Groupe Forage MAJOR Drilling Group International Inc.

NEWS RELEASE

# Major Drilling grows revenue by 53% to a record $156.1 million; Earnings grow 75% to a record $22.8 million

**MONCTON, New Brunswick (December 11, 2007) –** Major Drilling Group International Inc. (TSX: MDI) today reported results for its second quarter of fiscal year 2008, which ended October 31, 2007.

**Highlights**

| $ millions of Canadian dollars (except earnings per share) | Q2-08 | Q2-07 | YTD-08 | YTD-07 | 12 months to October 31, 2007 | 12 months to October 31, 2006 |
|---|---|---|---|---|---|---|
| Revenue | $156.1 | $101.8 | $299.6 | $196.3 | $518.7 | $343.7 |
| Gross profit | 54.7 | 33.8 | 102.3 | 64.3 | 171.1 | 103.0 |
| As percentage of sales | 35.0% | 33.2% | 34.2% | 32.8% | 33.0% | 30.0% |
| Earnings from continuing operations | 22.8 | 13.0 | 41.6 | 23.0 | 65.2 | 31.3 |
| Earnings per share from continuing operations | 0.97 | 0.56 | 1.77 | 1.00 | 2.79 | 1.36 |
| Cash flow from continuing operations (*) | 31.3 | 19.8 | 57.5 | 35.5 | 95.8 | 55.7 |

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

- Major Drilling posted the highest quarterly revenue in its history with revenue of $156.1 million, up 53.3 percent from the $101.8 million recorded for the same quarter last year.

- Gross margin percentage for the quarter was 35.0 percent compared to 33.2 percent for the corresponding period last year, with good performance from all segments.

- The Company recorded the highest quarterly earnings from continuing operations in its history at $22.8 million or $0.97 per share, up 75.4 percent from $13.0 million or $0.56 per share for the prior year quarter.

- Net earnings for the quarter, after loss from discontinued operations, were $22.6 million or $0.96 per share, up from $13.1 million or $0.57 per share for the prior year quarter.

- Cash flow from continuing operations before changes in working capital was $31.3 million for the quarter compared to $19.8 million for the same period last year.

- During the quarter, the Company acquired two businesses: Harris Drilling in Chile and Paragon Drilling in Ecuador.

"During this second quarter, we experienced continued strong momentum in our business and achieved record quarterly revenue and earnings," said Francis McGuire, President and CEO of Major Drilling. "Our strong results were driven by a combination of additional investments in people and equipment, acquisitions and an improved pricing environment. These factors contributed to year-over-year revenue growth of 53 percent and gross margins improved significantly to 35.0 percent, a level not seen in the last several years. This performance was achieved in spite of the effects of the strengthening Canadian dollar against the U.S. dollar. The unfavourable foreign exchange translation impact, for the quarter, when comparing to the effective rates for the same period last year, is estimated at $9 million on revenue and $1.8 million on net earnings."

"During the quarter, we took delivery of 18 new rigs that contributed revenue this period. We also added 18 rigs through acquisitions although they did not contribute revenue for the full period as 11 were acquired in September from Harris and 7 were acquired near quarter-end from Paragon," noted Mr. McGuire. "Overall margins continued to improve despite continuing cost increases in labour, training and safety, as well as African margins still lagging behind other regions. Investment in recruitment and training is crucial to our continuing growth but does affect overall operating margin growth as we incur both additional costs and lower initial productivity with new crews. In the last quarter, we have stepped up our already significant investments in training, and we are on track to meeting our goal of expanding our labour force by 20 percent this year."

"Cash flow from continuing operations before changes in working capital in the quarter continued to improve, increasing 58 percent to $31.3 million compared to $19.8 million in the prior year quarter," said Mr. McGuire. "The Company invested $14.7 million during the quarter in its capital expenditure program, bringing the total for the year to $29.7 million. During the quarter, the Company also spent $27.4 million on acquisitions bringing the total net debt, net of cash, to $23.8 million."

"The mineral drilling industry outlook remains positive. Gold, which accounts for just under half of the Company's activity, has seen its price rise above the US$800 per ounce level. The prices of base metals, which account for about 35 percent of the Company's revenue, remain at levels well above what is needed to support exploration. We have also seen increased activity in uranium as more projects in that field are moving into the pre-feasibility stage," noted Mr. McGuire.

"The Company expects its continued growth to come from additional investments in people and equipment, strong market conditions and its acquisitions. On September 6, 2007, the Company announced the acquisition of Harris y Cia Ltda. in Chile, adding 11 drill rigs, all of which are currently committed to work on a double shift basis conducting mainly specialized drilling in the active northern region of Chile. This acquisition, made for US$23.5 million, is expected to generate additional revenue of approximately US$11 million from the time of the acquisition to the end of our fiscal year on April 30, 2008," said Mr. McGuire. "On October 25, 2007, the Company announced that it had acquired the assets of Paragon del Ecuador S.A. Paragon was the largest mineral exploration drilling contractor in Ecuador, operating 7 drill rigs. The purchase price for the transaction was US$6 million and it is expected to produce additional revenue of approximately US$3.6 million for the balance of our fiscal year."

“It is important to note that we are now in our third quarter, traditionally the weakest quarter of our fiscal year, as mining and exploration companies shut down operations, often for extended periods over the holiday season. Additionally, the Company schedules substantial overhaul and maintenance work on its equipment during this slower period as it prepares for the busy fourth quarter. These factors result in reduced revenue, increased costs, and reduced margins in the quarter,” observed Mr. McGuire. “Weather conditions also have a significant impact on operations. Last year, weather conditions were very favourable; conditions to date have been more challenging. These factors increase the volatility of our third quarter results.”

“Finally, I would like to take this opportunity to thank Terry MacGibbon, who did not re-offer as a Director, for his years of service to the Company. I would also like to welcome Jo Mark Zurel, former CFO at CHC Helicopter Corporation, to the Board.”

**Second quarter ended October 31, 2007**

Total revenue for the second quarter was $156.1 million, up 53.3 percent from the $101.8 million recorded for the prior year period.

Revenue from Canada-U.S. drilling operations was up $12.6 million or 32.0 percent to $52.0 million for the quarter compared to $39.4 million for the same period last year. Additional equipment and improved pricing contributed to the growth in that region.

In South and Central America, revenue for the quarter was up $15.5 million or 52.9 percent, to $44.8 million compared to $29.3 million for the same period last year. Revenue growth was driven primarily by Mexico, Chile (including the Harris acquisition) and Argentina.

Australian, Asian and African drilling operations reported revenue of $59.3 million, up $26.1 million or 78.6 percent from $33.2 million reported in the same period last year. Approximately 40 percent of this growth is attributable to the African acquisition made in December 2006. Australia and a new operation in Armenia accounted for another 40 percent of the growth, with the rest coming from Tanzania, Mongolia and Indonesia.

The overall gross margin percentage for the quarter was 35.0 percent, up from 33.2 percent for the same period last year. Good margin improvements in South and Central America, U.S. and Australia were muted somewhat by labour productivity issues in Canada, by lower margins in the African operations, and by the new Armenian operation, which is in its start-up phase.

General and administrative costs were $10.8 million for the quarter compared to $7.6 million for the prior year quarter. The increase is primarily due to the acquisitions in Africa and Chile and increased administrative salary expenses and staffing levels.

Other expenses were $4.3 million for the quarter compared to $2.3 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.

Foreign exchange loss was $0.7 million for the quarter compared to $0.1 million for the prior year period as a result of unfavourable variation in the U.S. dollar against the Canadian dollar.

Short-term interest revenue was flat at $0.3 million for the quarter compared to last year, while interest on long-term debt was $0.6 million compared to $0.7 million for the prior year quarter.

Amortization expense increased to $6.5 million for the quarter compared to $5.0 million for the same quarter last year, as a result of the increased direct investment in equipment.

The Company's tax expense was $9.2 million for the quarter compared to $5.5 million for the same period last year reflecting the increased profitability of the operations.

Earnings from continuing operations for the quarter were $22.8 million or $0.97 per share ($0.95 per share diluted) compared to $13.0 million or $0.56 per share ($0.55 per share diluted) in the prior year period.

Loss from discontinued operations was $0.3 million, or $0.01 per share, compared to a gain of $0.2 million or $0.01 per share for the same period last year.

Net earnings were $22.6 million or $0.96 per share ($0.94 per share diluted) compared to $13.1 million or $0.57 per share ($0.56 per share diluted) for the same period last year.

**Year to date ended October 31, 2007**

Revenue for the six-months ended October 31, 2007 increased 52.6 percent to $299.6 million from $196.3 million for the corresponding period last year.

Canada-U.S. revenue increased by 37.1 percent or $27.4 million to $101.3 million compared to $73.9 million last year with both countries contributing to this growth.

Revenue in South and Central America increased by 54.2 percent or $30.7 million to $87.3 million, compared to $56.6 million in the prior year period. Mexico and Chile accounted for over three quarters of the growth, while Venezuela and Argentina also made strong contributions.

Revenue in Australia, Asia and Africa increased 68.5 percent or $45.1 million to $110.9 million from $65.8 million in the prior year period. Australia and the new African operations accounted for 70 percent 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 to date were 34.2 percent compared to 32.8 percent last year, due mainly to an improving pricing environment and improvements in drillers' productivity. With the increase in revenue and improving gross margins, gross profit for the year increased by 59.1 percent to $102.3 million compared to $64.3 million for the same period last year.

General and administrative expenses increased to $20.9 million compared to $14.9 million for the same period last year. This increase is primarily due to additions to the management team to accommodate growth, administrative salary increases and the African and Chilean acquisitions.

Other expenses were $7.8 million for the year compared to $5.1 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.

Foreign exchange loss was $1.7 million compared to $0.4 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 $0.6 million for the year compared to nil last year, while interest on long-term debt was $1.4 million compared to $1.2 million last year.

Amortization expense increased to $12.5 million compared to $9.4 million in the previous period, as a result of the increased direct investment in equipment.

The provision for income tax for the year was $17.0 million compared to $10.4 million for the prior year reflecting the increased profitability of the operations.

Earnings from continuing operations were $41.6 million or $1.77 per share ($1.74 per share diluted) compared to $23.0 million or $1.00 per share ($0.98 per share diluted) last year.

Loss from discontinued operations was $0.1 million or $0.01 per share compared to a gain of $13.0 million or $0.56 per share last year.

Net earnings were $41.5 million or $1.77 per share ($1.74 per share diluted) compared to $36.0 million or $1.56 per share ($1.53 per share diluted) for last year.

On a rolling 12-month basis to October 31, 2007, revenue from continuing operations increased by 50.9 percent to $518.7 million compared to $343.7 million for the prior year period. Earnings from continuing operations, on the same rolling 12-month basis, more than doubled to $65.2 million from $31.3 million for the corresponding period 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 webcast of its quarterly conference call on Tuesday, December 11, 2007 at 9:00 AM (EST). To access the webcast 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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