



FOR IMMEDIATE RELEASE

GEODRILL REPORTS STRONG FOURTH QUARTER AND 2010 YEAR END FINANCIAL RESULTS

TORONTO, ON – March 14, 2011 - Geodrill Limited (“Geodrill” or “the Company”) (TSX: GEO), a leading West African based drilling company, reported its financial results for the three- and twelve-month periods ended December 31, 2010. 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 December 31, 2010	For the twelve months ended December 31	
	Q4-10	2010	2009
Revenue	\$11.6	\$45.1	\$25.6
Gross profit	\$8.8	\$22.4	\$10.3
As percentage of revenue	76.1%	49.7%	40.1%
Comprehensive income (loss)	(\$0.6) ⁽²⁾	\$5.1	\$4.0
Earnings per share – basic	(\$0.01)	\$0.17	\$0.13
Cash flow from operating activities	<i>(not reported)</i>	\$9.3	\$6.0
EBITDA ⁽¹⁾	<i>(not reported)</i>	\$14.3	\$8.3
EBITDA margin ⁽¹⁾	<i>(not reported)</i>	31.7%	32.2%

Notes:

- (1) Please see “*Non-IFRS Measures*” below for additional discussion and an EBITDA reconciliation.
- (2) The comprehensive income were impacted significantly in the fourth quarter of 2010 due to the fair value calculation of the share-based payment expense in relation to conversion of the convertible loan note to Terry Burling into 1,976,000 Ordinary Shares (fair value of \$2 million).

2010 Operational Highlights:

- Completed an initial public offering and secondary offering of ordinary shares raising gross proceeds of \$46 million and commenced trading on the Toronto Stock Exchange;
- Increased the number of drill rigs in operation from 10 to 18 during 2010;
- Annual revenue per drill rig was \$3 million, approximately three times what management has determined to be the industry average of \$1 million per drill rig; and
- Drilled 481,265 meters in total primarily from the two countries in which the Company operates.

“Geodrill continues to outperform industry average revenue per rig demonstrating our operational efficiencies,” said David Harper, President and Chief Executive Officer of Geodrill. “For 2011, our strategy for growth includes increasing our fleet of rigs from 18 currently in operation to 30 drill rigs, expand our current client base, and identify additional opportunities in West Africa that will expand our geographic footprint.”

Financial Review

Revenue

Revenue increased 75.8% to \$45.1 million in 2010 from \$25.6 million in 2009. Total revenue for Q4-2010 was \$11.6 million. Revenue growth was driven by new drilling contracts and the deployment of 8 new drilling rigs throughout the year.

Gross Profit

Gross profit was \$22.4 million or 49.7% of revenue for 2010 compared to \$10.3 million or 40.1% for 2009. Gross profit for Q4-2010 was \$8.8 million. The increase in gross margins is partly attributable to operational efficiencies.

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

SG&A expenses were \$12.2 million in 2010 compared to \$5.2 million in 2009. SG&A expenses were \$6.4 million in Q4-2010. The increase in SG&A was primarily due to costs associated with the acquisition of 8 new drill rigs, increased mobilization and upfront labour costs in anticipation of the additional drill rigs that are expected to arrive in Ghana by the end of the first quarter of 2011, increases in travel costs and professional fees.

Depreciation and Amortization

Depreciation and amortization of property, plant and equipment expenses increased to \$4.1 million for 2010, compared to \$3.2 million for 2009 as a result of the Company acquiring additional drill rigs and property, plant and equipment throughout the year as part of its expansion.

EBITDA

EBITDA was \$14.3 million in 2010 or 31.7% of revenue in 2010, compared to \$8.3 million or 32.2% of revenue in 2009. The EBITDA margins decreased slightly in 2010, but was generally in line with the Company’s historical EBITDA margin.

Comprehensive Income

Net earnings were \$5.1 million or \$0.17 per share in 2010, compared to \$4.0 million in 2009 or 0.13 per share in 2009.

Cash from Operations

The Company maintained positive cash flow from operations in the amount of \$9.3 million in 2010, compared to \$6.0 million in 2009. Generally, cash flow from operations were driven by a net increase in trade and other payables and receivables.

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

Outlook

The Company's business strategy centres around 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. Geodrill expects it will continue to execute its strategy through organic growth and development of complementary businesses in the drilling services industry.

The Company expects that six drill rigs under shipping will be operational in the field by the end of the first quarter of 2011. An additional six drill rigs are on order, and the Company expects that they will be operational in the field by the end of December 2011. The Company plans to place the rigs with existing under-serviced clients and to use any additional capacity to bid on additional contract opportunities.

Geodrill's audited annual financial statements and management's discussion & analysis, for the year ended December 31, 2010, are available via Geodrill's website at www.geodrill-gh.com and will be available on 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.

The following table is a reconciliation of Geodrill's results from operations to EBITDA:

	Year ended December 31, 2010 (US\$)	Year ended December 31, 2009 (US\$)
Results from operating activities	10,242,495	5,109,406
Add back: depreciation and amortisation	4,061,170	3,151,266
Earnings before interest, taxation, depreciation and amortisation (EBIDTA)	14,303,665	8,260,672

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.

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