

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

H1 Trading Update

Capital Drilling Limited (CAPD:LN), a leading drilling solutions company focused on emerging and developing markets, today provides its trading update for the period 1 January to 30 June 2016. The Company will announce its half year results and provide further operational updates on 17th August 2016.

First Half (H1) 2016 Key Metrics

	H1 2016	H1 2015	H2 2015	% change from H1 2015	% change from H2 2015
Revenue (\$mn)	41.1	39.0	39.7	6%	4%
ARPOR (\$)	173,000	189,000	188,000	-8%	-7%
Average utilised rigs	38	33	34	15%	12%
Fleet Utilisation (%)	40	34	35	18%	14%
Average Fleet	94	97	97	-3%	-3%
Closing fleet size	94	97	94	-3%	0%

Second Quarter (Q2) 2016 Key Metrics

	Q2 2016	Q2 2015	Q1 2016	% change from Q2 2015	% change from Q1 2016
Revenue (\$mn)	22.0	19.2	19.1	15%	16%
ARPOR (\$)	166,000	186,000	181,000	-10%	-7%
Average utilised rigs	42	34	34	21%	21%
Fleet Utilisation (%)	44	35	36	26%	22%
Average Fleet	94	97	94	-3%	0%
Closing fleet size	94	97	94	-3%	0%

Operational Highlights

- Capital is pleased to announce the award for a four rig deep hole exploration directional drilling contract by RAKITA Exploration d.o.o. Bor, a subsidiary of Nevsun Resources LTD (TSX: NSU). Mobilisation has already commenced with two newly purchased deep hole rigs and two from within the existing fleet. Drilling is expected to commence on or before July 30th 2016 and be completed by December 2017;
- Trading conditions continue to show positive signs of improvement, resulting in increased opportunities through new tenders;
- Strengthening gold price and increasing interest in the resources sector by capital markets;
- Increasing exploration activity for new contracts generated additional revenue in Q2;
- New Acacia North Mara Blast Hole and Grade Control contract is performing well and has diversified Capital Drilling's portfolio of long-term core production contracts;
- Long-term core production contracts in Egypt and Tanzania continue to underpin performance; and
- Ongoing success with the Lean Operating Model is improving exploration fleet utilisation.

Financial Highlights

- 2016 revenue guidance uplift to USD 87.7 million resulting from award of the RAKITA award;
- Payment of final dividend (US2.5cps) for 2015 financial year on 6 May 2016;
- Revenue – this uplift in revenue was largely due to increased activity at Sukari open pit and projects associated with the Lean Operating Model;
- Continued positive cash flow from operations; and
- Robust balance sheet with net cash.

Commenting on the trading update, Mark Parsons, Chief Executive Officer, said:

“The increasing interest, particularly over the last few months, from the mining industry to invest in assets combined with the firming of selected metal pricing has injected some momentum in tendering for new contracts as well higher demand from existing clients for Capital’s drilling solution services.

These market conditions, which have been particularly strong in the gold industry, Capital’s largest market segment, together with the continued success in our Lean Operating Model, are increasing the utilization of our exploration rigs in line with our growth strategy.

For the balance of FY16 we will continue to focus on: further geographic and underground expansion in emerging markets; building on our operational capability to ensure we are appropriately resourced to manage increasing activity levels; and diligently managing our costs.

We have a highly competitive operational model, diversified long-term contracts and a strong balance sheet – Capital remains confident that it can continue to leverage its position in what appears to be a sustainable upswing in our core markets.”

For further information, please visit Capital Drilling’s website www.capdrill.com or contact:

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About Capital Drilling

Capital Drilling provides specialised drilling services to mineral exploration and mining companies in emerging and developing markets, for exploration, development and production stage projects. The Company currently owns and operates a fleet of 94 drilling rigs with established operations in Botswana, Chile, Egypt, Ethiopia, Mali, Mauritania, Serbia and Tanzania. The Group's corporate headquarters is in Mauritius.