

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 1, 2015) - [Energold Drilling Corp.](#) ("Energold" or "the Company") (TSX:EGD) announces first quarter 2015 revenue of \$19.6 million compared to \$37.0 million in the first quarter of 2014. The majority of the decline in revenue on a year-over-year basis is due to lower oil prices which impacted activity in the Energy division leading to an earlier than expected end to the winter drilling season as some customers reduced some work programs and began to cut price mid-quarter. Meanwhile, the first quarter is typically one of the weakest periods for mineral drilling services. Manufacturing activity remained steady with improving tender opportunities worldwide. Management remains focused on deploying unused North American assets to international locations where the majority of growth exists at this time.

In the first quarter of 2015, the Company's overall gross margin was 22.4% compared to 28.7% in the first quarter of 2014. Challenging mineral markets combined with smaller programs in the Energy division during the period resulted in margin compression across those business segments. Efforts to reduce costs remain a focus and management is seeking large scale international opportunities that carry longer works programs, higher efficiencies and improved gross margin. Net loss in the first quarter of 2015 was \$3.4 million and net loss per share was \$0.07 compared to net income of \$1.4 million and income per share of \$0.03 in the first quarter of 2014.

At the end of the period, the Company's balance sheet remained well capitalized with \$14.3 million in cash and \$79.0 million in working capital.

#### First Quarter 2015 Results Comparison (\$CAD '000s except per-share amounts and meters drilled)

		For three months ended March 31	
		2015	2014
Revenue		\$	\$
	Mineral	4,354	5,328
	Energy	12,180	28,597
	Manufacturing	3,079	3,115
		19,613	37,040
Net (Loss) Income			
	Mineral	(1,897	) (1,247
	Energy	1,383	5,711
	Manufacturing	(598	) (1,329
	Corporate	(2,296	) (1,719
		(3,408	) 1,416
Loss Per Share	Basic and diluted	(0.07	) 0.03
EBITDA*		(241	) 6,141
Adjusted (Loss) Income**		(3,119	) 1,806
Adjusted (Loss) Income Per Share Basic and diluted		(0.06	) 0.04
		As of March 31, 2015	As of December 31, 2014
Cash		14,347	15,063
Working Capital		78,969	77,041

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

\*\* Adjusted Earnings - Extraordinary and non-cash items include accretion expense on debenture, finance cost for sales leaseback financing, foreign exchange, dilution and equity gain/loss on IMPACT and impairment/write-down of assets.

#### MINERAL DRILLING DIVISION

During the first quarter of 2015, Energold's mineral division drilled 29,900 meters compared to 34,500 meters in the first quarter of 2015, representing a decrease of 13.3%. Revenues for the first quarter of 2015 were \$4.4 million compared to \$5.3 million for the same period in 2014. Average revenue per meter for the period 2015 was \$146 compared \$154 in the first quarter of 2015. The primary reason for the decrease in price is due to pricing pressures from customers and competitive bidding. While the first quarter is typically slower, Ebola continued to have a negative impact on revenues as there was no drilling in Sierra Leone, Liberia and Guinea.

Gross margin percentage remains heavily impacted by the type of drilling the Company performs, the region and country in which it works as well as the type of client. Junior miners typically explore more frontier style environments that allow for higher margin frontier drilling and there is now an increased presence of senior miners exploring the frontier regions. Gross margin percentage from mineral drilling in the first quarter of 2015 decreased to (6)% from 5% in the first quarter of 2014. Management is seeking to improve its margin by continuing to evaluate cost cutting without sacrificing the quality of its drilling. As smaller drilling programs are typical at this point in the cycle, economies of scale are reduced and contributed to margin compression compared to previous periods.

#### Meters Drilled

Q1 2015 Q1 2014

Meters Drilled 29,900 34,500

Drill Rigs 139 138

## ENERGY DRILLING DIVISION-BERTRAM DRILLING

Revenues in the first quarter of 2015 were \$12.1 million compared to \$27.7 million in the first quarter of 2014. Revenues decreased due to major operators cutting down on drilling programs as evidenced by the decrease in meters drilled in the oil sands. In the first quarter, activity dropped substantially in late February and early March as opposed to previous years when activity continued through the end of March permitted by weather. For the three months ended March 31, 2015, 75.2% of revenues were generated in Canada with the remainder contributed from the U.S. Meters were drilled in the following areas:

### Meters Drilled

	Q1 2015	Q1 2014
Oil sands coring	15,200	39,700
Seismic (Track and Heli portable)	66,300	-
Geothermal & geotechnical	83,600	64,100
TOTAL	165,100	103,800

Gross margin in the first quarter of 2015 was 33.6% compared to 35.5% in the first quarter of 2014. During the period, Bertram drilled 83,900 meters in Canada and approximately 81,200 in the U.S. compared to 44,000 meters in Canada and approximately 59,800 in the U.S. in the same period in 2014.

The Company's oil sands operations generated over \$8.0 million in revenues in the first quarter of 2015 compared to \$24.8 million in the first quarter of 2014. Programs conducted on behalf of major operators accounted for all the Company's oil sands revenue. In the first quarter of 2015, geothermal and geotechnical drilling accounted for \$3.5 million compared to \$2.8 million in the comparable period in 2014. The remainder of revenues were earned in seismic drilling.

## MANUFACTURING-DANDO

Revenues for Dando in the first quarter of 2015 were \$3.1 million with a gross margin of 16.5% compared to revenues of \$2.8 million with a gross margin of 8.0% in the first quarter of 2014. During the first quarter of 2015, Dando delivered six terriers and one D type rig (1000 - 4000 series) capacity, one Multitec 4000 rig, one Multitec 9000 rig and one Coretec rig.

Rig sales have been affected in part due to an industry wide decline in mining activities. Management has been focused on developing relationships across the financial community to enable a financing program to grow market share in the current weak environment. The benefits of doing so should lead to higher sales generation as many potential customers may take advantage of this financing opportunity widely available across our competitive landscape.

## INDUSTRY OUTLOOK

The Company continues to see some positive signs in the mineral drilling division, especially as Ebola risks begin to subside in West Africa. As well, stabilizing precious metal prices are also beginning to impact confidence levels on the part of exploration companies. Notwithstanding, pricing pressure remains as the industry works through high excess capacity levels built over the last several years.

Lower oil prices in general have impacted activity levels in 2015. The remainder of 2015 is expected to remain challenging in terms of activity levels in North America. However, there are large scale programs overseas where the Company can deploy excess capacity using its established logistics network.

The Company remains well capitalized and is in a strong position to weather the downturn in the mineral and energy markets while also investing in global opportunities as it seeks growth in new markets.

A conference call is planned for today, June 1, 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 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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*Forward-Looking Statements: Some statements in this news release contain forward-looking information. These statements include, but are not limited to, statements with respect to proposed activities, work programs and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the effects of general economic conditions, a reduction in the demand for the Company's drilling services, the price of commodities, changing foreign exchange rates, actions by government authorities, the failure to find economically viable acquisition targets, title matters, environmental matters, reliance on key personnel, the ability for operational and other reasons to complete proposed activities and work programs, the need for additional financing and the timing and amount of expenditures. [Energold Drilling Corp.](#) does not assume the obligation to update any forward-looking statement.*

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