Groupe Forage MAJOR Drilling Group International Inc.

NEWS RELEASE

Major Drilling Reports First Quarter Results and Increases Dividend

MONCTON, New Brunswick (September 8, 2010) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its first quarter of fiscal year 2011, ended July 31, 2010.

Highlights

In millions of Canadian dollars (except earnings per share)	Q1-11	Q1-10
Revenue	$109.5	$62.5
Gross profit	26.5	17.2
As percentage of sales	24.2%	27.6%
Net earnings (loss)	5.1	(3.3)
Earnings (loss) per share	0.21	(0.14)
Cash flow from operations (before changes in non-cash working capital items)	12.1	7.6

- Major Drilling posted quarterly revenue of $109.5 million, an increase of 75 percent from the $62.5 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 24.2 percent, up from 23.0 percent in the fourth quarter of fiscal 2010.
- Net earnings were $5.1 million or $0.21 per share for the quarter compared to a net loss of $3.3 million or $0.14 per share for the prior year quarter.
- Cash flow generated from operations during the quarter was $12.1 million, an increase of 59 percent over the same quarter last year.
- Given the improving outlook, the Company has increased its semi-annual dividend by 10 percent, to $0.22 per share, to be paid on November 1, 2010.

"Activity levels continue to improve in every region. Canada, Chile and Argentina sustained their strong recovery, while we also saw good growth in Mexico, U.S. and Mongolia this quarter. The 75 percent increase in revenue, despite an unfavourable foreign currency translation impact of $6 million, came mainly from improved utilization. Pricing remains competitive, although we are starting to see improvements in certain geographic areas," said Francis McGuire, President and CEO of Major Drilling.

"The bulk of the increased activity is still coming from intermediate mining companies and junior mining companies with advanced properties, projects that require several years of multi-rig drilling. Early stage exploration companies are still experiencing difficulties in getting financing."

"Margins in this quarter improved from our fourth quarter of fiscal 2010, but were still impacted by training, mobilization and additional consumable purchases to support increased demand. As we continued to prepare more rigs for the field, higher repair costs also affected margins. In Australia, we continue to work our way out of some low-margin contracts. Going forward, margins should continue to gradually improve as we put those ramp-up costs behind us and pricing improves, although a shortage of experienced crews will put some pressure on productivity."

"Looking at the rest of fiscal 2011, if customers move forward with their stated plans, we expect to see continuing growth. Our global utilization rates are expected to continue to improve as each month goes by. In some of our regions, we have now reached high levels of utilization, which has begun to lead to a more positive pricing environment."

"As announced on July 6, 2010, we are very pleased to welcome North Star Drilling and its employees into the Major Drilling group. Through this purchase, we acquired 8 drill rigs. North Star, in combination with our SMD purchase from the previous quarter, provides an excellent platform for growth in the environmental and geotechnical drilling sector, a new venture for Major Drilling. This venture was not expected to be profitable in its first year but with the North Star contribution the time line for profitability should be expedited," stated Mr. McGuire. "The Company continues to seek acquisitions that complement our specialized drilling strategy, increase our diversification, or expand our geographic footprint."

"Net capital expenditures for the quarter were $8.9 million as we purchased 11 rigs while retiring 11 rigs through our modernization program. In the two weeks following quarter-end, the Company took delivery of an additional 3 rigs. During the quarter, we also added a significant amount of support vehicles and other support equipment to meet changing patterns of demand and our continually rising safety standards. These additions will improve rig utilization and reliability."

"Given the Company's ability to generate cash and the improving outlook, the Company is pleased to announce that today its Board of Directors has authorized a semi-annual cash dividend of $0.22 per share, which represents a 10 percent increase from previous dividends. This dividend is payable on November 1, 2010 to shareholders of record as of October 8, 2010. This dividend is designated as an "eligible dividend" for Canadian tax purposes."

"Finally, the Board and management would like to take this opportunity to thank John Schiavi and David Hope, who are retiring as Directors. Mr. Schiavi has been a Director of the Company for more than 15 years, joining the Board prior to its initial public offering in 1995, and Mr. Hope has been a Director of the Company since 2005."

First quarter ended July 31, 2010

Total revenue for the quarter was $109.5 million up 75 percent from the $62.5 million recorded in the same quarter last year. Most of the Company's branches exhibited strong growth mainly coming from increased utilization. Revenue growth was affected by the strengthening Canadian dollar against the U.S. dollar as compared to the same period last year. The unfavourable foreign exchange translation impact for the year, when comparing to the effective rates for the same period last year, is estimated at over $6 million on revenue.

Revenue for the quarter from Canada-U.S. drilling operations increased by 100 percent to $40.5 million compared to $20.2 million for the same period last year. Both countries contributed to this increase as utilization rates increased substantially while pricing remained relatively flat as compared to the same quarter last year.

South and Central American revenue was up 120 percent to $40.0 million for the quarter, compared to $18.2 million posted for the prior year quarter. All regions exhibited strong growth, again driven primarily by increased rig utilization.

Australian, Asian and African operations reported revenue of $29.0 million, up 20 percent from the $24.1 million reported in the same period last year. Mongolia and Indonesia accounted for all of the growth in the region, offset by a decrease in activity in Australia as compared to last year. In Australia, market conditions were still difficult during the quarter given the recent concerns on mining tax. In the last month however, we have started to see early signs of a recovery.

The overall gross margin percentage for the quarter was 24.2 percent, down from 27.6 percent for the same period last year, but up from 23.0 percent in the fourth quarter of fiscal 2010. Margins in the quarter were impacted by training costs, mobilization costs and additional consumable purchases to support increased demand.

General and administrative costs were $9.6 million for the quarter, up 7.9 percent compared to $8.9 million in the same period last year. The increase was due to the addition of the new environmental division and also increased costs to support the strong growth in activity levels.

Other expenses for the quarter were $1.9 million, up from $0.9 million in the prior year quarter, due primarily to higher incentive compensation expenses given the Company's increased profitability, and consultant work.

Net earnings were $5.1 million or $0.21 per share ($0.21 per share diluted) for the quarter compared to a net loss of $3.3 million or $0.14 per share ($0.14 per share diluted) for the prior year quarter.

The Annual and Special Meeting of the shareholders of Major Drilling Group International Inc. will be held at The TMX Broadcast Centre Gallery, The Exchange Tower, 130 King St. W., Toronto, Ontario, tomorrow, September 9, 2010 at 10:00 am EDT.

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 15 to 17 of the 2010 Annual Report entitled "General Risks and Uncertainties", 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, mineral exploration and environmental activities, Major Drilling maintains operations in Canada, the United States, South and Central America, Australia, Asia, and Africa.

Financial statements are attached.

Major Drilling will provide a simultaneous webcast of its quarterly conference call on ***Thursday, September 9, 2010 at 8:30 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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