Groupe Forage MAJOR Drilling Group International Inc.

NEWS RELEASE

Major Drilling Reports Second Quarter Results

MONCTON, New Brunswick (December 7, 2009) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its second quarter of fiscal year 2010 ended October 31, 2009.

Highlights

In millions of Canadian dollars (except earnings per share)	Q2-10	Q2-09	YTD-10	YTD-09
Revenue	$75.5	$191.0	$138.0	$369.2
Gross profit	22.8	70.4	40.0	133.7
As percentage of sales	30.2%	36.9%	29.0%	36.2%
Net earnings	4.1	29.3	0.8	55.6
Earnings per share	0.17	1.23	0.03	2.35
Cash flow from operations (*)	12.3	38.9	19.9	75.5

(*) before changes in working capital

- Cash flow from continuing operations before changes in working capital was $12.3 million for the quarter.
- Net cash position increased by $8.7 million to $27.8 million from the first quarter, positioning the Company well for future growth.
- Major Drilling posted quarterly revenue of $75.5 million, down 60.5 percent from the $191.0 million recorded for the same quarter last year, but up $13.0 million or 21 percent from the first quarter of fiscal 2010.
- Gross margin percentage for the quarter was 30.2 percent, compared to 36.9 percent for the corresponding period last year.
- Net earnings were $4.1 million or $0.17 per share for the quarter, compared to net earnings of $29.3 million or $1.23 per share for the prior year quarter.

“As expected, we started to see a recovery during the quarter as revenue was up 21 percent relative to the first quarter despite the weakening U.S. dollar. Global exploration spending continued to improve, driven by sustained strength in key commodity prices, particularly gold and copper. Also, the financing environment has improved for mining companies over the past few months. These factors helped improve our drill utilization as we moved through the quarter, particularly the specialized rigs,” said Francis McGuire, President and CEO of Major Drilling.

“In terms of regional performance, South America and Canada continued to improve both in utilization and productivity. On the other hand, areas such as Australia, U.S. and Mexico have been slower to show improvement.”

While general market conditions are improving, 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.

“Many of the supply issues that face most commodities are coming back into focus and 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 further increase demand for specialized drilling. We have seen a noticeable increase in inquiries from intermediate and senior customers, which could have a positive impact on the market by this spring. Customers, especially the large mining companies, are still formulating their plans for calendar 2010 and it is too early to anticipate the full impact of their decisions.”

“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, often for extended periods over the holiday season. At this time, most senior and intermediate companies are still working through their budget process and have yet to decide on post-holiday start up dates. Also, due to the time it takes to mobilize once contracts are awarded, a slow pace of start ups is expected in January, which will impact overall third quarter revenue. We expect pricing to remain competitive until utilization rates pick up significantly, especially in conventional drilling,” observed Mr. McGuire.

“The Company continues to be in an excellent financial position remaining debt-free, net of cash. Total cash level, net of long-term debt, increased by $8.7 million during the quarter to stand at $27.8 million at quarter-end. Despite the difficult environment, the Company generated $12.3 million from operations, reduced general and administrative costs and kept net capital expenditures to only $3.3 million during the quarter,” stated Mr. McGuire.

“While capital expenditures have been low up to this point in this fiscal year, we continue to see opportunity to broaden our footprint in the coal and coal seam gas sector. We currently have 14 rigs in this sector but during the next few months we will be adding a further 6 rigs. Three of our mineral rigs are being adapted for these purposes and 3 additional rigs will be purchased in the coming quarter. These rigs are expected to be in operation by late spring and should add to the success of the Company in developing this market segment.”

Second quarter ended October 31, 2009

Total revenue for the quarter was $75.5 million down 60.5 percent from the $191.0 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 as compared to last year. However, as compared to the first quarter ended July 31, 2009, revenue was up 20.8 percent overall.

Revenue for the quarter from Canada-U.S. drilling operations decreased by 62.2 percent to $24.1 million compared to $63.7 million for the same period last year. Revenue improved 19 percent in this region as compared to the first quarter.

South and Central American revenue was at $24.2 million for the quarter, down 55.4 percent from the $54.3 million posted for the prior year quarter. As compared to the first quarter, revenue was up 33 percent with Chile and Argentina accounting for three-quarters of that increase as that region was the first to begin to recover.

Australian, Asian and African operations reported revenue of $27.3 million, down some 62.6 percent from the $73.0 million reported in the same period last year. Cancellation of drilling programs and decreased pricing impacted all regions. Revenue increased 13 percent as compared to the first quarter as increases in Mongolia and Africa were somewhat mitigated by reductions in Australia and Indonesia.

The overall gross margin percentage for the quarter was 30.2 percent, down from 36.9 percent for the same period last year. Reduced pricing due to increased competitive pressures and delays significantly impacted margins although the Company has been able to recapture some of this loss through productivity gains and cost cutting.

General and administrative costs were $8.1 million for the quarter, down 36.7 percent compared to $12.8 million in the same period last year. The decrease was due to cost cutting initiatives implemented in November 2008 and February 2009.

Other expenses for the quarter were $1.1 million, down from $4.9 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 $0.1 million compared to a loss of $1.5 million in the prior year quarter.

Short-term interest revenue was nil this quarter compared to an expense of $0.2 million for the same quarter last year, while interest expense on long-term debt was down to $0.3 million compared to $0.5 million for the same quarter last year due to lower debt levels.

Amortization expense was $7.7 million for the quarter compared to $8.2 million for the same quarter last year, as a result of equipment write-downs in the previous quarters.

Income tax expense was $1.7 million in the quarter compared to $13.3 million for the prior year quarter as a result of reduced earnings.

Net earnings were $4.1 million or $0.17 per share ($0.17 per share diluted) compared to $29.3 million or $1.23 per share ($1.22 per share diluted) for the same period last year.

Year to date ended October 31, 2009

Revenue for the six months ended October 31, 2009 decreased 62.6 percent to $138.0 million from $369.2 million for the corresponding period last year.

Canada-U.S. revenue decreased by 62.9 percent or $75.0 million to $44.3 million compared to $119.3 million last year with cancellations and decreased pricing impacting both countries.

Revenue in South and Central America decreased by 61.3 percent to $42.4 million, compared to $109.6 million in the prior year period. Mexico, Chile and Argentina accounted for all of the reduction while shutdowns in Venezuela and Ecuador were offset by a new operation in Colombia where the Company moved much of its Venezuelan and Ecuadorian equipment.

Revenue in Australia, Asia and Africa decreased 63.4 percent to $51.3 million from $140.3 million in the prior year period. Every country in this segment was affected by reduced pricing and utilization due to cancellation of drilling programs.

Gross margins for the year to date were 29.0 percent compared to 36.2 percent last year, due mainly to significantly decreased pricing, which was somewhat offset by improvements in drillers' productivity.

General and administrative expenses decreased to $17.0 million compared to $26.2 million for the same period last year. The decrease was due to cost cutting initiatives implemented in November 2008 and February 2009.

Other expenses were $2.0 million for the year compared to $8.7 million for the same period last year due primarily to lower incentive compensation expenses given the Company's decreased profitability in the current year.

Foreign exchange gain was $0.8 million compared to a loss of $1.6 million in the prior year period.

Short-term interest was a revenue of $0.1 million for the year compared to an expense of $0.2 million last year, while interest expense on long-term debt was $0.6 million compared to $0.9 million last year due to lower debt levels.

Amortization expense decreased to $15.4 million compared to $15.8 million in the previous period, as a result of equipment write-downs in the previous quarters.

The provision for income tax for the year was $1.9 million compared to $24.7 million for the prior year reflecting the decreased profitability of the operations. This year's provision is also impacted by the non-recognition or reversal of tax losses in Ecuador and losses in Tanzania.

Net earnings were $0.8 million or $0.03 per share ($0.03 per share diluted) compared to $55.6 million or $2.35 per share ($2.32 per share diluted) 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 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 ***Tuesday, December 8, 2009 at 9:00 AM (EST).*** *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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