Groupe Forage MAJOR Drilling Group International Inc.

NEWS RELEASE

Major Drilling Reports Record Annual and Quarterly Results

MONCTON, New Brunswick (June 10, 2008) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its fourth quarter of fiscal year 2008, ended April 30, 2008.

Financial Highlights

$ millions (except earnings per share)	**Q4-08**	**Q4-07**	**Fiscal 2008**	**Fiscal 2007**
Revenue	$170.0	$129.0	$590.3	$415.4
Gross profit	59.4	43.5	195.4	133.1
As percentage of sales	35.0%	33.7%	33.1%	32.0%
Earnings from continuing operations	25.3	17.8	74.6	46.5
Earnings per share from continuing operations	1.07	0.77	3.16	2.01
Cash flow from continuing operations (*)	35.3	25.1	109.1	75.6

(*) before changes in non-cash working capital items

Francis McGuire, President & CEO of Major Drilling, summarized the results as follows:
"Fiscal year revenue is up 42% and earnings are up 60%, all while maintaining low debt levels."

- Major Drilling posted the highest quarterly revenue in its history at $170.0 million, up 31.8 percent from the same period last year. Annual revenue moved to a new record for the sixth consecutive year at $590.3 million, despite foreign currency movements, an increase of 42.1 percent over the previous record of $415.4 million set last year.

- The Company posted the highest quarterly earnings in its history with earnings from continuing operations for the quarter increasing by over 42.1 percent to $25.3 million or $1.07 per share, compared to $17.8 million or $0.77 per share for the prior year quarter. Earnings from continuing operations for fiscal 2008 increased over 60.4 percent, to $74.6 million ($3.16 per share), an annual record, from earnings of $46.5 million ($2.01 per share) recorded in fiscal 2007.

- Gross margin percentage for the quarter was 35.0 percent, compared to 33.7 percent for the corresponding period last year. Annual gross margins were 33.1 percent for fiscal 2008 compared to 32.0 percent for fiscal 2007.

- Net earnings for the quarter were $25.4 million or $1.07 per share compared to net earnings of $17.8 million or $0.77 per share for the prior year quarter.

- Cash flow from continuing operations, before changes in non-cash working capital items, was up 40.6 percent to $35.3 million for the quarter, compared to $25.1 million for the same quarter last year. Annual cash flow from operations, before changes in non-cash working capital items, was $109.1 million in fiscal 2008, up 44.3 percent from the $75.6 million recorded in fiscal 2007.

- Net capital expenditures for fiscal 2009 are projected at some $80 million.

"Revenue continued to grow this quarter with contributions from all regions as the Company continued to benefit from a favorable pricing environment and its investments in additional equipment, while still being somewhat constrained by labour availability," said Mr. McGuire. "Operations that were hampered by weather in February picked up as the quarter progressed. Earnings contribution improved in Canada-U.S. and Latin America although the region of Australia, Asia and Africa, while still making a positive contribution, faced operational issues which impacted quarterly earnings."

"Canada-U.S. benefited from improved pricing and newer equipment, which helped productivity. Our energy rigs in the U.S., however, had low levels of utilization; utilization is expected to improve by June. In Latin America, improved pricing and increased labour productivity as our labour force gains experience, were the main factors for the improvement in profit margins. Revenue in Latin America was somewhat impacted by changes in government mining policies in Ecuador and Venezuela. In Australia, heavy rain affected operations in February, mainly in the energy sector, which typically is more profitable than the mineral sector. In Africa, operational and management issues affected results as the Company continues with the integration of its acquisition in the region. The Company has made several management and operational changes in the region and expects results to improve in the coming quarters."

"Fiscal 2008 was a very satisfying year as the Company continued to increase its investments in training and safety, which is essential to internal growth," noted Mr. McGuire. "The Company grew its revenue by $175 million with two thirds of the growth occurring in U.S. dollar contracts. At the same exchange rate as last year, we would have shown an additional $42 million of growth. Due to the fact that most of our costs are kept in the same currency as our revenue, the impact of foreign exchange on earnings was limited to approximately $7 million. The fundamental demand drivers in the global markets show no signs of major change and most industry watchers are calling for the supply of metals to remain relatively tight for the foreseeable future as mineral companies continue to search for significant discoveries," observed Mr. McGuire.

"Strong demand from gold projects is expected to continue in calendar 2008 as gold prices should remain well above minimum thresholds. Worldwide drilling demand from uranium companies is expected to continue in 2008 given the number of projects moving into the pre-feasibility stage, although uranium projects in some regions might be affected by regulatory delays. Demand for base metals could be affected by a U.S. recession but problems on the supply side due to the lack of discoveries and continued demand from emerging economies should keep prices above levels required for exploration," said Mr. McGuire.

"Looking at fiscal 2009, the Company expects its revenue growth to come from two main drivers: from additional investments in people and equipment and price increases. The Company also continues to seek acquisitions that will either enhance its strategy of dominating specialized drilling or that will expand its geographical footprint," said Mr. McGuire. "Given the strong demand and the Company's favorable financial position, net capital expenditures are expected to reach a record at $80 million in the upcoming year. In addition, the Company has started a new research and development program with the goal of finding new ways to enhance productivity and safety. Labour availability will remain the Company's greatest challenge, and we will continue to increase our investments in training but we expect competition for experienced drillers to intensify as the year goes on," noted Mr. McGuire. "In parts of our African region, where pricing has lagged, we expect to continue to improve rig availability and pricing. These initiatives should progressively improve profitability in the region as we move through the year. Finally, we continue to be mindful of the impact that governments can have on exploration activities as certain countries seek an increased share in the benefits of this commodity boom."

Fourth quarter ended April 30, 2008

Total revenue for the fourth quarter was $170.0 million, up 31.8 percent from the $129.0 million recorded for the prior year period. Revenue growth was affected by the strengthening Canadian dollar against the U.S. dollar as compared to the same period last year. The unfavourable foreign exchange translation impact for the quarter, when comparing to the effective rates for the same period last year, is estimated at $16 million on revenue.

Revenue from Canada-U.S. drilling operations was up $5.5 million or 11.7 percent to $52.5 million for the quarter compared to $47.0 million for the same period last year. Improved pricing and better winter conditions at the end of the quarter, as compared to last year, contributed to the improved performance of the region.

In South and Central America, revenue for the quarter was $60.4 million, up 47.0 percent from $41.1 million recorded in the prior year quarter. This strong year-over-year quarterly growth was driven primarily by strong demand in Mexico, Chile (including the Harris acquisition) and Argentina. Operations in Venezuela and Ecuador were impacted by political decisions near the end of the quarter, which limited their contribution.

Australian, Asian and African drilling operations reported revenue of $57.1 million, up some 39.6 percent from $40.9 million reported in the same period last year. Revenue growth in the region came mainly from Africa, Australia and a new operation in Armenia. Mongolian revenue was flat as the mining industry in that country continues to struggle with uncertainty relating to government mining policies.

The overall gross margin percentage for the quarter was 35.0 percent, up from 33.7 percent for the same period last year. Gross margin percentages improved year-over-year in Canada-U.S. and South and Central America due to generally improved pricing, better equipment and better drilling conditions in Canada in April. However, weather negatively affected productivity in February and our energy rigs had low levels of utilization in both Australia and the U.S. throughout the quarter. In Africa, operational and management issues affected results as the Company continues with the integration of its acquisition in the region. The Company has made several management and operational changes in the region and expects results to improve in the coming quarters.

General and administrative costs were $12.7 million for the quarter, compared to $10.2 million for the prior year period. The increase was due to the administrative costs relating to the acquisitions in Chile and Ecuador, additions to management to accommodate growth and overall cost increases due to increased volume. The Company added significant additional resources in safety and training, particularly in the second half of the year. In addition, the Company has started a new research and development program with the goal of finding new ways to enhance productivity and safety.

Other expenses were $3.2 million for the quarter compared to $2.2 million for the same period last year, due to higher incentive compensation expenses given the Company's improved profitability in the current year.

Foreign exchange loss was nil for the quarter compared to $0.5 million for the prior year period.

Short-term interest expense was $0.2 million for the quarter compared to revenue of $0.4 million last year, while interest on long-term debt was $0.5 million compared to $0.7 million for the prior year quarter.

Amortization expense increased to $7.5 million for the quarter compared to $5.9 million for the same quarter last year, as a result of increased investment in equipment.

The Company's tax expense was $10.1 million for the quarter, reflecting the Company's profitability, compared to $6.6 million for the same period last year.

Earnings from continuing operations for the quarter were $25.3 million or $1.07 per share ($1.05 per share diluted) compared to $17.8 million or $0.77 per share ($0.75 per share diluted) in the prior year period.

Gain from discontinued operations was $0.1 million compared to nil for the same period last year.

Net earnings were $25.4 million or $1.07 per share ($1.05 per share diluted) compared to $17.8 million or $0.77 per share ($0.75 per share diluted) for the same period last year.

Year ended April 30, 2008

Revenue for the fiscal year ended April 30, 2008 increased 42.1 percent to $590.3 million from $415.4 million for the corresponding period last year. Revenue growth was affected by the strengthening Canadian dollar against the U.S. dollar as compared to the same period last year. The unfavourable foreign exchange translation impact for the year, when comparing to the effective rates for the same period last year, is estimated at $42 million on revenue.

Canada-U.S. revenue increased by 25.0 percent to $189.0 million compared to $151.2 million last year. Additional equipment and improved pricing contributed to the growth in that region.

Revenue in South and Central America increased by 46.4 percent or $59.1 million to $186.5 million, compared to $127.4 million in fiscal 2007. Revenue growth was driven primarily by good internal growth in Mexico, Chile and Argentina and by new acquisitions in Chile and Ecuador.

Revenue in Australia, Asia and Africa increased 57.0 percent to $214.8 million from $136.8 million in fiscal 2007. Australia and the new African operations accounted for two thirds of the growth in this segment. As well, all other countries in the region grew their revenue and the Company commenced operations in Armenia.

Gross margins for the year were 33.1 percent compared to 32.0 percent last year, due mainly to an improving pricing environment and despite increased investments in training and increased labour and materials cost. With the increase in revenue and improving gross margins, gross profit for the year increased by 46.8 percent to $195.4 million compared to $133.1 million for the prior year.

General and administrative expenses increased to $44.8 million compared to $33.8 million for the same period last year. This increase is primarily due to additions to the management team to accommodate growth and additional safety and training efforts, the African, Ecuadorian and Chilean acquisitions, and overall cost increases due to increased volume.

Other expenses were $13.6 million for the year compared to $9.3 million for the same period last year due primarily to higher incentive compensation expenses given the Company's improved profitability in the current year, and losses on disposal of assets, offset by a reduction in the provision for doubtful accounts.

Foreign exchange loss was $2.1 million compared to $0.8 million in the prior year period as a result of unfavourable variation in the U.S. dollar against the Canadian dollar.

Short-term interest revenue was $0.2 million for the year compared to a revenue of $0.7 million last year, while interest on long-term debt was $2.4 million in fiscal 2008 compared to $2.6 million last year.

Amortization expense increased to $27.0 million compared to $20.5 million last year, as a result of increased investment in equipment.

The provision for income tax for the year was $31.1 million compared to $20.2 million for the prior year reflecting the increase in pre-tax earnings.

Earnings from continuing operations were $74.6 million or $3.16 per share ($3.12 per share diluted) compared to $46.5 million or $2.01 per share ($1.98 per share diluted) last year.

Loss from discontinued operations was $0.5 million or $0.02 per share compared to a gain of $12.3 million or $0.53 per share last year. Discontinued operations include last year's sale of the manufacturing division and the termination of operations in China. Gain from discontinued operations for fiscal 2007 largely reflects the gain of $15.6 million (after income taxes) from the sale of the manufacturing division, partially offset by a loss in the Chinese operations after close-down provisions.

Net earnings were $74.1 million or $3.14 per share ($3.10 per share diluted) compared to $58.8 million or $2.54 per share ($2.50 per share diluted) for last year.

Some of the statements contained in this press release may be forward-looking statements, such as estimates and statements that describe or are with respect to the future price of minerals and metals, the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition to exist or occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements by reason of factors such as, but not limited to, the factors set out in the discussion starting on pages 19 to 22 of the 2007 Annual Report entitled "General Risks and Uncertainties", as filed with the Canadian Securities Commission (available on SEDAR at www.sedar.com). All such factors should be considered carefully when making decisions with respect to the Company. The Company does not undertake to update any forward-looking statements, including those statements that are incorporated by reference herein, whether written or oral, that may be made from time to time by or on its behalf, except in accordance with applicable securities laws.

Based in Moncton, New Brunswick, Major Drilling Group International Inc. is one of the world's largest metals and minerals contract drilling service companies. To support its customers' mining operations and mineral exploration activities, Major Drilling maintains operations in Canada, the United States, South and Central America, Australia, Indonesia, Mongolia, Armenia and Africa.

Financial statements are attached.

*Major Drilling will provide a simultaneous web cast of its quarterly conference call on **Tuesday, June 10, 2008 at 9:00 AM (EDT).** To access the web cast please go to the Major Drilling website at www.majordrilling.com and click the attached link, or go directly to the CNW Group website at www.newswire.ca for directions. Participants will require Windows MediaPlayer, which can be downloaded prior to accessing the call. Please note that this is listen only mode.*

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Major Drilling Group International Inc.
Consolidated Statements of Operations
(in thousands of Canadian dollars, except per share information)
(unaudited)

	Twelve months ended April 30		Three months ended April 30	
	2008	2007	**2008**	2007
TOTAL REVENUE	**$ 590,309**	$ 415,437	**$ 169,995**	$ 129,049
DIRECT COSTS	**394,868**	282,367	**110,575**	85,529
GROSS PROFIT	**195,441**	133,070	**59,420**	43,520
OPERATING EXPENSES				
General and administrative	**44,813**	33,821	**12,719**	10,205
Other expenses	**13,606**	9,252	**3,182**	2,176
Foreign exchange loss (gain)	**2,142**	828	**(12)**	461
Interest (revenue) expense	**(153)**	(729)	**225**	(388)
Interest expense on long-term debt	**2,403**	2,615	**481**	684
Amortization	**26,962**	20,526	**7,451**	5,942
	89,773	66,313	**24,046**	19,080
EARNINGS BEFORE INCOME TAX AND DISCONTINUED OPERATIONS	**105,668**	66,757	**35,374**	24,440
INCOME TAX - PROVISION				
Current	**27,315**	13,932	**8,047**	6,460
Future	**3,758**	6,279	**2,041**	180
	31,073	20,211	**10,088**	6,640
EARNINGS FROM CONTINUING OPERATIONS	**74,595**	46,546	**25,286**	17,800
(LOSS) GAIN FROM DISCONTINUED OPERATIONS	**(500)**	12,257	**75**	9
NET EARNINGS	**$ 74,095**	$ 58,803	**$ 25,361**	$ 17,809
EARNINGS PER SHARE FROM CONTINUING OPERATIONS				
Basic *	**$ 3.16**	$ 2.01	**$ 1.07**	$ 0.77
Diluted **	**$ 3.12**	$ 1.98	**$ 1.05**	$ 0.75
EARNINGS PER SHARE				
Basic *	**$ 3.14**	$ 2.54	**$ 1.07**	$ 0.77
Diluted **	**$ 3.10**	$ 2.50	**$ 1.05**	$ 0.75

*Based on 23,576,973 and 23,135,889 daily weighted average shares outstanding for the fiscal year to date 2008 and 2007, respectively and on 23,684,754 and 23,253,058 daily weighted average shares for the quarter ended April 30, 2008 and 2007, respectively. The total number of shares outstanding on April 30, 2008 was 23,706,173.

**Based on 23,899,983 and 23,490,195 daily weighted average shares outstanding for the fiscal year to date 2008 and 2007, respectively and on 24,061,576 and 23,686,734 daily weighted average shares outstanding for the fourth quarter ended April 30, 2008 and 2007, respectively.

Major Drilling Group International Inc.
Consolidated Statements of Comprehensive Earnings
(in thousands of Canadian dollars)
(unaudited)

	Twelve months ended April 30		Three months ended April 30	
	2008	2007	**2008**	2007
NET EARNINGS	**$ 74,095**	$ 58,803	**$ 25,361**	$ 17,809
OTHER COMPREHENSIVE (LOSS) GAIN				
Unrealized (losses) gains on translating financial statements of self-sustaining foreign operations	**(14,169)**	(134)	**5,260**	(7,740)
COMPREHENSIVE EARNINGS	**$ 59,926**	$ 58,669	**$ 30,621**	$ 10,069

Consolidated Statements of Retained Earnings
(in thousands of Canadian dollars)
(unaudited)

	Twelve months ended April 30	
	2008	2007
RETAINED EARNINGS, BEGINNING OF THE YEAR	**$ 108,438**	$ 49,635
Net earnings	**74,095**	58,803
RETAINED EARNINGS, END OF THE YEAR	**$ 182,533**	$ 108,438

Consolidated Statements of Accumulated Other Comprehensive Loss
(in thousands of Canadian dollars)
(unaudited)

	Twelve months ended April 30	
	2008	2007
ACCUMULATED OTHER COMPREHENSIVE LOSS, BEGINNING OF THE YEAR	**$ (30,383)**	$ (30,249)
Unrealized losses on translating financial statements of self-sustaining foreign operations	**(14,169)**	(134)
ACCUMULATED OTHER COMPREHENSIVE LOSS, END OF THE YEAR	**$ (44,552)**	$ (30,383)

Major Drilling Group International Inc.
Consolidated Statements of Cash Flows
(in thousands of Canadian dollars)
(unaudited)

	Twelve months ended April 30		Three months ended April 30	
	2008	2007	**2008**	2007
OPERATING ACTIVITIES				
Earnings from continuing operations	**$ 74,595**	$ 46,546	**$ 25,286**	$ 17,800
Operating items not involving cash				
Amortization	**26,962**	20,526	**7,451**	5,942
Loss (gain) on disposal of capital assets	**1,218**	977	**(50)**	622
Future income tax	**3,758**	6,279	**2,041**	180
Stock-based compensation	**2,556**	1,265	**601**	602
	109,089	75,593	**35,329**	25,146
Changes in non-cash operating working capital items	**(28,483)**	(14,509)	**(11,726)**	(12,257)
	80,606	61,084	**23,603**	12,889
(Loss) gain from discontinued operations, adjusted for non-cash items	**(614)**	(1,271)	**75**	(55)
Changes in non-cash operating working capital items from discontinued operations	**(917)**	3,154	**(114)**	(79)
Cash flow from operating activities	**79,075**	62,967	**23,564**	12,755
FINANCING ACTIVITIES				
Repayment of long-term debt	**(14,080)**	(16,863)	**(3,164)**	(5,355)
Additional long-term debt	**20,000**	459	**10,000**	-
Increase in (repayment of) demand loans	**2,179**	(16,721)	**(6,310)**	-
Issuance of common shares	**4,437**	2,653	**608**	1,740
Discontinued operations	**(3,061)**	-	**3**	-
Cash flow from (used in) financing activities	**9,475**	(30,472)	**1,137**	(3,615)
INVESTING ACTIVITIES				
Net proceeds from sale of discontinued operations	**-**	28,717	**-**	(43)
Business acquisitions (net of cash acquired) (note 5)	**(27,925)**	(13,058)	**(496)**	-
Acquisition of capital assets, net of direct financing	**(68,101)**	(36,803)	**(22,700)**	(12,474)
Proceeds from disposal of capital assets	**3,647**	3,040	**1,137**	452
Discontinued operations	**-**	687	**-**	-
Cash flow used in investing activities	**(92,379)**	(17,417)	**(22,059)**	(12,065)
OTHER ACTIVITIES				
Foreign exchange translation adjustment	**(498)**	(2,043)	**(200)**	(658)
(DECREASE) INCREASE IN CASH	**(4,327)**	13,035	**2,442**	(3,583)
CASH POSITION, BEGINNING OF THE PERIOD	**25,022**	11,987	**18,253**	28,605
CASH POSITION, END OF THE PERIOD	**$ 20,695**	$ 25,022	**$ 20,695**	$ 25,022

Major Drilling Group International Inc.
Consolidated Balance Sheets

As at April 30, 2008 and April 30, 2007

(in thousands of Canadian dollars)

ASSETS

	2008	2007
CURRENT ASSETS		
Cash	**$ 20,695**	$ 25,022
Accounts receivable	**103,555**	78,613
Income tax receivable	**3,218**	1,610
Inventories	**75,094**	50,976
Prepaid expenses	**6,280**	6,545
Future income tax assets	**3,948**	1,730
Assets of discontinued operations (note 6)	**-**	3,253
	212,790	167,749
CAPITAL ASSETS	**199,007**	158,771
FUTURE INCOME TAX ASSETS	**334**	619
GOODWILL AND OTHER ASSETS	**14,837**	1,240
	$ 426,968	$ 328,379

LIABILITIES

	2008	2007
CURRENT LIABILITIES		
Demand loan	**$ 2,179**	-
Accounts payable and accrued charges	**73,870**	$ 54,484
Income tax payable	**10,541**	4,121
Current portion of long-term debt	**11,798**	13,649
Future income tax liabilities	**1,177**	-
Liabilities of discontinued operations (note 6)	**2,028**	9,463
	101,593	81,717
LONG-TERM DEBT	**28,317**	18,136
FUTURE INCOME TAX LIABILITIES	**9,152**	7,020
DEFERRED GAIN	**-**	519
	139,062	107,392
SHAREHOLDERS' EQUITY		
Share capital	**142,140**	137,703
Contributed surplus	**7,785**	5,229
Retained earnings	**182,533**	108,438
Accumulated other comprehensive loss	**(44,552)**	(30,383)
	287,906	220,987
	$ 426,968	$ 328,379

(in thousands of Canadian dollars)

1. BASIS OF PRESENTATION

These interim financial statements were prepared using accounting policies and methods consistent with those used in the preparation of the Company's audited financial statements for the year ended April 30, 2007, except for the adoption of new accounting policies as disclosed in Note 2 below. These interim financial statements conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements, with the exception of certain note disclosures. As a result, these interim financial statements should be read in conjunction with the Company's audited financial statements and notes for the year ended April 30, 2007 contained in the Company's 2007 annual report.

2. CHANGES IN ACCOUNTING POLICIES

The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, Comprehensive Income, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861, Financial Instruments – Disclosure and Presentation, and Section 3865, Hedges, on May 1, 2007.

As a result of the adoption of Section 1530, Comprehensive Income, the Company now presents Consolidated Statements of Comprehensive Earnings, which consists of net earnings and other comprehensive loss representing gains and losses from the translation of the Company's self-sustaining foreign operations. Accumulated other comprehensive loss ("AOCL") is presented as a separate component of the shareholders' equity section in the Consolidated Balance Sheets. Previously, these gains and losses were deferred in cumulative translation adjustments within shareholders' equity and are now the only element included in AOCL.

As a result of adopting CICA Section 3855, Financial Instruments – Recognition and Measurement, financial assets classified as loans and receivables and financial liabilities classified as other liabilities have to be measured initially at fair value. The adoption of CICA Section 3855 has not resulted in any changes to the carrying values of financial instruments.

The Company's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Assets of discontinued operations	Loans and receivables	Amortized cost
Demand loan	Other financial liabilities	Amortized cost
Accounts payable and accrued charges	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost
Liabilities of discontinued operations	Other financial liabilities	Amortized cost

The Company has adopted the policy of amortizing transaction costs to net income using the effective interest method.

2. CHANGES IN ACCOUNTING POLICIES (Continued)

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives and identifies the information that should be disclosed about them.

The Company does not currently have derivatives and therefore the adoption of CICA Handbook Section 3865, Hedges, has had no impact on the Company's financial statements.

In accordance with CICA Handbook Section 3855, a search for embedded derivatives in our contracts as at January 1, 2008 was conducted. There were no embedded features identified that require separate presentation from the related host contract.

3. ACCOUNTING STANDARDS PENDING ADOPTION

Inventories
In June 2007, the CICA issued Section 3031, Inventories, replacing Section 3030, Inventories. The new Section will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning May 1, 2008. It provides more guidance on the measurement and disclosure requirements for inventories. The Company does not expect that the adoption of this Section will have a material effect on its consolidated financial statements.

Financial instruments
In December 2006, the CICA issued Section 3862, Financial Instruments – Disclosures, Section 3863, Financial Instruments – Presentation, and Section 1535, Capital Disclosures. All three Sections will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2007. Accordingly, the Company will adopt the new standards for its fiscal year beginning May 1, 2008. Section 3862 on financial instruments disclosures, requires the disclosure of information about: a) the significance of financial instruments for the entity's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Section 3863 on the presentation of financial instruments is unchanged from the presentation requirements included in Section 3861. Section 1535 on Capital Disclosures requires the disclosure of information about an entity's objectives, policies and processes for managing capital. As the standards relate only to disclosure requirements they will have no effect on financial results.

Goodwill and intangible assets
In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning May 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is

(in thousands of Canadian dollars)

3. ACCOUNTING STANDARDS PENDING ADOPTION (Continued)

currently evaluating the impact of the adoption of this new Section on its consolidated financial statements.

IFRS
Effective January 1, 2011, International Financial Reporting Standards will replace Canadian GAAP. The Accounting Standards Board has released an exposure draft that outlines the standards. The Company is currently assessing the effect that this transition will have on our operations and financial reporting.

4. SEASONALITY OF OPERATIONS

The geographic distribution of the Company's growth is having an impact on our historical seasonal patterns. With the exception of the third quarter, the Company exhibits comparatively less seasonality in quarterly revenue than in the past since a relatively higher proportion of revenue is coming from regions with more temperate or tropical climates that are not impacted by winter weather conditions, and strong cyclical growth tends to mute normal seasonal patterns. Historically, the Company's operations tended to exhibit a seasonal pattern whereby its fourth quarter (February to April) was its strongest. The third quarter (November to January) is normally the Company's weakest quarter due to the shutdown of mining and exploration activities for extended periods over the holiday season, particularly in South and Central America.

5. BUSINESS ACQUISITIONS

Effective September 1, 2007 the Company acquired the exploration drilling company Harris y Cia Ltda. ("Harris") in Chile. Through this purchase, Major Drilling acquired 11 drill rigs, support equipment, inventory, an office and repair facilities. As part of this acquisition, the Company also acquired Harris' existing contracts and retained key management personnel, as well as the other employees, including a number of experienced drillers. The purchase price for the transaction was US$23,934 (C$25,203), including customary working capital adjustments, financed with cash. This transaction closed on September 10, 2007.

Net assets acquired at fair market value at acquisition are as follows:

Assets & liabilities acquired		
Cash	$	**1,149**
Accounts receivable		**631**
Inventories		**1,060**
Capital assets		**9,621**
Future income tax assets		**2,328**
Goodwill		**11,570**
Accounts payable		**(1,156)**
Net assets	**$**	**25,203**
Consideration		
Cash	**$**	**25,203**

(in thousands of Canadian dollars)

5. BUSINESS ACQUISITIONS (Continued)

Effective October 25, 2007 the Company acquired the assets of the exploration drilling company Paragon del Ecuador S.A. ("Paragon") in Ecuador. Through this purchase, Major Drilling acquired 7 drill rigs, support equipment and inventory, existing contracts and personnel. The purchase price for the transaction was US$5,999 (C$5,805), subject to various holdbacks, financed by cash and debt. This transaction closed October 25, 2007.

Net assets acquired at fair market value at acquisition are as follows:

Assets acquired		
Inventories	**$**	**586**
Capital assets		**2,023**
Goodwill		**3,196**
Net assets	**$**	**5,805**
Consideration		
Cash	**$**	**3,871**
Long-term debt		**1,934**
	$	**5,805**

6. DISCONTINUED OPERATIONS

On June 7, 2006, the Company sold its manufacturing subsidiary ("UDR") for A$46.8 million (C$39.2 million). The consideration for the sale was A$43.3 million (C$36.2 million) cash and a holdback paid in December 2007 in the amount of A$3.5 million (C$3.2 million). The net gain before income taxes was C$22.2 million. UDR previously constituted the Company's entire manufacturing segment. The Company made the strategic decision to focus its corporate resources on the mineral drilling business, where it competes as one of the world's largest contract drillers.

The Company also made the strategic decision to close its operations in China in July, 2006. The Company opened a branch in China with the goal of quickly developing a large pool of Chinese drillers. Having shown little progress in building a pool of local drillers in China, the Company decided to close the operation. Chinese operations were previously reported within the Australian, Asian and African segment.

(in thousands of Canadian dollars)

6. DISCONTINUED OPERATIONS (Continued)

The (loss) gain from discontinued operations is summarized as follows:

	2008 YTD	2007 YTD	**2008 Q4**	2007 Q4
Revenue	**$ -**	$ 5,109	**$ -**	$ (2)
Loss before income tax	**-**	(2,538)	**-**	(303)
Net (loss) gain from disposal of discontinued operations, including write-down of assets, before income tax	**(179)**	21,430	**95**	(42)
Income tax (expense) recovery	**(321)**	(6,635)	**(20)**	354
(Loss) gain from discontinued operations	**$ (500)**	$ 12,257	**$ 75**	$ 9

The assets and liabilities of discontinued operations are summarized as follows:

	April 2008	April 2007
Current Assets		
Other receivables	**$ -**	$ 3,253
Current Liabilities		
Accounts payable	**$ -**	$ 3,950
Income tax payable	**2,028**	5,513
	$ 2,028	$ 9,463

MAJOR DRILLING GROUP INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE YEARS AND QUARTERS ENDED APRIL 30, 2008 AND 2007
(in thousands of Canadian dollars)

7. SEGMENTED INFORMATION

	2008 YTD	2007 YTD	2008 Q4	2007 Q4
Revenue				
Canada - U.S.	**$ 189,018**	$ 151,226	**$ 52,542**	$ 47,045
South and Central America	**186,491**	127,402	**60,398**	41,127
Australia, Asia and Africa	**214,800**	136,809	**57,055**	40,877
	$ 590,309	$ 415,437	**$ 169,995**	$ 129,049
Earnings from continuing operations				
Canada - U.S.	**$ 37,818**	$ 29,658	**$ 12,537**	$ 9,902
South and Central America	**54,147**	31,741	**20,830**	12,309
Australia, Asia and Africa	**33,482**	19,706	**5,522**	5,429
	125,447	81,105	**38,889**	27,640
Eliminations	**(1,129)**	(1,231)	**(296)**	(325)
	124,318	79,874	**38,593**	27,315
Interest expense, net	**2,250**	1,886	**706**	296
General corporate expenses	**16,400**	11,231	**2,513**	2,579
Income tax	**31,073**	20,211	**10,088**	6,640
Earnings from continuing operations	**74,595**	46,546	**25,286**	17,800
(Loss) gain from discontinued operations	**(500)**	12,257	**75**	9
Net earnings	**$ 74,095**	$ 58,803	**$ 25,361**	$ 17,809