



NEWS RELEASE – March 20, 2008

AKITA Drilling Ltd. Announces 2007 Earnings and Funds Flow

Calgary, Alberta, March 20, 2008 – Earnings for the year ended December 31, 2007 were \$20,752,000 or \$1.14 per share on revenue of \$142,945,000. Comparative figures for 2006 were \$33,755,000 or \$1.83 per share on revenue of \$174,543,000. Funds flow from operations for the current year was \$36,992,000 as compared to \$47,199,000 in 2006.

Overall, 2007 was the weakest year in terms of rig utilization rates for the Canadian drilling industry since 2002 and AKITA's results were affected by that weakness. The Company's rig utilization in 2007 was 40.9% compared to the industry average of 37.0% and AKITA's utilization of 56.6% in 2006.

During 2007, AKITA deployed three new drilling rigs into the market. The first rig was a 1,200 metre single that incorporated several features that were new to AKITA's fleet, but which will be incorporated into any additional rigs that the Company may add in the future in a similar depth capacity. Although operations for this rig are not governed under a long-term contract arrangement, it was able to generate 29% more operating days than the average AKITA rig in its depth range.

In addition to the new concept single rig noted above, AKITA completed the construction of two new 3,000 metre pad-style drilling rigs suitable for drilling heavy oil. The first pad-style drilling rig commenced its multi-year term contract midway through the second quarter, while the other pad-style drilling rig, which does not have a term contract associated with it, commenced drilling operations in late August.

In light of current weaker market conditions, the Company does not have immediate plans to increase its fleet size. AKITA remains poised, with the financial and other resources it has at its disposal, to respond to market opportunities, as they arise. At December 31, 2007 the Company had \$49 Million in working capital, including \$43 Million of cash and no long-term debt.

For the second year in a row, AKITA benefited from a reduction in future income taxes as a result of government announcements for future income tax rates. The positive impact to earnings was \$2,099,000 in 2007 compared to \$1,943,000 in 2006.

Selected financial information for the Company is as follows:

Consolidated Balance Sheets

December 31 (Dollars in thousands)	2007	2006
Assets		
Current assets		
Cash and cash equivalents	\$ 43,166	\$ 49,927
Accounts receivable	22,505	38,529
Other	272	206
	65,943	88,662
Restricted cash	5,000	-
Capital assets	152,579	133,575
	\$ 223,522	\$ 222,237
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 13,051	\$ 24,772
Dividends payable	1,279	1,285
Income taxes payable	873	5,924
Deferred revenue	1,617	-
	16,820	31,981
Future income taxes	15,055	14,016
Pension liability	3,609	3,367
Class A and Class B Shareholders' Equity		
Class A and Class B shares	23,369	23,440
Contributed surplus	1,110	652
Retained earnings	163,559	148,781
	188,038	172,873
	\$ 223,522	\$ 222,237

Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings

Year ended December 31 (Dollars in thousands, except per share)	2007	2006
Revenue	\$ 142,945	\$ 174,543
Costs and expenses		
Operating and maintenance	85,108	99,970
Depreciation	15,403	14,211
Selling and administrative	15,774	15,187
	116,285	129,368
Operating income	26,660	45,175
Other income (expense)		
Interest income	1,392	1,937
Gain on sale of joint venture interests in rigs and other assets	902	1,057
Gain (loss) on foreign currency translation	(814)	(40)
	1,480	2,954
Earnings before income taxes	28,140	48,129
Income taxes		
Current	6,349	14,558
Future	1,039	(184)
	7,388	14,374
Net earnings and Comprehensive Income	20,752	33,755
Retained earnings, beginning of year	148,781	124,343
Dividends declared	(5,117)	(4,613)
Adjustment on repurchase and cancellation of share capital	(857)	(4,704)
Retained earnings, end of year	\$ 163,559	\$ 148,781
Earnings per Class A and Class B share		
Basic	\$ 1.14	\$ 1.83
Diluted	\$ 1.13	\$ 1.81

Consolidated Statements of Cash Flows

Year ended December 31 (Dollars in thousands)	2007	2006
Operating activities		
Net earnings	\$ 20,752	\$ 33,755
Non-cash items included in earnings		
Depreciation	15,403	14,211
Future income taxes	1,039	(184)
Expense for defined benefit pension plan	242	265
Stock options charged to expense	458	169
Gain on sale of joint venture interests in rigs and other assets	(902)	(1,017)
Funds flow from operations	36,992	47,199
Change in non-cash working capital	1,884	13,953
	38,876	61,152
Investing activities		
Capital expenditures	(40,948)	(49,698)
Proceeds on sales of joint venture interests in rigs and other assets	7,443	9,043
Cash restricted for loan guarantees	(5,000)	-
Reduction in investments	-	55
Change in non-cash working capital	(1,081)	514
	(39,586)	(40,086)
Financing activities		
Dividends paid	(5,117)	(4,448)
Repurchase of share capital	(928)	(5,009)
Increase (decrease) in bank indebtedness	-	(4,400)
Proceeds received on exercise of stock options	-	205
Change in non-cash working capital	(6)	(172)
	(6,051)	(13,824)
Increase (decrease) in cash		
Cash position, beginning of year	49,927	42,685
Cash position, end of year	\$ 43,166	\$ 49,927
Interest paid during the year	\$ 376	\$ 72
Income taxes paid during the year	\$ 11,400	\$ 14,495

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