



REPORT TO SHAREHOLDERS

UNAUDITED INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS FOR THE PERIOD

- Revenue up by 3,1% in ZAR terms, but down 7,5% in US\$ terms
- Profit after tax up by 11,0% from US\$9.3 million to US\$10.4 million
- Profit attributable to equity shareholders up by 10,5% from US\$8.4 million to US\$9.3 million
- ZAR Headline earnings per share up by 22,9% from 61,0 cents to 75,0 cents
- US\$ Headline earnings per share up by 10,4% from 5.7 cents to 6.3 cents
- Cash generated from operations up by 175,3% from US\$8.7 million to US\$24.0 million

CONTENTS

Commentary	3
Unaudited condensed consolidated financial statements for the six months ended 30 June 2015	6
Accounting policies – basis of preparation	6
Going concern	6
Issued capital	6
Operating segments	6
Functional and presentation currency	6
Consolidated statement of financial position	7
Consolidated statement of comprehensive income	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the unaudited condensed financial statements	11
Subsequent to the reporting period	19
Outlook and prospects	19
Contact information	20

COMMENTARY

FINANCIAL OVERVIEW

The group achieved revenue growth in ZAR terms of 3,1%. Currency fluctuations suppressed revenue expressed in US\$ terms by 6,4%. Fleet mix and fleet utilization further impacted this result, resulting in a 7,5% decrease in total group revenue.

Profitability of the group improved with profit after tax up by 11% in US\$ and 23,7% in ZAR terms. This is attributable to cost saving initiatives and operational efficiencies.

Increase in cash generated during this period reflects the result of cost savings and stringent working capital management.

ABOUT MASTER DRILLING GROUP LIMITED

Master Drilling was established in 1986 and listed on the Johannesburg Stock Exchange during the latter part of 2012. Master Drilling is a global business, with established operations in Africa and Latin America including South Africa, Chile, Brazil, Peru, Mexico, DRC and Zambia amongst others.

Master Drilling, a recognised world leader in the raise bore drilling services industry, provides specialised drilling services to blue-chip major and mid-tier companies in the mining, civil engineering and energy sectors.

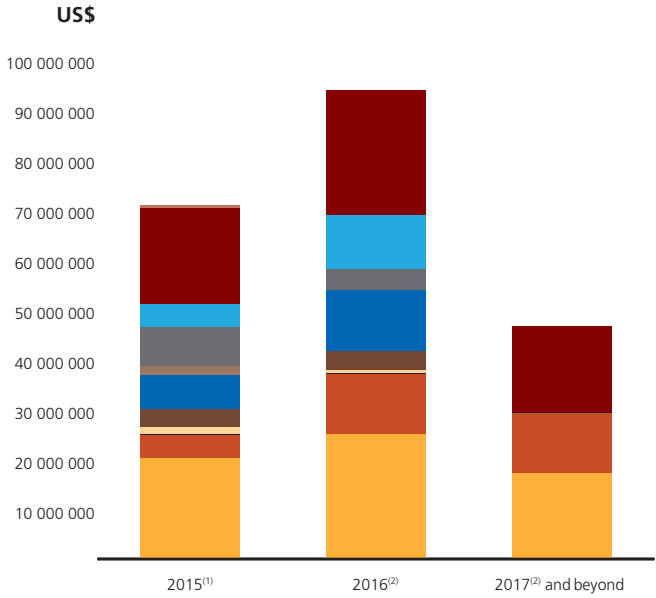
The vertically integrated business model supports end-to-end solutions in terms of design and assembly of rigs, training and engineering support and ultimately the diverse drilling applications. These core activities are production stage centered reducing exposure to volatility in business sectors and commodity markets.

The economic downturn in commodities caused us to rely heavily on the four strategic pillars of the group. Strategic progress during the first half of the year includes:

- Commissioning of the RD8-1500, the largest raise bore rig in the world
- Expansion of geographical footprint into Ecuador and Colombia
- Service offerings in the energy sector on hydro projects
- Continuation of drill rig fleet automation program to enhance safety and efficiencies
- Expansion of fleet size to 145 rigs.

COMMITTED ORDERS

As at 30 June 2015 our committed order book totalled US\$210 965 379 for the second half of 2015 and beyond, spread as follows:



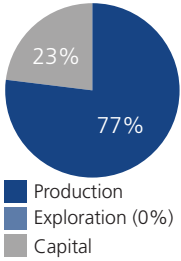
- Gold
- Iron Ore
- Coal
- Diamond
- Platinum
- Zinc
- Tin
- Hydroelectric
- Silver
- Copper
- Chrome

Note: (1) This is committed orders for the second half of the year from 1 July 2015 to 31 December 2015.
 (2) This includes assumptions of continuation of current projects, based on past experience.

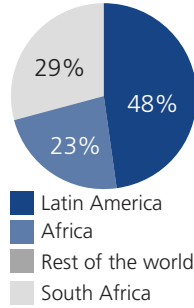
REVENUE

The following graphs reflect the Group's combined revenue for reporting periods of six months to 30 June:

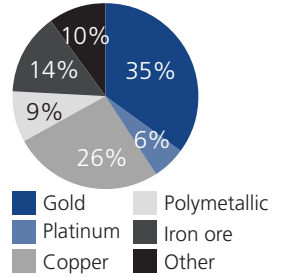
REVENUE BY DRILLING TYPE 2015



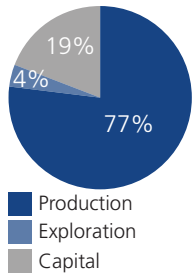
REVENUE BY JURISDICTION 2015



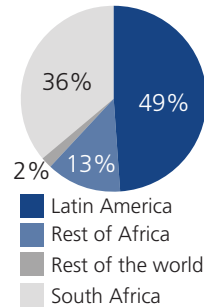
REVENUE BY COMMODITY 2015



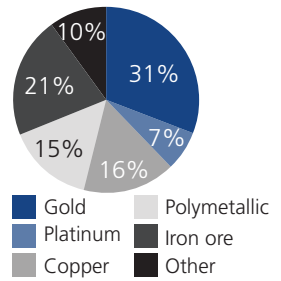
REVENUE BY DRILLING TYPE 2014



REVENUE BY JURISDICTION 2014



REVENUE BY COMMODITY 2014



UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

of the Master Drilling Group for the six months ended 30 June 2015

ACCOUNTING POLICIES – BASIS OF PREPARATION

The condensed consolidated unaudited interim financial statements of Master Drilling Group Limited have been prepared on the historical cost basis, except for certain financial instruments that are stated at fair value. The Group Financial Statements for the six months ended 30 June 2015 have been prepared in compliance with IAS 34: Interim Financial Reporting, International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and presented in accordance with the minimum content, including disclosures, prepared in accordance with the JSE Limited Listings Requirements and the requirements of the South African Companies Act, 2008 (as amended).

The group's accounting policies used in the preparation of these financial statements are consistent with those used in the Annual Financial Statements for the year ended 31 December 2014.

The unaudited financial statements for the six months ended 30 June 2015 have been prepared by the corporate reporting staff of Master Drilling Group Limited, headed by Elzaan Swanepoel (CA(SA)), the Group's Management Accountant. This process was supervised by André Jean van Deventer (CA (SA)), the Group's Financial Director.

GOING CONCERN

Based on the information available to it, the Board of Directors believes that the Group remains a going concern.

ISSUED CAPITAL

There has been no change to the issued capital since 31 December 2014.

OPERATING SEGMENTS

There are no changes to the operating segments from those disclosed at 31 December 2014.

See note 7.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which the entity operates, i.e. its "functional currency". The functional currency of the Group is Rands. The consolidated financial statements are presented in US Dollars (the "presentation currency"). Management believes that this currency is more useful to the users of the consolidated financial statements, as this currency most reliably reflects the global business performance of the Group as a whole.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of the Master Drilling Group for the six months ended 30 June 2015

	Note(s)	Unaudited six months ended 30 Jun 2015 USD	Audited year ended 31 Dec 2014 USD
Assets			
Non-current assets			
Property, plant and equipment	1	103 974 408	94 381 855
Intangible assets		2 612 584	2 612 584
Deferred tax asset		784 480	1 318 741
Financial assets		11 484 974	11 758 481
		118 856 446	110 071 661
Current assets			
Inventories		16 045 610	19 237 967
Related-party loans		93 075	35 965
Trade and other receivables	2	29 072 116	28 830 915
Cash and cash equivalents		13 619 389	12 477 082
		58 830 190	60 581 929
Total assets		177 686 636	170 653 590
Equity and liabilities			
Equity			
Share capital		146 607 965	146 607 965
Reserves		(84 867 927)	(79 669 980)
Retained income		42 576 085	33 265 577
		104 316 123	100 203 562
Non-controlling interest			
		16 540 847	15 474 542
		120 856 970	115 678 104
Liabilities			
Non-current liabilities			
Long-term interest bearing borrowings		8 617 504	7 939 220
Finance lease obligations		3 937 108	6 156 254
Share-based payment liability		1 016 639	754 603
Deferred tax liability		7 362 897	6 246 740
		20 934 148	21 096 817
Current liabilities			
Current portion of interest bearing borrowings		4 863 296	4 032 252
Finance lease obligations		5 148 477	4 478 720
Related party loans		26 223	1 048 659
Current tax payable		4 872 363	4 909 891
Trade and other payables	3	20 985 159	19 409 147
Bank overdraft		–	–
		35 895 518	33 878 669
Total Liabilities		56 829 666	54 975 486
Total Equity and Liabilities		177 686 636	170 653 590

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of the Master Drilling Group for the six months ended 30 June 2015

	Note(s)	Unaudited six months ended 30 Jun 2015 USD	Unaudited six months ended 30 Jun 2014 USD	Audited year ended 31 Dec 2014 USD
Revenue		60 300 461	65 187 683	132 034 310
Cost of sales		(36 816 661)	(43 857 184)	(88 269 543)
Gross profit		23 483 800	21 330 499	43 764 767
Other operating income		829 956	706 319	1 782 703
Other operating expenses		(8 675 566)	(8 726 054)	(18 923 519)
Operating profit		15 638 190	13 310 764	26 623 951
Investment revenue		474 483	461 819	1 296 732
Finance costs		(744 204)	(693 540)	(1 506 118)
Profit before taxation		15 368 469	13 079 043	26 414 565
Taxation		(4 991 656)	(3 732 038)	(7 961 104)
Profit for the year		10 376 813	9 347 005	18 453 461
Other comprehensive income that will not be classified subsequently to profit and loss:				
Exchange differences on translating foreign operations		(5 300 056)	(465 823)	(8 764 054)
Other comprehensive loss for the year net of taxation		(5 300 056)	(465 823)	(8 764 054)
Total comprehensive income		5 076 757	8 881 182	9 689 407
Profit attributable to:		10 376 813	9 347 005	18 453 461
Owners of the Parent		9 310 508	8 426 106	16 908 412
Non-controlling interest		1 066 305	920 899	1 545 049
Total comprehensive income attributable to:		5 076 757	8 881 182	9 689 407
Owners of the parent		4 010 452	7 960 283	8 144 358
Non-Controlling interest		1 066 305	920 899	1 545 049
Earnings Per Share (USD)	4			
Basic earnings per share (cents)		6.3	5.7	11.4
Headline earnings per share (cents)		6.3	5.7	12.1
Diluted Earnings Per Share (USD)	4			
Diluted basic earnings per share (cents)		6.2	5.6	11.2
Diluted headline earnings per share (cents)		6.2	5.6	11.9
Earnings Per Share (ZAR)				
Basic earnings per share (cents)		74,8	60,8	123,6
Headline earnings per share (cents)		75,0	61,0	131,2
Diluted Earnings Per Share (ZAR)				
Diluted basic earnings per share (cents)		73,7	59,9	121,4
Diluted headline earnings per share (cents)		73,8	66,5	129,0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of the Master Drilling Group for the six months ended 30 June 2015

USD	Share capital	Equity due to change in control of interests	Foreign currency translation reserve	Share-based payments reserve	Total Reserves	Retained income	Attributable to owners of the parent	Non-controlling interest	Total Shareholders Equity
Balance at 30 June 2014	146 607 965	(58 264 013)	(13 315 600)	109 120	(71 470 493)	24 783 271	99 920 743	15 171 433	115 092 176
Share based Payments	-	-	-	98 744	98 744	-	98 744	-	98 744
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(321 041)	(321 041)
Total comprehensive income for the year	-	-	(8 298 231)	-	(8 298 231)	8 482 306	184 075	624 150	808 225
Total changes	-	-	(8 298 231)	98 744	(8 199 487)	8 482 306	282 819	303 109	585 928
Balance as at 31 December 2014	146 607 965	(58 264 013)	(21 613 831)	207 864	(79 669 980)	33 265 577	100 203 562	15 474 542	115 678 104
Share based Payments	-	-	-	102 109	102 109	-	102 109	-	102 109
Total comprehensive income for the year	-	-	(5 300 056)	-	(5 300 056)	9 310 508	4 010 452	1 066 305	5 076 757
Total changes	-	-	(5 300 056)	102 109	(5 197 947)	9 310 508	4 112 561	1 066 305	5 178 866
Balance as at 30 June 2015	146 607 965	(58 264 013)	(26 913 887)	309 973	(84 867 927)	42 576 085	104 316 123	16 540 847	120 856 970

CONSOLIDATED STATEMENT OF CASH FLOWS

of the Master Drilling Group for the six months ended 30 June 2015

		Unaudited six months ended 30 Jun 2015 USD	Unaudited six months ended 30 Jun 2014 USD
Cash flows from operating activities	Note(s)		
Cash generated from operations	5.1	23 958 288	8 701 309
Interest income		474 483	461 819
Finance costs		(744 204)	(693 540)
Tax paid		(3 405 221)	(3 884 552)
Net cash from operating activities		20 283 346	4 585 036
Cash flows from investing activities			
Purchase of property, plant and equipment		(16 220 124)	(10 788 242)
Sale of property, plant and equipment		56 438	999
Net cash from investing activities		(16 163 686)	(10 787 243)
Cash flows from financing activities			
(Repayment)/Proceeds of financial liabilities		1 509 328	(602 527)
Repayment of Financial Leases		(2 625 382)	(810 929)
Related party loan movement		(1 079 546)	(216 840)
Net cash from financing activities		(2 195 600)	(1 630 296)
Total cash movement for the period		1 924 060	(7 832 503)
Cash at the beginning of the period		12 477 082	16 565 233
Effect of exchange rate movement on cash balances		(781 753)	(287 812)
Total cash at end of the period		13 619 389	8 444 918

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. PROPERTY, PLANT AND EQUIPMENT

Unaudited six months ended 30 Jun 2015 USD	Cost	Accumulated depreciation and impairment losses	Carrying value
Land and buildings	3 708 271	(42 253)	3 666 018
Plant and machinery	96 701 338	(27 377 468)	69 323 870
Assets under construction	5 232 701	–	5 232 701
Furniture and fittings	1 166 405	(371 266)	795 139
Motor vehicles	3 228 786	(1 153 763)	2 075 023
Office equipment	69 179	(17 886)	51 293
IT equipment	596 949	(320 010)	276 939
Finance lease: Plant and equipment	25 176 816	(4 181 873)	20 994 943
Computer software	1 933 501	(604 519)	1 328 982
Patents	229 500	–	229 500
Total	138 043 446	(34 069 038)	103 974 408

Audited year ended 31 Dec 2014 USD	Cost	Accumulated depreciation and impairment losses	Carrying value
Land and buildings	3 928 551	(34 310)	3 894 241
Plant and machinery	80 900 372	(24 904 365)	55 996 007
Assets under construction	7 951 543	(7 862)	7 943 681
Furniture and fittings	1 173 654	(358 585)	815 069
Motor vehicles	3 128 981	(1 135 691)	1 993 290
Office equipment	83 059	(55 302)	27 757
IT equipment	576 474	(299 256)	277 218
Finance lease: Plant and equipment	25 717 363	(3 720 506)	21 996 857
Computer software	1 873 601	(435 866)	1 437 735
Total	125 333 598	(30 951 743)	94 381 855

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

1. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of property, plant and equipment

Unaudited six months ended 30 Jun 2015 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries
Land and buildings	3 894 241	35 981	(251 789)
Plant and machinery	55 996 007	14 201 340	(2 379 046)
Assets under construction	7 943 681	1 231 596	(14 188)
Furniture and fittings	815 069	25 442	(17 661)
Motor vehicles	1 993 290	280 729	(94 989)
Office equipment	27 757	579	26 230
IT equipment	277 218	58 414	(11 645)
Finance lease: Plant and equipment	21 996 857	1 075 993	(1 321 339)
Computer software	1 437 735	156 542	(73 071)
Patents	–	229 500	–
	94 381 855	17 296 116	(4 137 498)

Audited year ended 31 Dec 2014 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries
Land and buildings	181 897	3 920 988	(21 350)
Plant and machinery	58 720 420	8 418 482	(4 872 936)
Assets under construction	11 835 838	5 570 469	(4 806)
Furniture and fittings	871 208	104 741	(25 711)
Motor vehicles	2 195 353	429 374	(132 186)
Office equipment	67 914	287	(6 736)
IT equipment	217 309	170 802	(13 032)
Finance lease: Plant and equipment	11 622 183	4 542 165	(308 074)
Computer software	681 527	1 116 334	(52 794)
	86 393 649	24 273 642	(5 437 625)

Reclassifications and transfer to Inventory	Disposals	Depreciation	Impairment of Fixed Assets	Total
–	–	(12 415)	–	3 666 018
3 856 105	(4 845)	(2 345 691)	–	69 323 870
(3 928 388)	–	–	–	5 232 701
–	(216)	(27 495)	–	795 139
–	(24 553)	(79 454)	–	2 075 023
–	–	(3 273)	–	51 293
–	(283)	(46 765)	–	276 939
–	(50 597)	(705 971)	–	20 994 943
–	–	(192 224)	–	1 328 982
–	–	–	–	229 500
(72 283)	(80 494)	(3 413 288)	–	103 974 408

Reclassifications and transfer to Inventory	Disposals	Depreciation	Impairment of Fixed Assets	Total
(124 449)	(40 563)	(22 282)	–	3 894 241
1 480 819	–	(6 552 037)	(1 198 741)	55 996 007
(9 457 820)	–	–	–	7 943 681
(31 064)	(50 013)	(54 092)	–	815 069
(26 301)	(150 889)	(322 061)	–	1 993 290
(17 898)	(4 944)	(10 866)	–	27 757
27 449	(34 323)	(90 987)	–	277 218
7 667 398	–	(1 526 815)	–	21 996 857
–	(18 045)	(289 287)	–	1 437 735
(481 866)	(298 777)	(8 868 427)	(1 198 741)	94 381 855

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

2. TRADE AND OTHER RECEIVABLES

	Unaudited six months ended 30 Jun 2015	Audited year ended 31 Dec 2014
	USD	USD
Trade receivables	24 708 749	24 879 385
Loans to employees	62 475	71 204
Pre-payments	1 219 593	1 824 666
Deposits	98 267	167 787
Indirect taxes	823 073	336 595
Sundry	2 159 959	1 551 278
	29 072 116	28 830 915
Trade and other receivables past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
Outstanding on normal cycle terms	19 005 176	21 366 777
1 month past due	3 429 334	1 480 503
2 month past due	1 103 955	478 928
3 month past due	2 156 316	3 143 368
Allowance for doubtful debts	(986 032)	(1 590 191)
	24 708 749	24 879 385
The movement in provision for doubtful debts is presented below		
Balance 1 January	1 590 191	1 672 368
Exchange differences on translation of foreign operations	(176 729)	(199 345)
Amounts recovered	(427 430)	(399 990)
Allowance for doubtful debts	-	517 158
	986 032	1 590 191
The carrying amount in US dollars of trade and other receivables are denominated in the following currencies:		
US Dollar	14 219 930	15 649 442
South African Rands	6 508 787	3 063 751
Brazilian Reals	3 021 645	2 699 429
Mexican Peso	174 714	278 527
Chilean Peso	3 487 140	3 096 705
Peruvian Nuevo Sol	204 633	1 140 656
CFA Franc BCEAO	12 637	54 752
Chinese Yuan Renminbi	9 902	91 004
Guatemalan Quetzal	257 201	263 019
Zambian Kwacha	1 146 796	2 119 279
Euro	28 731	374 351
	29 072 116	28 830 915

3. TRADE AND OTHER PAYABLES

	Unaudited six months ended 30 Jun 2015 USD	Audited year ended 31 Dec 2014 USD
Trade payables	14 010 460	10 298 217
Income received in advance	303 638	152 849
Indirect taxes	2 159 532	3 845 732
Leave pay accruals	2 009 803	2 148 362
Other accruals	2 501 726	2 963 987
	20 985 159	19 409 147

4. EARNINGS PER SHARE

	Unaudited six months ended 30 Jun 2015 USD	Unaudited six months ended 30 Jun 2014 USD	Audited year ended 31 Dec 2014 USD
Reconciliation between earnings and headline earnings			
Basic earnings for the year	10 376 813	9 347 005	18 453 461
<i>Deduct:</i>			
Non-controlling interest	(1 066 305)	(920 899)	(1 545 049)
Attributable to owners of the parent	9 310 508	8 426 106	16 908 412
Loss/(Gain) on disposal of Fixed assets	24 059	46 352	284 529
Impairment of plant and equipment	–	–	1 198 741
Tax effect on gain on disposal of Fixed assets and Impairments	(5 198)	(12 842)	(413 630)
Headline Earnings for the year	9 329 369	8 459 616	17 978 052
Earnings per share (cents)	6.3	5.7	11.4
Diluted earnings per share (cents)	6.2	5.6	11.2
Headline earnings per share (cents)	6.3	5.7	12.1
Diluted headline earnings per share (cents)	6.2	5.6	11.9
Net asset value per share (cents)	81.5	77.6	78.0
Tangible net asset value per share (cents)	79.8	75.9	76.3
Dividends per share (cents)	–	–	–
Weighted average number of ordinary shares at the end of the year for the purpose of basic earnings per share and headline earnings per share	148 265 491	148 265 491	148 265 491
Effect of dilutive potential ordinary shares – employee share options	2 327 286	2 036 764	2 203 545
Weighted average number of ordinary shares at the end of the year for the purpose of diluted basic earnings per share and diluted headline earnings per share	150 592 777	150 302 255	150 469 036

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

5. CASH GENERATED FROM OPERATIONS

	Unaudited six months ended 30 Jun 2015 USD	Unaudited six months ended 30 Jun 2014 USD
5.1 Cash generated from operations		
Profit before taxation	15 368 469	13 079 043
Adjustments for:		
Depreciation and amortisation	3 413 288	3 663 538
Translation effect of foreign operations	(80 845)	229 606
Share based payment – equity settled	102 109	92 909
Share based payment – liability	262 036	213 359
Loss / (Profit) on sale of assets	24 059	46 362
Interest received	(474 483)	(461 819)
Finance costs	744 204	693 540
Changes in working capital:		
Inventories	3 264 640	(1 957 494)
Trade and other receivables	(241 201)	(8 074 371)
Trade and other payables	1 576 012	1 176 636
	23 958 288	8 701 309

6. CAPITAL COMMITMENTS

	Unaudited six months ended 30 Jun 2015 USD	Audited year ended 31 Dec 2014 USD
Capital expenditure authorised by the directors and contracted for within 12 months	8 734 033	10 269 888

7. SEGMENT REPORTING

Unaudited six months ended 30 Jun 2015 USD	Unaudited six months ended 30 Jun 2014 USD	Audited year ended 31 Dec 2014 USD
--	--	---

7.1 Mining Activity

The following table shows the distribution of the Company's Combined sales by mining activity, regardless of where the goods were produced:

Sales Revenue by Stage of mining activity			
Exploration	–	2 666 745	6 728 725
Capital	13 901 317	12 266 922	16 394 012
Production	46 399 144	50 254 016	108 911 573
	60 300 461	65 187 683	132 034 310
Gross Profit by Stage of mining activity			
Exploration	–	782 871	2 840 393
Capital	5 465 803	3 612 752	5 105 520
Production	18 017 997	16 934 876	35 818 854
	23 483 800	21 330 499	43 764 767

The CEO manages the activities of the Group concomitant to the inherent risks facing these activities. It is for this reason that the activities are separated between exploration, capital and production stage drilling. The equipment and related liabilities of the group can be used at the multiple stages and therefore cannot be presented per activity.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

7. SEGMENT REPORTING continued

	Unaudited six months ended 30 Jun 2015 USD	Unaudited six months ended 30 Jun 2014 USD	Audited year ended 31 Dec 2014 USD
--	--	--	---

7.2 Geographical segments

Although the Company's major operating divisions are managed on a worldwide basis, they operate in four principal geographical areas of the world.

Sales Revenue by geographical market			
Africa	13 683 945	8 790 294	19 257 234
Latin America	29 002 433	31 993 268	65 578 798
Other Countries	221 935	1 146 506	2 737 817
South Africa	17 392 148	23 257 615	44 460 461
	60 300 461	65 187 683	132 034 310
Gross Profit by geographical market			
Africa	6 792 731	5 358 746	11 581 420
Latin America	9 419 710	9 411 095	20 002 522
Other Countries	290 448	(293 713)	(352 598)
South Africa	6 980 911	6 854 371	12 533 423
	23 483 800	21 330 499	43 764 767

Note: The gross profit percentages vary based on drilling ground conditions, competition in the markets and the mix of in-country and foreign cost

SUBSEQUENT TO THE REPORTING PERIOD

Significant events

There have been no significant events subsequent to 30 June 2015 which require adjustment or additional disclosure to these interim results.

Changes to the Board

The following changes to the board occurred and are detailed below.

Name	Position	Date
<i>Re-election of Non-Executive Director</i>		
Hendrik Roux van der Merwe	Chairman, Independent Non-Executive Director	23 July 2015
<i>Resignations</i>		
Christopher Gerald O'Neill	Non-Executive Director	22 July 2015

DIVIDENDS

The board's earlier decision not to declare an ordinary share dividend for 2014 was in line with the expectation referred to in our listing prospectus that, during our initial steep growth phase, cash resources would be used primarily for investment in assets development. Master Drilling is still in this growth phase, and the board remains of the view that for the time being we should continue to apply our cash resources primarily in the development of the group's assets.

Thus no dividend have been declared in this reporting period.

OUTLOOK AND PROSPECTS

Master Drilling's business strategy remains to achieve growth through further diversification of its business operations. The expansion of our service offering into non-commodity related services is being accomplished in the energy sector, achieving organic growth targets with operations that commenced in Ecuador and Colombia.

Despite the downturn in commodity markets, we have managed to achieve results above expectation. However the economic downturn has impacted the growth of our order book and reiterates the importance of achieving the strategic objectives of our diversification model. Management continuously drive efficiency and cost control as we look to protect the cash of our business. During this time we are improving our systems and investing in the training and development of our people.

We expect that the investment of expansion capital since our listing will be largely completed during the last quarter of this financial year. Machines built during this period are likely to be commissioned during the first half of next year. Efficiency and safe operation of our rigs remain crucial and we continue to automate the fleet to achieve higher operational standards.

The condensed consolidated unaudited financial statements of Master Drilling Group Limited were approved by the Board of Directors on 25 September 2015 and signed off on its behalf by DC Pretorius.

On behalf of the board



DC Pretorius
Chief Executive Officer
Fochville
25 September 2015

CORPORATE INFORMATION

MASTER DRILLING GROUP LIMITED

Registration number: 2011/008265/06
Incorporated in the Republic of South Africa
JSE share code: MDI
ISIN: ZAE000171948

REGISTERED AND CORPORATE OFFICE

4 Bosman Street
PO Box 902
Fochville, 2515
South Africa

DIRECTORS

Executive

Daniël (Danie) Coenraad Pretorius
André Jean van Deventer
Barend Jacobus (Koos) Jordaan
Gareth (Gary) Robert Sheppard #

Chief Executive Officer and founder
Financial Director and Chief Financial Officer
Technical Director
Chief Operating Officer

Non-Executive

Hendrik Roux Van Der Merwe
Akhter Alli Deshmukh
Jacques Pierre de Wet
Shane Trevor Ferguson
Resident in Peru

Chairman and Independent Non-Executive
Independent Non-Executive
Independent Non-Executive
Non-Executive

Company Secretary

Theophilus (Theo) Timotheus de Wet
De Wets Incorporated
(Registration number: 2000/003792/21)
6 Dwars Street
Krugersdorp, 1739
South Africa
(PO Box 158, Krugersdorp, 1740)
South Africa

JSE SPONSOR

ABSA Bank Limited (acting through its Corporate and Investment banking division)
15 Alice Lane
Sandton
2196
South Africa

INDEPENDENT AUDITORS

Grant Thornton
South African member of Grant Thornton International Limited
52 Corlett Drive
Illovo
2196
South Africa

SHARE TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
(Registration number: 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
South Africa

INVESTOR RELATIONS CONTACTS

Nthabiseng Chapeshamano
Ogilvy
Telephone: +27 11 709 6605
Mobile: +27 72 255 4105
E-mail: nthabiseng.chapeshamano@ogilvypr.co.za

General e-mail enquiries

info@masterdrilling.com

Master Drilling website

www.masterdrilling.com

Company Secretarial E-mail

Companysecretary@masterdrilling.com

Master Drilling posts information that is important to investors on the main page of its website at www.masterdrilling.com and under the “investors” tab on the main page. The information is updated regularly and investors should visit the website to obtain important information about Master Drilling.



www.masterdrilling.com