



Capital Drilling Limited  
("Capital Drilling", 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 2017. The Company will announce its half year results and provide further operational updates on 17 August 2017.

**FIRST HALF (H1) 2017 KEY METRICS**

	H1 2017	H1 2016	H2 2016	% change from H1 2016	% change from H2 2016
Revenue (\$million)	62.3	41.7	51.6	49%	21%
ARPOR (\$)	191,000	175,000	177,000	9%	8%
Average utilised rigs	52	38	46	37%	13%
Fleet Utilisation (%)	56	40	48	40%	17%
Average Fleet	93	94	95	-1%	-2%
Closing fleet size	93	94	92	-1%	1%

**SECOND QUARTER (Q2) 2017 KEY METRICS**

	Q2 2017	Q2 2016	Q1 2017	% change from Q2 2016	% change from Q1 2017
Revenue (\$million)	30.7	22.6	31.6	26%	-3%
ARPOR (\$)	186,000	171,000	196,000	8%	-5%
Average utilised rigs	53	42	51	22%	4%
Fleet Utilisation (%)	57	44	55	24%	4%
Average Fleet	94	94	93	0%	1%
Closing fleet size	93	94	93	-1%	0%

**Financial Highlights**

- Revenue H1 2017 of \$62.3 million, representing 49% growth on H1 2016 (\$41.7 million) and 21% on H2 2016 (\$51.6 million).
- Strongest H1 revenue result since 2013.
- Revenue Q2 (\$30.7 million) continued the strong performance of Q1 2017 (\$31.6 million).
- Improved fleet utilisation with Q2 utilisation of 57% and H1 utilisation of 56%.
- ARPOR H1 2017 (\$191,000) up 9% on H1 2016 (\$175,000). Q2 ARPOR of \$186,000.
- Paid a final dividend of US1.0cps for 2016 financial year paid in May 2017.
- Maintained strong balance sheet, with closing H1 2017 net cash position of \$3.4 million (31 December 2016: \$0.6 million).

## Operational Highlights

- Continued strong performance across the Group's key production contracts at Sukari (Egypt), Geita (Tanzania) & North Mara (Tanzania).
- Expanded operations at the Geita Gold Mine in Tanzania (AngloGold Ashanti) with an additional underground rig, which commenced drilling in February.
- Further expansion at the Geita Gold Mine in Tanzania (AngloGold Ashanti) with an additional blast hole rig, now scheduled for arrival in early Q3.
- Commenced grade control drilling contract at the Tasiast Gold Mine in Mauritania (Kinross) in April, with an existing rig in country. A second grade control rig from the Company's existing fleet is currently being mobilised, with drilling set to commence in Q3.
- New contract awards (not previously announced):
  - Aura Energy (Mauritania): 1 diamond rig, commencing drilling early Q2.
  - Orecorp (Mauritania): 1 diamond rig, commencing drilling late Q3.
  - Resolute (Mali): Awarded an underground drilling contract at the Syama Gold Mine. Purchased 2 new underground rigs which are due for delivery in Q3 and Q4 respectively.
- Further safety milestone, specifically:
  - Mauritania (Algold Exploration) achieved 1 year LTI free in April 2017.
- Continued strength in key commodity prices and capital markets activities.
- Trading conditions continue to reflect positive market trends. Tendering activity has slowed marginally in Q2 however new contracts are scheduled to commence in H2 2017, supporting activity levels for the Group.

## Commenting on the trading update, Jamie Boyton, Executive Chairman, said:

*"We are pleased to report another solid quarter with Group Q2 revenue of \$30.7 million. Revenue for the first half of \$62.3 million represented a substantial 49% increase on H1 2016 with trading conditions generally continuing to be supportive into H2.*

*While levels of tendering activity marginally declined in Q2, market conditions remain supportive, with continued supportive commodity prices and capital markets activities, particularly in gold and speciality metals.*

*Capital Drilling was awarded two new long term contracts in Q2, specifically grade control drilling at the Tasiast Gold Mine in Mauritania (Kinross) and underground drilling at the Syama Mine in Mali (Resolute). These contracts expand upon our already established presence at these mines and add to the Company's portfolio of long term, mine site based drilling contracts.*

*It is pleasing that we have increased the Company's cash position over the half year while maintaining returns to shareholders through dividends and investing in new contracts through capital expenditure.*

*Recent legislative developments in Tanzania have however added an element of uncertainty as we enter the second half of the year. The changes were unexpected and the practical interpretation is at this stage unknown. We will continue to monitor developments closely and will update the market accordingly.*

*For the balance of FY17 we will continue to focus on improved operational performance at existing contracts, the mobilisation and commencement of operations at Tasiast and Syama, along with diligent cost management and prudent discipline around Group capital expenditure.*

*With our competitive operational model, diversified long-term contracts and a strong balance sheet, Capital Drilling remains confident that it can continue to leverage its position in our core markets."*



For further information, please visit Capital Drilling's website [www.capdrill.com](http://www.capdrill.com) or contact:

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**About Capital Drilling**

Capital Drilling provides specialised drilling services to mineral exploration and mining companies in emerging and developing markets, for exploration, development and production stage projects. The Company currently owns and operates a fleet of 93 drilling rigs with established operations in Botswana, Chile, Egypt, Ethiopia, Kenya, Mali, Mauritania, Serbia and Tanzania. The Group's corporate headquarters is in Mauritius.