CABO
MINING ENTERPRISES CORP.

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Cabo Announces Quarterly and Annual Results

North Vancouver, BC – Cabo Mining Enterprises Corp. ("Cabo" or the "Company") (TSX-V:CBE) today reported results for its fourth quarter and the fiscal year 2005 ended June 30.

4th QUARTER & ANNUAL HIGHLIGHTS

(CDN \$000s, except earnings per share)	**3 months ending June 30-05**	**3 months ending June 30-04**	**FY 2005**	**FY2004**
Revenue	7,339	Nil	23,222	Nil
Net Earnings (Loss) Before Interest, Tax, Amortization and Stock-based Compensation (EBITDA)	94	76	525	(336)
Net Earnings (Loss) After Interest, Tax, Amortization and Stock-based Compensation	(575)	74	(752)	(345)
Net Earnings (Loss) After Tax and Before Stock-based Compensation	(224)	74	265	(345)
Earnings (Loss) per Share (\$) Basic Before Interest, Tax, Amortization and Stock-based Compensation	0.00	0.00	0.02	(0.03)
Earnings (Loss) per Share (\$) Basic After Interest, Tax, Amortization and Stock-based Compensation	(0.02)	0.00	(0.03)	(0.03)
Cash from operations*	23	77	454	(336)
Gross Margin %	21.1%	N/A	16.4%	N/A
Working Capital (deficiency)	4,704	6,562	4,704	6,562

*before changes in non-cash working capital items

The Company reports:

- Its highest quarterly revenue of \$7.339 million in the 4th quarter of 2005, up over \$1.441 million compared to 3rd quarter revenue of \$5.898 million of fiscal 2005, and nil revenue for the 4th quarter fiscal 2004.
- Net 4th quarter earnings before interest, tax, amortization and stock-based compensation of \$0.094 million and a net loss of \$0.575 million after interest, tax, amortization and stock-based compensation resulting in 4th quarter earnings of \$0.003 per share and a loss of \$0.02 per share, respectively. This compares with the 3rd quarter fiscal 2005 loss of \$0.023 million before interest, tax, amortization, and stock-based compensation and \$0.239 net earnings after interest, tax, amortization, and stock-based compensation and net earnings before tax and amortization of \$0.076 million and \$0.074 million after tax and amortization for the 4th quarter fiscal year 2004.
- Net after tax earnings for the fiscal year 2005 of \$0.265 million before stock based compensation compared to net after tax loss for the fiscal 2004 of \$0.345 million.
- Gross margin percentage for the 4th quarter fiscal 2005 was 21.1%, compared with a gross margin of 11.4% in the 3rd quarter of fiscal 2005 and 0% in the fiscal 2004 4th quarter.
- Cash from operations, before changes in non-cash working capital items, was \$0.023 million for the 4th quarter and \$0.454 million for fiscal 2005, compared to 3rd quarter fiscal 2005 year cash from operations of \$0.030 million and \$0.077 million for the 4th quarter fiscal year 2004 and a loss of \$0.336 for fiscal 2004.

- A current asset balance of $10.80 million and working capital of $4.7 million.
- Total assets of $23.09 million and total liabilities of $7.8 million.

"Our fiscal year 2005 marked the beginning of a new era for Cabo as our company shifted from its sole focus of mineral exploration to also providing mineral exploration and alternate drilling services," said John A. Versfelt, Chairman, President & CEO of Cabo Mining Enterprises Corp. "With one full year of capital-intensive acquisitions now behind us, we have entered the next phase of our strategic direction."

"The 4th quarter was the strongest quarter in fiscal 2005, delivering a new record for quarterly revenues of $7.339 million," said Mr. Versfelt. "Cabo experienced a significant increase in new contracts and the re-negotiation of existing contracts due to strong demand for drilling services. Our acquisition growth is visible in our first full year of revenue, which reached $23.22 million."

"Gross margin performance for the 4th quarter improved despite the increases in labour, fuel and steel costs," said Mr. Versfelt. "We ended the fourth quarter of 2005 with gross margin (as a percentage of revenue) of 21.1 percent, bringing our overall gross margin for the year to 16.4 percent or $3.80 million. Our goal for 2006 is to increase our gross margin to the 23 percent range."

"Our fiscal year 2006, looks at the stability, reliability and growth we're building in our company," stated Mr. Versfelt. "We are now focused on streamlining our operations, realizing economies of scale and moving into new geographical areas with our drilling services."

"The Company's evolution will continue in fiscal 2006 with the planned sale of our exploration properties to another public mineral exploration company for shares in that company. Our plan is to distribute the majority of the shares we receive from the company that purchases the properties to our shareholders," stated Mr. Versfelt. "Following this transaction, the Company will be renamed as Cabo Drilling Corp. and we will focus on expanding the services we offer in mineral exploration drilling and alternative drilling sectors, including geotechnical, geoenviromental and geothermal drilling."

"Going forward, the outlook for Cabo continues to be positive. Base metal prices remain at historically high levels, gold prices remain above US$400 per ounce," said Mr. Versfelt. "Considering that approximately 52% of all exploration dollars are expended on drilling, Cabo is positioning itself to continue to strengthen its existing operations and selectively expand its market share both nationally and internationally."

Fourth quarter ended June 30, 2005

The Company's fourth quarter revenue of $7.339 million is higher than all previous quarters. Most of the increase is due to the improvement in drilling services demand that began in March 2005. The increase in sales can also be attributed to the additional revenues included in Cabo's operations as a result of the Advanced Drilling Group of Companies and Les Forages de Montreal (1988) Inc. acquisitions.

The overall gross margin for the quarter improved by 85.1 percent to 21.1% percent, compared to 11.4% for the 3rd quarter of fiscal 2005. With the increase in revenue, gross profit for the quarter increased $0.828 million to $1.498 million from $0.670 million for the 3rd quarter of fiscal 2005.

General and administrative costs were $1.202 million for the quarter, compared to $0.915 million for the 3rd quarter of fiscal 2005, an increase of $0.287 million. This increase can be partially attributed to the additional G&A expenses of the different drilling companies that have been acquired throughout the year and subsequently consolidated with the existing operations. Additional marketing, travel and integration costs during the quarter have also contributed to the increase in G&A costs.

Amortization expense for the final quarter 2005 was $0.284 million as compared to $0.158 in the third quarter, fiscal 2005. The increase can partially be attributed to the decision to push the acquisition goodwill down to the various subsidiaries. The push down caused an increase in the capital cost of the major asset class, Drilling

Equipment. This push down cost increased the total amortization in the fourth quarter, fiscal 2005 by $0.133 million. The remainder of the increase is a result of the Advanced Drilling Group of Companies and Les Forages de Montreal acquisitions and new equipment and software amortization purchased in the third quarter.

Net earnings for the quarter before interest, tax, amortization and stock-based compensation were $0.094 million with a net loss of $0.575 million after interest, tax, amortization and stock-based compensation resulting in earnings of $0.003 per share basic and a loss of $0.02 per share basic respectively. This compares with the 3rd quarter fiscal 2005 loss of $0.023 million before interest, tax, amortization, stock-based compensation, and $0.239 million net earnings after interest, tax, amortization, and stock-based compensation, and $0.046 million net earnings before interest, tax, and amortization and net earnings of $0.044 million after interest, tax, and amortization in the same period in fiscal 2004.

Year ended June 30, 2005

The results of operations reflect the consolidated performance of Cabo and its drilling subsidiaries. Revenue from new acquisitions is included from the date of acquisition. The Company was not involved in providing drilling services until the beginning of the Company's fiscal year and as such no appropriate comparatives are available. The Company does not have revenue from its mineral properties.

July 1, 2004 marked the beginning of a new era for Cabo Mining Enterprises Corp. as it shifted from its sole focus of mineral exploration to also providing mineral exploration and alternative drilling services. Heath & Sherwood Drilling (1986) Inc. and Petro Drilling Company Limited acquired on June 30, 2004 combined with the acquisitions of Stratacan Inc. and Stratacan (Quebec) Inc. on September 30, 2004, Advanced Drilling Group of Companies on February 28, 2005 and Les Forages de Montreal (1988) Inc. on March 31, 2005 have resulted in 2005 revenues of $23.22 million, acquisitions of over 110 drilling rigs and employment of approximately 250 employees.

The total revenue for the fiscal year 2005 of $23.222 million is broken down into surface drilling: $15.259 million; underground drilling: $7.375 million; and geotechnical/geoenvironmental drilling: $0.588 million. Gross margin percentage for the year was 16.38%.

General and administrative ("G&A") costs for the fiscal year 2005 were $3.345 million compared to $0.420 million for fiscal 2004 an increase of $2.925 million. This increase can be primarily attributed to the additional G&A expenses of the various drilling companies that have been acquired throughout the year and subsequently consolidated with the existing operations. Additional marketing, travel and integration costs during the year have also contributed to the increase in G&A costs.

Cabo reported a pre-tax loss of $1.107 million for the 12 months ended June 30, 2005, compared to a pre-tax loss of $0.345 million for the 12 months ended June 30, 2004. This loss is largely due to a charge of $1.017 million for stock-based compensation. Excluding the stock-based compensation, the Company earned an after tax income of $0.265 million. Cabo's operating performance has not met management's expectations; however, the Company incurred significant expenditures in 2005 that should provide benefits in future years. Management continues to review the organization to seek operational and administrative efficiencies.

Cash flow from operations (before changes in non-cash operating working capital items) was $0.454 million for the 12 months ended June 30, 2005, up $0.790 million or 222% from the $0.336 million loss in the year ended June 30, 2004. The improvement is a direct result of the change in Cabo's business from mineral exploration to include drilling services.

Working capital decreased by $1.858 million from $6.562 million at June 30, 2004 to $4.704 million at June 30, 2005. This decrease was partially due to the acquisition of Stratacan Group, Advanced Drilling Group of Companies and Les Forages de Montreal (1988) Inc. of $1.882 million which was offset by higher accounts receivable, inventory and accounts payable resulting in the net decrease.

The Company remains in a relatively strong financial position with cash reserves of $1.973 million and working capital of $4.704 million. The Company does not anticipate any problems over the next year in financing any capital requirements within its drilling operations and maintaining its mineral properties in good standing.

In fiscal 2005, Cabo experienced a significant increase in new contracts and the re-negotiation of existing contracts due to strong demand for drilling services. The mineral market growth has translated into improved revenues for the Heath & Sherwood and Petro Drilling subsidiaries and this trend is expected to continue for all subsidiaries in the 2006 fiscal year.

As part of the Company's strategy to expand its presence in the drilling services industry, its integration and operational improvement initiatives have resulted in expenditures beyond typical levels for a mineral drilling business. These initiatives include equipment improvements, staff recruitment and training, centralization of administrative functions, computer system integration and other related expenses. These expenses have been mitigated by the adoption and standardization of inventory recording and management by all operating entities.

Cabo is well positioned to capture an increase in revenues as the demand for mineral exploration, development and mining grows and continues to remain high. The Company's strategy is to focus on growth by expanding its existing long term customer base revenues, attracting new customers, and by achieving operating and administrative efficiencies.

During fiscal 2005, the Company also continued its mineral exploration activities. Cabo spent $1.688 million, compared to $0.276 million for 2004, to conduct mineral exploration and to secure additional exploration rights for new and existing properties. The Company raised $1.0 million by way of flow through financing of which approximately $300,000 remains to be spent as at June 30, 2005. Cabo maintains its mineral properties in good standing and they have good potential for the discovery of mineral reserves that could add value to the Company.

Cabo Mining Enterprises Corp. is a drilling services company headquartered in North Vancouver, British Columbia, Canada. The Company provides services through its subsidiaries Advanced Drilling Ltd. of Surrey, British Columbia; Forages Cabo Inc. of Montréal, Quebec; Heath & Sherwood Drilling (1986) Inc., of Kirkland Lake, Ontario; and Petro Drilling Company Limited of Springdale, Newfoundland. Cabo also holds interests in mineral exploration properties located near Cobalt, Kenora and Sudbury, Ontario, Canada. The Company's common shares trade on the TSX Venture Exchange under the symbol: **CBE**.

ON BEHALF OF THE BOARD

(*signed "John A .Versfelt")*

John A. Versfelt
Chairman, President and CEO

Further information about the Company can be found on the Cabo website (http://www.cabo.ca) and SEDAR (ww.sedar.com) or by contacting Investor Relations Ms. Sheri Barton at 403-217-5830 or Mr. John A. Versfelt, Chairman, President & CEO of the Company.

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