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NEWS RELEASE

Major Drilling Reports Third Quarter Results

MONCTON, New Brunswick (March 3, 2011) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its third quarter of fiscal 2011, ended January 31, 2011.

Highlights

In millions of Canadian dollars (except earnings per share)	**Q3-11**	**Q3-10**	**YTD-11**	**YTD-10**
Revenue	$107.7	$72.5	$345.0	$210.5
Gross profit	23.9	12.0	85.5	52.0
As percentage of sales	22.2%	16.5%	24.8%	24.7%
Net earnings (loss)	1.7	(4.5)	18.1	(3.7)
Earnings (loss) per share	0.07	(0.19)	0.76	(0.16)
Cash flow from operations (before changes in non-cash working capital items)	11.0	1.3	41.7	21.2

- Major Drilling posted quarterly revenue of $107.7 million, up nearly 50 percent from the $72.5 million recorded for the same quarter last year.

- Gross margin percentage for the quarter was 22.2 percent compared to 16.5 percent for the corresponding period last year.

- Net earnings were $1.7 million or $0.07 per share for the quarter, compared to a net loss of $4.5 million or $0.19 per share for the prior year quarter.

- The Company has declared a semi-annual dividend of $0.22 ($0.0733 per share post 3:1 stock split, if approved) per share to be paid on May 2, 2011.

"The quarter ended with a profit despite the usual shutdown of operations over the holidays and severe weather issues. November was a particularly good month and continued the progression we experienced in our second quarter. December had its usual holiday shutdowns, while January got off to a slow start in many regions. This was compounded by heavy rains and floods in Australia, which not only reduced potential revenue and earnings but resulted in extra costs of $1 million in January. The Company also incurred significant training and setup costs given the strong pickup expected in the fourth quarter," said Francis McGuire, President and CEO of Major Drilling.

"Indications are that activity levels in calendar 2011 should be robust. Intermediate and junior mining companies with advanced projects have ramped up their already busy drilling programs by adding rigs. Most senior mining companies have significantly increased their exploration budgets for 2011, and there have been recent increases in financings for junior mining companies. Nearly half of the funds from financings done on the TSX for mining in 2010 were raised in the last 3 months of the year. These financings should add a layer of activity to an industry where shortages of labour and supplies have already begun to appear."

"This pickup of activity has brought labour issues back to the forefront. To meet the labour availability challenge, we have stepped up our training efforts around the world, and have re-instated many of the initiatives that were successful in the last industry upturn. Extra trainees are being assigned to rigs and retention programs are being re-instated. In the 4 key areas where the labour shortage is most problematic (Canada, the USA, Australia and Chile) we are establishing 4 new training centres. The goals for these centres are to improve our retention rate for new entrants and to qualify candidates to enter into our driller-trainee programs within 6 months. But these initiatives will take time to catch up to the rapid ramp-up occurring, which could temporarily limit our ability to accept new work. Wage increases will be required in certain areas to retain and attract the most experienced drillers, which are key to high-quality customer service, as competition for drillers heats up," observed Mr. McGuire.

"Net capital expenditures for the quarter were $17.7 million as we purchased 16 rigs. We also retired 22 rigs through our modernization program. We are stepping up the renewal of our fleet, which will help improve productivity, safety and speed up training of crews. Also, through these additions, we hope to further improve rig utilization and reliability. In this coming fourth quarter, we intend to replace another 20 rigs through this modernization program."

"Looking ahead to our fourth quarter and fiscal 2012, we have a positive view. We continue to see a noticeable increase in inquiries from all categories of customers, and if customers move forward with their stated plans, we should see utilization rates continue to gradually improve as crews become available. This increase in utilization gives us considerable leverage to increase revenue and profits as we move forward."

"Also, given industry shortages in many of our operating areas, we expect pricing to continue to recover, which should help margins improve, although the shortage of experienced drill crews will put some pressure on labour costs and productivity, especially in our most active markets."

"The Company is pleased to announce that today its Board of Directors declared a cash dividend of $0.22 ($0.0733 per share post 3:1 stock split, if approved) per common share payable on May 2, 2011 to shareholders of record as of April 8, 2011. This dividend is designated as an "eligible dividend" for Canadian tax purposes," said Mr. McGuire.

"Finally, the Company will be holding a special meeting of shareholders on March 9, 2011 at 4:00 pm (EST) to consider and, if thought advisable, approve the 3 for 1 stock split announced on December 7, 2010."

Third quarter ended January 31, 2011

Total revenue for the third quarter was $107.7 million compared to $72.5 million recorded for the prior year period. All of the Company's regions contributed to this growth with Canada-U.S. having the greatest increase in activity. In Australia, although the Company saw signs of strong recovery, the ability of that operation to contribute was hampered by heavy floods in Queensland.

Revenue from Canada-U.S. drilling operations was up 75 percent to $38.2 million for the quarter compared to $21.8 million for the same period last year. U.S. operations saw a strong recovery particularly from its senior customers. In Canada, activity levels continue to increase but startups were somewhat slower than last year.

In South and Central America, revenue for the quarter was $36.8 million, up 39 percent from $26.5 million recorded in the prior year quarter. The increase was primarily driven by Argentina and Mexico, where activity levels picked up substantially compared to last year.

Australian, Asian and African drilling operations reported revenue of $32.7 million, up 35 percent from $24.2 million reported in the same period last year. The revenue increase came primarily from Mongolia, Tanzania and the recent startup of Kazakhstan.

The overall gross margin percentage for the quarter was 22.2 percent compared to 16.5 percent for the same period last year. Margins were impacted by costs relating to the ramp-up of operations as the Company was gearing up for new contracts. Higher mobilization costs, combined with additional personnel being trained, added a layer of costs this quarter.

General and administrative costs were $10.1 million for the quarter compared to $7.9 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 were flat at $1.8 million for the quarter.

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 ***Friday, March 4, 2011 at 9:00 AM (EST).*** *To access the webcast please go to the investors/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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