



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

**Q1 Trading Update**

Capital Drilling Limited (CAPD: LN), a leading drilling solutions company focused on the African markets, today provides its Q1 2019 trading update for the period ended 31 March 2019 (the "Period").

**FIRST QUARTER (Q1) 2019 KEY METRICS**

	Q1 2019	Q1 2018	Q4 2018	% change from Q1 2018	% change from Q4 2018
Revenue (US\$m)	27.0	26.6	30.5	1.5%	-11.5%
ARPOR*(US\$)	183,000	205,000	181,000	-10.7%	1.1%
Average utilised rigs	47	41	54	14.6%	-13.0%
Fleet Utilisation (%)	52	44	59	18.2%	-11.9%
Average Fleet	91	93	91	-2.2%	0.0%
Closing fleet size	91	93	91	-2.2%	0.0%

\* Average monthly revenue per operating rig

**Financial Highlights**

- Revenue US\$27.0 million, a 1.5% increase on Q1 2018 (US\$26.6 million) and in line with guidance
- Average monthly revenue per operating rig ("ARPOR") increased 1.1% (US\$183,000) on Q4 2018 (US\$181,000) and decreased 10.7% on Q1 2018 (US\$205,000)
- Declared a final dividend of US1.5 cps for 2018 financial year, up 25% on financial year 2017 (US1.2 cps), payable on May 3, 2019
- Maintained strong balance sheet, with period end net cash position of US\$10.8 million (March 2018: US\$3.1 million)
- Company continues to be well positioned for anticipated uplift in demand, especially in West Africa

**Operational Highlights**

- 2019 ARPOR increasing as contracts recommence in 2019, with March 2019 ARPOR of US\$197,000
- Continued solid contract performance across key contracts, as acknowledged by the increase in profitability over the period
- Increase in fleet utilisation to 52% (Q1 2018: 44%) reflecting the Group's ongoing success in securing contracts with new and existing clients
- Further growth in West Africa, through the award of our first contract in Burkina Faso, a 20,000-metre exploration drilling programme with Golden Rim Resources commencing in April 2019
- Appointment of Jodie North as Chief Operating Officer
- Continued outstanding safety performance, maintaining zero LTI's company-wide in Q1 2019
- Achieved a number of world class safety records including:
  - North Mara Gold Mine (Tanzania) achieved three years LTI free in March
  - Sukari Gold Mine (Egypt) achieved two years LTI free in January
  - Geita Gold Mine (Tanzania) achieved two years LTI free in March

## Trading Update and Outlook

Capital Drilling generated revenue of US\$27.0 million during Q1 2019, representing an increase of 1.5% on the comparative period (Q1 2018: US\$26.6 million). Revenue decreased by 11.5% on Q4 2018 (US\$30.5 million) due to first quarter seasonal impacts. ARPOR increased 1.1% (US\$183,000) over Q4 2018 (US\$181,000). The revenue results are in line with Company guidance of US\$110 to US\$120 million.

The Company's long-term mining and production contracts continued to perform well over the period, with improved contract performance contributing to an increase in profitability over the previous corresponding period. We continue to see robust tendering activity in West Africa and remain confident of further contract wins in the region in the coming months. At this early stage of the year we have already seen some encouraging signs in the market, with robust metals prices, particularly gold, and improving capital markets. There remains a fundamental requirement from the mining industry to replace resources and reserves depleted during the downturn, when exploration drilling was significantly reduced due to budgetary constraints.

As previously announced, the Board of Directors declared a final dividend for the 2018 period of US1.5cps (US\$2.04 million), payable on 3 May 2019.

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

*“Capital Drilling’s trading performance in Q1 2019 was in line with expectations, with a continued strong performance from our key long-term contracts and a new exploration contract award in Burkina Faso. We continued our strong safety performance across our portfolio and are pleased to have achieved a number of world class safety records including a further quarter of zero LTI’s. Consistent with our continuous improvement drive, we also announced during the quarter the appointment of a Chief Operating Officer, in addition to increasing our depth in the Business Development team. Our established operations have continued to perform strongly, enabling the Group to declare an increased final dividend during the current period, whilst further strengthening a robust balance sheet. The market for our services in Africa is reflected in the increase in the number of quality tenders which, along with our strong financial position, our increased regional presence and a modern and young fleet, places Capital Drilling on a platform for further growth.”*

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

<b>Capital Drilling Limited</b>	+230 464 3250
Jamie Boyton, Executive Chairman	<a href="mailto:investor@capdrill.com">investor@capdrill.com</a>
André Koekemoer, Chief Financial Officer	
<b>Peel Hunt LLP</b>	+44 20 7418 8900
Ross Allister	
James Bavister	
<b>Tamesis Partners LLP</b>	+44 20 3882 2868
Charlie Bendon	
Richard Greenfield	
<b>Buchanan</b>	+44 20 7466 5000
Bobby Morse	<a href="mailto:capitaldrilling@buchanan.uk.com">capitaldrilling@buchanan.uk.com</a>
James Husband	



### **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 91 drilling rigs with established operations in Botswana, Côte d'Ivoire, Egypt, Kenya, Mali, Mauritania and Tanzania. The Group's corporate headquarters are in Mauritius.