

## NEWS

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### Blue Skies Over Cabo Drilling

By Christian Gradley

**“We are a ‘fundamentals’ company,” says Cabo Drilling chief executive, John Versfelt, and not a “blue-sky company.” Maybe not, but Cabo’s progress over the past year certainly makes it feel as if the sky is blue and the sun is shining. Growth in Canada for Cabo has been steady, but it’s the company’s international operations that are the real story. From next-to-nothing one year ago, international operations now equate for 17 per cent of Cabo’s operations revenue. This jump is central to the company’s projected 20-25 per cent growth this year. By the company’s June 30th year-end, Cabo is expecting to surpass C\$50 million in gross revenue, nearly double 2006.**

Cabo’s impressive growth in this fiscal year is largely due to the fact that 2008 marked the company’s first year as a drilling-orientated company. Cabo went public in 2004 under the name Cabo Mining Enterprises. With C\$7 million in the bank and a number of properties to its name, from 2004 to 2007 Cabo Mining Enterprises conducted exploration and built up its drilling services. Early in 2007, the company was re-organized and the properties were sold to International Millennium Mining Corp. (IMMC), a company also controlled by John Versfelt. The sale resulted in Cabo owning a twenty-five percent stake in IMMC.

The sale also afforded Cabo the ability to focus on drilling. Since IMMC was jettisoned, Cabo has expanded. In Mexico, the company is now on the job with High Desert Gold and SilverCrest Mines. In Spain, after a fourteen month delay while the company became fully incorporated, the Cabo is now operational. Versfelt is now turning his attention to Panama, where he sees “Cabo experiencing the fastest growth”, At present, there are three drills on the ground, with six more scheduled to arrive by April.

Propelled by its international growth, Cabo is projecting that its gross revenue for 2009 will reach C\$60 million. This estimate seems readily attainable. Profits are looking good too. For 2008 the company is projecting a post-tax profit of more than C\$3.5 million – a three-fold increase over the company’s 2007 fiscal year. With profits rising and Cabo now in possession of enough rigs to place the company among the top ten worldwide drilling companies, Versfelt believes that it is Cabo’s time to shine.

Put on your shades and slap on the sunscreen – storm clouds do not appear to be in Cabo Drilling’s near future!