



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

## Pre-close Trading Update 29 June 2012

**Capital Drilling (CAPD:LN), the emerging and developing markets drilling company, will announce its half yearly results for the period ended 30 June 2012 on 21 August 2012.**

**The Board is taking the opportunity to provide the market with an update of activity through the first half of 2012.**

### Overview

The Group has had a solid start to 2012 with strong sequential quarterly revenues. The enlarged fleet and higher average revenue per operating rig ("ARPOR") have contributed to a record revenue performance for the first half. For the six months ended 30 June 2012 the Group currently expects revenues of approximately US\$77m, representing a 29% increase on the same period to 30 June 2011 (2011: US\$59.5m).

During the first half of the year the Group has successfully secured a number of contract wins, extensions and expansions, including:

- Development drilling for Antofagasta in Chile
- Development drilling for CMP in Chile
- Underground drilling for Centamin in Egypt
- Underground drilling for Kinross Gold in Ghana
- Exploration drilling for Continental Nickel in Tanzania
- Development drilling for Barrick Gold in Zambia

The Group has continued to invest in growth in 2012 and has added a further (net) five rigs to the fleet in the first half with one further underground rig due for delivery in the third quarter of 2012. Fleet growth rates remain consistent with the long term average for the Group of one rig per calendar month with supply secured for a further five rigs during the remainder of 2012. Delivery of rigs in the second half is scheduled for existing contracts with the majority expected to commence drilling in the fourth quarter.

The Board is particularly encouraged by the contract wins in Chile as the Group's reputation for quality service develops. Capital Drilling now has eight rigs in the region and is hopeful of further expansion in the second half. The Board are also pleased to have secured our first underground drilling contract in Egypt, followed quickly by another underground drilling contract in Ghana, further adding to Capital Drilling's range of services.

### First Half Results

The Group intends to release its financial results for the period ended 30 June 2012 on 21 August 2012.

The Group has made a significant investment in its fleet expansion having grown the fleet from 64 rigs at the time of the IPO in June 2010 to today's 90 rigs, an increase of over 40%. The recent growth along with active fleet management has resulted in one of youngest fleets in the industry with an average age of less than five years. The enlarged fleet, together with the successful execution of a number of contracts, has driven a strong increase in revenues during the first half of 2012 to approximately \$77m, an increase of over 29% year-on-year. This represents another record period of revenue for the Group.

As per the Interim Management Statement announced on 17 May 2012, despite the softer global demand environment for drilling services, the continued tight labour market, and more conservative depreciation policy in the light of the rapid expansion of our fleet, revenues for the full year are expected to be in line with current market expectations. The Group remains on track to deliver on annual guidance due to the quality of its customer base and an active tendering market in many of its key emerging markets.

Capital Drilling's Chief Executive Officer, Geoff Fardell, 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 major mining groups including Antofagasta, Barrick Gold and Kinross Gold. Despite the well catalogued softening of global market conditions in the mining sector, Capital Drilling is confident of delivering on its strategy of focusing on a quality client base, and operating one of the youngest rig fleets available in the market today".*

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 and developing markets, for exploration, development and production stage projects. The Group currently owns and operates a fleet of 90 drilling rigs with established operations in Chile, Egypt, Ethiopia, Ghana, Mauritania, Mozambique, Tanzania, Solomon Islands and Zambia. The Group's corporate headquarters is in Singapore and it has its administrative offices for South America in Santiago.