

## ORBIT GARANT DRILLING INC. REPORTS SECOND QUARTER 2010 FINANCIAL RESULTS

- Revenue \$23.7 million, compared with \$26.1 million in the comparable quarter of fiscal 2009
- Completed 287,861 meters of drilling, up 2.5% from 280,760 in Q2 of fiscal 2009
- An expanding fleet of 140 drill rigs, including 1 new drill in the second quarter
- Increased net cash position to \$9.9 million in Q2 fiscal 2010 from \$3.4 million as at September 30, 2009\*
- Working capital increased to \$38.1 million from \$35.9 million at September 30, 2009

Val-d'Or, Quebec, February 11, 2010 – Orbit Garant Drilling Inc. (TSX: OGD) today announced its financial results for the second quarter of fiscal 2010, ended December 31, 2009. Percentage calculations are based on numbers in the financial statements and may not correspond to rounded figures presented in this release.

### Highlights

\$ amounts in millions except earnings per share	<b>Q2 Fiscal 2010</b>	<b>Q2 Fiscal 2009</b>	<b>6 months F2010</b>	<b>6 months F2009</b>
Revenue	23.7	26.1	48.1	49.2
Gross Profit	7.6	8.6	15.6	16.2
Gross Margin	32.0%	33.1%	32.4%	32.9%
General & Administrative	1.6	1.9	3.4	3.5
Amortization	2.4	2.0	4.8	3.9
Normalized EBITDA	6.0	6.9	12.2	12.9
Net Earnings	2.4	3.2	4.9	5.9
Net earnings per common share				
- Basic	0.07	0.10	0.15	0.18
- Diluted	0.07	0.10	0.15	0.18
Total Metres Drilled	287,861	280,760	566,835	514,213

\*Net cash is calculated as cash minus current portion of long term debt and long term debt

“Although market conditions remain challenging for the drilling industry, we are pleased with our results in the second quarter of fiscal 2010.” said Eric Alexandre, President and Chief Operating Officer of Orbit Garant Drilling. “By focusing on our customer strategy and carefully managing costs, we have been able to maintain relatively stable margins, despite the competitive pricing environment across the industry. We have maintained and in fact improved our strong balance sheet and, with indications that demand for drilling services is improving, we are well positioned to benefit as the market recovers.”

### **Second Quarter Results**

In the second quarter ended December 31, 2009, Orbit Garant generated total revenues of \$23.7 million compared to \$26.1 million in Q2 fiscal 2009. Drilling Canada revenue continued to represent the bulk of the Company's revenues, totaling \$21.2 million compared to \$24.5 million for the Q2 fiscal 2009 period, representing a decrease of 13.5%. The decrease in revenue reflects the prevailing market conditions and a change in business mix, specifically a decrease in specialized drilling in northern operations, as scheduled by customers, activities that resumed in January 2010.

Drilling International revenue was \$2.4 million, an increase of 92.6% up from 1.2 million from the same period in fiscal 2009. The increase is attributable to new contracts that were initiated in the quarter.

Manufacturing Canada generated negligible revenue for the second quarter of 2010 compared to \$0.4 million for fiscal 2009. Third party demand for drills has experienced a slowdown due to the current market conditions. Through its manufacturing subsidiary, Soudure Royale Concept, Orbit Garant maintains the capacity to build new drills, and also to provide internal production of supplies and support equipment.

Overall gross profit in the second quarter of fiscal 2010 was \$7.6 million which includes a positive adjustment of \$0.8 million from the Commission de la Santé et la Sécurité au Travail (CSST) for a good safety record, compared to \$8.6 million in the comparable quarter of 2009, a decrease of 12.5%.

The Company's gross margin for the second quarter ended December 31, 2009 decreased slightly to 32% from 33.1% in the corresponding period in the previous year.

General and administrative expenses (G&A) totaled \$1.6 million during Q2 fiscal 2010, representing 6.8% of sales compared to \$1.9 million or 7.2% of sales in Q2 fiscal 2009. The decrease reflected a company-wide focus on controlling costs in the prevailing market environment.

Consolidated normalized EBITDA in Q2 fiscal 2010 was \$6.0 million compared to \$6.9 million in Q2 fiscal 2009, representing a decrease of 12.5%.

Net earnings for the quarter totaled \$2.4 million compared to \$3.2 million in the comparable period last year, representing \$0.07 per common share in the Q2 2010 quarter compared with \$0.10 per common share in Q2 fiscal 2009.

#### **Six Months ended December 31, 2009**

Revenues totaled \$48.1 million for the six month period ended December 31, 2009, a decrease of \$1.1 million, or 2.4%, from \$49.2 million in the comparable period a year earlier.

Overall gross profit for the first 6 months of fiscal 2010 was \$15.6 million, which includes a positive adjustment of \$0.8 million from the CSST, a decrease of \$0.6 million from \$16.2 million in the comparable period of 2009, or 3.7%.

Gross margin for the first half of the fiscal year was 32.4% compared to 32.9% for the corresponding period last year.

Net earnings for the six month period ended December 31, 2009 were \$4.9 million or \$0.15 per share (\$0.15 per share diluted) compared to \$5.9 million or \$0.18 per share (\$0.18 per share diluted) in the first half of fiscal 2009.

"We continue to benefit from our discipline in aligning ourselves primarily with well financed major and intermediate companies. We successfully expanded our fleet this quarter to 140 drills and expect to add 10 new surface drill rigs in the latter half of the year. While market conditions remain challenging and our industry remains highly fragmented, our healthy balance sheet enables us to continue to seek out opportunities that will further our growth as a company," added Mr. Alexandre.

Full Financial Statements and Management's Discussion and Analysis are available on the Company website at [www.orbitgarant.com](http://www.orbitgarant.com) and at [www.sedar.com](http://www.sedar.com).

### **Conference Call**

A conference call for analysts and interested listeners will be held Friday, February 12 at 9:00 a.m. (ET). The call-in numbers for participants are 888 231 8191 and 647 427 7450. A live audio feed of the call will also be available on the Internet at:

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2952400>

A replay of the call will be available on Friday, February 12 until Friday, February 19, 2010, 2010. To access the replay, call 416 849 0833 or 800 642 1687 enter pass code number 54635010, and then press the pound (#) key. The replay can also be accessed over the Internet at the above address.

### **About Orbit Garant**

Orbit Garant is one of the largest Canadian-based drilling companies, providing both underground and surface drilling services in Canada and internationally through its 140 drills and more than 500 employees. Orbit Garant provides services to major, intermediate and junior mining companies, through each stage of mining exploration, development and production.

### **Forward-looking information**

This press release may contain forward-looking statements (within the meaning of applicable securities laws) relating to business of Orbit Garant Drilling Inc. (the "Company") and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. These

statements are based on the Company's expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. These risks and uncertainties are discussed in the Company's regulatory filings available at [www.sedar.com](http://www.sedar.com). There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances.

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