MAJOR
Partners on the Ground

NEWS RELEASE

Major Drilling Announces Record Quarterly Results

MONCTON, New Brunswick (December 5, 2011) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its second quarter of fiscal year 2012, ended October 31, 2011.

Highlights

In millions of Canadian dollars (except earnings per share)	Q2-12	Q2-11	YTD-12	YTD-11
Revenue	$213.9	$127.8	$378.0	$237.3
Gross profit	74.1	35.1	125.6	61.6
As percentage of sales	34.6%	27.5%	33.2%	26.0%
Net earnings	31.6	11.3	49.5	16.5
Earnings per share	0.43	0.16	0.68	0.23
Cash flow from operations (*)	55.4	24.8	92.2	40.1

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

- Major Drilling posted the highest quarterly revenue in its history at $213.9 million, up 67% from the $127.8 million recorded for the same quarter last year.

- Gross margin percentage for the quarter improved significantly to 34.6%, compared to 27.5% last year.

- Net earnings were $31.6 million or $0.43 per share ($0.42 per share diluted) for the quarter, compared to net earnings of $11.3 million or $0.16 per share ($0.16 per share diluted) for the prior year quarter. This represents the highest quarterly earnings in the Company's history.

- Effective September 30, 2011, the Company acquired Bradley Group Limited. Revenue for the quarter from Bradley (one month) was $11 million.

"In this quarter, the Company achieved record quarterly revenue of $213.9 million, and record quarterly earnings of $31.6 million. Activity levels continued to be robust in every region and we continue to see inquiries from all categories of customers, although many customers are still in the process of finalizing their budgets," said Francis McGuire, President and CEO of Major Drilling Group International Inc. "Excluding the $11 million in revenue contributed by Bradley in the month of October, the Company still generated $203 million in revenue, well above the previous record of $191 million achieved in the second quarter of fiscal 2009."

“Margins in this quarter improved significantly as ramp-up costs have normalized and as we get the full benefit of higher pricing in contracts that were signed or renewed in the previous quarter. In addition, we experienced very few operational or weather issues during the quarter. Our efforts on training and recruitment have allowed us to increase the number of shifts in the field, however the shortage of experienced drill crews will put added pressure on labour costs and productivity as we go forward, especially in our most active markets. Other costs are expected to rise as well, slowing down margin progression.”

“It is important to note that we are now in our third quarter, seasonally the weakest quarter of our fiscal year, as mining and exploration companies shut down, often for extended periods over the holiday season. Weather can also play an important role in affecting operations. At this time, most senior and intermediate companies have yet to decide on post-holiday start-up dates, all of which impacts third quarter revenue.”

“Looking at the balance of fiscal 2012, assuming that customers continue with their stated plans, we should see continuing growth. Our ongoing efforts on training and recruitment should allow our global utilization rates to continue to improve as each month goes by and as we add more drillers,” noted Mr. McGuire. “Despite the current economic environment, our industry has not shown any signs of a slowdown to this point. Most commodity prices are still at relatively high levels while many of our customers, both seniors and juniors, are in much better financial position than three years ago. 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.”

“Capital expenditures for the quarter were $16.1 million as we purchased 16 rigs while retiring 11 rigs through our modernization program. The Bradley acquisition also contributed to increasing our drill fleet by 124 rigs, with the Company’s total now standing at 700. 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.”

“Finally, effective September 30, 2011, we are very pleased to welcome the Bradley group and its employees into the Major Drilling group. The acquisition of Bradley Group is a unique opportunity to further Major Drilling’s corporate strategy of focusing on specialized drilling, expanding our geographic footprint in areas of high growth and of maintaining a balance in our mix of drilling services. The operations of both companies are highly complimentary in terms of geography, personnel and strategies,” said Francis McGuire.

Second quarter ended October 31, 2011

Total revenue for the quarter was $213.9 million, up 67% from the $127.8 million recorded in the same quarter last year. All of the Company's regions contributed to this growth, with the Bradley acquisition contributing $11 million to the total.

Revenue for the quarter from Canada-U.S. drilling operations increased by $33.6 million or 66% to $84.2 million compared to the same period last year. U.S. mineral drilling operations continued a strong recovery, particularly from its senior mining customers and our energy division recovered from the floods that occurred last quarter in North Dakota. In Canada, increased activity levels, combined with the acquisition of Bradley, contributed to the growth of revenue.

South and Central American revenue was up 62% to $68.1 million for the quarter, compared to the prior year quarter. The increase was primarily driven by strong growth in our Mexican, Argentinean and Chilean operations.

Australian, Asian and African operations reported revenue of $61.6 million, up 75% from the same period last year. Australia and Mongolia accounted for a significant portion of this growth as operations recovered from floods experienced last year in Queensland, and increased activity levels were seen in Mongolia. Operations in South Africa also contributed to the strong growth as well as new operations in Mozambique and the DRC.

The overall gross margin percentage for the quarter was 34.6%, up from 27.5% 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 current stronger pricing environment.

General and administrative costs were $13.1 million for the quarter compared to $10.0 million in the same period last year. The increase was due to the acquisition of Bradley, the addition of new operations in Mozambique and the DRC and also increased costs to support the strong growth in activity levels.

Other expenses for the quarter were $6.0 million, up from $2.4 million in the prior year quarter, due primarily to higher incentive compensation expenses given the Company's increased profitability and costs related to the Bradley acquisition.

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 ***Tuesday, December 6, 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.*

-- 30 --

For further information:
Denis Larocque, Chief Financial Officer
Tel: (506) 857-8636
Fax: (506) 857-9211
ir@majordrilling.com