



FOR IMMEDIATE RELEASE

GEODRILL REPORTS 2012 THIRD QUARTER AND NINE MONTH RESULTS

TORONTO, ON – November 9, 2012 - Geodrill Limited (“Geodrill” or the “Company”) (TSX: GEO), a leading West African based drilling company, reported its financial results for the three month and nine month period ended September 30, 2012. All figures are reported in US dollars (US\$), unless otherwise indicated. Geodrill’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

Financial Highlights

US\$ 000's (except earnings per share)	For the nine months ended September 30, 2012	For the nine months ended September 30, 2011	For the three months ended September 30, 2012	For the three months ended September 30, 2011
Revenue	52,665	49,285	10,146	20,253
Gross profit	20,044	27,313	(990)	9,737
Gross profit margin	38%	55%	(10%)	48%
Earnings (loss) per share – basic	0.05	0.26	(0.12)	0.07
EBITDA ⁽¹⁾⁽²⁾	10,275	16,801	(3,998)	6,022
EBITDA margin	20%	34%	(39%)	30%
Meters Drilled	689,999	666,792	84,997	236,999

Notes:

(1) EBITDA = earnings before interest, taxes, depreciation, and amortization

(2) Please see “*Non-IFRS Measures*” below for additional discussion.

“Our third quarter of 2012 continued to be impacted by a challenging drilling environment. We continue to actively bid on new jobs and subsequent to the quarter end, we have been successful in winning new jobs and increasing our footprint in West Africa to include Niger and

Cote d'Ivoire. We have also been able to expand our drilling for other minerals, with new client contracts, we will be drilling for iron ore, uranium, and manganese. Although we have won new jobs in the quarter, we will not see the benefit of these jobs until the fourth quarter of 2012 and into 2013 once drilling commences," said Dave Harper, President and CEO of Geodrill Limited. "We believe in the long-term, the fundamental drivers of our business remain positive and despite the difficult environment we are currently facing, demand for drilling services will continue to grow and with our modern rig fleet and experienced staff, we are well positioned for a recovery in the industry."

Third Quarter 2012 Operational Highlights:

- Increase in the number of drill rigs available for operation from 25 in Q3-2011 to 32 in Q3-2012;
- Increase in our geographic footprint in West Africa, as the Company has maintained its strong presence in both Ghana and Burkina Faso and has signed new contracts in Niger and will re-enter Cote d'Ivoire in Q4-2012;
- Expansion of drilling for other minerals, as the Company has successfully obtained new clients and contracts to drill for iron ore, uranium and manganese;
- Securing of a US\$10 Million Term Facility to assist the company with managing working capital and financing of capital expenditures;
- Finalization of a financing arrangement with a supplier relating to the financing of six drill rigs on standard commercial terms for the industry; and
- Repayment of the Silverwood Ventures Limited loan in the amount of £2 Million.

Financial Review for the Three Months Ended September 30, 2012

Revenue

Q3-2012 revenue decreased to \$10.15M compared to \$20.25M in Q3-2011. The decrease in revenue is attributable to the number of meters drilled decreasing from 236,999 meters in Q3-2011 to 84,997 in Q3-2012. The percentage of meters drilled for Q3-2012 was 74% RC, 26% Core and Nil for air core. The Company's revenue decreased as certain customers' jobs came to an end and certain continuing customers have significantly reduced the number of drill rigs operating on their sites. In addition, due to the severe wet season, no air core meters were drilled in Q3-2012 compared to 88,415 meters of air core meters in Q3-2011.

Gross Profit

The negative gross profit in Q3-2012 was \$0.99M, being (10%) of revenue compared to a positive gross profit of \$9.74M in Q3-2011. The negative gross profit had two very identifiable contributors that totaled \$2.1M that negatively affected gross profit this quarter but will positively affect gross profit next quarter and will immediately improve the quality of our drill rig fleet today and into the future. The Company incurred an additional \$1.2M in repairs and maintenance expense in Q3-2012 compared to Q2-2012. Due to the slowdown in the drilling activity in the quarter, the Company returned certain rigs to the base and has taken the opportunity to bring the maintenance schedule forward on numerous rigs while they were not working. The Company also incurred an additional \$0.92M in drill rig expenses as the Company has requisitioned inventory to numerous rigs in Q3-2012 as part of the mobilization effort to new sites, resulting in recognition of cost of sales without the corresponding recognition of revenue. In addition to increasing certain cost of sales items to benefit future periods, the Company has certain fixed costs such as depreciation that are not related to revenue. In Q3-2012, depreciation expense included in cost of goods sold was \$1.71M, whereas in the Q3-2011, depreciation expense included in cost of goods sold was \$1.43. In reaction to the slowdown, the Company was able to significantly reduce certain discretionary expenses such as wages and salaries, fuel, and meals in Q3-2012 versus the Q3-2011.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses were \$4.45M for Q3-2012, compared to \$5.76M for Q3-2011. The decrease in SG&A expenses for Q3-2012 as compared to the 3rd quarter of 2011 was primarily due to a decrease in salaries and wages and other employee related expenses.

Depreciation and Amortization

Depreciation and amortization of property, plant and equipment was \$2.06M (\$1.71M in cost of sales and \$0.35M in SG&A) for Q3-2012 compared to \$2.12M (\$1.43M in cost of sales and \$0.69M in SG&A) for Q3-2011. The decrease in depreciation is primarily due to the changes in the period of depreciation for drill rigs and motor vehicles in Q3-2011 partially offset by increased depreciation associated with additional property, plant and equipment purchases.

Income Tax Expense

Income tax recovery was \$1.23M for Q3-2012 compared to an income tax expense of \$0.76M for Q3-2011. The income tax recovery of \$1.23M is comprised of a deferred tax recovery of \$1.71M, offset by withholding taxes of \$0.48M.

Net (Loss) Earnings

The net loss was \$(4.99)M for Q3-2012, or \$(0.12) per Ordinary Share (\$(0.12) per Ordinary Share fully diluted), compared to \$3.09M for Q3-2011, or \$0.07 per Ordinary Share (\$0.07 per Ordinary Share fully diluted).

Financial Review for the Nine Months Ended September 30, 2012

Revenue

Revenue for the nine months ended September 30, 2012 increased to \$52.67M compared to \$49.28M for the nine months ended September 30, 2011, representing a 7% increase. The increase in meters drilled from 666,792 meters to 689,999 meters.

Gross Profit

Gross profit for the nine months ended September 30, 2012 decreased 29% to \$20.04M, compared to \$27.31M for the nine months ended September 30, 2011. The gross profit percentage for the nine months ended September 30, 2012 was 38% compared to 55% for the nine months ended September 30, 2011. The gross profit decreased as a result of the reduced revenue and increased cost of sales in Q3-2012. In addition, a unique component of the decrease in the gross profit percentage was the dissolution of the Cote d'Ivoire operation in 2011, which triggered the positive resolution of VAT and salary tax obligations that positively impacted gross margin by 6%. The net effect of this positive resolution was a decrease in the cost of sales in the nine months ended September 30, 2011 of \$1.93M.

Selling, General and Administrative Expenses

SG&A expenses were \$14.87M for the nine months ended September 30, 2012, compared to \$14.50M for the nine months ended September 30, 2011. SG&A expenses have remained fairly consistent.

Income Tax Expense

Income tax expense was \$1.99M for the nine months ended September 30, 2012 compared to \$1.07M for the nine months ended September 30, 2011. For the nine months ended September 30, 2012, the income tax expense of \$1.99M is comprised of the withholding taxes of \$2.98M and deferred tax recovery of \$1.17M.

Net Earnings

Net earnings were \$2.22M for the nine months ended September 30, 2012, or \$0.05 per Ordinary Share (\$0.05 per Ordinary Share fully diluted), compared to \$11.19M for the nine months ended September 30, 2011 or \$0.26 per Ordinary Share (\$0.25 per Ordinary Share fully diluted).

As a September 30, 2012 the Company had cash and cash equivalents equal to \$11.69M.

The Company currently has 42,512,000 ordinary shares issued and outstanding.

Outlook

The Company continues to believe that there is an industry-wide slowdown in drilling activities as there is pressure on early stage exploration companies as financing from the capital markets becomes more challenging and there is also pressure on producing companies as they continue to need to manage their exploration costs in light of increasing costs on the production side of

their business. The Company had certain customers reduce the number of drill rigs operating at their sites and have parked certain rigs. The Company believes that the slowdown in drilling activity will continue into the 4th quarter of 2012 and as such the Company continues to actively bid on new jobs and has taken immediate steps to reduce costs, reduce its contract workforce and continues to review certain capital expenditures throughout the remainder of the year and into 2013.

Geodrill's interim financial statements and management's discussion & analysis ("MD&A"), for the three month and nine month period ended September 30, 2012, are available via Geodrill's website at www.geodrill-gh.com and will be available on SEDAR at www.sedar.com.

Following the release, management of the Company will host a conference call at 10:00 am EST to discuss the financial results.

You can join the call by dialing 1-888-231-8191 or 647-427-7450. A live audio webcast of the conference call will also be available through:

<http://www.newswire.ca/en/webcast/detail/1060857/1153281>

Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be needed to hear the webcast. An archived replay of the webcast will be available for 90 days. Operator Assisted Toll-Free Dial-In Number: (888) 231-8192.

Non-IFRS Measures

EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization 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 it 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. Please see the Company's MD&A for the three-month and nine-month period ended September 30, 2012 for the EBITDA reconciliation.

About Geodrill Limited

Geodrill Limited is a leading West African based drilling company currently operating in Ghana, Burkina Faso and Niger. 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 and the management's discussions may contain "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 quarter ended September 30, 2012 and the Company's Annual Information Form dated March 28, 2012 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 and statement which may be made on the conference call 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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