



FOR IMMEDIATE RELEASE

GEODRILL REPORTS 2012 FOURTH QUARTER AND YEAR-END RESULTS

TORONTO, ON March 4, 2013 - Geodrill Limited (“Geodrill” or the “Company”) (TSX: GEO), a leading West African based drilling company, reported its financial results for the three-month and twelve-month periods ended December 31, 2012. All figures are reported in U.S. dollars (\$), unless otherwise indicated. Geodrill’s financial statements are prepared in accordance with IFRS.

US\$ 000’s (except earnings per share)	For the twelve months ended December 31, 2012	For the twelve months ended December 31, 2011	For the three months ended December 31, 2012	For the three months ended December 31, 2011
Revenue	65,586	70,149	12,921	20,863
Gross profit	25,852	38,056	5,808	10,743
Gross profit margin	39%	54%	45%	51%
Earnings per share – basic	0.08	0.29	0.02	0.03
EBITDA ⁽¹⁾⁽²⁾⁽³⁾	13,549	24,728	3,275	7,927
EBITDA margin	21%	35%	25%	38%
Meters drilled	819,486	922,471	129,487	255,679

Notes:

- (1) EBITDA = earnings before interest, taxes, depreciation, and amortization
- (2) Please see “*Non-IFRS Measures*” below for additional discussion
- (3) In 2011, the foreign exchange loss was included in the EBITDA calculation which was previously disclosed at \$25.18 million for the twelve months ended December 31, 2011 and \$7.86 million for the three months ended December 31, 2011.

“Our fourth quarter of 2012 showed signs of improvement from the previous quarter that was impacted by a challenging drilling environment that prevailed in the second half of 2012. While industry conditions are slowly improving in 2013, we continue to actively bid on new contracts and have been successful in securing new jobs and increasing our footprint in West Africa,” said Dave Harper, President and CEO of Geodrill Limited. “Geodrill’s strategy of assembling a modern fleet of rigs and a reputation of high performance has positioned us well

to take advantage of the changing drilling environment and we will continue to work with our customers to provide high quality drilling services.”

Fourth Quarter and Year-End 2012 Operational Highlights:

- Strengthened financial performance in Q4-2012 compared to Q3-2012, increased revenue by approximately 28% and returned to positive margins;
- Diversified the Company’s commodity mix by entering into new contracts to drill for uranium, iron ore, and manganese;
- Expanded geographical footprint in West Africa as the Company secured new contracts in Niger, re-entered Cote d’Ivoire in Q4-2012, and will operate in Guinea in early 2013;
- Increased the number of drill rigs from 26 in Q4-2011 to 37 in Q4-2012;
- Secured of a \$10 million Term Facility to assist with managing working capital and the financing of capital expenditures; and
- Repayment of the Silverwood Ventures Limited loan in the amount of £2 million.

Financial Review

FISCAL 2012 COMPARED TO FISCAL 2011

Revenue

Revenue decreased 7% to \$65.59M in 2012, compared to \$70.15M in 2011. The Company’s revenues were affected by the industry wide slowdown in drilling activities in 2012. In general, there continues to be pressure on early stage exploration companies as financing from the capital markets continues to be challenging and there is also pressure on producing companies as they continue to need to manage their exploration costs in light of increasing costs on the production side of their business. Specifically in 2012, the Company’s revenue decreased as certain customers’ jobs came to an end and certain continuing customers significantly reduced the number of drill rigs operating on their sites.

Gross Profit

The gross profit for 2012 was \$25.85M, being 39% of revenue compared to gross profit of \$38.06M, being 54% of revenue in 2011. The gross profit decrease reflects the decrease in revenue and the increase in cost of sales of \$7.64M.

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

SG&A expenses were \$19.81M for 2012, compared to \$19.54M for 2011. The total SG&A expensed for 2012 as compared to 2011 has remained relatively consistent. Share based payment expense decreased in 2012 compared to 2011 by \$0.48M associated with issuing options, whereas the Company recorded a provision for doubtful accounts in 2012 which had the impact of increasing SG&A by approximately \$0.29M

Depreciation and Amortization

Depreciation and amortization of property, plant and equipment was \$7.98M (\$6.58M in cost of sales and \$1.4M in SG&A) for 2012 compared to \$6.64M (\$5.31M in cost of sales and \$1.33M in SG&A) for 2011.

EBITDA

EBITDA in 2012 was \$13.55M, being 21% of revenue compared to \$24.73M, being 35% of revenue in 2011. The EBITDA decreased by \$11.18M in 2012 compared to 2011.

Net Earnings

Net earnings were \$3.21M, being 5% of revenue for 2012, or \$0.08 per Ordinary Share (\$0.08 per Ordinary Share fully diluted), compared to \$12.41M, being 18% of revenue for 2011, or \$0.29 per Ordinary Share (\$0.28 per Ordinary Share fully diluted).

Operating Activities

In 2012 the Company generated a positive cash flow from operating activities of US\$16.48M as compared to US\$7.92M in 2011. In 2012, the cash generated was due to the profit before taxation of US\$4.67M plus the impact of non-cash items and changes in working capital items totaling US\$11.81M.

FOURTH QUARTER OF FISCAL 2012 COMPARED TO FOURTH QUARTER OF FISCAL 2011**Revenue**

For Q4-2012, the Company recorded revenue of \$12.92M, compared to \$20.86M for Q4-2011, representing a decrease of 38%. The decrease in meters drilled from 255,679 in Q4-2011 to 129,487 meters in Q4-2012 accounted for the revenue decrease.

Gross Profit

Gross profit for Q4-2012 was \$5.81M, compared to \$10.74M for Q4-2011, being a decrease of 46%. The gross profit percentage for Q4-2012 was 45% compared to 51% for Q4-2011. The decrease in cost of sales is attributable to decreases in drill rig expenses, repairs and maintenance and reduced fuel expenses.

Selling, General and Administrative Expenses

SG&A expenses were \$4.94M for Q4-2012, compared to \$5.04M for Q4-2011. SG&A expenses have increased due to the provision of doubtful accounts of \$0.31M offset by lower share based payment expenses associated with issuing options and lower accruals for training and seminars.

Depreciation and Amortization

Depreciation and amortization of property, plant and equipment was \$2.41M (\$1.98M in cost of sales and \$0.43M in SG&A) for Q4-2012 compared to \$2.15M (\$1.77M in cost of sales and \$0.38M in SG&A) for Q4-2011. The increase in depreciation is primarily due to additional property, plant and equipment purchases during 2012.

Net Earnings

Net earnings were \$0.99M, being 8% of revenue for Q4-2012 or \$0.02 per Ordinary Share (\$0.02 per Ordinary Share fully diluted), compared to \$1.22M, being 6% of revenue, for Q4-2011 or \$0.03 per Ordinary Share (\$0.03 per Ordinary Share fully diluted).

EBITDA

EBITDA in Q4-2012 was \$3.3M, being 25% compared to \$7.9M or 38% for Q4-2011.

As at December 31, 2012 the Company had cash and cash equivalents equal to \$7.56 million.

The Company currently has 42,512,000 ordinary shares issued and outstanding.

Outlook

The Company continues to believe that there is an industry wide slowdown in drilling activities as there is pressure on early stage exploration companies as financing from the capital markets becomes more challenging and there is also pressure on producing companies as they continue to need to manage their exploration costs in light of increasing costs on the production side of their business.

The Company has had a slower start in 2013 compared to 2012 due to the delay in the resumption of drilling after the holiday season and anticipates that Q1-2013 will continue to be impacted by the economic slowdown. However, increased activity levels and increased utilization of Geodrill's fleet are encouraging signs and the Company remains cautiously optimistic for the remainder of Q1-2013.

Geodrill's financial statements and management's discussion & analysis ("MD&A"), for the three-month and twelve month periods ended December 31, 2012 are available via Geodrill's website at www.geodrill-gh.com and will be available on SEDAR at www.sedar.com.

Notice of Conference Call

The Company will host a conference call on March 4th at 10:00 am EST to discuss the financial results. The call will be hosted by Dave Harper, President and Chief Executive Officer and Greg Borsk, Chief Financial Officer.

You can join the call by dialing 1-888-231-8191 or 647-427-7450. A live audio webcast of the conference call will also be available through:

<http://www.newswire.ca/en/webcast/detail/1116389/1217139>

Non-IFRS Measures

EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization. EBITDA 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 it 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 and twelve-month periods ended December 31, 2012 for the EBITDA reconciliation.

About Geodrill Limited

Geodrill Limited is a leading West African based drilling company currently operating in Ghana Burkina Faso, Cote d'Ivoire, Niger and Guinea. 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 and the management's discussions may contain "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, 2012 and the Company's Annual Information Form dated March 28, 2012 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 and statement which may be made on the conference call 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.

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