NEWS RELEASE

Major Drilling Reports Fourth Quarter Results

MONCTON, New Brunswick (June 8, 2009) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its fourth quarter of fiscal year 2009, ended April 30, 2009.

Financial Highlights

$ millions (except earnings per share)	Q4-09	Q4-08	Fiscal 2009	Fiscal 2008
Revenue	$66.4	$170.0	$523.0	$590.3
Gross profit	17.8	59.4	175.6	195.4
As percentage of sales	26.8%	35.0%	33.6%	33.1%
Net (loss) earnings	(4.6)	25.4	45.9	74.1
Earnings (loss) per share	(0.19)	1.07	1.94	3.14
Cash flow from continuing operations (*)	2.8	35.3	87.7	109.1

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

- Major Drilling posted quarterly revenue of $66.4 million, down 60.9 percent from the $170.0 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 26.8 percent compared to 35.0 percent for the corresponding period last year.
- The Company posted a restructuring charge of $2.1 million consisting primarily of retrenchment costs in the quarter.
- Net loss (including restructuring charge) was $4.6 million or $0.19 per share for the quarter, compared to earnings of $25.4 million or $1.07 per share for the prior year quarter.
- The Company is debt-free, net of cash. Cash on hand at quarter-end was $58.0 million while total debt was $38.6 million, for a net cash position of $19.4 million.

The Company cautions that broad volatility in all aspects of its business continues and, accordingly, actual results may vary substantially from all forward-looking information in this press release.

"In January, due to the uncertainty in the economy, many customers delayed or cancelled their exploration drilling plans, and continued to be cautious through February, March and April. In addition, lower levels of demand have significantly increased competitive pressures, which has impacted pricing. Pricing has dropped by more than 20 percent overall but we have been able to offset some of this loss through productivity gains and cost cutting. Furthermore, restructuring charges of $2.1 million and tax and legal settlements of $1.1 million resulted in non-recurring charges in the quarter", said Francis McGuire, President and CEO of Major Drilling.

"As stated in our press release dated May 18, 2009, the current economic environment continues to impact drilling in the short to medium-term, particularly on base metal projects where the Company is seeing a significant slowdown in activity in calendar 2009. Sources of funding for junior mining companies are limited, and as such many junior projects, both in the base metals and gold sectors, have been delayed or cancelled. Senior and intermediate base metal companies that are leveraged have also reduced their exploration spending for 2009 in order to conserve cash and many gold producers have delayed exploration plans. A large number of specialized projects, which tend to be more costly for customers than conventional projects, and where the Company has historically placed its main focus, have either been cancelled or very heavily cut back. Five of our largest worldwide customers alone have postponed various projects that generated revenue of approximately $40 million in the second quarter of fiscal 2009. We also chose not to retain some contracts where new pricing would have lowered margins to the point that the contracts would not have been profitable", said Mr. McGuire.

"In May, we started to see marginal increases in demand for drilling services. If customers move forward with their stated plans, we should see gradual small gains as each month goes by. While we expect some continued improvements as the year goes on, calendar 2009 will remain difficult."

"In the current environment, the Company continued to take actions to reduce its costs. In February, the Company implemented further reductions of salaried employees across the operation. During the quarter, a decision was also made that directors' fees and salaries of the Company's top 40 executives would be reduced by 10 percent. With these steps, general and administrative expenses in fiscal 2010 should be down by 25 percent as compared to fiscal 2009. Furthermore, the Company continues to have a variable cost structure whereby most of its direct costs, including field staff, go up or down with contract revenue and a large part of the Company's other expenses relates to variable incentive compensation based on the Company's profitability. At the same time, the Company's financial strength allows it to continue to carry certain costs relating to ongoing investments in safety, maintaining its equipment in excellent condition, and retaining the core people, all of which are essential to quickly react when the industry recovers."

"As noted earlier, we believe that in calendar 2009, demand for drilling services will grow month by month but at a slow pace. We expect pricing to remain competitive until utilization rates pick up significantly. Over time we expect many of the supply issues that face most commodities to come back into focus and that even with moderate growth in the world economy, the need to explore and develop mines will increase. We believe that at that point, the need to develop resources in areas that are increasingly difficult to access will return, which should increase demand for specialized drilling."

"The Company remains in an excellent financial position remaining debt-free, net of cash, during the quarter. Total cash level, net of long-term debt, stood at $19.4 million at quarter-end. Despite the difficult environment, we expect operations to generate positive cash flow in fiscal 2010. The Company will continue to focus on cash management by limiting capital expenditures to approximately $25 million, by reducing inventory and by closely monitoring costs", stated Mr. McGuire.

Fourth quarter ended April 30, 2009

Total revenue for the fourth quarter was $66.4 million, down 60.9 percent from the $170.0 million recorded for the prior year period. Cancellations or delays of drilling programs, combined with price reductions, significantly affected revenue in all three regions.

Revenue from Canada-U.S. drilling operations was down $32.9 million or 63 percent to $19.6 million for the quarter compared to $52.5 million for the same period last year. Cancellations and decreased pricing impacted both countries.

In South and Central America, revenue for the quarter was $22.1 million, down 63 percent from the $60.4 million recorded in the prior year quarter. Revenue decreases in Mexico, Chile and Argentina accounted for approximately 90 percent of the drop. A complete halt of operations in Venezuela and Ecuador due to political issues also impacted revenue in the region. The situation in Ecuador has improved and the Company expects to resume operations in that country in the coming months.

Australian, Asian and African drilling operations reported revenue of $24.7 million, down some 57 percent from the $57.1 million reported in the same period last year. Every country was impacted relatively the same but for various reasons. Cancellation of drilling programs and weather issues impacted revenue in Australia while Indonesian revenue was mostly impacted by price reductions. Mongolian revenue continued to be down compared to last year as the mining industry in that country continues to struggle with uncertainty relating to government mining policies. Finally, in Africa, the Company scaled down operations in Botswana and transferred assets to neighboring countries.

The overall gross margin percentage for the quarter was 26.8 percent, down from 35.0 percent for the same period last year. Reduced pricing due to increased competitive pressures and delays significantly impacted margins. Pricing dropped by more than 20 percent overall since October 2008 but the Company has been able to recapture some of this loss through productivity gains and cost cutting. Finally, weather issues in Australia in February and March impacted margins, especially in the energy sector.

General and administrative costs were $9.4 million for the quarter, down 26 percent compared to the $12.7 million for the prior year period. The decrease was due to cost cutting initiatives implemented in November and February.

Other expenses were $1.8 million for the quarter compared to $3.2 million for the same period last year. This year's other expenses includes legal and input tax settlements whereas last year's other expenses were mainly composed of incentive compensation expenses given the Company's profitability in that quarter.

Foreign exchange loss was $0.5 million for the quarter compared to nil for the prior year period. This year's loss was due to exchange rate variations on monetary working capital items.

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

Amortization expense increased to $8.0 million for the quarter compared to $7.5 million for the same quarter last year, as a result of increased investment in equipment and intangibles.

During the quarter, the Company recorded a restructuring charge of $2.1 million consisting primarily of retrenchment costs following staff reduction initiatives implemented in February.

The Company's tax expense was $0.2 million for the quarter compared to $10.1 million for the same period last year. The tax expense for the quarter was impacted by the non-recognition or reversal of tax losses in Venezuela and Botswana where the Company has ceased operations and a tax settlement in Tanzania.

Net loss for the quarter, after restructuring charge, was $4.6 million or $0.19 per share ($0.19 per share diluted) compared to net earnings of $25.4 million or $1.07 per share ($1.05 per share diluted) in the prior year period.

Year ended April 30, 2009

Revenue for the fiscal year ended April 30, 2009 decreased 11.4 percent to $523.0 million from $590.3 million for the corresponding period last year. The first six months were marked by strong growth followed by contract cancellations and delays in the second half of the year due to the prevailing economic situation. Revenue growth was affected by the strengthening U.S. dollar against the Canadian dollar as compared to the same period last year. The favourable foreign exchange translation impact for the year, when comparing to the effective rates for the same period last year, is estimated at $20 million on revenue.

Canada-U.S. revenue decreased by 11.5 percent to $167.2 million compared to $189.0 million last year. Additional equipment and improved pricing contributed to the growth in the first half while cancellations and delays of contracts impacted revenue in the second half in both countries.

Revenue in South and Central America decreased by 16.8 percent to $155.2 million, compared to $186.5 million in fiscal 2008. A complete halt of operations in Venezuela and Ecuador due to political issues, and a slowdown in Mexico due to cancellations or delays in contracts impacted revenue in that region.

Revenue in Australia, Asia and Africa decreased 6.6 percent to $200.6 million from $214.8 million in fiscal 2008. A slowdown in Australia due to cancellations or delays in contracts and the shutdown of operations in Armenia earlier in the year impacted revenue in that region.

Gross margin for the year was up to 33.6 percent compared to 33.1 percent last year, due mainly to an improved pricing environment in the first half of the year mitigated by reduced pricing due to increased competitive pressures and delays in the second half.

General and administrative expenses increased to $46.9 million compared to $44.8 million for the same period last year. In the first half of the year, these expenses increased primarily due to additions to the management team to accommodate growth, additional safety and training efforts, the African, Ecuadorian and Chilean acquisitions, and overall cost increases due to increased volume. In the second half of the year, the Company implemented initiatives in order to reduce general and administrative expenses. With these steps, the Company expects general and administrative expenses in fiscal 2010 to be down by 25 percent as compared to fiscal 2009.

Other expenses were $12.5 million for the year compared to $13.6 million for the same period last year. Lower incentive compensation expenses given the Company's lower profitability in the current year was partially offset by an increase in the provision for doubtful accounts.

Foreign exchange loss was $1.4 million compared to $2.1 million in the prior year period as a result of exchange rate variations on monetary working capital items.

Short-term interest expense was $0.2 million for the year compared to revenue of $0.2 million last year, while interest on long-term debt decreased to $1.8 million in fiscal 2009 compared to $2.4 million last year due to reduced long-term debt levels.

Amortization expense increased to $32.2 million compared to $27.0 million last year, as a result of increased investment in equipment and intangibles.

The Company recorded a restructuring charge of $9.0 million including asset write downs of $5.2 million and mostly retrenchment costs for the remaining amount. Also, the Company recorded a non-cash goodwill and intangible assets impairment charge of $0.7 million.

The provision for income tax for the year was $24.8 million compared to $31.1 million for the prior year reflecting the increase in pre-tax earnings. The effective tax rate for the year was impacted by the non-recognition or reversal of tax losses in Venezuela and Botswana where the Company has ceased operations.

Net earnings were $45.9 million or $1.94 per share ($1.92 per share diluted) compared to $74.1 million or $3.14 per share ($3.10 per share diluted) for last year.

Some of the statements contained in this press release may be forward-looking statements, such as, but not limited to, those relating to worldwide demand for gold and base metals and overall commodity prices, the level of activity in the minerals and metals industry and the demand for the Company's services, the Canadian and international economic environments, the Company's ability to attract and retain customers and to manage its assets and operating costs, sources of funding for its clients, particularly for junior mining companies, competitive pressures, currency movements, which can affect the Company's revenue in Canadian dollars, the geographic distribution of the Company's operations, the impact of operational changes, changes in jurisdictions in which the Company operates (including changes in regulation), failure by counterparties to fulfill contractual obligations, and other factors as may be set forth, as well as objectives or goals, and 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 21 to 24 of the 2008 Annual Report entitled "General Risks and Uncertainties", as updated by the section entitled "General Risks and Uncertainties" in the discussion on pages 8, 9, 10 and 11 of the Company's third quarter 2009 MD&A, and such other documents as 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, and Africa.

Financial statements are attached.

Major Drilling will provide a simultaneous webcast of its quarterly conference call on ***Tuesday, June 9, 2009 at 9:00 AM (EDT).*** *To access the webcast please go to the webcast section of Major Drilling's 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	
	2009	2008	**2009**	2008
TOTAL REVENUE	**$ 522,986**	$ 590,309	**$ 66,400**	$ 169,995
DIRECT COSTS	**347,352**	394,868	**48,594**	110,575
GROSS PROFIT	**175,634**	195,441	**17,806**	59,420
OPERATING EXPENSES				
General and administrative	**46,866**	44,813	**9,394**	12,719
Other expenses	**12,508**	13,606	**1,769**	3,182
Foreign exchange loss (gain)	**1,441**	2,142	**487**	(12)
Interest expense (revenue)	**224**	(153)	**4**	225
Interest expense on long-term debt	**1,833**	2,403	**418**	481
Amortization	**32,235**	26,962	**8,019**	7,451
Restructuring charge (note 5)	**9,043**	-	**2,124**	-
Goodwill and intangible assets impairment (note 6)	**732**	-	**-**	-
	104,882	89,773	**22,215**	24,046
EARNINGS (LOSS) BEFORE INCOME TAX AND DISCONTINUED OPERATIONS	**70,752**	105,668	**(4,409)**	35,374
INCOME TAX - PROVISION (RECOVERY)				
Current	**23,489**	27,315	**812**	8,047
Future	**1,328**	3,758	**(620)**	2,041
	24,817	31,073	**192**	10,088
EARNINGS (LOSS) FROM CONTINUING OPERATIONS	**45,935**	74,595	**(4,601)**	25,286
(LOSS) GAIN FROM DISCONTINUED OPERATIONS	**-**	(500)	**-**	75
NET EARNINGS (LOSS)	**$ 45,935**	$ 74,095	**$ (4,601)**	$ 25,361
EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS				
Basic *	**$ 1.94**	$ 3.16	**$ (0.19)**	$ 1.07
Diluted **	**$ 1.92**	$ 3.12	**$ (0.19)**	$ 1.05
EARNINGS (LOSS) PER SHARE				
Basic *	**$ 1.94**	$ 3.14	**$ (0.19)**	$ 1.07
Diluted **	**$ 1.92**	$ 3.10	**$ (0.19)**	$ 1.05

*Based on 23,710,649 and 23,576,973 daily weighted average shares outstanding for the fiscal year to date 2009 and 2008, respectively and on 23,715,343 and 23,684,754 daily weighted average shares for the quarter ended April 30, 2009 and 2008, respectively. The total number of shares outstanding on April 30, 2009 was 23,716,073.

**Based on 23,917,678 and 23,899,983 daily weighted average shares outstanding for the fiscal year to date 2009 and 2008, respectively and on 23,820,756 and 24,061,576 daily weighted average shares outstanding for the quarter ended April 30, 2009 and 2008, 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	
	2009	2008	**2009**	2008
NET EARNINGS (LOSS)	**$ 45,935**	$ 74,095	**$ (4,601)**	$ 25,361
OTHER COMPREHENSIVE EARNINGS (LOSS)				
Unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	**39,473**	(14,169)	**997**	5,260
COMPREHENSIVE EARNINGS (LOSS)	**$ 85,408**	$ 59,926	**$ (3,604)**	$ 30,621

Consolidated Statements of Retained Earnings

(in thousands of Canadian dollars)

	Twelve months ended April 30	
	2009	2008
RETAINED EARNINGS, BEGINNING OF THE YEAR	**$ 182,533**	$ 108,438
Net earnings	**45,935**	74,095
Dividends	**(9,485)**	-
RETAINED EARNINGS, END OF THE YEAR	**$ 218,983**	$ 182,533

Consolidated Statements of Accumulated Other Comprehensive Loss

(in thousands of Canadian dollars)

	Twelve months ended April 30	
	2009	2008
ACCUMULATED OTHER COMPREHENSIVE LOSS, BEGINNING OF THE YEAR	**$ (44,552)**	$ (30,383)
Unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	**39,473**	(14,169)
ACCUMULATED OTHER COMPREHENSIVE LOSS, END OF THE YEAR	**$ (5,079)**	$ (44,552)

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	
	2009	2008	**2009**	2008
OPERATING ACTIVITIES				
Earnings (loss) from continuing operations	**$ 45,935**	$ 74,595	**$ (4,601)**	$ 25,286
Operating items not involving cash				
Amortization	**32,235**	26,962	**8,019**	7,451
Restructuring charge (note 5)	**5,194**	-	**-**	-
Loss (gain) on disposal of capital assets	**832**	1,218	**(129)**	(50)
Future income tax (recovery)	**1,328**	3,758	**(620)**	2,041
Stock-based compensation	**1,424**	2,556	**151**	601
Goodwill and intangible assets impairment (note 6)	**732**	-	**-**	-
	87,680	109,089	**2,820**	35,329
Changes in non-cash operating working capital items	**28,944**	(28,483)	**(2,208)**	(11,726)
	116,624	80,606	**612**	23,603
(Loss) gain from discontinued operations, adjusted for non-cash items	**-**	(614)	**-**	75
Changes in non-cash operating working capital items from discontinued operations	**(1,898)**	(917)	**-**	(114)
Cash flow from operating activities	**114,726**	79,075	**612**	23,564
FINANCING ACTIVITIES				
Repayment of long-term debt	**(14,457)**	(14,080)	**(5,363)**	(3,164)
Additional long-term debt	**10,000**	20,000	**-**	10,000
(Repayment of) increase in demand loans	**(2,179)**	2,179	**-**	(6,310)
Issuance of common shares	**94**	4,437	**66**	608
Issuance of dividend	**(4,742)**	-	**-**	-
Discontinued operations	**-**	(3,061)	**-**	3
Cash flow (used in) from financing activities	**(11,284)**	9,475	**(5,297)**	1,137
INVESTING ACTIVITIES				
Business acquisitions, net of cash acquired (note 7)	**(21,867)**	(27,925)	**-**	(496)
Acquisition of capital assets, net of direct financing	**(54,698)**	(68,101)	**(6,410)**	(22,700)
Proceeds from disposal of capital assets	**4,800**	3,647	**1,760**	1,137
Cash flow used in investing activities	**(71,765)**	(92,379)	**(4,650)**	(22,059)
OTHER ACTIVITIES				
Foreign exchange translation adjustment	**5,663**	(498)	**611**	(200)
INCREASE (DECREASE) IN CASH	**37,340**	(4,327)	**(8,724)**	2,442
CASH POSITION, BEGINNING OF THE PERIOD	**20,695**	25,022	**66,759**	18,253
CASH POSITION, END OF THE PERIOD	**$ 58,035**	$ 20,695	**$ 58,035**	$ 20,695

Major Drilling Group International Inc.
Consolidated Balance Sheets
As at April 30, 2009 and April 30, 2008
(in thousands of Canadian dollars)

ASSETS

	2009	2008
CURRENT ASSETS		
Cash	**$ 58,035**	$ 20,695
Accounts receivable	**52,538**	103,555
Income tax receivable	**6,014**	3,218
Inventories	**72,764**	75,094
Prepaid expenses	**3,478**	6,280
Future income tax assets	**2,644**	3,948
	195,473	212,790
CAPITAL ASSETS	**240,224**	199,007
FUTURE INCOME TAX ASSETS	**1,403**	334
GOODWILL AND INTANGIBLE ASSETS (note 9)	**32,072**	14,837
	$ 469,172	$ 426,968

LIABILITIES

	2009	2008
CURRENT LIABILITIES		
Demand loan	**$ -**	$ 2,179
Accounts payable and accrued charges	**47,691**	73,870
Income tax payable	**1,719**	10,541
Current portion of long-term debt	**15,049**	11,798
Future income tax liabilities	**1,071**	1,177
Liabilities of discontinued operations	**-**	2,028
	65,530	101,593
LONG-TERM DEBT	**23,507**	28,317
FUTURE INCOME TAX LIABILITIES	**14,789**	9,152
	103,826	139,062
SHAREHOLDERS' EQUITY		
Share capital	**142,233**	142,140
Contributed surplus	**9,209**	7,785
Retained earnings	**218,983**	182,533
Accumulated other comprehensive loss	**(5,079)**	(44,552)
	365,346	287,906
	$ 469,172	$ 426,968

1. BASIS OF PRESENTATION

These interim consolidated financial statements were prepared using accounting policies and methods consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended April 30, 2008, except for the adoption of new accounting policies as disclosed in Note 2 below. These interim consolidated 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 consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended April 30, 2008 contained in the Company's 2008 annual report.

2. CHANGES IN ACCOUNTING POLICIES

Effective May 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031, Inventories, replacing Section 3030, Inventories, Section 3862, Financial Instruments – Disclosures, Section 3863, Financial Instruments – Presentation, and Section 1535, Capital Disclosures.

Section 3031, Inventories, provides more guidance on the determination of the cost of inventory and the subsequent recognition of inventory as an expense, as well as requiring additional associated disclosures. The new standard also allows for the reversal of any write downs previously recognized. The adoption of this policy had no material effect on the Company's consolidated financial statements. (see Note 8 – Inventory)

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 have had no effect on financial results. (see Note 10 – Capital Management and Note 11 – Financial Instruments)

3. FUTURE ACCOUNTING CHANGES

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 Sections 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

3. FUTURE ACCOUNTING CHANGES (Continued)

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

International Financial Reporting Standards ("IFRS")
In February 2008, the Accounting Standards Board ("AcSB") confirmed that the use of IFRS will be required in 2011 for publicly accountable enterprises in Canada. In April 2008, the AcSB issued an IFRS Omnibus Exposure draft proposing that publicly accountable enterprises be required to apply IFRS, in full and without modification, on January 1, 2011 for companies with a calendar year end, therefore the transition date for the Company is May 1, 2011. This will require the restatement, for comparative purposes, of amounts reported by the Company for its year ended April 30, 2011, and of the opening balance sheet as at May 1, 2010. The Company is currently in the process of developing a conversion implementation plan and assessing the impacts of the conversion on the consolidated financial statements and disclosures of the Company.

4. SEASONALITY OF OPERATIONS

The Company's operations tended to exhibit a seasonal pattern whereby its fourth quarter (February to April) was its strongest. With the exception of the third quarter, the Company has, over the past several years, exhibited comparatively less seasonality in quarterly revenue. The third quarter (November to January) is normally the Company's weakest quarter due to the shutdown of mining and exploration activities, often for extended periods, over the holiday season, particularly in South and Central America. With the current economic and industry downturn ongoing, it is not yet clear whether or not the Company's revenue will return to more historical seasonal patterns, or whether a recent lack of seasonality will continue.

5. RESTRUCTURING CHARGE

During the third quarter of 2009, the Company initiated a restructuring plan to standardize the drilling equipment fleet and reduce operating costs by rationalizing the workforce and business locations. These initiatives generated a total restructuring charge of $9,043 and $2,124 for the twelve and three months ending April 30, 2009 respectively as detailed below.

The current economic environment presented an opportunity to accomplish significant progress in the rationalization of the Company's drilling equipment fleet, which was initiated a number of years ago. In the third quarter, the Company eliminated 55 drill rigs from its global fleet for a non-cash charge of $5,194 with the objective of increasing the focus on hydraulic drill rigs equipped with the latest safety features.

Employee severance charges of $1,578 in the third quarter and $1,508 in the fourth quarter have been incurred to rationalize the workforce and centralize some administrative functions.

(in thousands of Canadian dollars)

5. RESTRUCTURING CHARGE (Continued)

Business relocation charges of $147 in the third quarter and $616 in the fourth quarter were incurred for early termination of leases and other related expenses.

On April 30, 2009, accounts payable included $80 of restructuring charges not paid.

6. GOODWILL AND INTANGIBLE ASSETS IMPAIRMENT

In the third quarter, the Company recorded an impairment charge of $732. Of this amount, $350 relates to the value attributed to the acquired contracts, and recorded as intangible assets, from the Forage à Diamant Benoît Ltée acquisition earlier this fiscal year. This impairment was required as the majority of these contracts have been completed early due to the current economic conditions. Goodwill of $382 from the Longstaff Group of Companies, purchased in 2007, has also been impaired due to the economic downturn and the inability of this region to generate the expected revenue.

7. BUSINESS ACQUISITIONS

Effective August 1, 2008 the Company acquired the assets of the exploration drilling company Forage à Diamant Benoît Ltée ("Benoît") based in Val-d'Or, Québec. Through this purchase, Major Drilling acquired 19 drill rigs, support equipment and inventory, existing contracts and personnel. The purchase price for the transaction was $23,117, including customary working capital adjustments, financed by cash and debt.

The net assets acquired at fair market value at acquisition are as follows:

Assets acquired and liabilities assumed		
Accounts receivable	$	**5,055**
Prepaid expenses		**241**
Inventories		**533**
Capital assets		**7,489**
Intangible assets		**2,350**
Goodwill		**13,223**
Accounts payable		**(884)**
Income tax payable		**(2,842)**
Future income tax liability		**(2,048)**
Net assets	**$**	**23,117**
Consideration		
Cash	$	**21,867**
Accounts payable		**500**
Long-term debt		**750**
	$	**23,117**

(in thousands of Canadian dollars)

7. 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.

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**

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.

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)

8. INVENTORY

The cost of inventory recognized as an expense and included in direct cost for the twelve and three months ended April 30, 2009 was $81,590 and $11,027 respectively. During the period, there were no significant write downs of inventory as a result of net realizable value being lower than cost and no inventory write downs recognized in previous periods were reversed.

The Company's credit facility related to operations is in part secured by a general assignment of the Company's inventory.

9. GOODWILL AND INTANGIBLE ASSETS

	April 2009	April 2008
Goodwill	**$ 30,470**	$ 14,837
Intangible assets	**1,602**	-
	$ 32,072	$ 14,837

Intangible assets include the carrying value of customer relationships and a non-compete agreement, which are amortized on a straight-line basis over four and three years respectively.

Changes in the goodwill and intangible assets balance were as follows for the twelve and three months ending April 30, 2009:

	2009 YTD	**2009 Q4**
Balance at beginning of the period	**$ 14,837**	**$ 32,087**
Goodwill acquired	**13,223**	**642**
Intangible assets acquired	**2,350**	**-**
Amortization of intangible assets	**(398)**	**(368)**
Goodwill and intangible assets impairment	**(732)**	**-**
Effect of foreign currency exchange rate changes	**2,792**	**(289)**
	$ 32,072	**$ 32,072**

10. CAPITAL MANAGEMENT

The Company includes shareholders' equity (excluding accumulated other comprehensive loss), long-term borrowings and demand loan net of cash in the definition of capital.

(in thousands of Canadian dollars)

10. CAPITAL MANAGEMENT (Continued)

Total managed capital was as follows:

	April 2009	April 2008
Demand loan	**$ -**	$ 2,179
Long-term debt	**38,556**	40,115
Share capital	**142,233**	142,140
Contributed surplus	**9,209**	7,785
Retained earnings	**218,983**	182,533
Cash	**(58,035)**	(20,695)
	$ 350,946	$ 354,057

The Company's objective when managing its capital structure is to maintain financial flexibility in order to: i) preserve access to capital markets; ii) meet financial obligations and iii) finance internally generated growth and potential new acquisitions. To manage its capital structure, the Company may adjust spending, issue new shares, issue new debt or repay existing debt.

Under the terms of certain of the Company's debt agreements, the Company must satisfy certain financial covenants. Such agreements also limit, among other things, the Company's ability to incur additional indebtedness, create liens, engage in mergers or acquisitions and make dividend and other payments. During the period, the Company was, and continues to be, in compliance with all covenants and other conditions imposed by its debt agreements.

The Company's banking facilities have been renewed in November 2008 with no material changes in the borrowing conditions of the facilities.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary, dependent on various factors.

The Company's objectives with regards to capital management remain unchanged from 2008.

11. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, accounts receivable, demand loan and accounts payable and accrued charges approximate their fair value due to the relatively short period to maturity of the instruments. Long-term debt has a carrying value of $38,556 as at April 30, 2009 (April 30, 2008 - $40,115) and also approximates its fair market value.

11. FINANCIAL INSTRUMENTS (Continued)

Risk management

The Company is exposed to various risks related to its financial assets and liabilities. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks, or the methods used to measure them, from previous periods, unless otherwise stated in this note.

Credit risk

The Company is exposed to credit risk from its accounts receivable. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. It carries out, on a continuing basis, credit checks on its customers and maintains provisions for contingent credit losses. The Company also diversifies its credit risk by dealing with a large number of customers in various countries. Demand for the Company's drilling services depends upon the level of mineral exploration and development activities conducted by mining companies, particularly with respect to gold, nickel and copper. The Company's five largest customers account for 32% (23% in 2008) of total quarterly revenue, with no one customer representing more than 10% of its revenue for 2009 or 2008.

The carrying amounts for accounts receivable are net of allowances for doubtful accounts, which are estimated based on aging analysis of receivables, past experience, specific risks associated with the customer and other relevant information. The maximum exposure to credit risk is the carrying value of the financial assets.

As at April 30, 2009, 74.8% of the Company's trade receivables are aged as current (under 30 days) and 4.4% of the trade receivables are impaired.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. This risk is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Company does not enter into derivatives to manage credit risk.

Interest rate risk

The demand loan and long-term debt of the Company bears a floating rate of interest, which exposes the Company to interest rate fluctuations.

As at April 30, 2009 the Company has estimated that a one percentage point increase in interest rates would have caused a quarterly decrease in net income of approximately $70 and a 1% decrease in interest rates would have caused a quarterly increase in net income of $70.

Foreign currency risk

Foreign currency risk arises as the Company has operations located internationally where local operational currency is not the same as the functional currency of the Company.

(in thousands of Canadian dollars)

11. FINANCIAL INSTRUMENTS (Continued)

A significant portion of the Company's operations are located outside of Canada. The accounting impact of foreign currency exposure is minimized since the operations are classified as self-sustaining operations. In certain developing countries, the Company mitigates its risk of large exchange rate fluctuations by conducting business primarily in U.S. dollars. U.S. dollar revenue exposure is partially mitigated by offsetting U.S. dollar labour and material expenses. Monetary assets denominated in foreign currencies are exposed to foreign currency fluctuations.

Based on the Company's foreign currency net monetary exposures as at April 30, 2009, and assuming that all other variables remain constant, a 10% rise or fall in the Canadian dollar against the other foreign currencies would have resulted in increases (decreases) in the net earnings and comprehensive earnings as follows:

	Increase (decrease) in net earnings	
	Canadian dollar appreciates 10%	Canadian dollar depreciates 10%
Chilean Peso	**$ (278)**	**$ 278**
Indonesian Rupiah	**(222)**	**222**
Mexican Peso	**75**	**(75)**
US Dollar	**308**	**(308)**

	Increase (decrease) in comprehensive earnings	
	Canadian dollar appreciates 10%	Canadian dollar depreciates 10%
Australian Dollar	**$ (3,353)**	**$ 3,353**
US Dollar	**(22,363)**	**22,363**

Liquidity risk

Liquidity risk arises from the Company's management of working capital, the finance charges and principal repayments on its debt instruments. The risk is that the Company would not be able to meet its financial obligations as they become due.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(in thousands of Canadian dollars)

11. FINANCIAL INSTRUMENTS (Continued)

Total financial liabilities, by due date, as at April 30, 2009 are as follows:

	Total	1 year	2-3 years	4-5 years	5+ years
Accounts payable & accrued charges	$ 47,691	$ 47,691	$ -	$ -	$ -
Long-term debt	38,556	15,049	15,609	7,898	-
	$ 86,247	$ 62,740	$ 15,609	$ 7,898	$ -

12. SEGMENTED INFORMATION

	2009 YTD	2008 YTD	2009 Q4	2008 Q4
Revenue				
Canada - U.S.	$ 167,243	$ 189,018	$ 19,596	$ 52,542
South and Central America	155,182	186,491	22,063	60,398
Australia, Asia and Africa	200,561	214,800	24,741	57,055
	$ 522,986	$ 590,309	$ 66,400	$ 169,995
Earnings (loss) from operations				
Canada - U.S.	$ 38,186	$ 37,818	$ 46	$ 12,537
South and Central America	36,568	54,147	3,977	20,830
Australia, Asia and Africa	23,073	33,482	(4,489)	5,522
	97,827	125,447	(466)	38,889
Eliminations	(1,184)	(1,129)	(268)	(296)
	96,643	124,318	(734)	38,593
Interest expense, net	2,057	2,250	422	706
General corporate expenses	14,059	16,400	1,129	2,513
Restructuring charge	9,043	-	2,124	-
Goodwill and intangible assets impairment	732	-	-	-
Income tax	24,817	31,073	192	10,088
Earnings (loss) from continuing operations	45,935	74,595	(4,601)	25,286
(Loss) gain from discontinued operations	-	(500)	-	75
Net earnings (loss)	$ 45,935	$ 74,095	$ (4,601)	$ 25,361

Goodwill and intangible assets impairment includes $382 of goodwill impairment relating to the Australia, Asia and Africa segment and $350 of intangible assets impairment relating to the Canada – U.S. segment (see Note 6 - Goodwill and Intangible Assets Impairment).