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

Interim Management Statement
30 October 2014

Capital Drilling Limited (CAPD:LN), the emerging and developing markets focused drilling company, today provides its Interim Management Statement ("IMS") for the period to 30 October 2014.

Summary

- Revenues for the 3 months ended 30 September 2014 of $23.6m (Q3 2013: $21.7m) and for the 9 months ended 30 September 2014 of $77.4m ($94.4m for 9 months to 30 September 2013).

- Rig utilisation rate for the quarter remained steady at 44% over the Q3 period (H1 2014: 45%). Utilisation consistently in the mid 40% range for the past 5 quarters.

- Quarterly Average Revenue per Operating Rig ("ARPOR") up 8% to $179,000 (Q3 2013: $165,000) on a weighted average fleet size of 97 rigs. Ongoing drilling operations continue to perform well however ARPOR levels in the period were affected by inconsistent drilling activities on a number of projects and the impact of reduced activity levels over the Ramadan observance period.

- Positive operating cash flow maintained. The Group remains focussed on strict cost management with on-going capital discipline to drive a conservative gearing profile and robust balance sheet.

- Continued focus on blue chip clients and resources. Capital Drilling Tanzania awarded a new one year extension with African Barrick to continue grade control drilling at the North Mara Gold Mine until the end of 2015.

- Market conditions for the mining services industry remain depressed, although there are some signs of demand stabilisation in recent months and re-engagement from junior exploration companies. Price competition in exploration & delineation drilling does however remain difficult against the weaker demand backdrop.

Trading Update and Outlook

This quarter's revenue recorded a modest increase on the previous corresponding period last year amidst a continuing weak demand environment across the industry. Utilisation held steady at 44%, however ARPOR fell 7% compared to H1 2014, reflecting the annual impact of Ramadan and less consistent drilling activities across exploration and delineation drilling.

The Group's continued discipline around capital expenditure and cost management have again contributed to positive operating cash flows, a solid result in the ongoing challenging market conditions. Gearing is expected to reduce further over the remainder of 2014 positioning the Group well for the years ahead.

The Group currently has 97 rigs in the fleet, with seven rig additions this year satisfying the capital requirements for the Group's long term production drilling contracts in Egypt and Tanzania. Elsewhere capital requirements have remained subdued and the Company continues to maintain its young fleet of assets in anticipation of improving conditions.

Capital spending from mining companies has remained cautious, although there has recently been an improvement in demand from junior exploration companies, as flagged previously. General tendering activities remain subdued however requests for tenders have accelerated in recent weeks as the 2015 budgeting process commences with the mid-tier and major mining houses.

Trading remains in line with market expectations for the full year.

Commenting on the IMS, Jamie Boyton, Executive Chairman and Interim CEO, said:

"Capital Drilling has continued to face tough trading conditions due to the impact of the global slowdown in mining and the resultant demand impact on the services industry. Recent data released by market researcher SNL reported a 25% decrease in worldwide nonferrous exploration budgets in 2014, with spending back to levels last seen in 2007, highlighting the challenges faced across the industry.*

These conditions have continued to drive our strategy of capital discipline and cost control, which has delivered positive operating cash flows and reduced gearing over the past 2 years.

Levels of tendering activity have increased in the past month ahead of the 2015 budgeting process, which with the recent increase in activity levels from the junior explorers adds some comfort for the demand environment in the year ahead. This is however set against an increasingly competitive pricing environment, particularly in exploration drilling.

The Company now has over 50% of revenue coming from blue-chip long term production drilling contracts, and with our strong balance sheet position we have created a solid financial and operational foundation for the Group to grow from as and when conditions improve."

**Source: SNL Metals & Mining Research 21 Oct 2014*

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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 97 drilling rigs with established operations in Chile, Egypt, Ghana, Mauritania, Tanzania, Papua New Guinea, Solomon Islands and Zambia. The Group's corporate headquarters is in Singapore and it has its administrative offices for South America in Santiago.