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

Half-year Results
for the period ended 30 June 2015
25 August 2015

Capital Drilling Limited (CAPD: LN), the emerging and developing markets drilling company, today announces its half year results for the period ended 30 June 2015.

HALF YEAR RESULTS FOR THE PERIOD ENDED 30 JUNE 2015*

	H1 2015 $m	H1 2014 $m
Average Fleet Size	97	95
Fleet Utilisation (%)	34	45
ARPOR ($)	189,000	193,000
Revenue	39.0	53.8
EBITDA	7.9	12.5
EBIT	0.6	4.0
Net (Loss) Profit After Tax	(3.2)	1.8
Earnings per share		
Basic (cents)	(2.4)	1.3
Diluted (cents)	(2.4)	1.3
Dividend (cents)	1.9	-
Net Asset Value per share (cents)	63.2	69.3
Return On Capital Employed (%)**	0.5	(0.8)
Return on Total Assets (%)**	0.4	(0.7)
Net Cash (Debt)	2.2	(8.9)
Net Cash (Debt) to Equity (%)	2.5	(9.5)

* All amounts are in USD unless otherwise stated
** Twelve months rolling average

Financial Overview

- First half revenue 13.5% lower at $39.0 million compared to H2 2014 of $45.1 million (H1 2014: $53.8 million).
- Despite the weak environment, continued strength in cash generation from operations of $10.3 million.
- 18% improvement in operating cash flow margin to 26.5% (H1 2014: 22.4%).
- Cash reserves increased to $15.2 million at 30 June 2015 from $14.7 million at 31 December 2014.
- Net cash of $2.2 million compared to net debt of $0.4 million at 31 December 2014 (H1 2014: net debt $8.9 million).
- Continued focus on strict cost management and capital discipline allowed for further debt repayment and strong cash position.
- Cost cutting initiatives continuing to yield results with gross profit margin maintained in the face of softer revenues.
- Declared an interim dividend of 1.1 cents per share ($1.5 million), for payment on 9 October 2015.

Operational & Strategic Overview

- H1 Average Revenue per Operating Rig (ARPOR) $189,000 (H1 2014: $193,000).
- H1 utilisation of 34% on an average fleet size of 97 rigs.
- Reduced capital expenditure with the acquisition of only one rig for the production fleet for use at AngloGold Ashanti's Geita Gold Mine in Tanzania.
- New contracts in H1 2015:
  - » Cupric Investments: 2 diamond drill rigs at the Khoemacau Copper Mine in Botswana.
  - » BHP Billiton: 1 multi-purpose drill rig at the Pampa Project in Peru.
  - » IMX Resources: 2 diamond drill rigs at the Chilalo Graphite Project in Tanzania.
  - » Acacia Mining: 1 reverse circulation rig at the Bulyanhulu Gold Mine in Tanzania.
  - » Liontown Resources: 1 reverse circulation rig at the Jubilee Reef Project in Tanzania.
  - » Two year extension at Kinross's Tasiast Gold Mine, Mauritania.
- World Class Achievement for Tanzania (Geita Project) who achieved 8 Years LTI free in April 2015. Previously announced achievement of safety record includes Mauritania (Tasiast Project) who achieved 4 years LTI free in March 2015.
- Continued focus on blue chip clients and resources: 50% of clients in H1 2015 (H1 2014: 62%) are major miners with repeat business from Barrick, BHP, AngloGold and Kinross.

Statement of Financial Position Data	**H1 2015**	**FY 2014**
	$m	**$m**
Non-Current Assets	53.2	56.9
Current Assets	53.3	56.7
Total Assets	**106.5**	**113.6**
Non-Current Liabilities	13.7	15.0
Current Liabilities	7.7	7.6
Total Liabilities	**21.4**	**22.6**
Equity	85.1	91.0
Cash	15.2	14.7
Debt	13.1	15.1
Net Cash (Debt)	2.2	(0.4)
Gearing (net debt/equity)	0.0%	0.4%

Statement of Cash Flow Data	**H1 2015**	**H1 2014**
	$m	**$m**
Operating cash flows before working capital changes	8.1	12.6
Adjustments for working capital changes	2.2	(0.6)
Cash from operations	10.3	12.0
Finance charges paid	(0.5)	(0.7)
Taxation paid	(0.2)	(0.5)
Net cash generated from operating activities	9.6	10.8
Investing Activities		
Net cash used in investing activities	(4.3)	(10.6)
Financing Activities		
Long term liabilities repaid	(2.0)	(1.1)
Dividend paid	(2.6)	-
Net cash generated (used) in financing activities	(4.6)	(1.1)
Net increase (decrease) in cash	0.7	(0.9)
Opening cash balance	14.7	12.3
FX on cash	(0.2)	-
Closing cash balance	15.2	11.4

Commenting on the results, Mark Parsons, CEO of Capital Drilling, said:

"After a significant and prolonged downturn in the mining sector over the past five years, Capital Drilling has demonstrated the resilience of its business model through delivering positive cash flow, achieving a net cash position and payment of a $2.6 million maiden dividend during the first half.

Despite revenue erosion in exploration activity in Capital Drilling's operations in Papua New Guinea and Zambia, we are encouraged by our recent success in tendering for new contracts under our new model with new country entries. This has demonstrated our ability to deploy existing assets into new countries bordering our existing markets, at a high level of operational efficiency.

The seamless relocation of our Singapore office to Mauritius is already delivering considerable savings and improved efficiencies, the benefits of which will flow through in the second half of the year. We continue to maintain a conservative approach to capital expenditure and a rigorous approach to cost management and savings through all levels of the Group."

Capital Drilling will host a conference call on Tuesday 25 August at 09.00 am (London, UK time) to update investors and analysts on its results. Participants may join the call by dialling one of the following numbers, approximately 10 minutes before the start of the call.

Dial in (UK): 08082370040
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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 Botswana, Chile, Egypt, Ghana, Mauritania, Peru, Tanzania and Zambia. The Group's corporate headquarters is in Mauritius and it has its administrative offices for South America in Santiago.

Chief Executive Officer Review

Trading conditions over the first half of 2015 continued to be challenging for Capital Drilling and the mining services sector generally. Commodity prices demonstrated further weakness over the period, with the prices of many key commodities falling to six year lows. The focus on cost reductions and restrained capital expenditure remained the key strategic drive across the mining industry and the associated services sectors, impacting demand and pricing for drilling services. As we enter the second half these headwinds remain, with further commodity weakness evident in July and August to date. Group drill rig utilisation continues to be impacted by these conditions, averaging 34% for the H1 period, the lowest in Capital Drilling's 10 year history.

Capital Drilling's exit from operations in Papua New Guinea and the Solomon Islands, along with the lack of activity in Zambia, contributed to a weaker revenue performance for the half year period. Group revenue for the H1 2015 period was $39 million representing a 13.5% reduction on H2 2014. As previously reported, Capital Drilling did record a small sequential increase in quarterly revenue with Q1 2015 of $19 million, up 2% on Q4 2015; and Q2 2015 revenue of $19.2 million, up 2% on Q1 2015.

Despite the weaker revenue performance over the H1 2015 period, the Group continues to benefit from its early and decisive actions on cost reductions, reflected in another period of outstanding cash generation. Operating cash flow margins improved to 26.5% for the period, representing an increase of 18% on H1 2014. This was further reflected in the Group's gross profit margin which remained steady at 34%, in line with the Group's 5 year average margin despite the substantial fall in revenue over the period. Cash generation from operations in H1 2015 was $10.3 million which was partly directed to further debt repayment of $2 million and the payment of the Group's maiden dividend of US1.9cps ($2.6 million), which was paid in May 2015.

Bottom line results for the period have been negatively impacted by the decision to provide for tax expenses in Mauritania and Zambia, following a review of disputes with the tax authorities in those jurisdictions. The provisions taken in the period total $2.5 million, specifically $1.3 million in Mauritania and $1.2 million in Zambia. The Mauritanian dispute reflects a contingent liability previously disclosed in the Group accounts, relating to the periods covering 2011 to 2013, for which resolution continues to be pursued by Capital Drilling. More recently the Group received an assessment from the Zambian Tax Authority relating to the 2007 to 2013 period with a number of debated charges across various allowable deductions. Both of the matters will continue to be pursued for resolution by Capital Drilling in the periods ahead. There remains the potential for further provisions as we advance discussions in Zambia and will keep shareholders informed of developments as and when they occur.

Despite the H1 2015 loss, cash flow remains strong. With subdued capital expenditure over H1 2015 of only $3.4 million, Capital Drilling ended the period with $2.2 million of net cash, compared with net debt of $0.4 million at 31 December 2014 (H1 2014: net debt $8.9 million). Cash reserves increased to $15.2 million at 30 June 2015, from $14.7 million at 31 December 2014. As we enter the second half the outlook is for continued low capital expenditure requirements. With further cash generation in the period ahead the Group is planning to make further debt repayments in 2015, in conjunction with today announcing an interim dividend of US1.1cps, payable in October 2015.

Operational Delivery

Capital Drilling conducted a review of the operating model in Q1 2015 to enable the Group to more competitively engage in the exploration and delineation markets where the industry is currently subject to overcapacity and pricing pressure. We are pleased to report that the new model has been implemented successfully over H1 2015 with a number of contracts secured and executed over the period, specifically:

» Cupric Canyon Capital (Botswana): 2 diamond rigs, resource delineation drilling.
» IMX Resources (Tanzania): 2 diamond rigs, resource delineation drilling.
» Acacia Mining (Tanzania): 1 Reverse Circulation rig, geo-technical drilling.
» BHP Billiton (Peru): 1 Multi-Purpose rig, exploration drilling.
» Liontown Resources (Tanzania): 1 Reverse Circulation rig, exploration drilling.

The core operations for Capital Drilling, specifically the long term contracts at Sukari (Centamin), Geita (AngloGold Ashanti) and Tasiast (Kinross) continued to perform well over the period. Management's focus on continuous operational improvements, which are tracked through detailed quarterly performance reviews with the respective client management teams, delivered solid results for the Group and continue to provide a stable base of operations into the future.

The Company continues to benefit from the significant investment in capital equipment over the preceding five years, operating a fleet of 97 rigs. Our current fleet of production rigs are fully utilized on multiyear contracts, however we have substantial exploration and development capital available for deployment when activity levels improve, providing further upside leverage to the external environment.

Health and Safety (HSE)

The Group's continued focus on best practice HSE again lead to a number of outstanding safety achievements, specifically:

» Geita Project in Tanzania: Achieved 8 years LTI free in April 2015
» Kinross Project in Mauritania: Achieved 4 years LTI free in March 2015

Capital Drilling remains committed to continuous improvement initiatives in HSE and operations. The combined impact of new management in HSE and Operations lead to enhanced visible leadership at all levels of the company. Further simplification of Group standards and ongoing training and verification, have contributed to positive trends in the lead indicators and improvements of the operations safety culture.

Dividend

The directors declare a dividend of US1.1 cents per share, payable on 9 October 2015 to shareholders on the register on 4 September 2015. The ex-dividend date is 3 September 2015.

Outlook

The cyclical and structural headwinds referenced in previous reports continue to impact the business, showing few indications of improving in the near term. We continue to operate at low levels of utilisation and remain actively engaged in the tendering market which offers limited opportunities in the current environment. We are, however, encouraged by the continued strong performance of our existing operations and the early success with the new model and approach to the opportunities within the exploration and delineation markets.

While substantial benefits have been derived from our focus on cost management we continue to look for further opportunities to improve cost efficiencies and productivity, while maintaining a strong balance sheet. The recent move over H1 2015 of the Group's head office from Singapore to Mauritius has already delivered further cost savings to the Group while bringing key management closer to the operations.

Capital Drilling remains well positioned for any upturn in the mining industry with a large proportion of current revenue underpinned by longer term production contracts, a strong focus on cost discipline and prudent balance sheet management.

Mark Parsons
Chief Executive Officer
25 August 2015

Cautionary note regarding 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.

Independent review report to the members of Capital Drilling Limited

We have been engaged by the Company to review the condensed consolidated set of interim financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the condensed consolidated statement of financial position as of 30 June 2015 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 16. 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 set of 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 Conduct Authority.

As disclosed in note 1, the annual consolidated financial statements of the Company 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 set of interim financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review 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 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.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of interim financial statements in the half-yearly financial report for the six months ended 30 June 2015 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 Conduct Authority.

Deloitte & Touche
Registered Auditors

Per: H. Loonat
Partner
Johannesburg, South Africa
24 August 2015

Deloitte & Touche
Registered Auditors
Buildings 1 and 2, Deloitte Place, The Woodlands
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CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2015

	Notes	Six months ended Reviewed 30 June 2015 $	Reviewed 30 June 2014 $
Revenue		38,952,636	53,796,697
Cost of sales		(25,523,338)	(35,245,436)
Gross profit		13,429,298	18,551,261
Administration costs		(5,550,683)	(6,030,146)
Depreciation		(7,302,353)	(8,473,176)
Profit from operations		576,262	4,047,939
Interest income		51,140	-
Share of losses from associate	7	(101,109)	-
Finance charges		(491,025)	(727,582)
Profit before taxation		35,268	3,320,357
Taxation	3	(3,231,984)	(1,545,186)
(Loss) profit for the period		(3,196,716)	1,775,171
Other comprehensive (loss) income:			
Other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(138,749)	3,785
Net fair value loss on available-for-sale financial assets, net of taxes of $0		(58,305)	-
Total comprehensive (loss) income for the period		(3,393,770)	1,778,956
(Loss) earnings per share:			
Basic (cents per share)	4	(2.4)	1.3
Diluted (cents per share)	4	(2.4)	1.3

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2015

	Notes	Reviewed 30 June 2015	Audited 31 December 2014
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	6	52,708,326	56,706,524
Investment in associate	7	506,079	-
Deferred taxation		-	160,361
Total non-current assets		53,214,405	56,866,885
Current assets			
Inventory		21,788,797	22,670,509
Trade and other receivables		11,032,091	10,761,649
Prepaid expenses and other assets		3,451,496	7,001,416
Taxation		1,309,162	1,397,631
Investments		421,237	189,440
Cash and cash equivalents		15,249,261	14,743,976
Total current assets		53,252,044	56,764,621
Total assets		106,466,449	113,631,506
EQUITY AND LIABILITIES			
Equity			
Share capital	8	13,460	13,459
Share premium	8	21,566,856	21,561,190
Equity-settled employee benefits reserve		235,704	205,146
Foreign currency translation reserve		-	138,749
Available for sale reserve		(58,305)	-
Retained earnings		63,335,113	69,089,299
Total equity		85,092,828	91,007,843
Non-current liabilities			
Long-term liabilities	9	13,000,000	15,000,000
Deferred taxation		692,184	22,277
Total non-current liabilities		13,692,184	15,022,277
Current liabilities			
Trade and other payables		6,230,600	7,313,435
Taxation		1,378,722	188,725
Current portion of long-term liabilities	9	72,115	99,226
Total current liabilities		7,681,437	7,601,386
Total equity and liabilities		106,466,449	113,631,506

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2015

				Reserves			
	Share capital	Share premium	Retained earnings	Equity-settled employee benefits reserve	Foreign currency translation reserve	Available for sale reserve	Total equity
	$	$	$	$	$	$	$
Balance at 31 December 2013 - Audited	13,459	21,561,190	69,644,816	205,146	47,391	-	91,472,002
Total comprehensive income for the period	-	-	1,775,171	-	3,785	-	1,778,956
Balance at 30 June 2014 - Reviewed	13,459	21,561,190	71,419,987	205,146	51,176	-	93,250,958
Balance at 31 December 2014 - Audited	13,459	21,561,190	69,089,299	205,146	138,749	-	91,007,843
Issue of shares	1	5,666	-	(5,667)	-	-	-
Recognition of share-based payments	-	-	-	36,225	-	-	36,225
Total comprehensive income for the period	-	-	(3,196,716)	-	(138,749)	(58,305)	(3,393,770)
Dividends paid	-	-	(2,557,470)	-	-	-	(2,557,470)
Balance at 30 June 2015 - Reviewed	13,460	21,566,856	63,335,113	235,704	-	(58,305)	85,092,828

CAPITAL DRILLING LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2015

	Notes	Six months ended Reviewed 30 June 2015	Reviewed 30 June 2014
		$	$
Operating activities:			
Cash from operations	10	10,333,878	12,066,377
Interest received		51,140	-
Finance charges paid		(518,136)	(694,585)
Taxation paid		(242,624)	(540,098)
Net cash generated from operating activities		9,624,258	10,831,694
Investing activities:			
Purchase of property, plant and equipment		(3,446,116)	(10,695,806)
Proceeds from disposal of property, plant and equipment		30,468	40,169
Investments		(290,102)	-
Investment in associate		(607,188)	-
Net cash used in investing activities		(4,312,938)	(10,655,637)
Financing activities:			
Long-term liabilities repaid	9	(2,000,000)	(1,164,341)
Dividend paid	5	(2,557,470)	-
Net cash used in financing activities		(4,557,470)	(1,164,341)
Net decrease in cash and cash equivalents		753,850	(988,284)
Cash and cash equivalents at the beginning of the period		14,743,976	12,328,148
Translation of foreign currency cash and cash equivalent adjustment		(248,565)	31,956
Cash and cash equivalents at the end of the period		15,249,261	11,371,820

1. Basis of presentation and accounting policies

Preparation of the condensed consolidated interim financial statements
The condensed consolidated financial statements of Capital Drilling Limited and Subsidiaries ("Capital Drilling" or the "Group") as at and for the six months ended 30 June 2015 (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 2014 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 have been reviewed in terms of ISRE 2410.

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 Group has adopted a number of new standards and interpretations effective on or before 1 January 2015, which were described in note 2 of the consolidated financial statements for the year ended 31 December 2014. The adoption of these standards and interpretations did not have a material impact on the financial statements.

The same accounting policies, presentation and methods of computation 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 2014.

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 on-going 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 equipment rental and information technology services to mining and mining related companies.

During the six months ended 30 June 2015, the Group provided drilling services in Botswana, Chile, Egypt, Mauritania, Peru and Tanzania.

The seasonality of the Group's operations has no significant impact on the condensed consolidated interim financial statements.

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.

Due to the tax charge calculations in certain countries in which the Group operates being based on revenues instead of profits, the consolidated taxation expense for the period is not directly linked to profits and losses.

Included in the tax expense for the period is additional tax provisions amounting to $1,700,209 relating to the Mauritania and Zambia tax contingencies described in note 13 that was recorded during the current period.

	Six months ended	
	Reviewed 30 June 2015	**Reviewed 30 June 2014**
	$	**$**
4. (Loss) earnings per share		
<u>Basic (loss) earnings per share:</u>		
The (loss) earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
(Loss) profit for the period used in the calculation of basic earnings per share	(3,196,716)	1,775,171
Weighted average number of ordinary shares for the purposes of basic earnings per share	134,602,839	134,592,800
Basic (loss) earnings per share (cents)	(2.4)	1.3
<u>Diluted (loss) earnings per share:</u>		
The (loss) earnings used in the calculation of all diluted earnings per share measures are the same as those used in the equivalent basic (loss) earnings per share measures, as outlined above.		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	134,602,839	134,592,800
Shares deemed to be issued for no consideration in respect of: - Employee share options #	17,051	-
Weighted average number of ordinary shares used in the calculation of diluted (loss) earnings per share	134,619,890	134,592,800
Diluted (loss) earnings per share (cents)	(2.4)	1.3

For the purposes of calculating (loss) earnings per share, diluted weighted average shares outstanding excludes 5.34 million (2014: 2.34 million) potential ordinary shares from share options and share grants, because such potential ordinary shares are anti-dilutive.

5. Dividends

During the six months ended 30 June 2015 a dividend of 1.9 cents per ordinary share, totalling $2,557,470 (six months ended 30 June 2014: $nil) was paid.

6. **Property, plant and equipment**

During the six months ended 30 June 2015, the Group acquired approximately $3.4 million (2014: $10.7 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 carrying amount of $142 thousand (2014: $89 thousand) during the period. A loss of $111 thousand (2014: $49 thousand) was incurred on the disposal of property, plant and equipment.

6. Property, plant and equipment (continued)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets may be impaired. Due to the poor performance of the Group's share price in 2014 and 2015, the net asset value of the Group exceeded its market capitalisation as at 30 June 2015 and 31 December 2014. The Group identified this circumstance as an indicator of impairment for the current and prior period. As a result property, plant and equipment was tested for impairment at the reporting date. As at 30 June 2015 and 31 December 2014 management concluded that the carrying amount of property, plant and equipment did not exceed the value in use and therefore, no impairment loss was recognised on that basis.

For purposes of determining the recoverable value of tangible assets, management estimates discount rates using pre-tax rates that reflect current market rates for investments of similar risk. The rate was estimated from the weighted average cost of capital of companies, which operate a portfolio of assets similar to those of the Group's assets.

In validating the value in use, key assumptions used in the discounted cash-flow model (such as allocating all assets to a single cash generating unit discount rates, average revenue rates, drilling volumes and terminal growth rate) management performed a sensitivity analysis to test the resilience of the assumptions used in determining the value in use for the impairment test. Management believe that reasonable movements in key assumptions would not result in an impairment loss to be recognised.

7. Investment in associate

During the six months ended 30 June 2015, the Group acquired a 20% interest in SAAC International PTE LTD, a company incorporated in Singapore and engaged in the procurement and supply of mining equipment and consumables. The consideration for the acquisition was $607,188, including transaction costs. During the six months ended 30 June 2015, the Group recognised $101,109 as its share of the losses of SAAC International PTE LTD.

	Six months ended	
	Reviewed 30 June 2015	**Reviewed 30 June 2014**
	$	**$**
8. Issued capital and share premium		
<u>Authorised capital</u>		
2,000,000,000 (2014: 2,000,000,000) ordinary shares of 0.01 cents (2014: 0.01 cents) each	200,000	200,000
<u>Issued and fully paid:</u>		
134,603,681 (31 December 2014: 134,592,800) ordinary shares of 0.01 cents (31 December 2014: 0.01 cents) each	13,460	13,459
<u>Share premium:</u>		
Balance at the beginning of the period	21,561,190	21,561,190
Share premium on issue of shares	5,666	-
Balance at the end of the period	21,566,856	21,561,190

On 15 January 2015, the Company issued 10,881 new common shares pursuant to the company's employee incentive scheme. The shares rank pari passu with the existing common shares.

9. Long term liabilities

In December 2014 the Group successfully negotiated the refinancing of the previous Standard Bank (Mauritius) Limited facilities. The new facility comprises (i) a $25 million revolving credit facility ("RCF") and (ii) a $5 million working capital facility ("WCF"). The finance documents for these new facilities were executed on 23 December 2014, with a set of conditions to be fulfilled before achieving an effective date of the loan. The effective date of the new facility was achieved on 3 February 2015 when all conditions were fulfilled. The facility was structured so that on achievement of the effective date the previous revolving facility were rolled over into the new RCF. The RCF facility has an annual interest rate of 5.25% above the prevailing three month US$ LIBOR (payable in arrears), and has an annual commitment fee of 1% of undrawn balance and is available for utilisation up to 2 February 2018 less an annual amortisation of $5 million.

Security for the Standard Bank (Mauritius) Limited facilities comprise:

- Upward corporate guarantees from Capital Drilling Egypt (Limited Liability Company), Capital Drilling (Tanzania) Limited and Capital Drilling Zambia Limited.
- A negative pledge over the assets of Capital Drilling Ltd and Capital Drilling Egypt (Limited Liability Company).

At 30 June 2015 $13 million was outstanding on the RCF, with a further $12 million available for utilisation. The WCF remain unutilised. During H1 2015 the Group repaid $2 million on the RCF.

As at the reporting date the Group has complied with all covenants that attaches to the loan facilities.

	Six months ended	
	Reviewed 30 June 2015	Reviewed 30 June 2014
	$	$
10. Cash from operations		
Profit before taxation	35,268	3,320,357
Adjusted for:		
- Depreciation	7,302,353	8,473,176
- Loss on disposal of property, plant and equipment	111,441	126,830
- Share based payment expense	36,225	-
- Exchange differences on translating foreign operations	(138,697)	2,770
- Interest received	(51,140)	-
- Finance charges	491,025	727,582
- Share of losses from associate	101,109	-
- Unrealised foreign exchange loss (gain) on foreign exchange held	248,565	(31,956)
Operating profit before working capital changes	8,136,149	12,618,759
Adjustments for working capital changes:		
- Decrease in inventory	881,712	512,306
- Increase in trade and other receivables	(270,442)	(3,573,508)
- Decrease in prepaid expenses and other assets	2,669,294	402,741
- (Decrease) increase in trade and other payables	(1,082,835)	2,106,079
	10,333,878	12,066,377

11. 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 executive officer, in order to allocate resources to the segments and to assess their performance. Information reported to the Group's chief executive officer for the purposes of resource allocation and assessment of segment performance is focused on the region 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 2014, management reviewed the composition of the Group's operating segments and the allocations of operations to the reportable segments.

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 2015	**Africa**	**Rest of World**	**Consolidated**
	$	**$**	**$**
External revenue	38,226,314	726,322	38,952,636
Segmental gross profit	14,426,056	(996,758)	13,429,298
Administration costs and depreciation, net of other income	(10,754,617)	(1,701,883)	(12,456,500)
Segment profit (loss)	3,671,439	(2,698,641)	972,798
Central administration costs and depreciation		-	(396,536)
Profit from operations			576,262
Interest income			51,140
Share of losses from associate			(101,109)
Finance charges			(491,025)
Profit before tax			35,268

For the six months ended 30 June 2014	**Africa**	**Rest of World**	**Consolidated**
	$	**$**	**$**
External revenue	47,525,850	6,270,847	53,796,697
Segmental gross profit	17,919,163	632,098	18,551,261
Administration costs and depreciation, net of other income	(11,303,502)	(2,885,907)	(14,189,409)
Segment profit (loss)	6,615,661	(2,253,809)	4,361,852
Central administration costs and depreciation			(313,913)
Profit from operations			4,047,939
Interest income			-
Share of losses from associate			-
Finance charges			(727,582)
Profit before tax			3,320,357

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 the allocation of central administration costs, depreciation, other income, finance charges, and income tax. This is the measure reported to the Group's chief executive officer for the purpose of resource allocation and assessment of segment performance.

	Reviewed 30 June 2015	Reviewed 30 June 2014
	$	$

11. Segmental analysis (continued)

Segment assets:		
Africa	147,658,012	205,147,835
Rest of world	78,276,508	83,722,566
Total segment assets	225,934,520	288,870,401
Head office companies	27,464,894	43,162,893
	253,399,414	332,033,294
Eliminations *	(146,932,965)	(206,003,988)
Total assets	106,466,449	126,029,306
Segment liabilities:		
Africa	52,519,206	59,360,805
Rest of world	36,556,661	52,078,384
Total segment assets	89,075,867	111,439,189
Head office companies	77,782,321	126,332,048
	166,858,188	237,771,237
Eliminations *	(145,484,567)	(204,992,889)
Total liabilities	21,373,621	32,778,348

For the purposes of monitoring segment performance and allocating resources between segments the Group's chief executive monitors the tangible, intangible 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.

Other segment information:

Depreciation		
Africa	6,151,593	7,228,287
Rest of world	901,456	1,090,092
Total segment depreciation	7,053,049	8,318,379
Head office companies	249,304	154,797
	7,302,353	8,473,176
Additions to property, plant and equipment		
Africa	3,252,243	10,259,421
Rest of world	15,470	408,138
Total segment depreciation	3,267,713	10,667,559
Head office companies	178,403	28,247
	3,446,116	10,695,806

Information about major customers

Included in revenues arising from the Africa segment are revenues of approximately $34.6 million (2014: $33.4 million) which arose from sales to customers that represent more than 10% of the Group's revenue.

	Reviewed 30 June 2015	Reviewed 30 June 2014
	$	$
12. Commitments		
The Group has the following capital commitments at 30 June 2015:		
Committed capital expenditure	541,415	1,561,613

The Group has outstanding purchase orders amounting to $1.6 million at 30 June 2015 (30 June 2014: $1.5 million).

13. Contingencies

Mauritania taxation:

Capital Drilling Mauritania SARL is a party to various tax claims by the Director General of Taxation (Direction Générale de Impôts) of Mauritania totalling $1,336,701 for the tax years 2011 to 2013. On 16 May 2012, the Company received a tax assessment from the Mauritanian Director General of Taxation relating to the 2011 tax year. The tax authorities made certain assumptions based on incorrect information obtained from third parties and assessed the company for taxation based on these assumptions resulting in an additional tax of $785,804 being assessed as due to the Director General of Taxation. Payment was made to the Mauritanian Director General of Taxation on behalf of Capital Drilling Mauritania SARL by a third party. Subsequent assessments totalling an additional $550,897 for the tax years 2012 and 2013 were issued by the Director General of Taxation under the same circumstances as described for the 2011 tax year again using incorrect information. The revised assessed amounts were again collected from third parties by the tax authorities. Capital Drilling Mauritania SARL appealed against the assessments and continues to do so. The erroneous recalculations by the tax authorities may result in the funds owed to Capital Drilling Mauritania not being recoverable from the Mauritanian Director General of Taxation. As a result, the Group has raised an appropriate provision against monies not considered recoverable from the Director General of Taxation.

Zambia Taxation:

Capital Drilling (Zambia) Limited is a party to various tax claims by the Zambian Revenue Authority for the tax years 2007 to 2013. On 30 April 2015, the Company received a tax assessment from the Zambian Revenue Authority totalling ZMW 144.1 million (USD equivalent: $18.9 million), inclusive of penalties and interest. The claims relate to various taxes, including income tax, value added tax, payroll tax and withholding tax. Management have responded in detail to these claims, providing the Zambian Revenue Authority with detailed analysis and arguments justifying the Company's tax position. No amount has yet been paid in this regard and discussions with the Zambian Revenue Authority are ongoing. The claims are subject to substantial uncertainties and, therefore, the probability of loss and an estimation of damages are difficult to ascertain. The directors believe that a significant portion of the tax claim by the Zambian Revenue Authority is without merit. On this basis, a provision of $1.2 million has been recorded relating to certain areas of the claim. Due to the substantial uncertainties relating to this matter, the actual results that will result from the ultimate resolution of these proceedings may vary from the amount provided.

14. Events post the reporting date

The directors propose that an interim dividend of 1.1 cent per share be paid to shareholders on 9 October 2015. This dividend has not been included as a liability in these consolidated interim financial statements. The proposed dividend is payable to all shareholders on the Register of Members on 4 September 2015. The total estimated interim dividend to be paid is $1.5 million (2014: $ Nil). The payment of this dividend will not have any tax consequences for the group.

15. Going concern

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 potential changes in its performance, show that the Group should be able to operate within the level of its capital structure. The Group continuously discusses its future borrowing and / or refinancing needs with its bankers 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.

16. Financial instruments

Financial instruments that are measured in the condensed consolidated statement of financial position at fair value require disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Available-for-sale financial assets are classified as level 1 and refer to listed securities quoted in active markets. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available. The total fair value is the official close price as defined by the exchange on which the asset is actively traded on the last trading day of the period, multiplied by the number of units held without consideration of transaction costs. The decrease in the available-for-sale financial assets is related to the share price evolution of the available-for-sale financial assets and the appreciation of the United States of America Dollar.

The fair values of financial instruments that are not traded in an active market are determined using standard valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on Group specific estimates.

16. Financial instruments (continued)

The directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements are approximately equal to their fair values. The fair values disclosed for the financial assets and financial liabilities are classified in level 3 of the financial instrument hierarchy and have been assessed to approximate their carrying amounts based on a discounted cash flow assessment.

CAPITAL DRILLING LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITY
For the six months ended 30 June 2015

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, which has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Boards gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by DTR4.2.4R;

b) the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR4.2.8; and

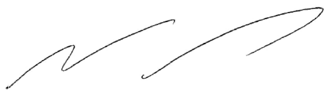
c) there has been no significant individual related party transactions during the first six months of the financial year and nor have there been any significant changes in the Group's related party relationships from those reported in the Group's annual financial statement for the year ended 31 December 2014.

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 25 August 2015.

ON BEHALF OF THE DIRECTORS

Jamie Boyton
Chairman



Mark Parsons
Chief Executive Officer

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.

Political, economic and legislative risk

The Group operates in a number of countries where the political, economic and legal systems are less predictable than in countries with more developed institutional structures. Significant changes in the political, economic or legal landscape in such countries may have a material effect on the Group's operations in those countries. Potential impacts include restrictions on the export of currency, expropriation of assets, imposition of royalties or other taxes targeted at mining companies, and requirements for local ownership. Political instability can also result in civil unrest and nullification of existing agreements, mining permits or leases. Any of these may adversely affect the Group's operations or results of those operations. The Group has invested in a number of countries thereby diversifying its exposure to any single jurisdiction.

Primary Risks (continued)

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 adversely impact the financial performance of the Group.