VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 27, 2015) - The Energold Group ("Energold" or "the Company") (TSX VENTURE:EGD) announced second quarter 2015 financial results of $20.2 million in revenue compared to $22.8 million in the same period of 2014. Despite headwinds across all business segments, comparable quarter over quarter revenue is attributed to the Company's diversified revenue base. Gross margin on a group-wide basis in the period was 16.9% compared to 18.7% in the same quarter in 2014. Group-wide net loss in the period was ($0.10) per share compared to a net loss of ($0.08) in the same period last year. A conference call is planned for today, August 27, 2015 at 4:30pm Eastern. Dial-in numbers are (416) 640-5946 and 1 (866) 233-4585.

Market conditions remain challenging for the mineral and energy drilling industries. Low metal prices continue to have an effect on decreased exploration activity and drilling volumes. While the second quarter is typically slow in the energy drilling industry, depressed oil prices are expected to result in a reduction in work levels heading into 2016 as companies conserve cash and build work programs consisting of either urgent or regulatory-related drilling activity. Energold's manufacturing business has seen substantial year-over-year improvement owing to an enhanced product line and accelerated sales cycle in certain markets.

The Company ended the quarter with a strong balance sheet including cash and cash equivalents of $11.5 million and working capital of $75.4 million.

Quarter-to-date and Year-to-date Results Comparison

		For three months ended June 30		For six months ended June 30	
		2015	2014	2015	2014
Revenue		$	$	$	$
	Mineral	7,837	9,736	12,191	15,064
	Energy	5,209	8,432	17,389	37,029
	Manufacturing	7,203	2,655	10,282	5,770
		20,249	20,823	39,862	57,863
Net (Loss) Income					
	Mineral	(989)	139	(2,886)	(1,108)
	Energy	(1,643)	(1,454)	(260)	4,257
	Manufacturing	180	(311)	(418)	(1,640)
	Corporate	(2,305)	(2,491)	(4,601)	(4,210)
		(4,757)	(4,117)	(8,165)	(2,701)
Loss Per Share	Basic and diluted	(0.10)	(0.08)	(0.17)	(0.05)
EBITDA*		(1,531)	(1,392)	(1,763)	4,749
Adjusted Loss**		(4,539)	(3,237)	(7,649)	(1,431)
Adjusted Loss Per Share	Basic and diluted	(0.09)	(0.07)	(0.16)	(0.03)
As of				June 30, 2015	December 31, 2014
Cash				11,449	15,063
Working Capital				75,405	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 second quarter of 2015, Energold's mineral division drilled 50,500 meters compared to 61,300 meters in Q2-2014, representing a decrease of 17.6%. Revenues for the second quarter of 2015 were $7.8 million compared to $9.7 million for the same period in 2014. YTD revenues for 2015 were $12.2 million compared to $15.1 million in 2014. Gross margin percentage from mineral drilling in Q2-2015 decreased to 3.4% from 23.7% in Q2-2014. Average revenue per meter for the first half of 2015 was $152 compared to $157 in 2014. There continues to be pressure on pricing from customers and a highly competitive bidding environment. In West Africa, Ebola continued to have a negative impact on revenue as drilling in areas such as Sierra Leone, Liberia and Guinea was basically non-existent in Q2-2015; however, the Company is beginning to see some activity in these areas in the third quarter.

Q2 and YTD - 2015 and 2014 Quarterly Meters Drilling Results

	Q2 - 2015	Q2 -2014	YTD 2015	YTD 2014
Meters Drilled	50,500	61,300	80,400	95,800

At June 30, 2015, the Company had 138 rigs in its mineral drilling fleet having recently added two underground rigs in Peru. On an organic level, the Company intends to add new equipment on an as-needed basis and can do so on a cost-advantaged basis through Dando. The Company will continue to work with certain clients who require specific equipment to meet challenging conditions at various projects. Typically, the cost of the Company retrofitting existing or building new equipment is offset by the value of the particular contract.

ENERGY DRILLING DIVISION - BERTRAM DRILLING CORP.

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. Revenue for the second quarter of 2015 was $5.1 million compared to $7.3 million in the same period last year. YTD revenue for 2015 was $17.2 million compared to $35.0 million in 2014. Revenue decreased due to major operators cutting down on drilling programs, specifically in the oil sands region. 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.

Gross margin for the first half of 2015 was 34.1% compared to 29.7% in first half of 2014. Gross margin in the second quarter of 2015 was 35.4% compared to 8.2% in the same period last year. In the first half of 2015, Bertram drilled 85,700 meters in Canada and approximately 170,700 in the U.S. compared to 50,600 meters in Canada and approximately 162,200 in the U.S. in the first half of 2014. Activity levels are not always reflective of revenues due to the type of drilling the division offers due to various technical factors and related price levels.

Bertram drilled meters in the following areas:

	For the three months ended June 30		For the six months ended June 30	
	2015	2014	2015	2014
Oil sands	900	2,200	16,100	41,900
Seismic (Track and Heli-portable)	-	-	66,300	-
Geothermal and Geotechnical	90,400	106,800	174,000	170,900
	91,300	109,000	256,400	212,800

The Company's oil sands operations generated over $0.7 million in revenues in the second quarter of 2015 compared to $2.9 million in same period last year. The Company's oil sands operations generated $8.8 million in YTD revenues in 2015 compared to $27.7 million in the same period of 2014. Programs conducted on behalf of major operators accounted for all the Company's oil sands revenue.

In the second quarter of 2015, geothermal and geotechnical drilling accounted for $4.3 million compared to $4.4 million in the comparable period in 2014. Geothermal and geotechnical drilling accounted for $7.8 million of year-to-date revenues compared to $7.2 million for the comparable period in 2014. The remainder of revenues were earned in seismic drilling.

MANUFACTURING DIVISION - DANDO DRILLING INTERNATIONAL LTD.

The manufacturing division's quarterly results are reflective of enhanced product lines which have been a long-term strategy that are now being realized. Revenues for Dando in the second quarter of 2015 were $7.2 million with a gross margin of 17.4% compared to revenues of $2.2 million with a gross margin of 31.6% in the same period last year. In the first half of 2015, revenues were $10.3 million with a gross margin of 17.1% compared to revenues of $5.0 million with a gross margin of 18.3% in 2014. During the first half of 2015, Dando delivered 11 terriers, 3 D type rigs (1000-4000 series), 2 Multitec 4000 rigs, 2 Multitec 9000 rigs, 1 Sonic rig, 1 Slopetec rig, 1 Borehole servicing rig and 1 Coretec rig.

INDUSTRY OUTLOOK

The Company continues to experience challenging conditions in the mineral and energy drilling markets where higher commodity prices are needed to drive exploration activity. Management has started to see some indications of a recovering mineral drilling market in some regions although greater tender opportunities have been met with significant price competition and in some cases, large upfront costs. The Company expects softness in the mineral drilling industry to remain at least through mid-2016. The energy drilling industry is expected to remain soft heading into this winter's drilling season as declining oil prices must first recover before oil sands activity returns to previous levels. The manufacturing segment is expected to continue to strengthen on the back of a larger number of tender opportunities and growing market share in existing and new markets.

To offset weak commodity prices impacting drilling activity in its traditional markets, management is evaluating new businesses worldwide including opportunities in South East Asia and the Middle East, where the Company's equipment and technical expertise are ideally suited. Capital expenditures are set to be minimal unless tied to a contract offering both payback and profit. These opportunities are regularly considered on a case by case basis.

Energold Drilling Corp. is a leading global specialty drilling company that services the mining, energy, and manufacturing sectors in 24 countries. Specializing in a socially and environmentally sensitive approach to drilling, Energold provides a comprehensive range of drilling services from early stage exploration to onsite operations for both metals and energy sectors and has an established drill rig manufacturer, Dando Drilling International Ltd. 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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Cautionary Note Regarding 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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