



FOR IMMEDIATE RELEASE

GEODRILL REPORTS STRONG FIRST QUARTER 2011 RESULTS

TORONTO, ON – May 9, 2011 - Geodrill Limited (“Geodrill” or “the Company”) (TSX: GEO), a leading West African based drilling company, reported its financial results for the three-month period ended March 31, 2011. All figures are reported in US dollars (US\$), unless otherwise indicated. Geodrill’s financial statements are prepared in accordance with IFRS.

Financial Highlights

\$ millions (except earnings per share)	For the three months ended	For the three months ended
	March 31, 2011	March 31, 2010
	Q1-11	Q1-10
Revenue	\$12.5	\$10.5
Gross profit	\$8.8	\$4.7
As percentage of revenue	71%	45%
Comprehensive income	\$4.9	\$1.4
Earnings per share – basic	\$0.11	\$0.05
Cash flow (outflow) from operating activities	(\$4.2)	\$2.0
EBITDA ⁽¹⁾	\$5.9	\$3.1
EBITDA margin (adjusted) ⁽²⁾	31%	30%

Notes:

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

(2) EBITDA margin was 47% of revenue in Q1-2011. The margin reflects the reduction in cost of sales associated with the reversal of \$2M of VAT and salary taxes no longer considered to be an obligation of the Company. Without this impact, the adjusted EBITDA margin would have been 31% for Q1-2011.

First Quarter 2011 Operational Highlights:

- Revenue up 18% to \$12.5 million;
- Increased the number of drill rigs in operation from 18 to 21 during the quarter;
- Purchase orders for additional drill rigs for a total of 38 rigs in operation by the end of 2012; and
- Completed 186,940 meters of drilling.

“During the first quarter of this year, we continued our solid financial performance demonstrated by the adjusted EBITDA margin of 31% which is attributable to our proven business strategy,” said David Harper, President and CEO of Geodrill Limited. “We have maintained our aggressive

growth momentum and expanded our existing fleet, adding 3 new drill rigs in the quarter and further increased our market share in Ghana and Burkina Faso.”

Financial Review

Revenue

Q1-2011 revenue increased 18% to \$12.5M compared to Q1-2010, and increased by 8% compared to the 4th quarter of 2010. Revenue growth was driven by the addition of 3 new rigs to the rig fleet which increased from 18 in operation in December 2010, to 21 in operation in Q1-2011.

Gross Profit

Gross profit for Q1-2011 increased 87% to \$8.8M, or 71% of revenue compared to \$4.7M or 45% for Q1-2010. The increase in the margin was primarily due to operational efficiencies. The margin also reflects the dissolution of the operations in Cote d'Ivoire which resulted in a \$2M reduction in Cost of sales reflecting the reversal of \$2M of VAT and salary taxes no longer considered an obligation of the Company.

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

SG&A expenses were \$3.9M in Q1-2011 compared to \$2.5M for Q1-2010. 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 slightly to \$1M for Q1-2011 compared to \$0.9M during for Q1-2010 as a result of additional drill rigs and property, plant and equipment purchases.

EBITDA

EBITDA was \$5.9 million or 47% of revenue in Q1-2011, compared to \$3.1 million or 30% of revenue in Q1-2010. The increase reflects the reduction in cost of sales associated with the reversal of \$2M of VAT and salary taxes no longer considered to be an obligation of the Company. Without this impact, the adjusted EBITDA margin would have been 31% for Q1-2011.

Comprehensive Income

Net earnings were \$4.9M or \$0.11 per share in Q1-2011, compared to \$1.4M or \$0.05 per share for Q1-2010.

Cash from Operations

During the Q1-2011 the Company incurred a negative operating cash flow of \$4.2M, compared to a positive operating cash flow of \$2.0M in Q1-2010. The cash outflow in Q1-2011 from operating activities was mainly driven by the general increase in inventory for new drill rigs, payments to creditors and prepayments made for additional drilling rigs placed upon order for delivery in 2011 and 2012.

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

Outlook

The Company's business strategy is focused on continued growth through the development and optimization of its service offering across geographical regions and industry segments, as well through the expansion of its customer base. To support this growth Geodrill has added significant capacity through the acquisition of additional drill rigs. All of the Company's drill rigs, are at March 31, 2011, currently committed to contracts. With 21 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 1 drill rig on order and with the supplier under manufacturing, which is expected to arrive in Ghana and be operational by Q2-2011, 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; two drill rigs by the end of Q3-2011 and four drill rigs in 2012. In this quarter, the Company has ordered an additional eight drilling rigs and expects two to arrive and be operational in the Q4-2011 and the six other drill rigs in 2012. The Company expects a total of 38 drill rigs in operation by the second quarter of 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		Planned 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	13	Multi- Purpose	15	Multi- Purpose	17	Multi- Purpose
	7	Core Only	8	Core Only	8	Core Only	8	Core
	2	Air core	3	Air core	3	Air core	3	Air core
Total Operational	21		24		26		28	
In transit	1	Air core			2	Multi- Purpose	3	Multi- Purpose
							1	Air Core
W/Shop	1	Core only						
Under Manufacturing	1	Multi- Purpose	4	Multi- Purpose	4	Multi- Purpose	6	Multi- Purpose
Total Drill Rigs	24		28		32		38	

Geodrill's interim financial statements and management's discussion & analysis ("MD&A"), for the three-month period ended March 31, 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 March 31, 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 year ended December 31, 2010 and the prospectus 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