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NEWS RELEASE

Major Drilling Earnings Increase with Strong Revenue Growth and Higher Margins

MONCTON, New Brunswick (September 6, 2011) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its first quarter of fiscal year 2012, ended July 31, 2011. These are the first results the Corporation is presenting following its adoption of the International Financial Reporting Standards ("IFRS") effective May 1, 2011. The previous fiscal year's results have been restated accordingly with only minor changes.

Highlights

In millions of Canadian dollars (except earnings per share)	**Q1-12**	**Q1-11**
Revenue	$164.2	$109.5
Gross profit	51.5	26.5
As percentage of sales	31.4%	24.2%
Net earnings	17.9	5.1
Earnings per share	0.25	0.07
Cash flow from operations (*)	36.8	15.3

*before changes in non-cash operating working capital items, interest and income taxes

- Major Drilling posted quarterly revenue of $164.2 million, an increase of 50% from the $109.5 million recorded for the same quarter last year.
- Gross margin percentage for the quarter improved significantly to 31.4%, compared to 24.2% last year, and up from 25.4% in the fourth quarter of fiscal 2011.
- Net earnings were $17.9 million or $0.25 per share ($0.25 per share diluted) for the quarter, compared to net earnings of $5.1 million or $0.07 per share ($0.07 per share diluted) for the prior year quarter.
- The Company has increased its semi-annual dividend to $0.08 per share, to be paid on November 1, 2011, which represents a 9.1% increase from the previous dividend.

"Activity levels continue to be robust in every region. Our revenue increased during the quarter by 50% to $164.2 million and we continue to see inquiries from all categories of customers," said Francis McGuire, President and CEO of Major Drilling Group International Inc. "We continue to be successful in delivering growth as well as diversifying the scope of our drilling services. While drilling for gold remains our most important contributor, accounting for 48% of our revenue, 17% of our revenue now comes from energy, coal and environmental drilling. Drilling for base metals and uranium accounts for the remaining 35% of our revenue."

Margins in this quarter improved significantly and were influenced by three factors. First, ramp-up costs such as mobilization and up front purchases have now normalized. Second, our efforts on training and recruitment have allowed us to increase the number of shifts in the field this quarter. Third, the contracts that were signed or renewed this quarter reflected the stronger pricing environment. The next period in which a significant number of renewals are expected to occur is at the end of the calendar year.

"Looking at the balance of fiscal 2012, assuming that customers continue with their stated plans, we expect to see continuing growth. Our continuing efforts on training and recruitment should allow our global utilization rates to continue to improve as each month goes by and as we continue to add more drillers," noted Mr. McGuire.

"Net capital expenditures for the quarter were $20.7 million as we purchased 21 rigs while retiring 10 rigs through our modernization program. During the quarter, we also added a significant number of support vehicles and other support equipment to meet changing patterns of demand and to ensure that we continue to meet the highest levels of safety standards. These additions should improve rig utilization and reliability as we focus on increasing the earning power of each crew and each rig. In fact, now 60% of our rigs are less than five years old in an industry where rigs tend to last 20 years."

When we experience significant increases in activity, the Company's working capital requirements increase. These working capital requirements, combined with our investments in capital expenditures during the quarter, brought our net debt levels, net of cash, to $21.1 million. Our goal remains to keep relatively low debt levels.

"Despite the recent events in the global economy, we have not seen our customers modify their activity patterns. Demand for drilling services continues to grow," said Mr. McGuire. "Most of our senior and intermediate customers are in a much better financial position than three years ago and many of our junior customers have recently raised money. In addition, the price of gold is double what it was in 2008, the price of copper is close to historic highs, and both are well above average costs of production. Our biggest operational challenge continues to be the shortage of labour. We continue to aggressively and successfully invest in the recruitment and training of new drillers."

The Company has determined that it is appropriate to increase our semi-annual dividend to $0.08 per common share, which will be paid on November 1, 2011 to shareholders of record as of October 10, 2011. This dividend is designated as an "eligible dividend" for Canadian tax purposes.

First quarter ended July 31, 2011

Total revenue for the quarter was $164.2 million, up 50% from the $109.5 million recorded in the same quarter last year. All of the Company's regions contributed to this growth. The unfavourable foreign exchange translation impact for the quarter, when comparing to the effective rates for the same period last year, is estimated at $4 million on revenue.

Revenue for the quarter from Canada-U.S. drilling operations increased by 52% to $61.4 million compared to the same period last year. U.S. mineral drilling operations continued a strong recovery, particularly from its senior mining customers. Our energy division continued to be affected by floods in North Dakota during the quarter but operations have now returned to normal. In Canada, activity levels continue to increase.

South and Central American revenue was up 28% to $51.3 million for the quarter, compared to the prior year quarter. The increase was primarily driven by strong growth in our Mexican, Argentinean and Colombian operations.

Australian, Asian and African operations reported revenue of $51.4 million, up 77% from the same period last year. Australia accounted for a significant portion of this growth as operations recovered from floods in Queensland although all our contracted rigs did not return to the field until August. Mongolia, Tanzania, and the new operation in Mozambique also contributed to the strong growth.

The overall gross margin percentage for the quarter was 31.4%, up from 24.2% for the same period last year. Ramp-up costs such as mobilization and up front purchases have now normalized. Also, training and recruitment efforts allowed the Company to increase the number of shifts in the field during the quarter. Finally, the contracts that were signed or renewed this quarter reflected the stronger pricing environment.

General and administrative costs were $12.3 million for the quarter compared to $9.6 million in the same period last year. The increase was due to the addition of a new operation in Mozambique and also increased costs to support the strong growth in activity levels.

Other expenses for the quarter were $2.6 million, up from $2.1 million in the prior year quarter, due primarily to higher incentive compensation expenses given the Company's increased profitability.

The Annual 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, on Thursday, September 8, 2011 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 17 to 20 of the 2011 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 ***Wednesday, September 7, 2011 at 8:30 AM (EDT).*** *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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