



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

Legislative Changes in Tanzania

Capital Drilling Limited (CAPD:LN), a leading drilling solutions company focused on emerging and developing markets, provides an update on the legislative changes with respect to the legal and regulatory framework governing the natural resources sector in Tanzania. The Legislation was passed in the Tanzanian Parliament in the form of SPECIAL BILL SUPPLEMENT No 2, No 3 & No 4, including amendments.

Included in the Legislative changes is legislation additional to the current Mining Act of 2010, with specific reference to the PART VIII (Local Content, Corporate Social Responsibility & Integrity Pledge).

Clause 102 of the addition legislates the provision of goods & services by Tanzanian entrepreneurs. Mineral right holders shall give preference to goods or services produced or available in Tanzania. Where goods or services are not available in Tanzania a Joint Venture shall be established with a 25% shareholding from a local Tanzania company. Clause 102(9) defines a local Tanzania company as a company incorporated under the Tanzanian Companies Act, with 100% shareholding by Tanzanian citizens, or a company in a joint venture partnership with Tanzanian citizens with a shareholding of not less than 51%. The relevant legislation is available at the following link [<http://www.parliament.go.tz/?q=act>]

Capital Drilling is currently engaged with advisors in Tanzania to determine the practical application of the legislative changes referred to herein.

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About Capital Drilling

Capital Drilling 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 93 drilling rigs with established operations in Botswana, Chile, Egypt, Ethiopia, Kenya, Mali, Mauritania, Serbia and Tanzania. The Group's corporate headquarters is in Mauritius.