 years experience co-founding numerous development companies, with a focus on the resources, oil and gas, mining services and agribusiness sectors
- Previously Executive Chairman and co-founder of Mirabela Nickel Ltd (ASX 200)

Experienced management and highly respected Board



Rig Locations



• January 2012

Expanded in 2011 with BHP, Barrick & Kinross



Strategy & Strengths

Strategy	Competitive Strengths
Continued focus on quality	<ul style="list-style-type: none">❖ Strong reputation❖ Young fleet
Focus on emerging markets	<ul style="list-style-type: none">❖ Experience and presence on the ground in developing countries❖ Expertise in drilling in remote locations
Blue Chip Customers	<ul style="list-style-type: none">❖ Robust balance sheets, top tier assets, longer contract duration
Economies of scale and stability	<ul style="list-style-type: none">❖ Strong local administrative and logistical support❖ Multiple rig operations
Continued focus on HSE	<ul style="list-style-type: none">❖ Solid Health & Safety record
Expand range of drilling services	<ul style="list-style-type: none">❖ Expansion into production & most recently energy drilling
ROCE focus	<ul style="list-style-type: none">❖ 4-year average of 22.7%, conservative gearing profile*

*Normalised EBIT / Total Assets

Leveraging our strengths for expansion

Quality, Long Term Clients

Well Capitalised Clients

Client	Market Caps ¹	Location	Commodity	Active Since	Type of Drilling
 AFRICAN BARRICK GOLD	US\$3.4bn	Tanzania	Gold	December 2008	E, D, P
 ANGLO GOLD ASHANTI	US\$17.7bn	Tanzania	Gold	April 2007	E, D, P
 BARRICK	US\$48.3bn	Zambia	Copper	July 2006*	E, D, P
 bhpbilliton resourcing the future	US\$204.6bn	Chile / Ethiopia	Copper	May 2011	E, D
 CENTAMIN EGYPT LIMITED	US\$1.7bn	Egypt	Gold	June 2005	E, D, P
 FIRST QUANTUM MINERALS LTD.	US\$11.1bn	Zambia	Copper	July 2010	E, D
 KINROSS	US\$12.6bn	Mauritania / Ghana	Gold	October 2010	E, D

1. Source: Bloomberg.

2. Various client announcements.

* Pre-Takeover

E – Exploration

D – Development

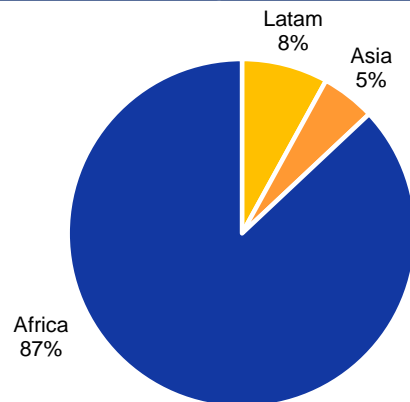
P – Production

Provides stability and visibility on earnings

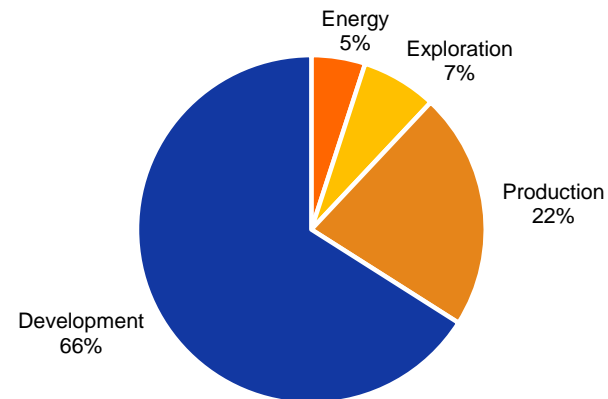


Revenue Splits

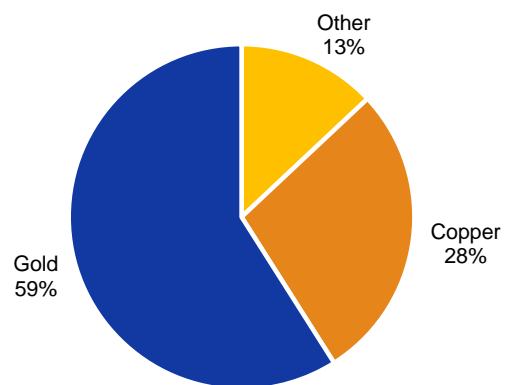
Regional



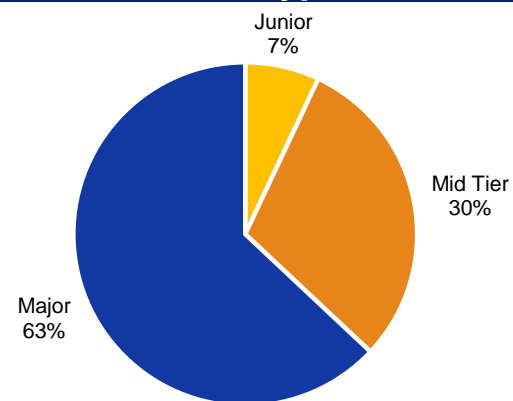
Drilling Type



Commodity



Client Type

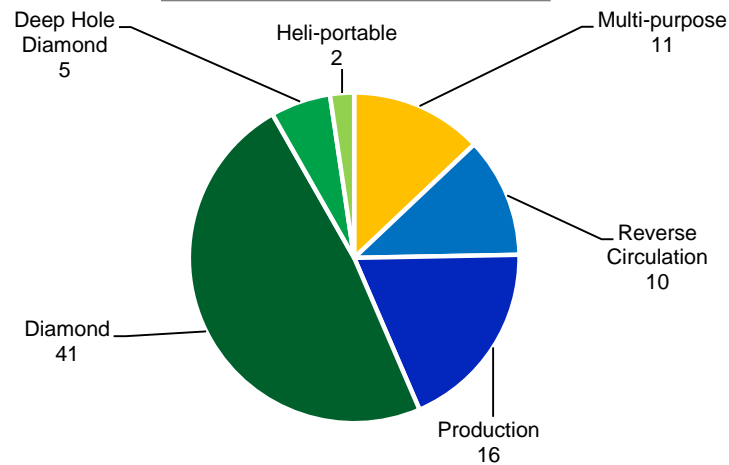


• Revenue for year ended 31 Dec 2011

Continued focus on majors and mid-tier clients



Fleet Profile



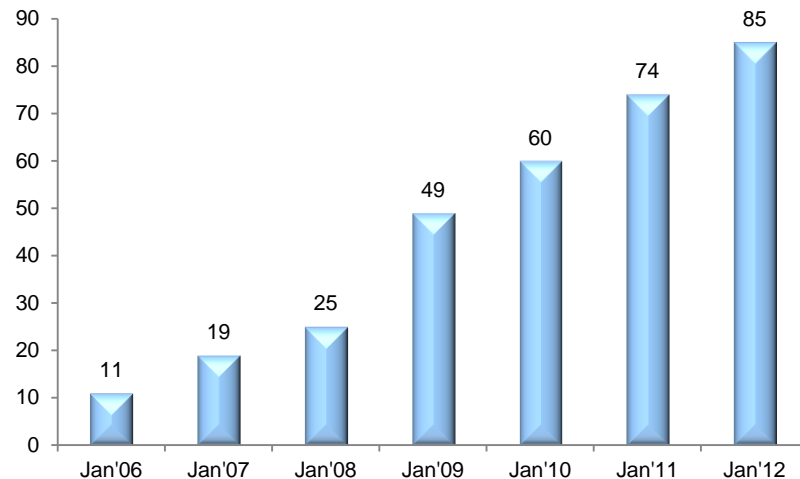
* As at January 2012

Broad fleet profile to support client base

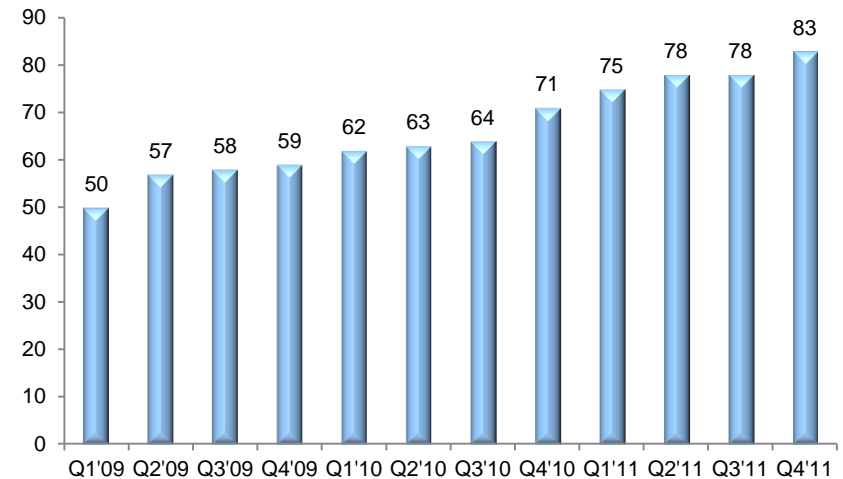


Fleet Growth

Fleet – growth per annum



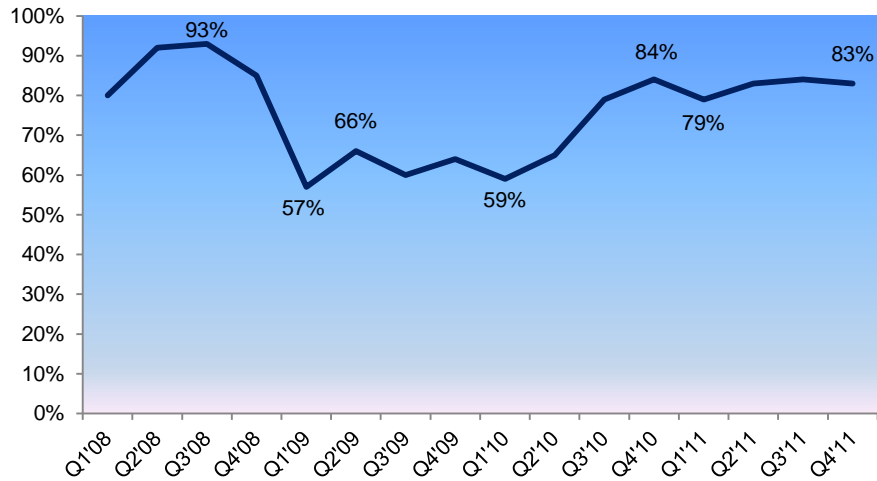
Fleet – average for the quarter



- ❖ 2011 another strong year of fleet growth:
 - 14 new rigs in 2011, started 2012 with 85 rigs.
 - 3 rigs decommissioned & sold as part of on going asset management program .
 - Further growth expected in 2012.
 - Opportunities to expand with existing customers and new tenders.
- ❖ Historical growth rate (adding on average 1 rig per month since inception) maintained.
- ❖ Low fleet age maintained, increasing efficiency & reducing “down time”.

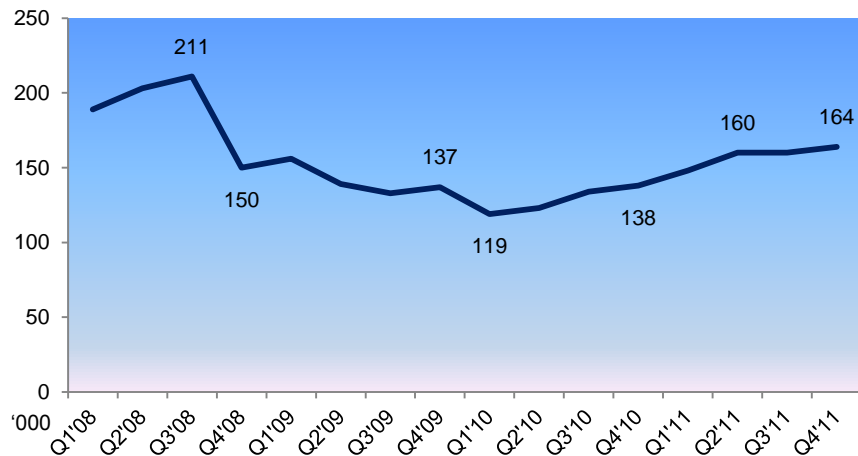
Utilisation & ARPOR: Improving Trends

Utilisation



- ❖ Maintained near peak levels of rig utilisation, noting seasonal influences in Q1 2011.
- ❖ 1H 2011 utilisation of 81%, increasing from 60% in 1H 2010.
- ❖ 2H 2011 utilisation of 83%, increasing from 82% in 2H 2010.

ARPOR

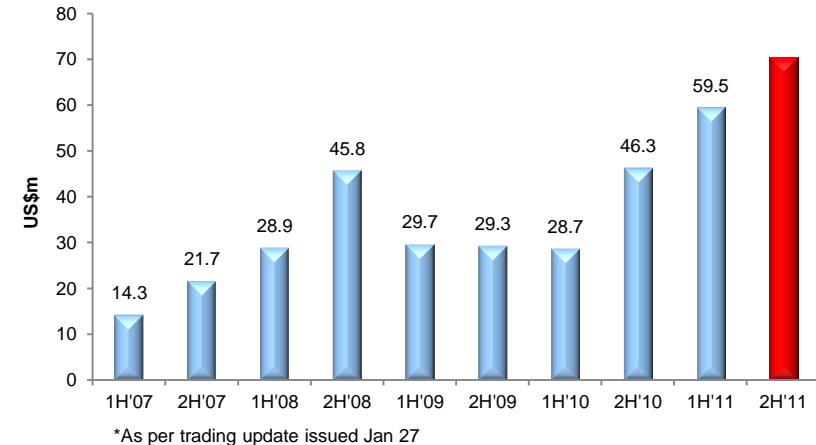


- ❖ ARPOR profile continued to improve with 2H 11 ARPOR of \$162,000, a 5% increase on 1H 2011.
- ❖ Carried momentum into Q4 2011 with ARPOR of \$164,000.
- ❖ Improvements driven by a combination of higher drilling rates & increased activity levels.

Pre-Close & Outlook

- Enlarged fleet, strong utilisation and improving ARPOR all contribute to record revenue for 2011.
- Expected revenue of \$130mn for 2011, representing 73% growth on 2010.
- Market conditions remain robust. Requests for Quotes showing signs of strengthening in 2012.
- Appointed a new CEO, Geoff Fardell, effective Jan 1, 2012. Extensive corporate experience including CFO at Coates Hire, Australia's largest equipment hire company.
- Refinanced and expanded company's debt package in January 2012, with a \$17mn term loan and a \$30mn revolver.

Revenues





Appendix



Size of the Market

2011¹

Worldwide Exploration Budgets by Region 2011¹

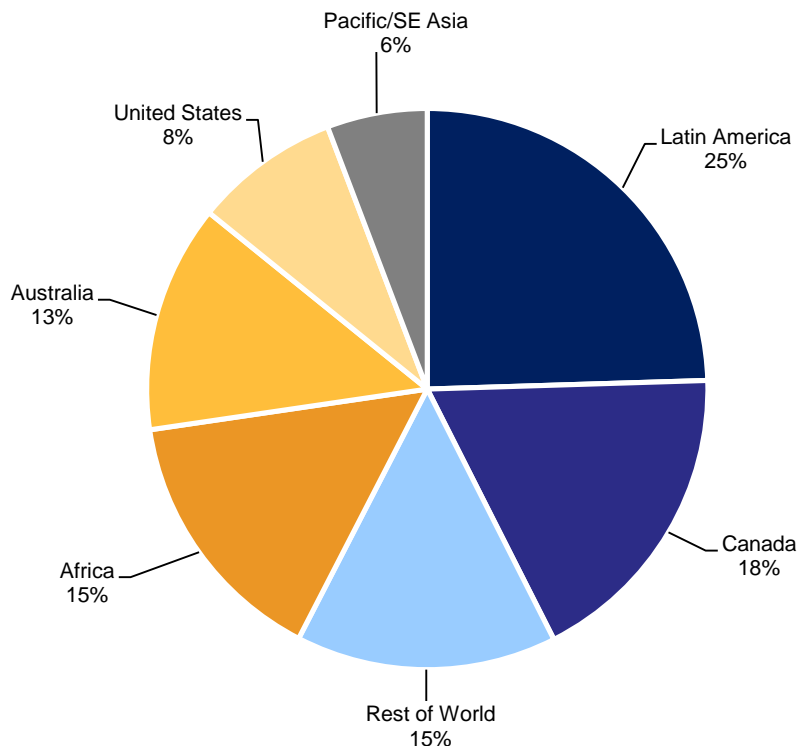
2011¹

Worldwide (non-ferrous) exploration market = \$18.2bn

Drilling generally accounts for 30% or \$5.5bn

Represents a 50% increase on 2010 spend

Gold 48% of spend



Fast growth markets in 2011:

Latin America (47%)
Africa (69%)

Latin America
Largest "regional" exploration market in 2011

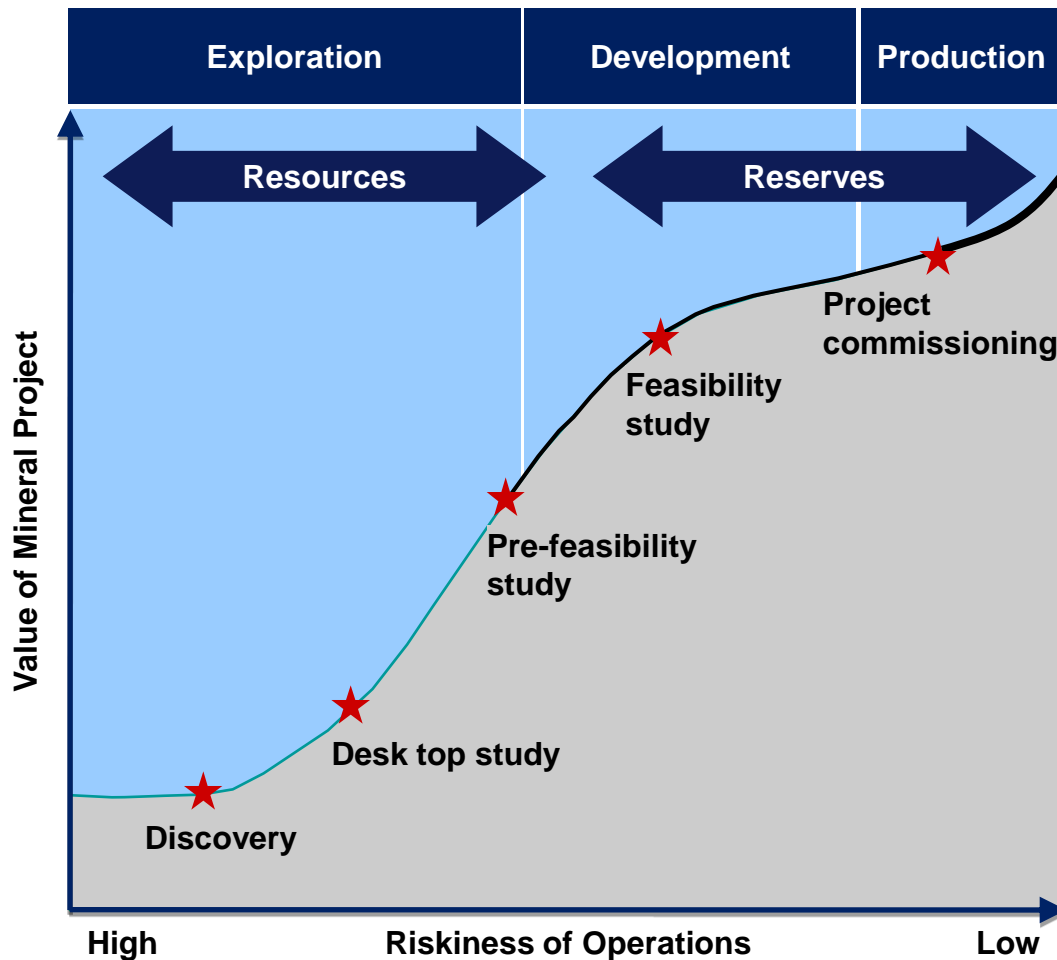
"East/Southern" Africa
Represents 45% of African spend

"West" Africa
Represents 40% of African spend

1. Source: Metals Economics Group, December 2011

Market – large and growing, especially in emerging countries

Mineral Drilling Services Industry



Key Activities Requiring Drilling Services

Exploration

- ❖ Greenfield – Discovery of mineral deposits
- ❖ Brownfield – Assess size and quality of deposits

Development

- ❖ Assess feasibility of development
- ❖ Accurate definition of geological conditions

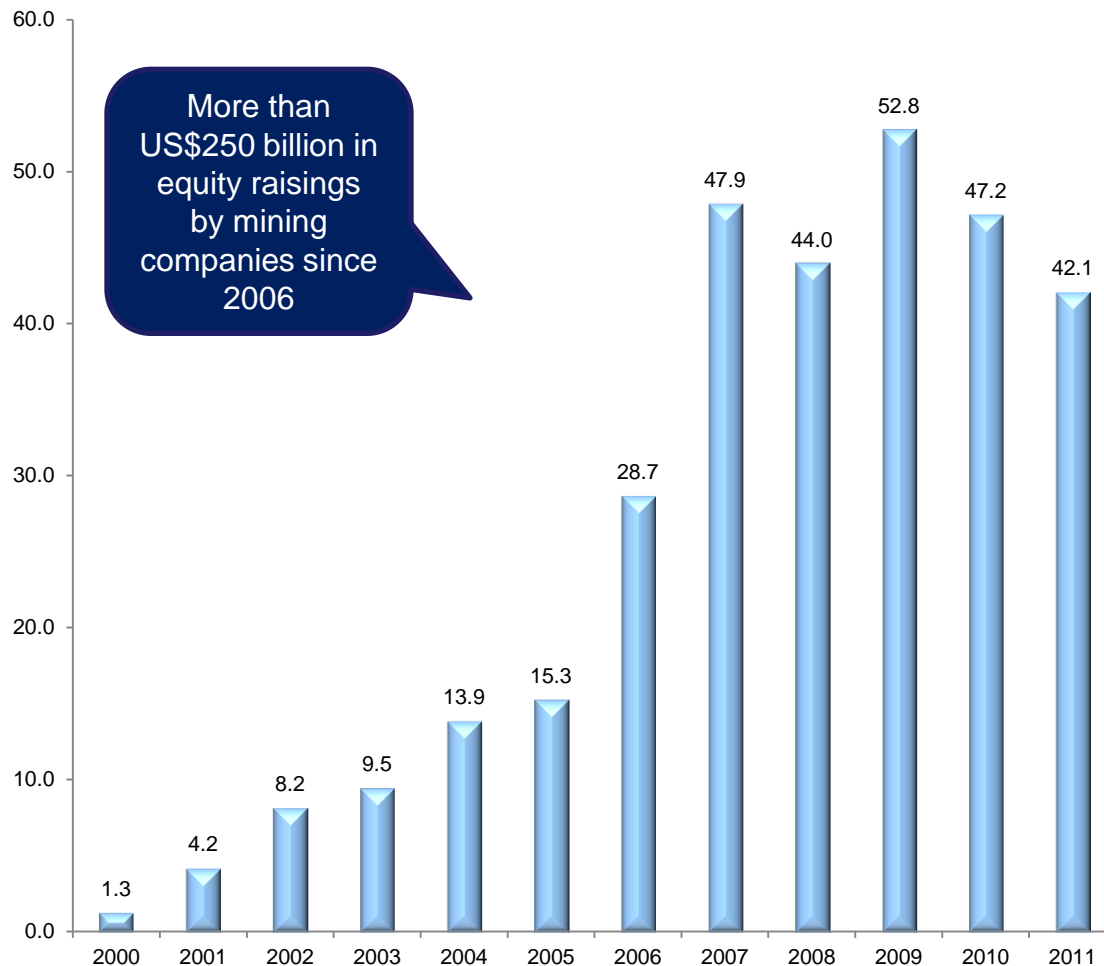
Production

- ❖ Blast hole – Extraction of minerals
- ❖ Grade control – Mine planning

Drilling is an integral part of mineral discovery and extraction



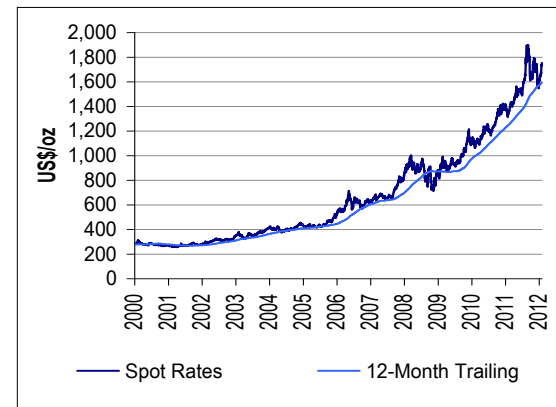
Key Demand Drivers



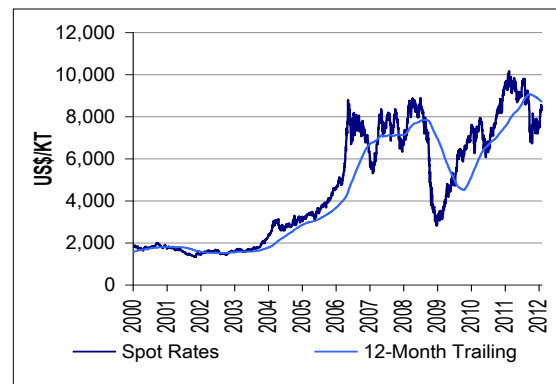
More than US\$250 billion in equity raisings by mining companies since 2006

*Source – Dealogic

Gold¹



Copper¹



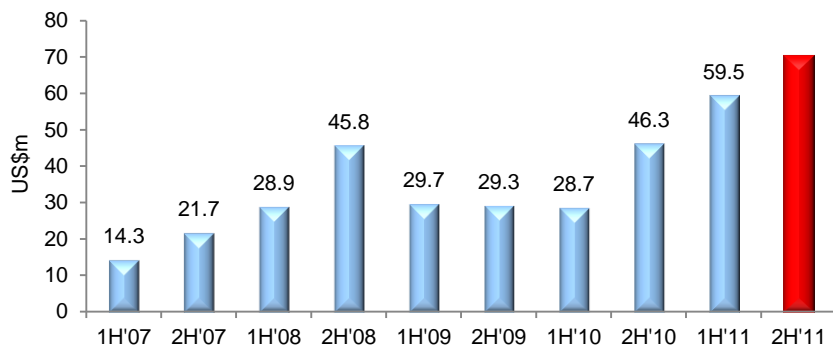
1. Source: Bloomberg (as at February 2012)

Continued strength in commodity prices and capital markets



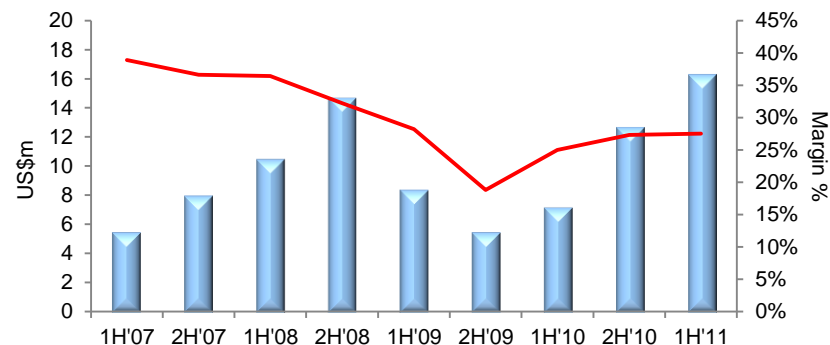
Margins and Returns Metrics ¹

Revenues

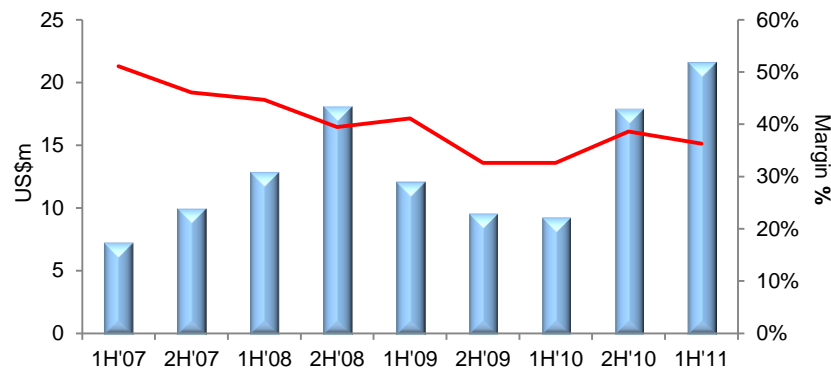


*As per trading update issued Jan 27

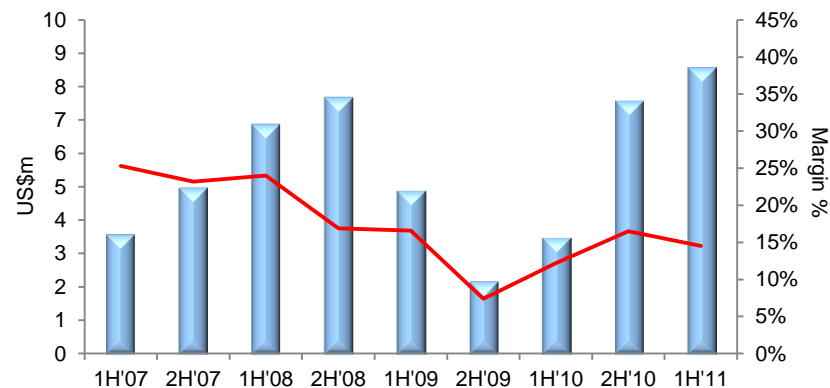
EBITDA¹ and Margins



Gross Profit⁽¹⁾ and Margins



NPAT¹ and Margins



Note:

- Underlying profit (operating profit or net profit) or underlying costs are calculated by adding back IPO expenses, forex gains/loss on shareholder loans and IDS acquisition, IFRS 2 share based payment and gains from the disposal of Sahar Minerals to the operating profit, net profit after tax or total costs, as applicable. The IFRS 2 share based payment expenses arose out of the vesting of the Incentive Options Plan.

Company Contact Details



Capital Drilling Limited

Jamie Boyton

Executive Chairman

jamie.boyton@capdrill.com

Geoff Fardell

CEO

geoff.fardell@capdrill.com

David Payne

CFO and Company Secretary

david.payne@capdrill.com

Singapore

90B Amoy Street
Singapore 069909
+65-6227-9050
www.capdrill.com

UK Broker Details

Liberum Capital Limited

Ropemaker Place, Level 12, 25 Ropemaker Street, London, EC2Y 9LY

Telephone: +44 (0) 20 3100 2000

Clayton Bush

Email: clayton.bush@liberumcapital.com

Canaccord Genuity Limited

Cardinal Place, 7th Floor, 80 Victoria Street, London SW1E 5JL

Tel: + 44 (0) 20 7050 6500

Andrew Chubb

Email: achubb@canaccordgenuity.com

UK Public Relations

Buchanan Communications

45 Moorfields, London EC2Y 9AE

Telephone: + 44 (0) 20 7466 5000

Bobby Morse

Email: bobbym@buchanan.uk.com