For Immediate Release **8 November 2010**

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

Interim Management Statement

Capital Drilling Limited (CAPD: LN), the emerging and developing markets drilling company, provides its Interim Management Statement for the period to 7 November 2010.

Highlights

- Revenues of $20.8m for the 3 month period to 30 September 2010 compared with $13.8m for the same period last year, representing 50% year-on-year growth.

- All key metrics improving in line with macro conditions with increasing utilisation over the Q3 period to 79% (up from 66% in H1'10) and monthly ARPOR at $134,000 (up $6,000 since H1'10).

- Growth of 14 rigs in 2010 (23% year-on-year) – one already drilling for First Quantum; further rigs to be commissioned in Q4 2010, taking total rig count by the end of the year to 74.

- The Company commenced its first gas drilling contract with Oil Search Limited and won its first contract in West Africa with Red Back Mining (now Kinross).

- Market conditions remain favourable – buoyant commodity markets; record levels of capital markets activity.

- Tendering market remains strong – increasing demand from existing clients coupled with increased activity from junior explorers.

- Challenges emerging with rapid currency appreciation and an increasingly competitive labour market.

Trading Update and Outlook

We are pleased to report that the Group has commenced a period of revenue growth after 18 months of flat half yearly performance. Following interim revenues of $28.9m, Capital Drilling generated $20.8m of revenue in the 3 month period to 30 September. Trading continues to be generally in line with market expectations for the second half of this financial year.

Headline operating trends for the period continued to shows signs of improvement with rig utilisation of 79% (up from 66% since H1'10) and Average Revenue Per Operating Rig (ARPOR) maintained at $134,000 per month, on a weighted average rig count of 64 rigs. Further improvements are anticipated in Q4. The trends on utilisation are particularly encouraging and the demand environment has continued to improve, with the junior mining companies becoming particularly active with RFQ's (requests for quotes) in the past two months.

The Group ended the period with 65 rigs in the fleet, with 74 rigs anticipated by year end following new rig orders and contracts announced in August 2010. This represents growth of 14 rigs in 2010 or 23%, year on year. We are pleased to report that one of those rigs commenced drilling in September with First Quantum in Zambia. A further seven rigs have now arrived at their destinations during Q4 and will be commissioned in the final two months of the year. This increased activity and demand has necessitated further investment in inventory which provides the business with a solid foundation for 2011.

With utilisation levels moving towards peak period levels in Q4, revenue continues to grow despite the slightly lower than expected ARPOR. Underlying market conditions have generally been in line with expectations though a number of cost pressures are emerging and beginning to impact the business. Despite adverse currency movements and salary pressure from rapidly improving market conditions (which has placed pressure on overall margins), earnings continue to be generally in line with expectations. Improved rates from current contracts have yet to be realised despite these cost pressures, an improving rate environment is expected in the forthcoming months.

Commenting on the IMS, Brian Rudd, CEO, said:

"Since we completed the IPO of Capital Drilling in June the business has made significant strides in the next stage of its growth strategy. We are faced with the healthy challenge of pent up demand for high quality drilling services in all of the markets within which we operate, particularly from existing customers as well as from junior mining companies. We remain confident for the business to continue to grow strongly over the foreseeable future".

For further information please access Capital Drilling's website 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 and developing markets, for exploration, development and production stage projects. The Company currently owns and operates a fleet of 65 drilling rigs (expanding to 74 by year end) with established operations 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 Chile.