



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

Trading Update

30 June 2011

Capital Drilling (CAPD:LN), the emerging markets focused drilling company, will announce its half yearly results for the period ended 30 June 2011 on 23 August 2011.

The Board is taking the opportunity to provide the market with an update of activity through the first half of 2011.

Overview

The Company began the year well positioned, having experienced a significant expansion in 2010, benefiting from the rapidly improving demand environment combined with a stronger balance sheet after the IPO in June 2010. The enlarged fleet, improving utilisation rates and higher average revenue per operating rig ("ARPOR") have all contributed to a record revenue performance for the first half. The Company currently expects revenues of approximately US\$58mn, representing a 100% increase on the same period to 30 June 2010 (2010: US\$28.7m).

The Company has continued to invest in growth in 2011 and has added a further four rigs to the fleet in the first half with a further two due for delivery early in the third quarter of 2011. Growth rates remain consistent with the long term average for the Group, and Capital Drilling is pleased to report that it has locked in its current rig supply requirements for the balance of 2011.

The delivery of new rigs is in anticipation of near term future contract wins. The Company is currently in advanced stages of discussion and negotiation on a number of new contracts which are expected to add to the recently announced significant contract wins, including:

- Development drilling for BHP Billiton in Chile
- Development drilling for Allied Gold in the Solomon Islands
- Development drilling for Kinross Gold in Mauritania
- Exploration drilling for BHP Billiton in Ethiopia
- Development drilling for Kinross Gold in Ghana

These recent contracts wins, combined with the Company's strong contractual pipeline, emphasises the continuing strong demand for our services. Market conditions remain favourable with record levels of commodity prices and capital raising activity. Both utilisation rates and ARPOR have continued to improve in the second quarter.

First Half Results

The Company intends to release its financial results for the period ended 30 June 2011 on 23 August 2011.

Supportive market conditions and the successful execution of a number of contracts have driven a strong increase in revenue compared to the first half of 2010. The Company expects to report revenue of approximately \$58 million for the half year, representing an increase of over 100% year-on-year. Net earnings for the half year are expected to be in line with the market's expectations, despite currency impacts and the tightening labour market increasing cost pressures. The Company has begun to see improving contract pricing in the second quarter which is expected to continue to drive revenue in the second half of 2011.

The company has continued to invest in growth over the 1st half of the year, purchasing a further 4 rigs with another 2 due for delivery early in the third quarter of 2011. Furthermore, we have completed significant upgrades & rebuilds on 3 of the existing rigs in addition to safety improvements on a number of rigs to continue the Company's drive for best practice standards in safety.

Capital Drilling's Executive Chairman, Jamie Boyton, commented;

"In the first half of the year we have made further progress in growing the business and have been awarded a number of significant contracts with a number of major mining groups including BHP Billiton and Kinross Gold. We are confident of continuing to expand our client base in the second half and delivering on our growth strategy."

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 78 drilling rigs with established operations in Tanzania, Zambia, Egypt, Mauritania, Mozambique, PNG and Chile. The Group's corporate headquarters is in Singapore and it has administrative offices in South Africa and Chile.