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Immediate Release

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## Capital Drilling Limited

### Pre Close Trading Update

**Capital Drilling Limited (CAPD:LN), the emerging markets focused drilling company, will announce half yearly results for the period ended June 30, 2010 on August 19, 2010.**

**The Board is taking the opportunity to provide the market with an update of activity since the Company's successful listing on the London Stock Exchange ("LSE") on June 7, 2010.**

#### Overview

Since achieving the recent listing, the Board and management team have continued to focus on the mobilization of rigs to contracts awarded in Q1 2010. We are pleased to report that we have commenced provision of drilling services on all of the recently won contracts described at Admission, namely:

- Development drilling for Equinox Minerals Limited in Zambia
- Development drilling for First Quantum in Zambia
- An extensive exploration drilling program for Polar Star Mining in Chile

As a result, of the 25% of the group's fleet that was being mobilized at and around Admission to fulfill existing and new contracts, 8 rigs (12.5% of the fleet) have now been deployed with a further 8 rigs (12.5% of the fleet) remaining in transit and on track to commence drilling early in Q3 2010. Utilisation rates are expected to continue to rise into H2 2010 and, as previously guided, are expected to rise to 80% in Q3 2010 based on rigs already in mobilization and contracts already awarded.

Early progress on the new contracts has been positive with encouraging starts on both the development of required infrastructure and general drilling conditions.

Utilisation rates and Average Revenue per Operating Rig (ARPOR) in Q2 2010 have been broadly in line with expectations and consequently, the Board believes that the earnings for the six months to 30 June 2010 are generally in line with market expectations.

Tendering enquiries remain robust and consistent with levels communicated in May when the Company described that it had been invited to tender on a number of new contracts, reflecting an upturn in expected industry expenditure. The management team continues to conduct a number of site visits and is evaluating opportunities in West, East & Southern Africa, Asia and Chile. Material developments will be announced on any progress with these potential contracts.

### **IPO Proceeds**

The Company has started to utilize IPO proceeds with the repayment of the Australian dollar debt equating to approximately \$3m in June. Furthermore the Company has committed to the purchase of a further 2 production rigs with some associated capital items to supplement the fleet for the Sukari Gold Project in Egypt, in line with Centamin Egypt's expansion plans. The approximate capital spend associated with this equipment is US\$2.5m in total, with delivery tentatively scheduled for late Q3 2010 (final completion and shipping dates are still to be advised). The addition of these 2 rigs will take the fleet size to a total of 66 rigs, in line with the guidance provided for the full year fleet size. As a result of utilising the IPO proceeds the group's net debt position at 30 June 2010 is expected to be around US\$0.2m (cash and debt of US\$15.4m and US\$15.6m respectively).

Capital Drilling's CEO, Brian Rudd, commented;

"In the first half of the year we have made significant progress in growing the business. The mineral drilling market is continuing to improve, with considerable demand from the mining industry for high quality development and now exploration drilling. Capital Drilling has not only increased its rig utilisation but has grown its fleet of rigs and listed on the world's largest mining stock market in response to this rising demand."

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 provides specialised drilling services to mineral exploration and mining companies in emerging markets, for exploration, development and production stage projects. The Company owns and operates a fleet of 64 drilling rigs with established operations across countries in Tanzania, Zambia, Egypt, Pakistan, Mozambique, PNG, Eritrea, Hungary and Chile. The Group's corporate headquarters is in Singapore and it has administrative offices in South Africa and Serbia.

This information is provided by RNS  
The company news service from the London Stock Exchange

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