

## ORBIT GARANT DRILLING REPORTS FISCAL 2013 FIRST QUARTER RESULTS

- Revenue was \$34.9 million in the first quarter of fiscal 2013 (“Q1 FY2013”), compared to \$37.1 million in the first quarter of fiscal 2012 (“Q1 FY 2012”)
- 304,832 metres drilled, compared to 367,247 in Q1 FY2012
- Long-term debt reduced by \$5.3 million during Q1 FY2013
- Adjusted gross margin (excluding amortization expense) was 26.8%, compared to 29.5% in Q1 FY2012
- Domestic adjusted gross margin increased to 28.8% in Q1 FY2013, up from 21.9% in Q1 FY2012
- EBITDA totalled \$6.3 million in Q1 FY2013, compared to \$8.3 million in Q1 FY2012
- Net earnings of \$2.0 million or \$0.06 per share (basic and diluted) in Q1 FY2013, compared to \$3.7 million or \$0.11 per share (basic and diluted) in Q1 FY2012

**Val-d’Or, Quebec, November 8, 2012** – Orbit Garant Drilling Inc. (TSX: OGD) (“Orbit Garant” or the “Company”) today announced its financial results for the three-month period ended September 30, 2012 (“Q1 FY2013”). 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 news release.

### Q1 FY2013 Summary

(\$ amounts in millions, except earnings per share)	3 months ended September 30, 2012	3 months ended September 30, 2011
Revenue	<b>\$34.9</b>	\$37.1
Gross Profit <sup>1</sup>	<b>\$6.9</b>	\$8.9
Gross Margin (%) <sup>1</sup>	<b>19.8</b>	24.0
Adjusted Gross Margin (%) <sup>1</sup>	<b>26.8</b>	29.5
EBITDA	<b>\$6.3</b>	\$8.3
Net Earnings	<b>\$2.0</b>	\$3.7
Net earnings per common share		
- Basic	<b>\$0.06</b>	\$0.11
- Diluted	<b>\$0.06</b>	\$0.11
Total metres drilled	<b>304,832</b>	367,247

<sup>1</sup> In accordance with IFRS, reported gross profit and margin include certain amortization expenses. For comparative purposes, adjusted gross margin is also shown excluding these amortization expenses.

“Our fiscal 2013 first quarter results reflect a decline in our international drilling activity and strengthened results in our domestic drilling operations. Our international drilling operations have been negatively impacted by the cessation of projects in South America and West Africa, during the fourth quarter of fiscal 2012, and by the difficulties junior exploration companies have experienced in accessing capital to continue their exploration and development programs. Our stronger domestic results in the first quarter of fiscal 2013 were primarily driven by increased revenue per metre drilled and the contribution of Lantech Drilling’s operations in Canada,” said Eric Alexandre, President and CEO of Orbit Garant.

“Orbit Garant has gone through a period of rapid growth over the past few years that has added capacity to our core strengths and provided a larger platform from which to pursue market opportunities. As it now appears that we are in a period of softer demand, we are focused on driving greater efficiencies, increasing productivity and enhancing our capacity utilization, as our senior and intermediate customers remain committed to their projects. We will also continue to evaluate strategic growth opportunities in Canada and internationally,” continued Mr. Alexandre. “We believe the rollout of our computerized drilling control and monitoring solutions will be an important contributor to reducing both the labour and consumable component costs of our mineral drilling operations going forward, and to improving productivity.”

## **First Quarter Results**

The Company’s Q1 FY2013 revenue decreased 5.9% to \$34.9 million, from \$37.1 million in first quarter of fiscal 2012 (“Q1 FY2012”). Decreased revenue resulted from a decline in both metres drilled and international drilling activity, partially offset by higher average revenue per meter drilled. The Company’s fleet drilled a total of 304,832 metres in Q1 FY2013, compared to 367,247 metres in Q1 FY2012. Average revenue per metre drilled was \$112.90 in Q1 FY2013, compared to \$99.52 in Q1 FY2012.

Orbit Garant’s domestic drilling revenue increased 4.6% to \$32.3 million in Q1 FY2013, compared to \$30.9 million in Q1 FY2012, reflecting higher revenue per metre drilled and Lantech Drilling’s contribution. International drilling revenue declined to \$2.6 million in Q1 FY2013, compared to \$6.2 million in Q1 FY2012, reflecting lower demand for drilling services.

Gross profit for Q1 FY2013 decreased to \$6.9 million from \$8.9 million in Q1 FY2012. Gross margin was 19.8% in Q1 FY2013, down from 24.0% in Q1 FY2012. In accordance with IFRS, amortization expenses totalling \$2.4 million are included in cost of contract revenue for Q1 FY2013, compared to \$2.0 million in amortization expenses in Q1 FY2012. Adjusted gross margin, excluding amortization expenses, was 26.8% in Q1 FY2013 compared to 29.5% in Q1 FY2012. Decreased gross profit and gross margin in Q1 FY2013 is attributable to a decline in higher margin international business activity, partially offset by increased domestic drilling gross profit, which was up 44.8% to \$7.2 million in Q1 FY2013, from \$5.0 million in Q1 FY2012.

General and administrative (G&A) expenses increased to \$3.8 million (10.8% of revenue) in Q1 FY2013 from \$3.6 million (9.6% of revenue) in Q1 FY2012. Higher G&A expenses in Q1 FY2013 resulted primarily from the acquisition of Lantech Drilling in Q2 FY2012. In accordance with IFRS, amortization expenses of \$0.7 million are included in G&A expenses for Q1 FY2013, compared to \$0.8 million for Q1 FY2012. Adjusted G&A expenses, excluding amortization expenses, totalled \$3.1 million (8.7% of revenue) for Q1 FY2013, compared to \$2.8 million (7.4% of revenue) for Q1 FY2012.

Earnings before interest, taxes, depreciation, and amortization (“EBITDA”)<sup>2</sup> totalled \$6.3 million in Q1 FY2013, compared to EBITDA of \$8.3 million in Q1 FY2012. EBITDA margin in Q1 FY2013 was 17.9% compared to 22.3% in Q1 FY2012. The decline is primarily attributable to decreased international drilling activity in the quarter.

Net earnings for Q1 FY2013 were \$2.0 million, or \$0.06 per common share (basic and diluted) compared to net earnings of \$3.7 million, or \$0.11 per common share (basic and diluted) in Q1 FY2012. The decline in net earnings resulted primarily from decreased international drilling activity.

As at September 30, 2012, the Company had working capital of \$56.6 million and 33,276,519 common shares issued and outstanding.

### **Conference call**

Eric Alexandre, President and CEO, and Alain Laplante, Vice President and CFO, will host a conference call for analysts and investors today at 2:00 pm (ET), following the Company’s Annual Meeting of Shareholders. The dial-in numbers for conference call are 647-427-7450 or 1-888-231-8191. A live audio feed of the call will be webcast at: <http://www.newswire.ca/en/webcast/detail/1061019/1153457>

To access a replay of the conference call dial 416-849-0833 or 1-855-859-2056, passcode: 60056322. The replay will be available until November 15, 2012. The replay can also be accessed via the Internet at the above URL address.

### **Annual and Special Meeting of Shareholders**

Orbit Garant will host its Annual and Special Meeting of Shareholders today at 10:00 a.m. (ET) in Montreal at The Fairmont Queen Elizabeth Hotel, 900 Boulevard Rene-Levesque West, in the Ramezay Room. A live audio feed will be webcast at: <http://www.newswire.ca/en/webcast/detail/1062377/1154989>. An accompanying slide presentation will be available on Orbit Garant’s website prior to the Meeting.

### **About Orbit Garant**

Headquartered in Val-d’Or, Quebec, Orbit Garant is one of the largest Canadian-based mineral drilling companies, providing both underground and surface drilling services in Canada and internationally through its 224 drills and more than 800 employees. Orbit Garant provides services to major, intermediate and junior mining companies, through each stage of mining exploration, development and production. The Company also provides geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. For more information please visit the Company’s website at [www.orbitgarant.com](http://www.orbitgarant.com).

*(2) Management believes that EBITDA is a useful supplemental measure of operating performance prior to debt service, capital expenditures and income taxes. However, EBITDA is not a recognized earnings measure under IFRS and does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net income or loss (which is determined in accordance with IFRS) as an indicator of the performance of the Company or as a measure of liquidity and cash flows. The Company's method of calculating EBITDA may differ materially from the methods used by other public companies and, accordingly, may not be comparable to similarly named measures used by other public companies.*

### **Forward-looking information**

*This news 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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