Groupe Forage MAJOR Drilling Group International Inc.

NEWS RELEASE

Major Drilling Sees Recovery in Fourth Quarter

MONCTON, New Brunswick (June 8, 2010) – Major Drilling Group International Inc. (TSX: MDI) today reported results for its fourth quarter of fiscal year 2010, ended April 30, 2010.

Financial Highlights

$ millions (except earnings per share)	Q4-10	Q4-09	Fiscal 2010	Fiscal 2009
Revenue	$97.4	$66.4	$307.9	$523.0
Gross profit	22.4	17.8	74.4	175.6
As percentage of sales	23.0%	26.8%	24.2%	33.6%
Net earnings (loss)	3.2	(4.6)	(0.5)	45.9
Earnings (loss) per share - basic	0.14	(0.19)	(0.02)	1.94
Cash flow from continuing operations (*)	9.4	2.8	30.6	87.7

(*) before changes in non-cash working capital items

- Major Drilling posted quarterly revenue of $97.4 million, up 47 percent from the $66.4 million recorded for the same quarter last year.

- Net earnings were $3.2 million or $0.14 per share for the quarter compared to a net loss of $4.6 million or $0.19 per share for the prior year quarter.

"We continue to see a sequential recovery by region. Six months ago, we saw activity increase primarily in Chile and Argentina. In this past quarter, Canada posted a strong recovery with a revenue increase of more than 125 percent over the same period last year. Overall, revenue increased by 47 percent. Currently, we are seeing a much more general resumption of activities around the world and if customers move forward with their stated plans, we expect year-over-year growth to continue at a similar pace for the upcoming year. The quarter-over-quarter increase in revenue came from improved rig utilization as pricing remains very competitive. This growth is despite the unfavorable year-over-year foreign exchange translation, which reduced our revenue in Canadian dollars by more than $10 million," said Francis McGuire, President and CEO of Major Drilling. "During the quarter, the Company had net earnings of $3.2 million or $0.14 per share."

"At this point, the bulk of the increased activity is coming from intermediate mining companies and junior mining companies with advanced properties. While senior companies have increased their exploration budgets for calendar 2010, spending has not yet rebounded to their pre-financial crisis levels. Early stage exploration companies have shown little increase in activity as they are still experiencing difficulties in getting financing," said Mr. McGuire.

"Margins in this quarter were affected by training, mobilization and setup costs in both the mineral and energy sectors but should improve as the year goes by. Also, in Australia, we are working our way out of some low-margin contracts while heavy rain and client delays continued to have a very negative impact on our Australian energy operations with 180 drill days lost during the quarter."

"Although this has been a very difficult year, we ended the year with break-even profitability while maintaining our core capabilities and financial strength, which positions us well for the anticipated upcoming increase in activity."

"Looking ahead to fiscal 2011, we have a positive but cautious view. Our global utilization rates are expected to continue to improve as each month goes by. Some of our regions have reached high levels of utilization, which could lead to a more positive pricing environment. Most of our other regions should see a pickup in utilization but pricing is likely to remain competitive."

"Net capital expenditures for the quarter were $7.3 million for a total of $24.5 million for fiscal 2010. In the quarter, we purchased 2 additional rigs while retiring 10 rigs through our modernization program. The Company expects to spend $50 million in capital expenditures in fiscal 2011, with the intent of purchasing 50 rigs that are much better tailored to the market. We expect that 30 of the rigs will replace older rigs that had very low utilization rates. During the quarter, we also added a significant amount of support vehicles and equipment to meet these changing patterns of demand and our new safety standards. Through this, we plan to continue our efforts to improve rig utilization and reliability."

"The expected increase in utilization and some increases in pricing should provide considerable leverage to increase revenue, margins and profits. A shortage of experienced drill crews is re-emerging as a factor, which will put some pressure on productivity and margins as we go forward."

"When we experience significant increases in activity, the Company always has a temporary drain on cash due to working capital requirements as more rigs are started. This occurred this quarter as cash levels, net of long-term debt, dropped to $6.3 million. Cash levels should rebuild as receivables are collected," stated Mr. McGuire.

"Finally, as announced on March 31, 2010, we are very pleased to welcome SMD Services and its employees into the Major Drilling group. While being a start up venture, SMD provides an excellent platform for growth in the environmental drilling sector. Through this purchase, we acquired 8 drill rigs, including some sonic drills. The addition of sonic drilling expertise will enhance our specialized drilling capabilities globally," stated Mr. McGuire. "The Company continues to seek acquisitions that complement our specialized drilling strategy, increase our diversification or expand our geographic footprint."

Fourth quarter ended April 30, 2010

Total revenue for the fourth quarter was $97.4 million up some 47 percent from the $66.4 million recorded for the prior year period, with almost all of the increase coming from Canada, Chile and Argentina. Revenue growth was affected by the strengthening Canadian dollar against the U.S. dollar as compared to the same period last year. The unfavourable foreign exchange translation impact for the year, when comparing to the effective rates for the same period last year, is estimated at over $10 million on revenue.

Revenue from Canada-U.S. drilling operations was up 90 percent to $37.3 million for the quarter compared to $19.6 million for the same period last year. Canada was responsible for most of this increase as utilization rates increased substantially in this region while pricing remained relatively flat as compared to the same quarter last year.

In South and Central America, revenue for the quarter was $38.5 million, up 74 percent from the $22.1 million recorded in the prior year quarter. Most of the increase came from Chile and Argentina while we are starting to see early signs of recovery in Mexico.

Australian, Asian and African drilling operations reported revenue of $21.6 million, down some 13 percent from the $24.7 million reported in the same period last year. Cancellation of drilling programs and severe weather issues impacted revenue in Australia. Mongolian revenue was up slightly during its usually slow winter period. Activity is expected to pick up in that country for the summer season, as mining companies re-engage following clarification of the government's mining policies.

The overall gross margin percentage for the quarter was 23.0 percent, down from 26.8 percent for the same period last year. Margins were impacted by costs related to the ramp up of operations as the Company was gearing up for new contracts. Higher mobilization costs combined with training costs for additional personnel added a layer of costs. Also, in Australia, the Company is working its way out of some low-margin contracts while heavy rain continued to affect its energy operations during February and March.

General and administrative costs were $8.5 million for the quarter, compared to $9.4 million for the prior year period. The decrease was due to cost cutting initiatives implemented last year.

Other expenses were $1.2 million for the quarter compared to $1.8 million for the same period last year. The reduction primarily relates to last year's legal and input tax settlements, which did not recur this year.

Foreign exchange loss was flat compared to the prior year period at $0.5 million. This loss was due to exchange rate variations on monetary working capital items.

Short-term interest revenue was $0.1 million for the quarter compared to nil last year, while interest on long-term debt was $0.3 million compared to $0.4 million for the prior year quarter.

Amortization expense decreased to $7.3 million for the quarter compared to $8.0 million for the same quarter last year, as a result of equipment write-downs in the previous quarters.

During the quarter, the Company had a recovery on goodwill impairment of $0.5 million relating to the reversal of a liability related to its previous acquisition in Ecuador. In last year's quarter, the Company recorded a restructuring charge of $2.1 million consisting primarily of retrenchment costs following staff reduction initiatives.

The Company's tax expense was $2.0 million for the quarter compared to $0.2 million for the same period last year. The tax expense for the quarter was impacted by the non-recognition of tax losses in certain jurisdictions and non-deductible expenses.

Net earnings were $3.2 million or $0.14 per share ($0.13 per share diluted) for the quarter compared to a net loss of $4.6 million or $0.19 per share ($0.19 per share diluted) for the prior year quarter.

Year ended April 30, 2010

Revenue for the fiscal year ended April 30, 2010 decreased 41 percent to $307.9 million from $523.0 million for the corresponding period last year. The first eight months of the year were marked by contract cancellations and delays due to the prevailing economic situation. Revenue growth was affected by the strengthening Canadian dollar against the U.S. dollar as compared to the same period last year. The unfavourable foreign exchange translation impact for the year, when comparing to the effective rates for the same period last year, is estimated at $12 million on revenue.

Canada-U.S. revenue decreased by 38 percent to $103.3 million compared to $167.2 million last year with both countries affected by cancellations and decreased pricing.

Revenue in South and Central America decreased by 31 percent to $107.4 million, compared to $155.2 million in the prior year period. Mexico, Chile and Argentina accounted for most of the reduction.

Revenue in Australia, Asia and Africa decreased 52 percent to $97.1 million from $200.6 million in the prior year period. Every country in this segment was affected by reduced pricing and utilization due to the cancellation of drilling programs.

Gross margins for the year were 24.2 percent compared to 33.6 percent last year due mainly to significantly reduced pricing.

General and administrative expenses decreased 29 percent to $33.4 million compared to $46.9 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 $5.0 million for the year compared to $12.5 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 $0.1 million for the year compared to a loss of $1.4 million in the prior year period as a result of favorable currency variations during the year on net monetary items.

Short-term interest revenue was $0.2 million for the year compared to an expense of $0.2 million last year, while interest expense on long-term debt was $1.1 million compared to $1.8 million for the same period last year.

Amortization expense decreased to $30.1 million for the year, compared to $32.2 million for the same period last year, as a result of equipment write-downs in the previous quarters.

This year, the Company recorded a restructuring charge of $1.2 million, relating mainly to Australia, compared to $9.0 million recorded last year, which included asset write-downs of $5.2 million and mostly retrenchment costs for the remaining amount. Also, the Company recorded a non-cash goodwill and intangible assets impairment charge of $1.5 million in Ecuador this year compared to $0.7 million last year.

The income tax provision for the year was an expense of $2.9 million compared to $24.8 million for the prior year period. The tax expense for the year was impacted by the non-recognition or reversal of tax losses in Venezuela, Ecuador and South Africa and differences in tax rates between regions.

Net loss for the year was $0.5 million or $0.02 per share ($0.02 per share diluted) compared to earnings of $45.9 million or $1.94 per share ($1.92 per share diluted) for the same period 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 updated by the section entitled “General Risks and Uncertainties” in the discussion on pages 9, 10, 11 and 12 of the Company’s third quarter 2010 MD&A, 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 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 ***Wednesday, June 9, 2010 at 9:00 AM (EDT).*** *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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