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NEWS RELEASE

Major Drilling Reports First Quarter Results and Declares Dividend

MONCTON, New Brunswick (September 8, 2009) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its first quarter of fiscal year 2010 ended July 31, 2009.

Highlights

In millions of Canadian dollars (except earnings per share)	**Q1-10**	**Q1-09**
Revenue	$62.5	$178.2
Gross profit	17.2	63.3
As percentage of sales	27.6%	35.5%
Net (loss) earnings	(3.3)	26.3
(Loss) earnings per share	(0.14)	1.11
Cash flow from operations (*)	7.6	36.5

(*) before changes in working capital

- Cash flow generated from operations during the quarter was $7.6 million.
- Cash on hand at quarter-end was $52.2 million while total debt was $33.0 million, for a net cash position of $19.2 million.
- Major Drilling posted quarterly revenue of $62.5 million, down 64.9 percent from the $178.2 million recorded for the same quarter last year.
- Gross margin percentage for the quarter was 27.6 percent, compared to 35.5 percent for the corresponding period last year.
- Excluding restructuring charges and impairment charges, earnings before taxes for the quarter were $0.2 million.
- The Company posted a restructuring charge of $1.2 million related to further retrenchment and closedown costs and also posted a goodwill impairment charge of $2.0 million during the quarter.
- Net loss (including restructuring and impairment charge) was $3.3 million or $0.14 per share for the quarter, compared to net earnings of $26.3 million or $1.11 per share for the prior year quarter.

- The Company has declared a semi-annual dividend of $0.20 per share to be paid on November 2, 2009.

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.

"During the quarter, activity levels were flat relative to the fourth quarter but due to the weakening U.S. dollar, the Company posted lower revenue in Canadian dollars. Market conditions during the quarter continued to be difficult and operations were still affected by ongoing delays and program cancellations. With the liquidity crisis, 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," said Francis McGuire, President and CEO of Major Drilling.

"In terms of regional performance, Latin America and Canada are holding up relatively well. The Company continues to explore new opportunities to expand its geographic footprint. For instance, during the quarter, the Company started operations in Colombia. On the other hand, market conditions are much more difficult in Australia, the U.S. and Africa. During the quarter, we took further actions in Australia to restructure the operations by closing down two offices and reducing personnel. As such, the Company recorded a further restructuring charge of $1.2 million during the quarter. Australia was also affected by adverse weather conditions. Queensland, where the Company concentrates its operations, suffered its worst floods since 1974. The restructuring combined with better weather conditions should improve performance in that region going forward."

"While we expect continued improvements as the year goes on, calendar 2009 will remain difficult. If customers move forward with their stated plans, we should see gradual gains as each month goes by. Despite the upward movement in commodity prices and the fund raising activity that occurred in the last few months, customers, especially the large mining companies, remain very hesitant to invest in exploration. Most of these companies are not expected to reset their budgets until next calendar year and will remain focused on cash management. Although improved, the capital markets remain challenging for junior mining companies," said Mr. McGuire.

"Subsequent to the quarter, general activity levels have begun to increase. However, we expect pricing to remain competitive until utilization rates pick up significantly, especially in conventional drilling. 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 continues to be in an excellent financial position remaining debt-free, net of cash. Total cash level, net of long-term debt, stood at $19.2 million at quarter-end. Despite the difficult environment, the Company generated $7.6 million from operations, reduced general and administrative costs by almost 35 percent and kept net capital expenditures at only $2.4 million during the quarter," stated Mr. McGuire.

"Given the Company's ability to generate cash even in these most difficult times, the Company is pleased to announce that today its Board of Directors declared its third semi-annual cash dividend of $0.20 per common share payable on November 2, 2009 to shareholders of record as of October 9, 2009. This dividend is designated as an "eligible dividend" for Canadian tax purposes," said Mr. McGuire.

First quarter ended July 31, 2009

Total revenue for the quarter was $62.5 million down 64.9 percent from the $178.2 million recorded in the same quarter last year. Cancellations or delays of drilling programs, combined with price reductions, significantly affected revenue in all three regions.

Revenue for the quarter from Canada-U.S. drilling operations decreased by 63.7 percent to $20.2 million compared to $55.6 million for the same period last year. Cancellations and decreased pricing impacted both countries.

South and Central American revenue was at $18.2 million for the quarter, down 67.1 percent from the $55.3 million posted for the prior year quarter. During the quarter, the Company started operations in Colombia. In Ecuador operations are still on hold due to delays related to mining law implementation.

Australian, Asian and African operations reported revenue of $24.1 million, down some 64.2 percent from the $67.4 million reported in the same period last year. Cancellation of drilling programs and severe weather issues impacted revenue in Australia. Indonesia was affected by a reduction in drilling programs and pricing while Mongolian revenue continued to be down compared to last year as the mining industry awaited the final passage of that country's mining laws.

The overall gross margin percentage for the quarter was 27.6 percent, down from 35.5 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 impacted margins, especially in the energy sector.

General and administrative costs were $8.9 million for the quarter, down 33.6 percent compared to $13.4 million in the same period last year. The decrease was due to cost cutting initiatives implemented in November and February.

Other expenses for the quarter were $0.9 million, down from $3.8 million in the prior year quarter, due primarily to lower incentive compensation expenses given the Company's decreased profitability in the current year.

Foreign exchange gain in the quarter was $0.7 million compared to a loss of $0.2 million in the prior year quarter.

Short-term interest revenue was flat at $0.1 million compared to the same quarter last year, while interest expense on long-term debt was down to $0.3 million compared to $0.6 million for the same quarter last year due to lower levels of debt and reduced interest rates.

Amortization expense was $7.7 million for the quarter compared to $7.6 million for the same quarter last year, as a result of the increased direct investment in equipment.

During the quarter, the Company recorded a restructuring charge of $1.2 million to account for retrenchment and closedown costs primarily in Australia. Also, the Company recorded a net non-cash goodwill impairment charge of $2.0 million. This eliminated goodwill of $3.7 million recorded on the Paragon del Ecuador S.A. acquisition, offset by a reduction of a holdback of $1.7 million, which was a contingent consideration to the purchase price and dependant on the political situation in Ecuador. The goodwill impairment charge resulted from political issues and uncertainty still affecting the mining industry in Ecuador.

Income tax expense was $0.2 million in the quarter compared to $11.5 million for the prior year quarter. Tax expense for the quarter was impacted by the non-recognition or reversal of tax losses in Ecuador and losses in Tanzania.

Net loss for the quarter was $3.3 million or $0.14 per share ($0.14 per share diluted) compared to net earnings of $26.3 million or $1.11 per share ($1.10 per share diluted) in the prior year period.

The Annual General Meeting of the shareholders of Major Drilling Group International Inc. will be held at The TSX Broadcast Centre, TSX Gallery, The Exchange Tower, 130 King St. W., Toronto, Ontario, tomorrow, September 9, 2009 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 19 to 22 of the 2009 Annual Report entitled “General Risks and Uncertainties”, 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, September 9, 2009 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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