# ORBIT GARANT DRILLING INC. ANNOUNCES SOLID FINANCIAL RESULTS FOR Q1 FISCAL 2011

- Record Q1 revenues of \$27.4 million
- Record Q1 320,959 meters drilled
- \$39.1 million in working capital

**Val-d'Or, Quebec, November 11, 2010** – Orbit Garant Drilling Inc. (TSX:OGD) (Orbit Garant or the "Company") today announced its financial results for the first quarter ended September 30, 2010. All dollar amounts are in Canadian currency unless otherwise stated. Percentage calculations are based on numbers in the financial statements and may not correspond to rounded figures presented in this release.

**Highlights** 

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	3 months ended	3 months ended
	September 30,	September 30,
	2010	2009
\$ amounts in millions except earnings per share		
Revenue	\$27.4	\$24.4
Gross Profit	\$7.1	\$8.0
Gross Margin %	26.1	32.8
EBITDA	\$5.3	\$6.2
Net Earnings	\$2.2	\$2.5
Net earnings per common		
share		
- Basic	\$0.07	\$0.08
- Diluted	\$0.07	\$0.08
Total Metres Drilled	320,959	278,974

"We are pleased with our results in the first quarter, which reflect our continuing efforts to build an industry-leading platform," said Eric Alexandre, President and Chief Executive Officer of Orbit Garant. "We have maintained strong revenue and consistent results, despite the challenging operating environment, and we are starting to see some positive signs of improvement across the industry. Our results this quarter reflect our focus on increasing market share and ensuring top quality customer service, which positions us extremely well as industry conditions improve."

In the three months ended September 30, 2010, Orbit Garant drilled a total of 320,959 meters, compared to 278,974 meters in the comparable period the previous year, which represented a first quarter record for the company. This resulted in record contract revenue of \$27.4 million, compared to \$24.4 million in the comparable period the previous year, representing an increase of 12.2%. The increase was attributable to the addition of new drilling contracts and the deployment of 4 new drilling rigs in the period.

Domestic surface drilling revenue increased to \$14.6 million in the first quarter of 2011 from \$11.8 million in the comparable 2010 period, an increase of 23.5%

Underground drilling contract revenue was \$10.2 million in the three months ended September 30, 2010, a 6.0% decrease from \$10.8 million from the comparable period the previous year.

International drilling revenue was \$2.5 million in the first quarter of 2011, compared to \$1.7 million in the first three months of fiscal 2010, a direct reflection of new contracts initiated in the period.

The Manufacturing division generated 0.2 million of revenue in the first quarter of 2011, compared to negligible revenue in the comparable period the previous year.

Total gross profit for the first quarter of fiscal 2011 was \$7.1 million compared to \$8.0 million in the first three months of fiscal 2010. The gross margin for the first three months of fiscal 2011 was 26.1% compared to 32.8% last year. Gross margin was affected by the competitive pricing environment and non-recurring costs related to a specific contract.

General and administrative expenses were \$2.0 million for the three months ended September 30, 2010 compared to \$1.8 million in the comparable period.

EBITDA for the first quarter fiscal 2011 was \$5.3 million, compared to \$6.2 million last year, representing 19.2% of sales, compared to 25.5% for the comparable period in fiscal 2010. This decrease reflects the competitive pricing environment.

Net earnings for the first quarter of fiscal 2011 totaled \$2.2 million or \$0.07 per common share (\$0.07 per share diluted), compared to \$2.5 million in the 2010 period or \$0.08 per common share (\$0.08 per share diluted), representing a decrease of 12.5% year-over-year.

"We continue to build our business both organically and through acquisitions," added Mr. Alexandre. "In Q1 we added four new drills to our expanding fleet, and the acquisition we announced earlier this month positively impacts our future productivity and revenue. The acquisition also provides us an enhanced presence in the Northern Ontario region, expanding our geographic footprint while improving our ability to service clients. We are building a strong platform for growth and we are dedicated to consistently improving our operations and adding value for our shareholders."

### **Conference Call**

A conference call for analysts and interested listeners will be held Thursday, November 11 at 11:00 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=3298460

A replay of the call will be available on Thursday, November 11th until Thursday, November 18, 2010. To access the replay, call 800 642 1687 or 416 849 0833 enter pass code number 22874293, 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 159 drills and more than 600 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. 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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