

NEWS RELEASE

FOR IMMEDIATE RELEASE

AKITA Drilling Ltd. Announces Third Quarter Results

Calgary, Alberta, October 29, 2009 –

AKITA Drilling Ltd.'s net earnings for the nine months ended September 30, 2009 were \$5,215,000 (\$0.29 per share) on revenue of \$80,448,000. Comparative figures for 2008 were earnings of \$12,826,000 (\$0.70 per share) on revenue of \$101,407,000. Funds flow from continuing operations for the period was \$17,970,000 compared to \$25,332,000 in 2008.

Earnings for the three months ended September 30, 2009 were \$752,000 (\$0.04 per share) on revenue of \$20,871,000 compared to \$3,681,000 (\$0.20 per share) on revenue of \$33,747,000 for the corresponding period in 2008. Funds flow from continuing operations for the quarter ended September 30, 2009 was \$3,169,000 compared to \$7,723,000 in the corresponding quarter in 2008.

Drilling activity remains at an all time low both for a third quarter and on a year-to-date basis since the inception of the Company. Operating statistics for the first nine months of 2009 and 2008 are as follows:

		Number of Drilling Rigs		Operating Days (Third Quarter)	Operating Days (Year-to-Date)
		Gross	Net		
Canadian Operations	2009	39	36.225	808	2,875
	2008	37	34.725	1,689	4,666
U.S. Operations	2009	2	1.0	185	395
	2008	3	1.5	62	122
Total	2009	41	37.225	993	3,270
	2008	40	36.225	1,751	4,788

The reduction in drilling activity has had a significant impact on the financial performance of the Company. Additionally, the Company's financial results have been adversely affected by foreign exchange losses and a significant reduction in interest income due to low interest rates. Offsetting these factors, the Company recorded a one-time reduction of \$1,458,000 against its pension liability account during the third quarter of 2009 following the receipt of an updated actuarial report.

The modest pace of improvement from the second quarter to the third quarter is expected to continue in the short-term. The price of natural gas improved compared to earlier in the year, although not to levels expected to stimulate a significant increase in demand for drilling services. Management expects the short-term outlook to remain difficult until underlying fundamentals improve.

It is with a great deal of sadness that we advise of the recent death of John Hlavka. John faithfully served the Company with his vision, humility and integrity, leading it from its origins in the 1970's, through its transition into a public company in 1993 and thereafter through its growth and until his retirement as Chief Executive Officer in June of this year. John's leadership charted the course for the Company. His wisdom, determination and spirit will be missed by all.

Selected financial information for the Company is as follows:

Consolidated Balance Sheets

Unaudited (\$000's)	September 30		December 31
	2009	2008	2008
ASSETS			
Current assets			
Cash and cash equivalents	\$ 56,547	\$ 46,316	\$ 42,168
Accounts receivable	19,351	35,808	41,534
Income taxes recoverable	1,219	-	-
Other	1,126	1,498	1,123
	78,243	83,622	84,825
Restricted cash	5,000	5,000	5,000
Capital assets	150,401	147,642	153,044
	\$ 233,644	\$ 236,264	\$ 242,869
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 9,082	\$ 12,941	\$ 20,061
Dividends payable	1,276	1,278	1,276
Income taxes payable	-	2,290	399
Deferred revenue	1,148	1,888	-
Current portion of pension liability	157	-	-
	11,663	18,397	21,736
Future income taxes	20,177	16,199	18,818
Pension liability	2,339	3,805	3,854
CLASS A AND CLASS B SHAREHOLDERS' EQUITY			
Class A and Class B shares	23,359	23,334	23,312
Contributed surplus	2,271	2,271	2,271
Accumulated other comprehensive income	(430)	-	-
Retained earnings	174,265	172,258	172,878
	199,465	197,863	198,461
	\$ 233,644	\$ 236,264	\$ 242,869

Consolidated Statements of Earnings and Retained Earnings

Unaudited (\$000's)	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
REVENUE	\$ 20,871	\$ 33,747	\$ 80,448	\$ 101,407
COSTS AND EXPENSES				
Operating and maintenance	14,852	20,970	50,951	61,688
Depreciation	3,586	3,935	12,833	12,562
Selling and administrative	1,311	4,079	9,368	13,026
	<u>19,749</u>	<u>28,984</u>	<u>73,152</u>	<u>87,276</u>
Revenue less costs and expenses	<u>1,122</u>	<u>4,763</u>	<u>7,296</u>	<u>14,131</u>
OTHER INCOME (EXPENSE)				
Interest income	115	479	403	1,456
Gain on sale of joint venture interests in rigs and other assets	-	32	79	696
Gain (loss) on foreign currency translation	(136)	52	(231)	94
	<u>(21)</u>	<u>563</u>	<u>251</u>	<u>2,246</u>
EARNINGS BEFORE INCOME TAXES	<u>1,101</u>	<u>5,326</u>	<u>7,547</u>	<u>16,377</u>
INCOME TAXES				
Current	44	1,612	710	4,268
Future	305	33	1,622	1,144
	<u>349</u>	<u>1,645</u>	<u>2,332</u>	<u>5,412</u>
EARNINGS FROM CONTINUING OPERATIONS	<u>752</u>	<u>3,681</u>	<u>5,215</u>	<u>10,965</u>
Gain on disposal from discontinued operations, net of tax	-	-	-	1,941
Discontinued operations, net of tax	-	-	-	(80)
NET EARNINGS	<u>752</u>	<u>3,681</u>	<u>5,215</u>	<u>12,826</u>
Retained earnings, beginning of period	174,789	170,146	172,878	163,559
Dividends declared	(1,276)	(1,277)	(3,828)	(3,835)
Adjustment on repurchase and cancellation of share capital	-	(292)	-	(292)
RETAINED EARNINGS, END OF PERIOD	<u>\$ 174,265</u>	<u>\$ 172,258</u>	<u>\$ 174,265</u>	<u>\$ 172,258</u>
Earnings per Class A and Class B share from continuing operations				
Basic	\$ 0.04	\$ 0.20	\$ 0.29	\$ 0.60
Diluted	\$ 0.04	\$ 0.20	\$ 0.29	\$ 0.60
Earnings per Class A and Class B share				
Basic	\$ 0.04	\$ 0.20	\$ 0.29	\$ 0.70
Diluted	\$ 0.04	\$ 0.20	\$ 0.29	\$ 0.70

Consolidated Statements of Cash Flows

Unaudited (\$000's)	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Earnings from continuing operations	\$ 752	\$ 3,681	\$ 5,215	\$ 10,965
Non-cash items included in earnings from continuing operations				
Depreciation	3,586	3,935	12,833	12,562
Future income taxes	225	33	1,359	1,144
Expense (recovery) for defined benefit pension plan	(1,394)	65	(1,358)	196
Stock options charged to expense	-	41	-	1,161
Gain on sale of joint venture interests in rigs and other assets	-	(32)	(79)	(696)
Funds flow from continuing operations	3,169	7,723	17,970	25,332
Cash provided from (to) discontinued operations	-	-	-	24
Change in non-cash working capital	1,755	(14,065)	10,731	(13,208)
	4,924	(6,342)	28,701	12,148
INVESTING ACTIVITIES				
Capital expenditures	(1,955)	(5,779)	(10,301)	(9,861)
Proceeds on sale of joint venture interests in rigs and other assets	-	119	190	1,259
Proceeds on sale of discontinued assets	-	-	-	3,510
Change in non-cash working capital	-	211	-	243
	(1,955)	(5,449)	(10,111)	(4,849)
FINANCING ACTIVITIES				
Dividends paid	(1,276)	(1,277)	(3,828)	(3,835)
Repurchase of share capital	-	(327)	-	(327)
Proceeds received on exercise of stock options	-	-	47	-
Change in non-cash working capital	-	13	-	13
	(1,276)	(1,591)	(3,781)	(4,149)
FOREIGN CURRENCY TRANSLATION				
	(178)	-	(430)	-
INCREASE (DECREASE) IN CASH	1,515	(13,382)	14,379	3,150
Cash position, beginning of period	55,032	59,698	42,168	43,166
CASH POSITION, END OF PERIOD	\$ 56,547	\$ 46,316	\$ 56,547	\$ 46,316
Interest paid during the period	\$ 9	\$ 8	\$ 24	\$ 15
Income taxes paid during the period	\$ 439	\$ 1,199	\$ 4,126	\$ 3,687

Consolidated Statements of Comprehensive Income

Unaudited (\$000's)	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
NET EARNINGS	\$ 752	\$ 3,681	\$ 5,215	\$ 12,826
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment	(178)	-	(430)	-
COMPREHENSIVE INCOME	\$ 574	\$ 3,681	\$ 4,785	\$ 12,826

For further information please contact:

Mr. Murray Roth
Vice President, Finance and Chief Financial Officer
(403)292-7950