CAPITAL DRILLING
EXCELLENCE IN DRILLING

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

Half-year results
For the period ended 30 June 2012

21 August 2012

Capital Drilling (CAPD:LN), the emerging and developing markets focused drilling company, today announces its half yearly results for the period ended 30 June 2012.

HALF YEARLY RESULTS FOR THE PERIOD ENDED 30 JUNE 2012*

Results	H1 2012	H1 2011	Change %
Average Fleet Size	87	76	14.4
Fleet Utilisation (%)	75	81	(7.4)
ARPOR ($)	197,000	154,000	27.9
Revenue ($m)	79.1	59.5	33.0
EBITDA ($m)	21.0	16.3	28.4
EBIT ($m)	13.4	11.2	19.7
NPAT ($m)	9.4	8.6	8.9
Earnings per share			
Basic EPS (cents)	7.0	6.4	8.9
Diluted EPS (cents)	7.0	6.4	8.9

* All amounts are in USD unless otherwise stated

Financial Highlights

- Record half year revenue of $79.1m, up 33% (H1 2011 $59.5m).
- EBITDA of $21.0m (H1 2011 $16.3m), EBIT of $13.4m (H1 2011 $11.2m) and NPAT of $9.4m (H1 2011 $8.6m), all substantially improved over H1 2011 and H2 2011.
- Increased ARPOR over the period with H1 2012 ARPOR of $197,000 ($154,000 H1 2011), up 28% on a weighted average fleet of 87 rigs (76 rigs H1 2011). Utilisation of 75% (81% H1 2011) due to higher rig mobilisation.
- Gained momentum in Q2 2012 with ARPOR of $209,000 (Q1 2012 $186,000) and utilisation of 75% (Q1 2012 74%) on a weighted average fleet of 88 rigs (Q1 2012 85 rigs).
- Increasing ARPOR contributed to record half year NPAT of $9.4m, up 9% on H1 2011.
- Improved gross profit, EBITDA and EBIT margins on H2 2011, although NPAT margins lower given a higher effective tax rate.
- Diluted EPS growth of 9% compared to H1 2011.
- Strong and resilient balance sheet with increased investment in capital expenditure and working capital facilitated by refinanced term and revolving loan facilities.
- Fully financed to fund continued growth.

Statement of Financial Position Data	H1 2012	FY 2011
	$m	$m
Non-Current Assets	69.7	61.6
Current Assets	67.2	56.6
Total Assets	136.9	118.2
Non-Current Liabilities	31.7	9.0
Current Liabilities	16.6	30.1
Total Liabilities	48.4	39.1
Equity	88.5	79.1
Cash	9.7	7.7
Debt	30.5	22.4
Net Debt	(20.9)	(14.6)
Gearing (net debt/equity)	23.6%	18.5%

Statement of Cash Flow Data	H1 2012	H1 2011
	$m	$m
Operating Cash flows before working capital changes	21.1	16.6
Adjustments for working capital changes	(7.8)	(4.9)
Cash from operations	13.3	11.6
Finance charges	(0.9)	(0.6)
Taxation	(2.8)	(1.6)
Net cash generated from operating activities	9.6	9.5
Investing Activities		
Net cash used in investing activities	(15.8)	(11.6)
Financing Activities		
Net cash generated from (used in) financing activities	11.8	(3.4)
Net increase(decrease) in cash	5.6	(5.5)
Opening cash balance	4.0	18.2
Closing cash balance	9.7	12.8

Operational Highlights

- Further fleet expansion, adding six rigs and decommissioning one rig to end the period with 90 rigs. Further rig deliveries due in H2 2012 in line with client demand.
- Investment in capital expenditure supported by steady operating cash flows and refinanced debt facility.
- New contract wins, extensions and expansions awarded in H1 2012 include:
  - Antofagasta in Chile.
  - Centamin in Egypt.
  - Compania Minera del Pacifico in Chile.
  - Continental Nickel in Tanzania.
  - Kinross Gold in Ghana
- Recently awarded new contract extension in H2 2012:
  - Xstrata in Tanzania (one existing diamond rig).

Continued strategic progress

- Strengthening of the Group organisational structure with appointment of Geoff Fardell as CEO, and key appointments of Chief Financial Officer, Group Asset Manager, Group Business Development Manager, Chief Commercial Officer, Human Resources Manager and Supply Chain and Logistics Manager Africa to build a platform for the future growth of the Group.
- Continued focus on blue chip clients and resources - 79% of clients in H1 2012 are major miners.
- Maintained a young fleet, average age of less than 5 years.
- Restructured debt to strengthen balance sheet.

Commenting on the results, Jamie Boyton, Executive Chairman of Capital Drilling, said:
"Capital Drilling had a strong first half with revenues and profitability continuing to demonstrate the strength of the Group's business model of focusing on its quality blue chip client base, with long life assets.

The Company has delivered another strong performance in the first half despite increasing industry evidence of an easing in the capital expenditure intentions of a number of major mining houses, as well as some significant senior management restructuring in some of the industry's leading gold mining companies. Against this backdrop, the Company has seen a moderation in demand over the first half. However, we continue to operate in an environment of solid demand and our current level of equipment deployment remains high. Thus, while not immune to the volatility of the mining industry, with the Company experiencing elevated levels of rig mobilization in the first half, Capital Drilling has performed well and delivered another period of solid growth.

Significantly, the Group has invested in its operations, equipment and management team in order to ensure the future growth prospects of the business. While the benefits of these initiatives, in the form of greater efficiencies and economies of scale, will be seen in the future, and we are now operating the business from a stronger platform and look forward to the challenges and rewards ahead".

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 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, Chile.

A copy of the announcement is available through Capital Drilling's website (www.capdrill.com)

Forward Looking Statements
Certain information contained in this report, including any information on Capital Drilling's plans or future financial or operating performance and other statements that express management's expectations, or estimates of future performance, constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties, which remain unchanged from those disclosed in our Prospectus. Capital Drilling cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Capital Drilling to be materially different than the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in exploration and development of mineral properties, changes in economic conditions, changes in the worldwide price of commodities and project execution delays, many of which are beyond the control of Capital Drilling. Nothing in the report should be construed as either an offer to sell or a solicitation to buy or sell Capital Drilling securities.

Glossary

ARPOR	Average Revenue Per Operating Rig
EBIT	Earnings Before Interest and Taxes/Profit from operations
EBITDA	Earnings Before Interest, Taxes, Depreciation/Profit from operations plus depreciation
EPS	Earnings Per Share
ETR	Effective Tax Rate
HSSE	Health, Safety, Social and Environment
KPI	Key Performance Indicator
LTI	Lost Time Injury
Net Debt	Short Term and Long Term Debt including Bank Overdraft less Cash and Cash Equivalents
NPAT	Net Profit After Tax/Profit for the period
YOY	Year On Year

Chief Executive Officer Review

The first half of 2012 reporting period is my first as CEO and I am pleased to announce record revenue and profits for the period. The Group has benefitted from its exposure to a blue chip client base and the strengthened management team has delivered a strong performance on almost all metrics.

The Group achieved record revenues in the first half of 2012 of $79.1m, up 33% compared to the same period last year at $59.5m. Although rig utilisation during the period was adversely affected by higher rates of mobilisation, the revenues were supported by near record levels of ARPOR growth, which averaged $197,000, up 28% compared to the same period last year (H1 2011: $154,000). While gross margins for the period benefitted from the high ARPOR, the period witnessed a higher depreciation charge, driven by a conservative asset management policy, and a higher effective tax rate, reflected in the changing business dynamics across different tax jurisdictions. Nevertheless, the Group earned a record half year net profit of $9.4m, up 9% compared to $8.6m for H1 2011.

The Group has made significant progress since it listed on the Main Market of the London Stock Exchange in June 2010. During this period we have grown our fleet by 41% from 64 rigs to 90 rigs. This investment has resulted in a 175% growth in revenues from $28.7m in H1 2010 to $79.1m and interim net profits have almost trebled from $3.5m to $9.4m during the period. With the help of the newly formed Asset Management team, we continue to invest in our fleet but maintain strict discipline in capital allocation.

The refinanced term and revolver loan facility concluded in January 2012 combined with our current conservative gearing levels provides us with the necessary flexibility to finance investment in the fixed assets and working capital required for future earnings growth.

Our continued focus on the high quality customer base has yielded significant new contract wins such as those from Antofagasta and Kinross Gold. In accordance with our business model, we have evolved and grown with our customers as we have moved from exploration drilling, into development, then production drilling and most recently underground drilling. As announced previously, we won two underground contracts in the first half with Centamin (drilling already commenced) and Kinross Gold (drilling commencing in H2 2012), further enhancing the Group's service offering.

Our culture of safety in the challenging environments in which we operate has continued to achieve significant milestones, some of which include:

- Egypt reached 1,000 days LTI free in January 2012.
- The Lumwana project (Equinox / Barrick) in Zambia reached 1,500 days LTI free in January 2012.
- The North Mara project (African Barrick) in Tanzania achieved 1,000 days LTI free in January 2012.
- Mwanza reached 1,500 days LTI free in March 2012.
- The Shalaten project (AngloGold Ashanti) in Egypt reached 500 days LTI free in May 2012.

The period saw significant changes in the management structure and some key new hires made to fortify the existing management team. Notable key appointments included Chief Financial Officer, Group Asset Manager, Business Development Manager, Chief Commercial Officer, Group Human Resources Manager and Supply Chain and Logistics Manager, Africa. These initiatives provide a strong base for future development and growth as the Company continues to increase the size and range of its service offering.

Outlook

The first half of 2012 has seen increasing commentary from the global mining houses on initiatives to curtail capital and exploration expenditure commitments, and this trend has intensified in recent months. The Group has previously noted that we have experienced moderation in demand from highly elevated levels in 2011, and this moderation in demand has continued during the first half and the period since our pre-close statement. Despite a weaker demand environment, Capital Drilling has had a solid first half with record revenues and profitability.

While commodity prices have eased, they remain strong compared to long-term trends and remain well above economical thresholds required for sustained exploration and mine development. Furthermore, while capital expenditure plans have been and are being reviewed and broadly reduced by the industry, growth plans remain at elevated levels with major miners enjoying strong balance sheets. While we have seen demand moderate, it remains robust on a historical basis.

Our current level of equipment deployment remains high and the pricing environment supportive. Against this backdrop, Capital Drilling continues to operate under a disciplined capital allocation framework and will continue to support our blue chip customer base, many of whom continue to expand their operations.

We anticipate that the volatility in the market place will continue through the second half, though we remain encouraged by levels of enquiries and the continued demand for quality drilling services. Capital Drilling is continuing to invest in not only its fleet, but also the operational platform in order for us to be able to continue to grow the business over the coming years. We look forward to continuing to harness our strategic advantages of having a high quality client list operating long life, low cost of production assets, and operating one of the youngest rig fleets available in the industry. Our performance continues to be supported by our resilient contracting base and, despite the weaker global environment, our earnings guidance for the full year remains on track.

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Independent review report to the members of Capital Drilling Limited

We have been engaged by the Company to review the condensed consolidated interim financial statements in the half-yearly financial report for the six months ended 30 June 2012 which comprises the condensed consolidated statement of financial position as of 30 June 2012 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board ("IAASB"). Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (the "IASB"). The condensed consolidated interim financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" issued by the IASB.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated interim financial statements in the half-yearly financial report based on our review.

Independent review report to the members of Capital Drilling Limited (continued)

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the IAASB. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the half-yearly financial report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte & Touche.

Deloitte & Touche
Registered Auditors

Per: Allan W. Brown
Partner
Johannesburg, South Africa
20 August 2012

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2012

	Note	Six months ended Reviewed 30/06/2012 $	Reviewed 30/06/2011 $
Revenue		79,059,667	59,454,818
Cost of sales		(51,201,016)	(37,878,111)
Gross profit		27,858,651	21,576,707
Other income		-	19,017
Administration costs		(6,883,055)	(5,254,479)
Depreciation		(7,584,292)	(5,149,231)
Profit from operations		13,391,304	11,192,014
Finance charges		(924,013)	(569,800)
Profit before taxation		12,467,291	10,622,214
Taxation	3	(3,109,739)	(2,028,894)
Profit for the period		9,357,552	8,593,320
Other comprehensive income:			
Exchange differences on translation of foreign operations		(3,875)	(14,706)
Total comprehensive income for the period		9,353,677	8,578,614
Profit attributable to:			
Equity holders of the parent		9,357,552	8,593,320
Profit for the period		9,357,552	8,593,320
Total comprehensive income attributable to:			
Equity holders of the parent		9,353,677	8,578,614
Total comprehensive income for the period		9,353,677	8,578,614
Earnings per share:			
Basic (cents per share)	4	7.0	6.4
Diluted (cents per share)	4	7.0	6.4

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2012

	Notes	Reviewed 30/06/2012	Audited 31/12/2011
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	6	69,649,912	61,497,698
Deferred taxation		56,231	56,231
Total non-current assets		69,706,143	61,553,929
Current assets			
Inventory		20,402,644	20,417,421
Trade and other receivables		36,759,919	28,108,034
Taxation		371,102	367,508
Cash and cash equivalents		9,658,688	7,716,453
Total current assets		67,192,353	56,609,416
Total assets		136,898,496	118,163,345
EQUITY AND LIABILITIES			
Equity			
Share capital	7	13,459	13,459
Share premium	7	21,561,190	21,561,190
Equity-settled employee benefits reserve		214,667	132,225
Foreign currency translation reserve		(28,904)	(25,029)
Retained earnings		66,767,836	57,410,284
Total equity		88,528,248	79,092,129
Non-current liabilities			
Long-term liabilities	8	29,863,308	7,968,828
Deferred taxation		1,871,303	1,033,567
Total non-current liabilities		31,734,611	9,002,395
Current liabilities			
Trade and other payables		15,331,830	14,498,360
Taxation		646,444	1,178,722
Current portion of long-term liabilities	8	657,363	10,720,099
Bank overdraft		-	3,671,640
Total current liabilities		16,635,637	30,068,821
Total equity and liabilities		136,898,496	118,163,345

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2012

				Reserves		
	Share capital	Share premium	Retained earnings	Equity-settled employee benefits reserve	Foreign currency translation reserve	Total equity
	$	$	$	$	$	$
Balance at 1 January 2011 - Audited	13,459	21,561,190	39,821,672	5,925	(32,473)	61,369,773
Equity-settled share based payment scheme	-	-	-	57,463	-	57,463
Exchange differences on translation of foreign operations	-	-	-	-	(14,706)	(14,706)
Profit for the period	-	-	8,593,320	-	-	8,593,320
Balance at 30 June 2011 - Reviewed	13,459	21,561,190	48,414,992	63,388	(47,179)	70,005,850
Balance at 31 December 2011 - Audited	13,459	21,561,190	57,410,284	132,225	(25,029)	79,092,129
Equity-settled share based payment scheme	-	-	-	82,442	-	82,442
Exchange differences on translation of foreign operations	-	-	-	-	(3,875)	(3,875)
Profit for the period	-	-	9,357,552	-	-	9,357,552
Balance at 30 June 2012 - Reviewed	13,459	21,561,190	66,767,836	214,667	(28,904)	88,528,248

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2012

		Six months ended	
	Note	**Reviewed 30/06/2012**	**Reviewed 30/06/2011**
		$	**$**
Operating activities:			
Cash from operations	9	13,288,015	11,633,713
Finance charges		(924,013)	(569,800)
Taxation paid		(2,807,875)	(1,552,231)
Net cash generated from operating activities		9,556,127	9,511,682
Investing activities:			
Purchase of property, plant and equipment		(15,940,847)	(12,356,733)
Proceeds from disposal of property, plant and equipment		166,851	790,987
Net cash used in investing activities		(15,773,996)	(11,565,746)
Financing activities:			
Long-term liabilities raised	8	32,000,000	-
Long-term liabilities repaid	8	(20,168,256)	(3,022,289)
Short-term liabilities repaid		-	(387,790)
Net cash generated from (used in) financing activities		11,831,744	(3,410,079)
Net increase (decrease) in cash and cash equivalents		5,613,875	(5,464,143)
Cash and cash equivalents at the beginning of the period		4,044,813	18,237,254
Cash and cash equivalents at the end of the period		9,658,688	12,773,111

1. Basis of presentation and accounting policies

Preparation of the condensed consolidated financial statements

The condensed consolidated financial statements of Capital Drilling Limited and Subsidiaries ("Capital Drilling" or the "Group") as of and for the six months ended 30 June 2012 (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") No. 34, "Interim Financial Reporting". They should be read in conjunction with the annual consolidated financial statements and the notes thereto in the Group's Annual Report for the year ended 31 December 2011 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Interim Financial Statements are unaudited.

Accounting policies

The Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

The same accounting policies, presentations and methods of computations have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2011, except for the impact of the adoptions of the standards and interpretations described below.

The Group adopted a number of new standards, amendments to standards or interpretations effective 1 January 2012 which are described in the Note 2 of the consolidated financial statements for the year ended 31 December 2011. The adoption of these standards and interpretations did not have a material impact on the financial statements.

1. Basis of presentation and accounting policies (continued)

Accounting policies (continued)

At the date of authorisation of these interim financial statements, other than the standards and interpretations adopted above, the following new and revised standards and interpretations were issued by the International Accounting Standards Board but were not yet effective:

- IFRS 7 Financial Instruments: Disclosures [2, 4]
- IFRS 9 Financial Instruments [4]
- IFRS 10 Consolidated Financial Statements [2]
- IFRS 11 Joint Arrangements [2]
- IFRS 12 Disclosure of Interests in Other Entities [2]
- IFRS 13 Fair Value Measurement [2]
- IAS 1 Presentation of Financial Statements [1, 2]
- IAS 16 Property, Plant and Equipment [2]
- IAS 19 Employee Benefits [2]
- IAS 27 Separate Financial Statements [2]
- IAS 28 Investments in Associates and Joint Ventures [2]
- IAS 32 Financial Instruments: Presentation [2, 3]
- IAS 34 Interim Financial Reporting [2]

[1] Effective for annual periods beginning on or after 1 July 2012
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 January 2014
[4] Effective for annual periods beginning on or after 1 January 2015

The directors anticipate that all of the above standards and interpretations will be adopted in the Group's financial statements for the future financial periods as they become effective. The Group does not believe that adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

1. Basis of presentation and accounting policies (continued)

Accounting policies (continued)

The preparation of financial statements in conformity with IFRS recognition and measurement principles requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates.

2. Operations in the interim period

Capital Drilling Limited is incorporated in Bermuda. The Group provides drilling services including but not limited to exploration, development, grade control and blast hole drilling services to mineral exploration and mining companies located in emerging and developing markets. The Group also provides some procurement, equipment rental and information technology services to mining and mining related companies.

During the six months ended 30 June 2012, the Group provided drilling services in Chile, Egypt, Ethiopia, Ghana, Mauritania, Mozambique, Papua New Guinea, Solomon Islands, Tanzania, and Zambia.

The Group won a number of new drilling, drilling expansion and drilling extension contracts during the current six months. These include contracts with Kinross Gold Corporation at its Chirano Gold Mine in Ghana for new underground drilling, Barrick Gold Corporation in Zambia for the expansion of the existing contract, Centamin in Egypt for new underground drilling, Continental Nickel (Ngwena) in Tanzania for exploration drilling, Compania Minera Del Pacifico S.A. (CMP) and Antofagasta Minerals S.A. (AMSA) both in Chile for development drilling.

Drilling already commenced for CMP in Chile, Centamin in Egypt and Continental Nickel (Ngwena) in Tanzania during the current six months of 2012. Drilling for the other new contracts in Chile, Ghana and Zambia is scheduled to commence early in the second half of the year.

3. Taxation

The tax expense for the period is based on an estimated annual effective tax rate, which requires management to make its best estimate of annual pre-tax income for the year, in the various tax jurisdictions in which the Group operates. During the year, management regularly updates its estimates based on changes in various factors such as operating profits, plant operating performance and cost estimates, including labour, raw materials, energy and other variable costs.

	30/06/2012	30/06/2011
	$	$

4. Earnings per share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Profit for the period attributable to equity holders of the parent, used in the calculation of basic earnings per share	9,357,552	8,593,320
Weighted average number of ordinary shares for the purposes of basic earnings per share	134,592,800	134,592,800
Basic earnings per share (cents)	7.0	6.4

Diluted earnings per share

Profit for the period used in calculation of diluted earnings per share	9,357,552	8,593,320
Weighted average number of ordinary shares used in the calculation of basic earnings per share	134,592,800	134,592,800
Shares deemed to be issued for no consideration in respect of:		
- Employee share options	-	99,303
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	134,592,800	134,692,103
Diluted earnings per share (cents)	7.0	6.4

5. Dividends

No dividends have been declared or paid during the six months ended 30 June 2012 (six months ended 30 June 2011: $nil).

6. Property, plant and equipment

During the six months ended 30 June 2012, the Group acquired approximately $15.9 million (2011: $12.4 million) of drilling rigs and other assets to expand its operations and for the replacement of existing assets.

The Group disposed of property, plant and equipment with a net book value of $205 thousand (2011: $985 thousand) during the period. A loss of $38 thousand (2011: $196 thousand) was incurred on the disposal of property, plant and equipment.

	30/06/2012 $	30/06/2011 $
7. Issued capital		
Authorised capital		
2 000 000 000 (2011: 2 000 000 000) ordinary shares of 0.01 cents (2011: 0.01 cents) each	200,000	200,000
Issued and fully paid:		
134 592 800 (2011: 134 592 800) ordinary shares of 0.01 cents (2011: 0.01 cents) each	13,459	13,459
Share premium:		
Balance at the beginning and end of the period	21,561,190	21,561,190

8. Long term liabilities

On 31 January 2012, the Group concluded a comprehensive debt refinancing package to consolidate existing debt, reduce borrowing costs and support the Group's growth plans.

The new facility, provided by Standard Bank of South Africa, has a total lending limit of $47 million. The facility consists of a three year $17 million term loan, a four year $30 million revolving credit facility (each repayable in full on maturity) and a $15 million treasury facility (subject to annual review). The facility is secured and is supported by guarantees from four of the Group's major subsidiaries. The three year $17 million term loan facility has an annual interest rate of 3.75% above the prevailing three month US$ LIBOR. The four year $30 million revolving credit facility has an annual interest rate of 4.15% above the prevailing three month US$ LIBOR.

The initial drawdown of $24 million on 31 January 2012 was used primarily to refinance the medium term loan (MTL) and to pay the long term loan with Stanbic Bank Zambia.

The Group purchased five drilling rigs and accessories for a total cost of $3.1 million from Atlas Copco in 2010. $2.6 million of these purchases were financed through loans obtained from Atlas Copco Customer Finance AB. These loans are repayable quarterly in arrears over a period of four years.

The Group continued payment of principal and interest of the long term debt to Atlas Copco and interest of Standard Bank (Mauritius) Limited during the six months ended 30 June 2012.

9. Cash from operations

	30/06/2012	30/06/2011
	$	$
Profit before taxation	12,467,291	10,622,214
Adjusted for:		
- Depreciation	7,584,292	5,149,231
- Loss on disposal of property, plant and equipment	37,898	195,847
- Share based payment expense	82,442	57,463
- Exchange differences on translating foreign operations	(4,283)	(17,604)
- Finance charges	924,013	569,800
Operating profit before working capital changes	21,091,653	16,576,951
Adjustments for working capital changes:		
- Decrease (increase) in inventory	14,777	(3,848,939)
- Increase in trade and other receivables	(8,651,885)	(4,594,929)
- Increase in trade and other payables	833,470	3,500,630
	13,288,015	11,633,713

10. Segmental analysis

Operating segments are identified on the basis of internal management reports about components of the Group that are regularly reviewed by the chief operating decision maker, in this case the chief executive, in order to allocate resources to the segments and to assess their performance. Information reported to the Group's chief executive for the purposes of resource allocation and assessment of segment performance is focussed on the country of operation. For the purposes of the segmental report, the information on the operating segments has been aggregated into the principal regions of operations of the Group. The Group's reportable segments under IFRS 8 are therefore:

- Africa:	Derives revenue from the provision of drilling services.
- Rest of world:	Derives revenue from the provision of drilling services and related logistic, equipment rental and information technology support services.

Information regarding the Group's operating segments is reported below. At 31 December 2011, management reviewed the composition of the Group's operating segments and the allocations of operations to the reportable segments. Amounts reported for the prior year have been re-presented to conform to the current year presentation.

10. Segmental analysis (continued)

Segment revenue and results:

The following is an analysis of the Group's revenue and results by reportable segment:

For the six months ended 30 June 2012	Africa	Rest of world	Consolidated
	$	$	$
External revenue	67,822,115	11,237,552	79,059,667
Segment gross profit	24,438,065	3,420,586	27,858,651
Administration costs and depreciation, net of other income	(13,471,153)	(939,688)	(14,410,841)
Segment profit	10,966,912	2,480,898	13,447,810
Central administration costs and depreciation			(56,506)
Profit from operations			13,391,304
Finance charges			(924,013)
Profit before tax			12,467,291

For the six months ended 30 June 2011	Africa	Rest of world	Consolidated
	$	$	$
External revenue	50,640,657	8,814,161	59,454,818
Segment gross profit	18,777,429	2,799,278	21,576,707
Administration costs and depreciation, net of other income	(8,638,785)	(1,671,555)	(10,310,340)
Segment profit	10,138,644	1,127,723	11,266,367
Central administration costs and depreciation			(93,370)
Other income			19,017
Profit from operations			11,192,014
Finance charges			(569,800)
Profit before tax			10,622,214

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment profit represents the profit earned by each segment without allocation of central administration costs, depreciation, other income, finance charges, and income tax. This is the measure reported to the Group's chief executive for the purpose of resource allocation and assessment of segment performance.

	30/06/2012	30/06/2011
	$	$

10. Segmental analysis (continued)

<u>Segment assets:</u>

	30/06/2012 $	30/06/2011 $
Africa	174,440,639	119,001,957
Rest of world	62,338,162	48,534,455
Total segment assets	236,778,801	167,536,412
Head office companies	23,307,386	18,899,762
	260,086,187	186,436,174
Eliminations*	(123,187,691)	(80,591,684)
	136,898,496	105,844,490

<u>Segment liabilities:</u>

	30/06/2012 $	30/06/2011 $
Africa	44,547,918	29,932,034
Rest of world	32,810,581	23,118,248
Total segment liabilities	77,358,499	53,050,282
Head office companies	93,060,673	62,789,528
	170,419,172	115,839,810
Eliminations*	(122,048,932)	(80,001,171)
	48,370,240	35,838,639

For the purposes of monitoring segment performance and allocating resources between segments the Group's chief executive monitors the tangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of property, plant and equipment used by the head office companies, certain amounts included in other receivables, and cash and cash equivalents held by the head office companies.

* Eliminations include inter-group accounts receivable, inter-group accounts payable and inter-group investments.

Information about major customers

Included in revenues arising from the Africa segment are revenues of approximately $36.7 million (2011: $37.2 million) which arose from sales to the customers that represent more than 10% of the Group's revenue.

	30/06/2012	30/06/2011
	$	$

11. Contingencies and commitments

The Group has the following commitments at 30 June 2012:

	30/06/2012 $	30/06/2011 $
Committed capital expenditure	7,861,356	4,254,826

The Group also has outstanding purchase orders amounting to $4.3 million at 30 June 2012 (30 June 2011: $4.4 million).

12. Subsequent events

The directors are not aware of any facts or circumstances of a material nature arising since the end of the period to the date of this report which significantly affect the financial position of the Group or the results of its operations.

13. Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Highlights. The financial position of the Group, its cash flows and liquidity position are also described in the Highlights. The Group has set specific objectives and also has policies and processes in place to manage its capital and its financial, credit risk and liquidity risks.

The Group has borrowings and debt facilities which, together with its clients' receipts, fund its day to day working capital requirements. Volatile economic conditions may create uncertainty particularly over (a) the level of demand for the Group's services; (b) exchange rate fluctuations against the US Dollar and thus the consequence for the cost of the Group's direct costs; and (c) the availability of bank financing in the foreseeable future.

The Group's forecasts and projections, taking into account of potential changes in its performance, show that the Group should be able to operate within the level of its capital structure. The Group has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that these needs may not be met on acceptable terms.

The directors confirm that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group continues to adopt the going concern basis of accounting in preparing the interim financial statements.

CAPITAL DRILLING LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITY
For the six months ended 30 June 2012

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the condensed consolidated interim financial statements and related information. The auditors are responsible for expressing a review conclusion on the condensed consolidated interim financial information based on their review.

The directors are also responsible for the Group's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for the Group's assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the six months under review.

We confirm that to the best of our knowledge:

{a} the condensed set of consolidated interim financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board;

{b} the interim management report includes a fair review of the information required by DTR 4.2.7 (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

{c} there has been no significant individual related party transactions during the first six months of the financial year and nor have there been any significant changes in the Group's related party relationships from those reported in the Group's annual financial statement for the year ended 31 December 2011.

The condensed consolidated interim financial statements have been prepared on the going concern basis since the directors believe that the Group has adequate resources in place to continue in operation for the foreseeable future.

The condensed consolidated interim financial statements were approved by the board of directors on 14 August 2012.

ON BEHALF OF THE DIRECTORS

____
Geoff Fardell
Chief Executive Officer

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Jamie Boyton
Chairman

CAPITAL DRILLING LIMITED

Primary Risks
It is in the nature of its business that the Group is exposed to risks and uncertainties that may have an impact on future performance and financial results, as well as on its ability to meet certain social and environmental objectives. The Group believes that it has effective systems and controls in place to manage the key risks identified below. The key risks identified remain consistent with those previously disclosed in the most recent annual report:

The primary risks associated with the business are:

Fluctuation in levels of mineral exploration
The Group is highly dependent on the levels of mineral exploration, development and production activity within the markets in which it operates. A reduction in exploration, development and production activities, or in the budgeted expenditure of mining and mineral exploration companies, will cause a decline in the demand for drilling rigs and drilling services.

Key personnel and staff retention
The Group's ability to implement a strategy of pursuing expansion opportunities is dependent on the efforts and abilities of its executive directors and senior managers. In addition, the Group's operations depend, in part, upon the continued services of certain key employees. If the Group loses the services of any of its existing key personnel without timely and suitable replacements, or is unable to attract and retain new personnel with suitable experience as it grows, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected. In addition, business may be lost to competitors which members of senior management may join after leaving their positions with the Group.

Currency fluctuations
The Group receives the majority of its revenues in US dollars. However, some of the Group's costs are in other currencies in the jurisdictions in which it operates. Foreign currency fluctuations and exchange rate risks between the value of the US dollar and the value of other currencies may increase the cost of the Group's operations and could adversely affect financial results. As a result, the Group is exposed to currency fluctuations and exchange rate risks. To minimise the Group's risk, the Group tries to match the currency of operating costs with the currency of revenue.

Operating risks
Operations are subject to various risks associated with drilling including, in the case of employees, personal injury and loss of life and, in the Group's case, damage and destruction to property and equipment, release of hazardous substances to the environment and interruption or suspension of drill site operations due to unsafe drill operations. The occurrence of any of these events could adversely impact the Group's business, financial condition, results of operations and prospects, lead to legal proceedings and damage the Group's reputation. In particular, clients are placing an increasing focus on occupational health and safety, and deterioration in the Group's safety record may result in the loss of key clients.

Business interruptions and weather conditions
Significant business interruptions as a result of natural disasters, extreme weather conditions, unstable drilling sites, regulatory intervention, delays in necessary approvals and permits or delays in supplies, may reduce the Group's ability to complete drilling services, resulting in performance delays, increased costs and loss of revenue.

As operations are conducted outdoors, they are generally vulnerable to weather and environmental conditions. The Group operates in a variety of locations, some of which are prone to extreme weather conditions. High rainfall can significantly impact drilling activity, as well as impede the ability to move drilling rigs between drill sites. Accordingly, weather conditions as well as natural disasters may adversity impact the financial performance of the Group.