

Energold Announces Year-End Results

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[Energold Drilling Corp.](#) (EGD: TSX.V) ("Energold" or "the Company") is pleased to announce its results for the year ended December 31, 2010. Demand for drilling increased positively across all operating regions as compared to 2009. Revenues were \$54.6 million, up 130% from \$23.7 million for the year 2009. The Company drilled a new company record of 346,300 meters, up 129% from 151,300 meters of drilling in 2009. Revenues increased each quarter throughout 2010 with new record meters drilled in the fourth quarter in the amount of 103,400 meters, up 106% from 50,200 meters with revenues of \$17.3 million, up 140% from \$7.2 million in the fourth quarter 2009.

Energold achieved net earnings of \$1.4 million in 2010, up from a net loss of \$2.0 million in the comparable period of 2009. The Company remains in excellent financial position with a very strong balance sheet with a working capital of \$61.5 million and cash and cash equivalents of \$28.2 million. The Company's balance sheet strength also does not reflect the current market value of its equity investment in IMPACT Silver Corp. (IPT: TSX-V). The Company's 11.22% (6.9 million shares) interest in IMPACT Silver Corp. is accounted for on an equity basis. Based on closing market prices at April 15, 2011, the investment has a quoted market value of \$17.6 million, amounting to \$12.3 million more than our carrying value.

Summary of Quarterly and Annual Results

(CAD\$ 000s except per-share amounts and meters drilled)

Three months ended December 31 Year ended December 31

2010 2009 %Change 2010 2009 % Change

Revenues	17,252	7,199	+140%	54,592	23,719	+130%
Gross margin*	3,216	1,147	+180%	11,530	5,675	+103%
Gross margin percentage*	18.6%	15.9%		21.1%	23.9%	
Net earnings (loss) (\$000’s)	661	(559)	+218%	1,449	(1,951)	+174%
Earnings (loss) per share – basic (\$)	0.02	(0.02)	+200%	0.04	(0.06)	+166%
Meters drilled	103,396	50,159	+106%	346,328	151,333	+129%

*Non-GAAP measures

Due to a reduction in drilling activity in 2009, the Company's strategy was to preserve cash and improve rig utilization rates. During 2010, drilling demand recovered strongly and the Company refocused on expanding its rig fleet into new markets through new rig additions as well as opportunistic acquisitions. Pricing is still competitive as a majority of the drilling programs are mine site drilling. This impacted pricing and created a shift in the Company's business mix towards a greater amount of mine site drilling, although, due to the increasing number of financings amongst the junior exploration companies, Energold is experiencing an increase in frontier drilling.

Quarterly Results Comparison (CAD\$ 000s except rig fleet and meters drilled)

December 31 Dec 31, 2010 Sep 30, 2010 June 30, 2010 Mar 31, 2010

Quarterly revenues	17,252	16,359	12,909	8,072
Cash and cash equivalents	28,225	9,298	11,093	12,825
Working capital	61,461	46,844	46,185	44,681
Rig fleet	103	100	94	91
Meters drilled	103,400	102,500	86,000	54,362

It is expected that with greater amounts of cash and financial flexibility, our clients will further increase the demand for drilling services in 2011, with a larger portion on frontier drilling programs. Price tends to follow demand and thus as demand increases, drilling rates increase. The Company experienced marginal drilling rate increases throughout 2010 and expects to see drilling price increases in the beginning of 2011. Despite this, gross margins improved from 14.7% in the first quarter 2010 to 21.1% for the year.

Mexico remains the strongest market for the Company with over 35 rigs located in the region, followed by an additional 30 rigs in South America and 30 plus rigs in Africa.

As part of Energold's aggressive growth strategy to enter into new markets and drilling segments, a \$17.25 million bought deal financing was completed in December 2010. The net proceeds of the financing will provide new rigs with entry into the market faster and assist the Company's strategy of adding accretive acquisitions.

Further, two acquisitions were completed over the last twelve months. On March 8, 2010, Energold announced the strategic acquisition of the assets and drilling operations of Envirodrill Ltd. of the United Kingdom, adding nine rigs and expanding its operational expertise in Africa. This acquisition allowed the Company to set up quickly with a strong team on the ground and drilling contracts in place. Subsequent to year end, Energold completed the acquisition of Dando Drilling International Ltd., also based in the United Kingdom. The Dando team has a long and proven track record of profitably designing and manufacturing specialty/customized drilling rigs and associated equipment for water well, mineral exploration and geotechnical drilling companies operating throughout the world. Energold's strategic objective is to profitably expand Dando's core business; work with Dando's team of engineers to develop and supply next generation drilling rigs for Energold, and capitalize on Dando's extensive experience and expertise to build a separate water well drilling services division for Energold.

At December 31, 2010, the Company had a total of 103 rigs, which included thirteen new surface rigs and one underground rig delivered in 2010. The Company continues to expand its rig fleet with a target of 120 rigs by year-end 2011. The Company's focus is to expand its business segments including underground drilling and conventional surface drilling. A prototype surface rig is currently being designed to access depths beyond 1,000 meters and a modification program to increase the capability of the standard EGD Highly Mobile Surface Type II rigs is currently underway.

In 2010, Energold was acknowledged once again by PROFIT 100 magazine as being one of Canada's fastest growing companies. In addition, The Vancouver Sun newspaper recognized Energold as one of the fastest growing and strongest publicly traded companies in British Columbia.

Looking forward to the balance of 2011, with new rigs and additional contracts, the Company has strategically positioned itself for future growth in five continents. The early stage drilling segment of the industry is the primary focus; however the Company is well prepared for completing reserve definition and mine site drilling as well.

The Company will be reviewing its 2010 year-end results via Conference Call at 8:30 am PT, 12:30 pm ET Wednesday April 20, 2011. Dial-in numbers are 1-866-782-8903 or 647-426-1845. Management will be discussing the Company's financial and operational results ending with a question-and-answer period. Investors are encouraged to forward any questions they may have to info@energold.com. The recorded audio file can be accessed at our website: <http://www.energold.com/s/Events.asp>

[Energold Drilling Corp.](#) is an environmentally- and socially-sensitive diamond drilling company that services the mining industry. Energold holds 6.9 million shares of IMPACT Silver Corp., a profitable silver producer in Mexico.

On behalf of the Directors of [Energold Drilling Corp.](#)

"Frederick W. Davidson"

President and Chief Executive Officer

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