

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Apr 13, 2015) - [Energold Drilling Corp.](#) ("Energold" or "the Company") (TSX VENTURE:EGD) announces annual revenue in 2014 of \$101.3 million across four business divisions, representing a 17.5% decrease over 2013 revenue of \$122.8 million. While the impact of softening commodity prices were felt across the Company, certain benefits from diversification efforts over the last five years have continued to offer Energold the flexibility to adapt while allowing for a broad range of new opportunities across all geographies and markets.

In 2014, the Company's overall gross margin improved to 19.1% in 2014 from 16.6% in 2013. Efforts to reduce fixed costs, a variable cost model and higher productivity levels have resulted in the higher gross margin compared to 2013. The adjusted net loss** in 2014 was \$10.9 million or \$(0.23) per share compared to an adjusted net loss of \$9.1 million or \$(0.19) per share in 2013.

Energold's balance sheet for 2014 remains well capitalized with \$15.1 million in cash and \$77.0 million in working capital.

2014 Annual Results Comparison (\$CAD '000s except per-share amounts and meters drilled)

		For three months ended December 31		For the year ended December 31	
		2014	2013	2014	2013
Revenue		\$	\$	\$	\$
	Mineral	9,876	6,084	34,532	48,620
	Energy	11,465	11,840	54,702	51,258
	Manufacturing	1,922	11,191	12,067	22,929
Total Revenue		23,263	29,115	101,301	122,807
Net Loss					
	Mineral	(849)	(2,316)	(4,161)	1,025
	Energy	(1,100)	(7,243)	1,320	(8,546)
	Manufacturing	(2,099)	616	(4,017)	(1,520)
	Corporate	(1,719)	(3,366)	(7,195)	(8,396)
Total Loss		(5,767)	(12,309)	(14,053)	(17,437)
Loss Per Share	Basic and diluted	(0.12)	(0.26)	(0.28)	(0.36)
EBITDA*		(3,097)	(8,816)	(1,734)	(4,421)
Adjusted Loss**		(4,602)	(6,243)	(10,876)	(9,143)
Adjusted Loss Per Share	Basic and diluted	(0.10)	(0.13)	(0.23)	(0.19)
		As of December 31, 2014		As of December 31, 2013	
Cash		15,063		26,608	
Working Capital		77,041		65,450	

* EBITDA - Earnings before interest, taxes, depreciation and amortization (see non-GAAP (generally accepted accounting principles) financial measures).

** Adjusted Loss - Extraordinary and non-cash items include earn-out payment related to Bertram, accretion expense on debenture, finance cost for sales leaseback financing, share-based payments, foreign exchange, dilution and equity gain/loss on IMPACT, impairment/write-down of assets, disposal of subsidiary.

MINERAL DRILLING DIVISION

During the fourth quarter of 2014, Energold's mineral division drilled 73,500 meters compared to 44,300 meters in Q4 2013, an increase of 65.9%. Revenues for the fourth quarter of 2014 were \$9.9 million compared to \$6.1 million for the same period in 2013. Year-to-date revenues for 2014 were \$34.5 million compared to \$48.6 million in 2013. Year-to-date average revenue per meter for 2014 was \$146 compared to \$164 in 2013. The primary reason for the decrease in price is due to pricing pressures from customers and competitive bidding. Ebola has also had a negative impact on revenues as drilling in areas such as Sierra Leone, Liberia and Guinea were halted. Gross margin remains positive but management is seeking to improve its margin by continuing to evaluate where cost cutting can take place without sacrificing the quality of its drilling.

Gross margin from mineral drilling in Q4 2014 improved to 9.1% from 1.0% in Q4 2013. For the full year 2014, gross margin was 13.2% compared to 22.8% in 2013. The overall number of meters decreased from prior years. Costs remain high in some regions due to retention of experienced supervisors and operations personnel. The Company maintains a strong infrastructure network in all regions where it operates, which allows for a relatively lean operation but allows the Company to respond quickly to new opportunities.

Meters Drilled

	Q4 2014	Q4 2013	2014 Annual	2013 Annual
Meters Drilled	73,500	44,300	236,600	296,500
Drill Rigs	N/A	N/A	138	138

ENERGY DRILLING DIVISION - BERTRAM DRILLING

Given the seasonality of the energy business, the majority of revenues and activity for Bertram are typically generated in the first quarter primarily due to weather factors. Revenues in 2014 were \$52.7 million compared to \$50.5 million in 2013. Revenues for Q4 2014 were \$11.5 million compared to \$11.1 million Q4 2013, owing mostly to higher activity levels and contract drilling mix. For the year ended December 31, 2014, 77% of revenues were generated in Canada with the remainder contributed from the U.S.

Meters Drilled

	Q4 2014	Q4 2013	2014 Annual	2013 Annual
Oil sands coring	8,300	7,600	51,500	63,000
Seismic (Track and Heli portable) -		4,500	-	178,700
Geothermal & geotechnical	79,800	28,100	331,700	93,500
TOTAL	88,100	40,200	383,200	335,200

Gross margin for 2014 was 22.9% compared to 11.6% in 2013. In Q4 2014, gross margin improved substantially to 15.0% compared to (5.8)% in Q4 2013. In 2014, Bertram drilled 72,000 meters in Canada and approximately 311,200 in the U.S. compared to 248,900 meters in Canada and approximately 86,300 in the U.S. in 2013. Generally, seismic and geothermal / geo technical programs produce high meters drilled at lower revenue per meter; therefore, revenue and overall number of meters drilled is dependent on the type of program in place.

The Company's oil sands operations generated over \$36.5 million in 2014 compared to \$40.4 million in 2013. In the fourth quarter of 2014, oil sands revenues consisted of \$7.0 million in the fourth quarter 2014 compared with \$8.6 million in the fourth quarter of 2013. Programs conducted on behalf of major operators accounted for all the Company's oil sands revenue.

The Company expects considerable growth in Latin America. During 2014, the Company's Energy joint venture, EESI in Colombia, accounted for \$2.0 million of the Company's revenues year-to-date revenues and had a gross margin of 21.3% compared to \$0.7 million and gross margins of 13.3% in 2013.

MANUFACTURING & WATER DRILLING - DANDO & HYDROFOR

Revenues for manufacturing in Q4 2014 were \$1.8 million with a gross margin of 16.5% compared to revenues of \$10.5 million with a gross margin of 20.1% in Q4 2013. In 2014, revenue in the division was \$10.8 million with a gross margin of 19.9% compared to revenues of \$21.7 million with a gross margin of 14.7% in 2013.

During the year, Dando delivered 16 terriers and 20 D type rigs (1000 - 4000 series), three Multitec 9000 rigs, one Sonic rig, one heli-portable rig, one S3.5 rig and 6 Watertec 6000 rigs. Revenue for the latter two rigs was accounted for on a percentage of completion basis in 2013.

Rig sales decreased in part due to an industry wide decline in mining activities which affected Dando's profitability. Management is focused on developing relationships across the financial community to enable a financing program to grow market share in the current weak environment.

In Q4 2014, the Company sold its 60% interest in DDS Hydrofor which owned 100% of Hydrofor International located in Togo, Africa to its joint venture partner. The Company incurred a loss of \$1.0 million on this transaction as well as a net operating loss of approximately \$1.0 million during the year.

INDUSTRY OUTLOOK

The Company is seeing some positive signs in the area of mineral drilling. Some stabilization of metal prices has contributed to increased confidence on the part of exploration companies to resume some exploration work. Pricing pressure resulting from excess capacity continues to plague the industry although in certain markets, Energold is benefiting from its legacy infrastructure and frontier style drilling rigs that offer unique and specific drilling solutions for our customers.

The decline in oil prices over the last six months has changed the business mix in the Energy division. In anticipation of a more challenging market over the next year resulting from potentially lower exploration budgets in the Canadian Oil Sands region, management is focused on international opportunities. Excess equipment from Alberta and the United States can be deployed overseas where large, year-long programs exist to broaden the scope of work for the Company.

Energold remains well capitalized and management plans to continue to invest in new markets and technologies for broad distribution and on a case by case basis for its customers. The Company has won considerable business using proprietary, customer-specific equipment which offers short term paybacks and loyalty from clients including longer term programs. Acquisitions are being considered as well, depending on geography and overall market outlook.

A conference call is planned for April 13, 2015 at 4:30pm Eastern. Dial-in numbers are 416-640-5946 or 1-866-233-4585.

[Energold Drilling Corp.](#) is a leading global specialty drilling company that services the mining, energy, water, infrastructure and manufacturing sectors in approximately 25 countries. Specializing in a socially and environmentally sensitive approach to drilling, Energold provides a comprehensive range of drilling services from early stage exploration to mine site operations for all commodity sectors and has an established drill rig manufacturer, Dando Drilling International, based in the United Kingdom. Energold also holds 6.98 million shares of [Impact Silver Corp.](#), a silver producer in Mexico.

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

Frederick W. Davidson, President, CEO

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