Groupe Forage MAJOR Drilling Group International Inc.

NEWS RELEASE

Major Drilling Reports Third Quarter Results

MONCTON, New Brunswick (March 3, 2009) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its third quarter of fiscal 2009, ended January 31, 2009.

Highlights

$ millions of Canadian dollars (except earnings per share)	**Q3-09**	**Q3-08**	**YTD-09**	**YTD-08**
Revenue	$87.4	$120.8	$456.6	$420.3
Gross profit	24.1	33.7	157.8	136.0
As percentage of sales	27.6%	27.9%	34.6%	32.4%
Net (loss) earnings, after restructuring and impairment charges	(5.1)	7.2	50.5	48.7
Net (loss) earnings per share - basic	(0.21)	0.31	2.13	2.07
Cash flow from continuing operations before changes in working capital	9.4	16.3	84.9	73.8

- Major Drilling posted quarterly revenue of $87.4 million, down 27.6 percent from the $120.8 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 27.6 percent compared to 27.9 percent for the corresponding period last year.
- Excluding restructuring charges and impairment charges (net of tax), earnings for the quarter were $0.5 million or $0.02 per share.
- The Company posted a restructuring charge of $6.9 million ($5.0 million net of tax) accounting for retrenchment costs and write down of inefficient rigs that were retired, and also posted a goodwill and intangible assets impairment charge of $0.7 million ($0.6 million net of tax) during the quarter. Combined, these charges represent a negative impact to third quarter 2009 net earnings of $5.6 million after tax or $0.23 per share.
- Net loss (including restructuring and impairment charge) was $5.1 million or $0.21 per share for the quarter, compared to earnings of $7.2 million or 0.31 per share for the prior year quarter.

- The Company is in an excellent financial position entering these turbulent times, becoming debt-free, net of cash, during the quarter. Total cash level, net of long-term debt, increased by $30.6 million to stand at $22.6 million at quarter-end. Cash on hand at quarter-end was $66.8 million while total debt was $44.2 million.

- The Company has declared a semi-annual dividend of $0.20 per share to be paid on May 1, 2009.

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

"The quarter had a relatively strong start in November with good revenue and improved productivity. However, by the end of November many projects were completed whereas last year, most customers worked well into December. In January, due to the uncertainty in the economy, many customers delayed or cancelled their exploration drilling plans, which impacted the quarter's results compared to last year. Delays and cancellations will continue to have an impact through at least the first half of calendar 2009. In addition, lower levels of demand have significantly increased competitive pressures, which will impact pricing", said Francis McGuire, President and CEO of Major Drilling.

"The current economic environment has impacted, and will continue to impact, drilling in the short to medium-term, particularly on base metal projects where the Company expects to see a significant slowdown in activity in 2009. Senior and intermediate base metal companies that are leveraged have also reduced their exploration spending for 2009, in order to conserve cash. Many gold producers have delayed exploration plans due to the uncertainty in the economy. 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", said Mr. McGuire.

"All of this uncertainty limits the Company's visibility for the short-term. Fourth quarter revenue will be significantly impacted by cancellations and delays, and revenue could potentially fall by more than half as compared to the same quarter last year. As announced last quarter, the Company has undertaken quick actions to reduce its costs. In November, the Company took actions to reduce general and administrative expenses by 10 percent and, in the current environment, is taking steps to further reduce expenses. As part of these actions, the decision was made in early February that directors' fees and salary of the Company's top 40 executives would be reduced by 10 percent. 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. In order to optimize our rig performance, we took this opportunity to review the quality of our fleet and retired 55 inefficient and more costly rigs. Due to all these initiatives, the Company recorded a total restructuring charge of $6.9 million in the third quarter, $5.2 million being non-cash."

"Beyond the fourth quarter, and due to the ongoing volatility in the sector, we have little visibility and our results will depend, in large part, on how quickly drill programs resume. The level of drilling will be highly dependant on gold companies as they make decisions on their exploration spending for the remaining part of calendar 2009. In the meantime, the Company is looking at opportunities in new jurisdictions that it was unable to service in the past due to labour and rig constraints."

"Long-term, the fundamental drivers of our business remain positive, with worldwide supply for most metals expected to tighten due to the continuing lack of significant discoveries. The prospects for gold related drilling, which generally accounts for 50 percent of the drilling market, remains positive. "

"The Company is in an excellent financial position entering these turbulent times, becoming debt-free, net of cash, during the quarter. Total cash level, net of long-term debt, increased by $30.6 million to stand at $22.6 million at quarter-end. Good operational cash flow and reduced capital expenditures, at $14.3 million during the quarter, combined with tight working capital management, were responsible for this progress", stated Mr. McGuire.

"Despite the difficult environment, we expect operations to generate positive cash flow in fiscal year 2010. The Company's strategic goal in fiscal 2010 is to accumulate cash. The Company will do so by generating cash from operations, by limiting capital expenditures to between $25 million and $30 million per year, by reducing inventory and by closely monitoring costs. We continue to see opportunities to invest in specialized drilling, although at a slower pace. While acquisitions remain a possibility, we are increasingly focused on building our cash reserves. During the quarter, the Company added 13 previously ordered rigs and sold 9 rigs, which brings the rig count to 525 rigs at the end of January."

"Given the Company's ability to generate cash, even in these difficult times, the Company is pleased to announce that today its Board of Directors declared a cash dividend of $0.20 per common share payable on May 1, 2009 to shareholders of record as of April 10, 2009. This dividend is designated as an "eligible dividend" for Canadian tax purposes", said Mr. McGuire.

Third quarter ended January 31, 2009

Total revenue for the third quarter was $87.4 million compared to $120.8 million recorded for the prior year period. Early shutdowns of projects going into the holiday season and cancellation or delays of programs in January accounted for the reduction in revenue in all three of our regions. The favorable 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.

Revenue from Canada-U.S. drilling operations was down 19 percent to $28.4 million for the quarter compared to $35.1 million for the same period last year.

In South and Central America, revenue for the quarter was $23.5 million, down 39 percent from $38.8 million recorded in the prior year quarter. A complete halt of operations in Venezuela and Ecuador due to political issues, and a slowdown in Mexico due to a higher proportion of juniors, impacted revenue in the region.

Australian, Asian and African drilling operations reported revenue of $35.5 million, down some 24 percent from $46.8 million reported in the same period last year.

The overall gross margin percentage for the quarter was 27.6 percent as compared to 27.9 percent for the same period last year. Margins in November were higher than last year as more experienced drillers operated our rigs and training expenses decreased. In January, reduced pricing due to increased competitive pressures and delays impacted margins.

General and administrative costs were relatively flat at $11.3 million for the quarter, compared to $11.2 million for the prior year period. General and administrative costs were $1.5 million, or 11.7 percent lower than reported in the second quarter following initiatives implemented in November, which started to take effect in December. The Company monitors these costs closely and has taken steps to further reduce these expenses. As part of these actions, the decision was made in early February that directors' fees and salary of the Company's top 40 executives would be reduced by 10 percent.

Other expenses were $2.0 million for the quarter compared to $2.6 million for the same period last year. The reduction primarily relates to lower incentive compensation expenses given the Company's decreased profitability as compared to the same period last year, offset by an increase in bad debt provisions.

Foreign exchange gain was $0.7 million for the quarter compared to a loss of $0.4 million for the prior year period. The gain was due to exchange rate variations on monetary working capital items.

Short-term interest expense was nil for the quarter compared to $0.2 million last year, while interest on long-term debt was $0.5 million compared to $0.6 million for the prior year quarter.

Amortization expense increased to $8.5 million for the quarter compared to $7.0 million for the same quarter last year, as a result of increased investment in equipment.

During the quarter, the Company recorded a restructuring charge of $6.9 million to account for retrenchment costs of $1.7 million and asset write downs of $5.2 million. Also, the Company recorded a non-cash goodwill and intangible asset impairment charge of $0.7 million.

The Company's tax recovery was $0.1 million for the quarter compared to an expense of $4.0 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.

Loss from continuing operations for the quarter, after restructuring charge, was $5.1 million or $0.21 per share ($0.21 per share diluted) compared to earnings from continuing operations of $7.7 million or $0.32 per share ($0.32 per share diluted) in the prior year period. Excluding restructuring and impairment charges (net of taxes), earnings would have been $0.5 million, or $0.02 per share, for the quarter.

Resulting net loss for the quarter was $5.1 million or $0.21 per share ($0.21 per share diluted) compared to $7.2 million or $0.31 per share ($0.30 per share diluted) for the same period last year.

Year to date ended January 31, 2009

Revenue for the nine-month period ending January 31, 2009 increased 8.6 percent to $456.6 million from $420.3 million for the corresponding period last year. The favorable foreign exchange translation impact, for the year, when comparing to the effective rates for the same period last year, is estimated at $12 million on revenue.

Canada-U.S. revenue increased by 8.1 percent to $147.6 million compared to $136.5 million last year with both countries contributing to this growth.

Revenue in South and Central America increased by 5.6 percent to $133.1 million, compared to $126.1 million in the prior year period. Good growth in Chile and Argentina was mitigated by a halt of operations in Venezuela and Ecuador due to political issues in those countries.

Revenue in Australia, Asia and Africa increased 11.5 percent to $175.8 million from $157.7 million in the prior year period. Good growth in Australia, Mongolia and Namibia was mitigated by a reduction in revenue in other parts of Africa and the shutdown of operations in Armenia earlier in the year.

Gross margins for the nine-month period were 34.6 percent compared to 32.4 percent last year due mainly to an improving pricing environment compared to last year.

General and administrative expenses increased to $37.5 million compared to $32.1 million for the same period last year. This increase is primarily due to additions to the management team to accommodate growth in the first half of the fiscal year, administrative salary increases, and the acquisition.

Other expenses were $10.7 million for the nine-month period compared to $10.4 million for the same period last year due primarily to higher bad debt provisions partially offset by lower incentive compensation expense.

Foreign exchange loss was $1.0 million for the nine-month period compared to $2.2 million in the prior year period as a result of less unfavorable currency variations.

Short-term interest expense was $0.2 million for the nine-month period compared to revenue of $0.4 million last year, while interest expense on long-term debt was $1.4 million compared to $1.9 million for the same period last year.

Amortization expense increased to $24.2 million for the nine-month period, compared to $19.5 million for the same period last year, as a result of increased investment in equipment during the year.

The provision for income tax for the nine-month period was $24.6 million compared to $21.0 million for the prior year period reflecting the increase in pre-tax earnings.

Net earnings for the nine-month period were $50.5 million or $2.13 per share ($2.11 per share diluted) compared to $48.7 million or $2.07 per share ($2.04 per share diluted) for the same period 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 ***Wednesday, March 4, 2009 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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