NEWS RELEASE

Major Drilling Reports Record Third Quarter Revenue and Profits and Increases Dividend

MONCTON, New Brunswick (March 5, 2012) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its third quarter of fiscal 2012, ended January 31, 2012.

Highlights

In millions of Canadian dollars (except earnings per share)	Q3-12	Q3-11	YTD-12	YTD-11
Revenue	$182.2	$107.7	$560.2	$345.0
Gross profit	47.1	23.9	172.7	85.5
As percentage of sales	25.9%	22.2%	30.8%	24.8%
EBITDA(1)	27.0	10.8	117.4	50.5
As percentage of sales	14.8%	10.0%	21.0%	14.6%
Net earnings	9.6	1.7	59.0	18.1
Earnings per share	0.12	0.02	0.79	0.25

(1) Earnings before interest, taxes, depreciation and amortization (see "non-gaap measures")

- Major Drilling posted quarterly revenue of $182.2 million, up nearly 70% from the $107.7 million recorded for the same quarter last year. This represents the highest level of third quarter revenue in the Company's history.

- Gross margin percentage for the quarter was 25.9% compared to 22.2% for the corresponding period last year.

- EBITDA increased 150% to $27.0 million compared to the corresponding period last year.

- Record third quarter earnings were reported at $9.6 million or $0.12 per share for the quarter, compared to earnings of $1.7 million or $0.02 per share for the prior year quarter.

- The Company has increased its semi-annual dividend by 12.5% to $0.09 per share to be paid on May 2, 2012.

"The Company achieved the highest third quarter revenue and profits in its history. Demand for drilling services continues to increase and customers remain anxious to secure rigs and crews," said Francis McGuire, President and CEO of Major Drilling. "The third quarter is always seasonally the weakest quarter of our fiscal year, as mining and exploration companies shut down, often for extended periods over the holiday season. Nevertheless, we recorded the highest ever utilization rate for a third quarter in our history. We saw our EBITDA grow by 150% compared to the corresponding period last year, despite the heavy ramp-up costs and delays in Canada, which were caused by mild weather."

"Going forward, the outlook for the fourth quarter remains strong, although weather continued to be somewhat challenging throughout February. During the third quarter, we renewed many of our contracts with pricing catching up to market conditions. We expect demand from gold and copper projects to continue to be strong in calendar 2012 assuming prices remain well above economical thresholds required for sustained exploration. Strong demand from coal and iron ore projects has also added a layer of work, which was not present at the peak in 2008," said Mr. McGuire. "Intermediate and junior mining companies with advanced projects have ramped up their already busy drilling programs by adding rigs, and most senior mining companies have increased their exploration budgets for 2012. We are starting to see increased demand for underground services around the world as mines are moving some surface drilling activities underground. Even though underground drilling tends to have lower margins, the Company expects to invest more in this area given that these contracts provide more financial stability, and target a different labour force."

"Our biggest operational challenge continues to be the speed at which we can grow the labour force and shrink the productivity gap of new drillers as they gain experience. We continue to aggressively and successfully invest in the recruitment and training of new drillers. Our ongoing efforts on recruitment and training should allow our global utilization rates to continue to improve as we add more drillers. We are also pleased to report that we have been able to reduce our turnover rate of new entrants by half over the last 12 months. As competition for drillers heats up, wage increases will be required in certain areas to retain and attract the most experienced drillers, which are key to high-quality customer service," observed Mr. McGuire.

"Net capital expenditures for the quarter were $22.5 million as we purchased 19 rigs. We also retired eight rigs through our modernization program. We are continuing the renewal of our fleet, which helps improve productivity, safety and speeds up the training of crews. The greater reliability of these rigs therefore allows us to increase the earning power of each crew. In fact, 60% of our rigs are now less than five years old in an industry where rigs tend to last 20 years."

"The Company is pleased to announce that today its Board of Directors increased its cash dividend by 12.5% to $0.09 per common share payable on May 2, 2012 to shareholders of record as of April 6, 2012. This dividend is designated as an "eligible dividend" for Canadian tax purposes," said Mr. McGuire.

"The Company would like to take this opportunity to welcome Fred Dyment to its Board of Directors. Mr. Dyment is a Chartered Accountant with over 35 years of experience in the oil and natural gas industry and in international business. He held increasingly senior positions at Ranger Oil Limited, including Chief Financial Officer and President and Chief Executive Officer."

Third quarter ended January 31, 2012

Total revenue for the third quarter was $182.2 million compared to $107.7 million recorded for the prior year period. Part of the increase comes from the acquisition of the Bradley operations. Even without considering this acquisition, revenue was still the highest third quarter revenue in the Company's history. All of the Company's regions contributed to this growth.

Revenue from Canada-U.S. drilling operations was up 83% to $69.8 million for the quarter compared to $38.2 million for the same period last year. U.S. mineral drilling operations continued a strong recovery, particularly from its senior mining customers. In Canada, increased activity levels, combined with the acquisition of Bradley, contributed to the growth of revenue.

In South and Central America, revenue for the quarter was $59.2 million, up 61% from $36.8 million recorded in the prior year quarter. The increase was primarily driven by strong growth in our Mexican and Chilean operations, combined with the addition of the Bradley operations in Colombia and Suriname.

Australian, Asian and African drilling operations reported revenue of $53.2 million, up 63% from $32.7 million reported in the same period last year. Australia and Mongolia accounted for a significant portion of this growth. New operations in Burkina Faso, Mozambique and the DRC, combined with the addition of Bradley's operations in the Philippines, accounted for the rest of the growth in the region.

The overall gross margin percentage for the quarter was 25.9% compared to 22.2% for the same period last year. Third quarter margins are always impacted by a slowdown during the holiday season combined with higher than usual mobilizations, demobilizations and increased repairs during this period. This quarter, mild weather in Canada also caused delays in mobilizing to certain jobs.

General and administrative costs were $16.5 million for the quarter compared to $10.1 million in the same period last year. The increase was due to three main factors: i) new Bradley operations; ii) new operations in Burkina Faso, Mozambique and the DRC; and iii) increased costs to support the strong growth in activity levels.

Other expenses were $3.4 million for the quarter compared to $1.6 million for the same period last year, due to higher incentive compensation expenses given the Company's improved profitability and increased provision for bad debt.

Depreciation and amortization expense increased to $12.0 million for the quarter compared to $8.0 million for the same quarter last year. Two thirds of the increase relates to the acquisition of Bradley, including the amortization of intangible assets, which are amortized over four years. Investments in equipment over the last year account for the rest of the increase.

Non-GAAP Financial Measures

In this news release, the Company uses the following non-GAAP financial measures: EBITDA and EBITDA margin. The Company believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance of the Company. These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

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 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 on every continent.

Financial statements are attached.

Major Drilling will provide a simultaneous webcast of its quarterly conference call on ***Tuesday, March 6, 2012 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 webcast. Please note that this is listen only mode.*

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For further information:

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