

## ORBIT GARANT DRILLING INC. REPORTS STRONG THIRD QUARTER 2010 FINANCIAL RESULTS

- Record revenue of \$28.8 million, compared to \$27.7 million in the comparable quarter of fiscal 2009, an increase of 4%
- Record meters drilled of 352,602, up 18.2% from 298,341 in Q3 of fiscal 2009
- An expanding fleet of 150 drill rigs, including 10 new drills added in the third quarter
- Working capital increased to \$40.5 million from \$38.1 million at December 31, 2009
- Net cash position of \$7.9 million as at March 31, 2010\*

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

**Val-d'Or, Quebec, May 12, 2010** – Orbit Garant Drilling Inc. (TSX: OGD) today announced its financial results for the third quarter of fiscal 2010, ended March 31, 2010. 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	Q3 Fiscal 2010	Q3 Fiscal 2009	9 months F2010	9 months F2009
Revenue	28.8	27.7	76.9	76.9
Gross Profit	8.9	9.2	24.5	25.4
Gross Margin	31.0%	33.2%	31.9%	33%
General & Administrative	1.7	1.7	5.1	5.2
Amortization	2.5	2.4	7.2	6.2
Normalized EBITDA	7.9	7.3	20.1	20.2
Net Earnings	3.7	3.2	8.6	9.1
Net earnings per common share				
- Basic	0.11	0.10	0.26	0.28
- Diluted	0.11	0.10	0.26	0.28
Total Metres Drilled	352,602	298,341	919,437	812,554

"We are very pleased with our results in the third quarter" said Eric Alexandre, President and Chief Operating Officer of Orbit Garant Drilling. "Despite a very competitive domestic pricing environment, we generated record revenue and metres drilled. At the same time, our commitment to continuous improvement in operational efficiencies and control of G&A expenses enabled us to maintain relatively steady margins. We are dedicated to continuing to offer specialized drilling services to top-tier customers, which provides us with confidence in our ability to continue to produce strong results as the market continues its recovery."

### **Third Quarter Results**

In the third quarter ended March 31, 2010, Orbit Garant generated total revenues of \$28.8 million compared to \$27.7 million in Q3 of fiscal 2009. Drilling Canada revenue continued to represent the bulk of the Company's revenues, totaling \$26.8 million compared to \$27.4 million for the Q3 fiscal 2009 period, representing a decrease of 2.0%. The decrease in revenue reflects the prevailing competitive pricing environment in Canada, which was partly offset by an increase in metres drilled in the quarter.

Drilling International revenue was \$2 million, a substantial increase from \$0.3 million from the same period in fiscal 2009. The increase is attributable to new contracts that were initiated in the quarter.

The manufacturing division built rigs and support equipment exclusively for the Company during the quarter. In the third quarter of fiscal 2009, the manufacturing division generated negligible revenue.

The Company's gross margin for the third quarter ended March 31, 2010 decreased slightly to 31% from 33.2% in the corresponding period in the previous year.

Overall gross profit in the third quarter of fiscal 2010 was \$8.9 million compared to \$9.2 million in the comparable quarter of 2009, a decrease of 2.9%.

General and administrative expenses (G&A) were flat with last year at \$1.7 million during Q3 fiscal 2010. This represented 5.9% of sales compared to 6% in Q3 fiscal 2009.

Orbit Garant sold its building in Rouyn-Noranda in the third quarter of Fiscal 2010, resulting in a gain of \$0.5 million. The Company leased back some space in the building for a period of 1 to 5 years.

EBITDA in Q3 fiscal 2010 was \$7.9 million compared to \$7.3 million in Q3 fiscal 2009, representing an increase of 7.5%.

Net earnings for the quarter totaled \$3.7 million compared to \$3.2 million in the comparable period last year, representing \$0.11 per common share in the Q3 2010 quarter compared with \$0.10 per common share in Q3 of fiscal 2009.

#### **Nine Months ended March 31, 2010**

Revenues totaled \$76.9 million for the nine month period ended March 31, 2010, unchanged from the comparable period of the previous year.

Gross margin for the first nine months of the fiscal year was 31.9% compared to 33% for the corresponding period last year.

Overall gross profit for the first nine months of fiscal 2010 was \$24.5 million, which includes a positive adjustment of \$0.8 million from the CSST in the second quarter. This represented a decrease of \$0.9 million from \$25.4 million in the comparable period of 2009.

Net earnings for the nine month period ended March 31, 2010 were \$8.6 million or \$0.26 per share (\$0.26 per share diluted) compared to \$9.1 million or \$0.28 per share (\$0.28 per share diluted) in the first nine months of fiscal 2009.

"Our growth continued in the quarter, with 10 new rigs added to our growing fleet now totaling 150 drills. We are noticing an increase in demand across the industry, our utilization rates are currently above our 85% target rate and we are planning to add 6 additional drills to our fleet in the fourth quarter. As demand increases, our efforts to improve our efficiencies and streamline operations will enable us to accelerate our organic growth. Over and above this, we will continue to evaluate opportunities for value-added acquisitions," added Mr. Alexandre.

Full Financial Statements and Management's Discussion and Analysis are available on the Company website at <http://www.orbitgarant.com>.

### **Conference Call**

A conference call for analysts and interested listeners will be held Thursday, May 13 at 10:00 a.m. (ET). The call-in numbers for participants are 647 427 7450 and 888 231 8191. A live audio feed of the call will also be available on the Internet at:

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3063280>

A replay of the call will be available on Thursday, May 13 until Thursday, May 20, 2010. To access the replay, call 800 642 1687 or 416 849 0833 enter pass code number 72746950, 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 150 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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