Major Drilling Group International Inc.
Consolidated Statements of Operations

(in thousands of Canadian dollars, except per share information)
(unaudited)

	Nine months ended January 31		Three months ended January 31	
	2008	2007	**2008**	2007
TOTAL REVENUE	**$ 420,314**	$ 286,388	**$ 120,758**	$ 90,092
DIRECT COSTS	**284,293**	196,838	**87,046**	64,870
GROSS PROFIT	**136,021**	89,550	**33,712**	25,222
OPERATING EXPENSES				
General and administrative	**32,094**	23,616	**11,238**	8,756
Other expenses	**10,424**	7,076	**2,608**	1,956
Foreign exchange loss (gain)	**2,154**	366	**449**	(47)
Interest (revenue) expense	**(378)**	(340)	**239**	(294)
Interest expense on long-term debt	**1,922**	1,931	**569**	684
Amortization	**19,511**	14,584	**6,973**	5,209
	65,727	47,233	**22,076**	16,264
EARNINGS BEFORE INCOME TAX AND DISCONTINUED OPERATIONS	**70,294**	42,317	**11,636**	8,958
INCOME TAX - PROVISION				
Current	**19,268**	7,472	**3,011**	(578)
Future	**1,717**	6,099	**955**	3,799
	20,985	13,571	**3,966**	3,221
EARNINGS FROM CONTINUING OPERATIONS	**49,309**	28,746	**7,670**	5,737
(LOSS) GAIN FROM DISCONTINUED OPERATIONS (note 6)	**(575)**	12,248	**(434)**	(735)
NET EARNINGS	**$ 48,734**	$ 40,994	**$ 7,236**	$ 5,002
EARNINGS PER SHARE FROM CONTINUING OPERATIONS				
Basic *	**$ 2.09**	$ 1.24	**$ 0.32**	$ 0.25
Diluted **	**$ 2.06**	$ 1.22	**$ 0.32**	$ 0.24
EARNINGS PER SHARE				
Basic *	**$ 2.07**	$ 1.77	**$ 0.31**	$ 0.22
Diluted **	**$ 2.04**	$ 1.74	**$ 0.30**	$ 0.21

*Based on 23,541,827 and 23,098,106 daily weighted average shares outstanding for the fiscal year to date 2008 and 2007, respectively and on 23,621,029 and 23,127,430 daily weighted average shares for the quarter ended January 31, 2008 and 2007, respectively. The total number of shares outstanding on January 31, 2008 was 23,671,008.

**Based on 23,882,663 and 23,575,166 daily weighted average shares outstanding for the fiscal year to date 2008 and 2007, respectively and on 24,018,422 and 23,645,789 daily weighted average shares outstanding for the quarter ended January 31, 2008 and 2007, respectively.

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

	Nine months ended January 31		Three months ended January 31	
	2008	2007	**2008**	2007
NET EARNINGS	**$ 48,734**	$ 40,994	**$ 7,236**	$ 5,002
OTHER COMPREHENSIVE (LOSS) GAIN				
Unrealized (losses) gains on translating financial statements of self-sustaining foreign operations	**(19,429)**	7,606	**7,823**	8,232
COMPREHENSIVE EARNINGS	**$ 29,305**	$ 48,600	**$ 15,059**	$ 13,234

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

	Nine months ended January 31	
	2008	2007
RETAINED EARNINGS, BEGINNING OF THE PERIOD	**$ 108,438**	$ 49,635
Net earnings	**48,734**	40,994
RETAINED EARNINGS, END OF THE PERIOD	**$ 157,172**	$ 90,629

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

	Nine months ended January 31	
	2008	2007
ACCUMULATED OTHER COMPREHENSIVE LOSS, BEGINNING OF THE PERIOD	**$ (30,383)**	$ (30,249)
Unrealized (losses) gains on translating financial statements of self-sustaining foreign operations	**(19,429)**	7,606
ACCUMULATED OTHER COMPREHENSIVE LOSS, END OF THE PERIOD	**$ (49,812)**	$ (22,643)

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

	Nine months ended January 31		Three months ended January 31	
	2008	2007	**2008**	2007
OPERATING ACTIVITIES				
Earnings from continuing operations	**$ 49,309**	$ 28,746	**$ 7,670**	$ 5,737
Operating items not involving cash				
Amortization	**19,511**	14,584	**6,973**	5,209
Loss on disposal of capital assets	**1,268**	355	**265**	58
Future income tax	**1,717**	6,099	**955**	3,799
Stock-based compensation	**1,955**	663	**388**	131
	73,760	50,447	**16,251**	14,934
Changes in non-cash operating working capital items	**(16,757)**	(2,252)	**1,145**	1,660
	57,003	48,195	**17,396**	16,594
Loss from discontinued operations, adjusted for non-cash items	**(689)**	(2,706)	**(437)**	(212)
Changes in non-cash operating working capital items from discontinued operations	**(803)**	3,644	**1,923**	(84)
Cash flow from operating activities	**55,511**	49,133	**18,882**	16,298
FINANCING ACTIVITIES				
Repayment of long-term debt	**(10,916)**	(11,508)	**(2,831)**	(4,727)
Additional long-term debt	**10,000**	459	**10,000**	-
Increase in (repayment of) demand loans	**8,489**	(16,721)	**(7,323)**	(280)
Issuance of common shares	**3,829**	913	**1,180**	531
Discontinued operations	**(3,064)**	-	**32**	-
Cash flow from (used in) financing activities	**8,338**	(26,857)	**1,058**	(4,476)
INVESTING ACTIVITIES				
Net proceeds from sale of discontinued operations	**-**	28,755	**-**	-
Business acquisitions (net of cash acquired) (note 5)	**(27,429)**	(13,058)	**-**	(13,058)
Acquisition of capital assets, net of direct financing	**(45,401)**	(24,329)	**(16,469)**	(9,250)
Proceeds from disposal of capital assets	**2,510**	2,588	**95**	876
Discontinued Operations	**-**	1,693	**-**	1,677
Other	**36**	-	**36**	-
Cash flow used in investing activities	**(70,284)**	(4,351)	**(16,338)**	(19,755)
OTHER ACTIVITIES				
Foreign exchange translation adjustment	**(334)**	(1,314)	**(1,046)**	(123)
(DECREASE) INCREASE IN CASH	**(6,769)**	16,611	**2,556**	(8,056)
CASH POSITION, BEGINNING OF THE PERIOD	**25,022**	11,987	**15,697**	36,654
CASH POSITION, END OF THE PERIOD	**$ 18,253**	$ 28,598	**$ 18,253**	$ 28,598

Major Drilling Group International Inc.
Consolidated Balance Sheets
As at January 31, 2008 and April 30, 2007
(in thousands of Canadian dollars)

ASSETS	January 2008 (unaudited)	April 2007
CURRENT ASSETS		
Cash	**$ 18,253**	$ 25,022
Accounts receivable	**74,630**	78,613
Income tax receivable	**2,090**	1,610
Inventories	**69,375**	50,976
Prepaid expenses	**8,197**	6,545
Future income tax assets	**2,230**	1,730
Assets of discontinued operations (note 6)	**-**	3,253
	174,775	167,749
CAPITAL ASSETS	**181,303**	158,771
FUTURE INCOME TAX ASSETS	**2,243**	619
OTHER ASSETS	**13,735**	1,240
	$ 372,056	$ 328,379

LIABILITIES	January 2008	April 2007
CURRENT LIABILITIES		
Demand loan	**$ 8,489**	-
Accounts payable and accrued charges	**55,786**	$ 54,484
Income tax payable	**8,356**	4,121
Current portion of long-term debt	**10,690**	13,649
Liabilities of discontinued operations (note 6)	**1,996**	9,463
	85,317	81,717
LONG-TERM DEBT	**22,009**	18,136
FUTURE INCOME TAX LIABILITIES	**8,654**	7,020
DEFERRED GAIN	**-**	519
	115,980	107,392
SHAREHOLDERS' EQUITY		
Share capital	**141,532**	137,703
Contributed surplus	**7,184**	5,229
Retained earnings	**157,172**	108,438
Accumulated other comprehensive loss	**(49,812)**	(30,383)
	256,076	220,987
	$ 372,056	$ 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

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.

3. FUTURE ACCOUNTING CHANGES

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. The Company is currently evaluating the impact of the adoption of these new Sections on its consolidated financial statements.

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

(in thousands of Canadian dollars)

4. SEASONALITY OF OPERATIONS

The geographic distribution of our 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 6, 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$23.5 (C$24.7) million, 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		**10,315**
Future income tax assets		**2,121**
Goodwill		**10,587**
Accounts payable		**(1,156)**
Net assets	**$**	**24,707**
Consideration		
Cash	**$**	**24,707**

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$6.0 (C$5.8) million, subject to various holdbacks, financed by cash and debt. This transaction closed October 25, 2007.

(in thousands of Canadian dollars)

5. BUSINESS ACQUISITIONS (Continued)

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 due 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.

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

	2008 YTD	2007 YTD	**2008 Q3**	2007 Q3
Revenue	**$ -**	$ 5,111	**$ -**	$ -
Loss before income tax	**-**	(2,235)	**-**	(311)
Net (loss) gain from disposal of discontinued operations, including write-down of assets, before income tax	**(274)**	21,472	**(163)**	(9)
Income tax expense	**(301)**	(6,989)	**(271)**	(415)
(Loss) gain from discontinued operations	**$ (575)**	$ 12,248	**$ (434)**	$ (735)

(in thousands of Canadian dollars)

6. DISCONTINUED OPERATIONS (Continued)

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

	Jan 2008	April 2007
Current Assets		
Other receivables	**$ -**	$ 3,253
Current Liabilities		
Accounts payable	**$ -**	$ 3,950
Income tax payable	**1,996**	5,513
	$ 1,996	$ 9,463

7. SEGMENTED INFORMATION

	2008 YTD	2007 YTD	**2008 Q3**	2007 Q3
Revenue				
Canada - U.S.	**$ 136,477**	$ 104,181	**$ 35,133**	$ 30,292
South and Central America	**126,093**	86,275	**38,818**	29,647
Australia, Asia and Africa	**157,744**	95,932	**46,807**	30,153
	$ 420,314	$ 286,388	**$ 120,758**	$ 90,092

	2008 YTD	2007 YTD	**2008 Q3**	2007 Q3
Earnings from continuing operations				
Canada - U.S.	**$ 25,282**	$ 19,756	**$ 3,083**	$ 3,727
South and Central America	**33,317**	19,432	**7,791**	6,782
Australia, Asia and Africa	**27,960**	14,277	**5,453**	890
	86,559	53,465	**16,327**	11,399
Eliminations	**(833)**	(905)	**(268)**	(316)
	85,726	52,560	**16,059**	11,083
Interest expense, net	**1,544**	1,591	**808**	390
General corporate expenses	**13,888**	8,652	**3,615**	1,735
Income tax	**20,985**	13,571	**3,966**	3,221
Earnings from continuing operations	**49,309**	28,746	**7,670**	5,737
(Loss) gain from discontinued operations	**(575)**	12,248	**(434)**	(735)
Net earnings	**$ 48,734**	$ 40,994	**$ 7,236**	$ 5,002