



NEWS RELEASE – March 19, 2007

AKITA Drilling Ltd. Announces Record 2006 Earnings and Funds Flow

Calgary, Alberta, March 19, 2007 – Record earnings and funds flow and an active rig construction program highlighted AKITA's achievements for 2006.

Earnings for the year ended December 31, 2006 were \$33,755,000 or \$1.83 per share on revenue of \$174,543,000. Comparative figures for 2005 were \$29,264,000 or \$1.57 per share on revenue of \$162,110,000. Funds flow from operations for the current year was \$47,199,000 as compared to \$42,421,000 in 2005.

Much of the financial success in 2006 occurred in the first half of the year. Demand for shallow capacity rigs, and to a lesser degree, deep drilling rigs, tapered off starting in the third quarter, primarily as a result of weakness in natural gas prices. Since demand for medium capacity rigs and heavy oil pad rigs is largely influenced by oil prices, demand for these types of equipment remained strong throughout the year. Drilling rig utilization was 56.5% compared to the industry average of 55.1% and AKITA's utilization of 59.3% in 2005.

In 2006, a 3,350 metre capacity rig was constructed for the Doyon Akita Joint Venture at a cost of \$7,594,000 (net cost to AKITA) and commenced operations on a multi-year contract in Alaska.

At year-end, AKITA's fleet stood at 39 drilling rigs (35.575 net), including three drilling rigs (1.5 net) in Alaska. In addition, the Company has three well servicing rigs (1.5 net), all of which operate in southern Canada.

AKITA had three drilling rigs under construction throughout 2006. The first of these rigs, a shallow capacity rig, commenced operations in early January of 2007. Two heavy oil pad rigs remain under construction and are expected to be operational by the second quarter of 2007.

In October 2006, AKITA's board of directors approved the payment of an increased quarterly dividend of \$0.07 per share. This represents an increase of 16.7% calculated on an annual basis. During the year, the Company made direct contributions to enhance shareowner value through purchases pursuant to its Normal Course Issuer Bid by repurchasing 257,400 Class A Non-Voting Shares (1.5% of the class) at an average price of \$19.46 per share.

Selected financial information for the Company is as follows:

Consolidated Balance Sheets

(\$000's)	March 31		December 31
	2007	2006	2006
	(Unaudited)		(Audited)
ASSETS			
Current assets			
Cash	\$ 30,337	\$ 38,486	\$ 49,927
Accounts receivable	58,405	56,602	38,529
Other	1,492	517	206
	<u>90,234</u>	<u>95,605</u>	<u>88,662</u>
Investments	-	55	-
Capital assets	<u>138,450</u>	<u>106,279</u>	<u>133,575</u>
	<u>\$ 228,684</u>	<u>\$ 201,939</u>	<u>\$ 222,237</u>
LIABILITIES			
Current liabilities			
Bank indebtedness	\$ 2,850	\$ -	\$ -
Accounts payable and accrued liabilities	22,237	21,111	24,772
Deferred revenue	1,732	-	-
Dividends payable	1,280	1,112	1,285
Income taxes payable	1,485	3,428	5,924
	<u>29,584</u>	<u>25,651</u>	<u>31,981</u>
Future income taxes	15,396	14,985	14,016
Pension liability	3,432	3,171	3,367
CLASS A AND CLASS B SHAREHOLDERS' EQUITY			
Class A and Class B shares	23,391	23,677	23,440
Contributed surplus	887	474	652
Retained earnings	<u>155,994</u>	<u>133,981</u>	<u>148,781</u>
	<u>180,272</u>	<u>158,132</u>	<u>172,873</u>
	<u>\$ 228,684</u>	<u>\$ 201,939</u>	<u>\$ 222,237</u>

Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings

Unaudited (\$000's except per share amounts)	Three Months Ended March 31	
	2007	2006
REVENUE	\$ 52,873	\$ 61,195
COSTS AND EXPENSES		
Operating and maintenance	30,156	34,527
Depreciation	4,966	4,762
Selling and administrative	4,666	5,606
	<u>39,788</u>	<u>44,895</u>
OPERATING INCOME	<u>13,085</u>	16,300
OTHER INCOME (EXPENSE)		
Interest income	409	384
Gain on sale of joint venture interests in rigs and other assets	103	108
Gain (loss) on foreign currency translation	(96)	30
	<u>416</u>	<u>522</u>
EARNINGS BEFORE INCOME TAXES	<u>13,501</u>	16,822
INCOME TAXES		
Current	3,034	5,035
Future	1,380	785
	<u>4,414</u>	5,820
NET EARNINGS REPRESENTING COMPREHENSIVE INCOME	<u>9,087</u>	11,002
Retained earnings, beginning of period	148,781	124,343
Dividends declared	(1,280)	(1,112)
Adjustment on repurchase and cancellation of share capital	(594)	(252)
RETAINED EARNINGS, END OF PERIOD	<u>\$ 155,994</u>	<u>\$ 133,981</u>
EARNINGS PER CLASS A & CLASS B SHARE		
Basic	\$ 0.50	\$ 0.59
Diluted	\$ 0.50	\$ 0.59

Consolidated Statements of Cash Flows

Unaudited (\$000's)	Three Months Ended March 31	
	2007	2006
OPERATING ACTIVITIES		
Net earnings	\$ 9,087	\$ 11,002
Non-cash items included in earnings		
Depreciation	4,966	4,762
Future income taxes	1,380	785
Expense for defined benefit pension plan	65	69
Stock options charged to expense	235	9
Gain on sale of joint venture interests in rigs and other assets	(103)	(108)
Funds flow from operations	15,630	16,519
Change in non-cash working capital	(26,750)	(12,641)
	<u>(11,120)</u>	<u>3,878</u>
INVESTING ACTIVITIES		
Capital expenditures	(9,877)	(4,959)
Proceeds on sale of joint venture interests in rigs and other assets	139	140
Change in non-cash working capital	315	(244)
	<u>(9,423)</u>	<u>(5,063)</u>
FINANCING ACTIVITIES		
Increase (decrease) in bank indebtedness	2,850	-
Dividends paid	(1,280)	(1,112)
Proceeds received on exercise of stock options	-	123
Repurchase of share capital	(643)	(256)
Change in non-cash working capital	26	(1,769)
	<u>953</u>	<u>(3,014)</u>
INCREASE (DECREASE) IN CASH	(19,590)	(4,199)
Cash position, beginning of period	49,927	42,685
CASH POSITION, END OF PERIOD	\$ 30,337	\$ 38,486
Interest paid during the period	\$ 33	\$ 23
Income taxes paid during the period	\$ 7,473	\$ 7,480

AKITA Drilling Ltd. is an Alberta Company engaged in the contract drilling business and its outstanding Class A Non-Voting Shares are listed on the Toronto Stock Exchange under the symbol "AKT.A".

For further information please contact:

Murray Roth
Vice President, Finance
AKITA Drilling Ltd.
(403) 292-7950