



FOR IMMEDIATE RELEASE

GEODRILL REPORTS STRONG 2011 SECOND QUARTER AND SIX-MONTH RESULTS

TORONTO, ON August, 08, 2011 - Geodrill Limited (“Geodrill” or “the Company”) (TSX: GEO), a leading West African based drilling company, reported its financial results for the three-month and six-month period ended June 30, 2011. All figures are reported in US dollars (US\$), unless otherwise indicated. Geodrill’s financial statements are prepared in accordance with IFRS.

Financial Highlights

US\$ 000 (except earnings per share)	For the six months ended June 30, 2011	For the six months ended June 30, 2010	For the three months ended June 30, 2011	For the three months ended June 30, 2010
	Q2-11	Q2-10	Q2-11	Q2-10
Revenue	29,032	22,389	16,556	11,854
Gross profit	17,576	9,985	8,738	5,253
As percentage of revenue	61%	45%	53%	44%
Comprehensive income	8,104	4,667	3,238	3,249
Earnings per share – basic	0.19	0.16	0.08	0.11
EBITDA ⁽¹⁾ (before dissolution of Cote d'Ivoire)	9,169	7,830	5,290	4,694
EBITDA margin (before dissolution of Cote d'Ivoire)	32%	35%	32%	40%

(1) Please see “Non-IFRS Measures” below for additional discussion.

Second Quarter 2011 Operational Highlights:

- Revenue up 40% to \$16.6 million;
- Secured new drill contracts with Pelangio Exploration Inc., Abzu Gold Ltd, and PMI Gold Corporation;
- Increased the number of drill rigs in operation to 22 with an additional 7 rigs in transition or under manufacturing;
- Purchase orders for additional drill rigs for a total of 27 rigs in operation and a total of 38 rigs on order or under manufacturing by the end of 2012;

- Strengthened management team with the addition of Allan McConnon, Training and Operations Manager and Jocelyn Gingras, Country Manager for Burkino Faso; and
- Completed 242,627 meters of drilling, a 92% increase for the quarter as compared to Q2 2010. For the 6 month period ended June 30, 2011 the Company completed 429,567 meters which is a 79% increase over the same period of the previous year.

“During the second quarter of this year, we continued to benefit from a robust exploration market in West Africa demonstrated by an increase in new drilling contracts and a fully utilized rig fleet. Our customer base remains a diverse mix of major, intermediate and junior mining clients that minimizes our exposure to the cyclical nature of the commodity industry and allows us to leverage higher margin exploratory work while maintaining stable operations,” said Dave Harper, President and CEO of Geodrill Limited. “Geodrill has a reputation of being results driven, achieving greater depths in a cost effective, safe, and environmentally conscious manner. As a company, we have also been successful in establishing an efficient cost structure enabling us to navigate the complex operations landscape and in varying market conditions in which we operate. These fundamentals along with an aggressive strategy to grow our rig fleet positions us to deliver consistently strong results, industry leading performance, and ultimately shareholder value.”

Financial Review for Three Months Ended June 30, 2011

Revenue

Q2-2011 revenue increased 40% to \$16.6M compared to \$11.85 for Q2-2010. Revenue growth was achieved with a growing rig fleet which increased from 14 in Q2-2010 to 22 rigs in operation in Q2-2011.

Gross Profit

Gross profit for Q2-2011 increased to \$8.74M, or 53% of revenue compared to \$5.25M or 66% for Q2-2010. The increase in the margin was primarily due to operational efficiencies.

Selling, General and Administrative (“SG&A”) Expenses

SG&A expenses were \$4.81M in Q2-2011 compared to \$1.26M for Q2-2010. The increase in SG&A was primarily due to the addition of key management staff and increased costs to support the strong growth in activity levels.

Depreciation and Amortization

Depreciation and amortization of property, plant and equipment increased to \$1.35M for Q2-2011 compared to \$0.67M during for Q2-2010 as a result of additional drill rigs and property, plant and equipment purchases.

EBITDA

EBITDA was \$5.3M or 32% of revenue in Q2-2011, compared to \$4.7M or 40% of revenue in Q2-2010.

Comprehensive Income

Net earnings were \$3.2M or \$0.08 per share in Q2-2011, compared to \$3.2M or \$0.11 per share for Q2-2010.

Financial Review for six-months ended June 30, 2011

Revenue

Revenue for the six months ended June 30, 2011 increased 30% to \$29.03M compared to \$22.39 for the corresponding period in 2010. Revenue growth was driven by new drilling contracts and the deployment of additional rigs.

Gross Profit

Gross profit for the six months ended June 30, 2011 increased to \$17.58M, or 76% increase compared to \$9.99M for the corresponding period in 2010.

Selling, General and Administrative (“SG&A”) Expenses

SG&A expenses were \$8.75M for the six months ended June 30, 2011 compared to \$3.74M for corresponding six months in 2010. The increase in SG&A was primarily due to the addition of key management staff and increased costs to support the strong growth in activity levels.

Depreciation and Amortization

Depreciation and amortization of property, plant and equipment increase to \$2.37M for six months ended compared to \$1.56M during the corresponding six months in 2010 as a result of additional drill rigs and property, plant and equipment purchases.

EBITDA

EBITDA was \$9.17 million or 39% of revenue for the six months ended June 30, 2011, compared to \$7.83 million or 35% of revenue. The EBITDA margin reflects the reduction in cost of sales associated with the reversal of US\$2M of VAT and salary taxes no longer considered to be an obligation of the Company. Without this impact EBITDA margin would have been 32% for the six months ended June 30, 2011.

Comprehensive income

Net earnings was \$8.10M or \$0.19 per share for the six months ended, compared to \$4.67M or \$0.16 per share for the corresponding period of 2010.

The Company currently has 42,476,000 ordinary shares issued and outstanding.

Outlook

The Company views the industry dynamics underlying demand for its services to be favourable and, accordingly, has added significantly to its capacity through the acquisition of additional drill rigs. All of the Company’s drill rigs, are at June 30, 2011, currently committed to contracts. With

22 of the Company's drill rigs commissioned and being utilized on client sites, 1 drill rig in workshop undergoing modifications, 1 drill rig in transit and 5 drill rigs on order and with the supplier under manufacturing, which is expected to arrive in Ghana and be operational, 3 by the 4th quarter of 2011 and 2 by 2012, the Company will be able to leverage increased capacity.

Last year, the Company ordered six additional drill rigs which are expected to arrive in Ghana and be operational in the field as follows; three drill rigs by the end of 4th quarter of 2011 and three drill rigs in 2012.

The Company's drill rig fleet and the drill rig deployed or planned to be operational in the field is noted below:

	As at 31.03.2011		As at 30.06.2011		Planned as at 30.09.2011		Planned as at 31.12.2011	
	No. of Rigs	Type	No. of Rigs	Type	No. of Rigs	Type	No. of Rigs	Type
Operational	12	Multi- Purpose	12	Multi- Purpose	13	Multi- Purpose	15	Multi- Purpose
	7	Core Only	7	Core Only	8	Core Only	8	Core
	2	Air core	3	Air core	3	Air core	4	Air core
Total Operational	21		22		24		27	
In transit	1	Air core	1	Multi- Purpose	1	Multi- Purpose	2	Multi- Purpose
					1	Air core		
W/Shop	1	Core only	1	Core Only	1	Multi- Purpose	5	Multi- Purpose
Under Manufacturing	1	Multi- Purpose	4	Multi- Purpose	7	Multi- Purpose	4	Multi- Purpose
			1	Air Core				
Total Drill Rigs	24		29		34		38	

Geodrill's interim financial statements and management's discussion & analysis ("MD&A"), for the three-month period ended June 30, 2011 are available via Geodrill's website at www.geodrill-gh.com and will be available on SEDAR at www.sedar.com.

Non-IFRS Measures

EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortisation and is used as a measure of financial performance. The Company believes EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate companies in the Company's industry. However, EBITDA is not a measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. EBITDA should not be viewed in isolation and does not purport to be an alternative to net income or gross profit as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. EBITDA does not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and EBITDA should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Additionally, EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as capital expenditures, contractual commitments, interest payments, tax payments and debt service requirements. Please see the Company's MD&A for the three-month period ended June 30th, 2011 for the EBITDA reconciliation.

About Geodrill Limited

Geodrill Limited is a leading West African based drilling company currently operating in Ghana and Burkina Faso. Geodrill provides exploration and development drilling services to major, intermediate and junior mining companies with exploration and development operations in West Africa. The Company specializes in providing reverse circulation, diamond core and air-core drilling services using a modern fleet of drill rigs. The Company plans to grow organically and build its current client base while continuing to assess expansion opportunities throughout West Africa and other jurisdictions of Africa, to meet demand for its services and expertise.

Forward Looking Information

This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries, future growth, results of operations, performance, business prospects and opportunities. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations (including negative variations) of such words and phrases, or by the use of words or phrases that state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained in this press release including, without limitation those described in the Management's Discussion & Analysis for the quarter ended June 30, 2011 and the Company's Annual Information Form dated March 30, 2011 under the heading "Risk Factors". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that may cause actions, events or results to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize or should assumptions underlying such forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this press release. The forward-looking information and forward-looking statements contained herein are made as of the date of this press release and the company disclaims any obligation to update or review such information or

statements, whether as a result of new information, future events or results of otherwise, except as required by law.

For further information:

Joanna Longo

(416) 238-1414 ext 233

jlongo@terrepartners.com