



**FORACO INTERNATIONAL SA ENTERS INTO A BINDING AGREEMENT TO  
ACQUIRE JND  
AN INNOVATIVE DRILLING CONTRACTOR IN AUSTRALIA**

Toronto, Ontario / Marseille, France - Monday, September 24 , 2012 - Foraco International SA (the "Company" or "Foraco"), a leading global provider of mineral drilling services, today announced it has entered into a binding agreement to acquire John Nitschke Drilling, ("JND").

JND is a leading drilling services provider and has provided diamond, reverse circulation and water related drilling services for some of the largest resource and energy companies in Australia since 1980. Headquartered in Hanndorf, north of Adelaide, South Australia and privately owned, JND has activities in all of the main mining states in Australia: Western Australia, Queensland, New South Wales and South Australia, and specializes in iron ore, coal seam gas (CSG) and coal drilling as well as water well drilling. JND's fleet consists of 15 rigs: 4 diamond/rotary rigs, 4 reverse circulation rigs and 8 multipurpose rigs, as well as ancillary equipment, all supported by skilled managers and workers. During the twelve months ending June 30 2012 over 50% of JND's business was derived from iron ore, 25% from CSG and 25% from Coal, with 100% of its total revenue being sourced from global majors. JND generated approximately US\$ 49 million revenue in that period with an EBITDA margin of approximately 26.7%.

The proposed transaction will be the acquisition by Foraco of 100% of the shares of JND, in consideration of:

- Cash consideration of A\$ 30 million or approximately US\$ 31.5 million upon closing.
- 6,000,000 warrants giving the right to acquire, for no additional consideration, 6,000,000 Foraco shares, with the possibility to issue up to an additional 1,000,000 warrants depending on certain market conditions. The warrants will be automatically convertible on the happening of certain events on or after 9 months from the closing date.
- A sum, calculated based on a 2012 calendar EBITDA earn out formula, of up to A\$ 6 million to be paid in cash at 2012 account closing.

The closing of the transaction is scheduled to take place in November 2012 and is subject to the completion of certain conditions precedent, including approval of the Toronto Stock Exchange

and the shareholder approval of Foraco at a meeting of its shareholders scheduled to be held in November 2012.

JND's current CEO, Jonathan Nitschke will join Foraco Australia and will take the position of general manager reporting to Peter Jacobs, Senior VP APAC.

"This is a another step forward for Foraco to continue implementing our strategy to build a world leading drilling services company focused on major customers and innovative drilling" said Daniel Simoncini, Chairman and Chief Executive Officer of Foraco. "This acquisition will allow us to deploy our business model in full in Australia, which is and is expected to remain, a major market. This acquisition brings to Foraco an excellent team, superb references and additional activities in coal and coal seam gas, and reinforces our position in the Pilbara iron ore province".

Jean-Pierre Charmensat, co-CEO and Chief Financial Officer added, "JND has developed a very progressive and innovative culture which is very close to ours, making the integration process easier, and we are enthusiastic about the combination of JND's impressive track record, good reputation, energetic management and technical expertise with Foraco's local and global strengths. We believe this operation to be immediately accretive for the benefit of Foraco's shareholders, as on a June 30, 2012 TTM the contribution of JND to the unaudited proforma EPS amounts to US\$ 0.7614, assuming the issuance of 6,000,000 Foraco shares. For the same period, Foraco International was US\$ 0.4176 on a diluted basis, the EPS combining Foraco International and JND becomes US\$ 0.4406, an additional 5.5%.

"Foraco's excellent growing reputation, its proven ability to successfully integrate small to medium sized businesses, its remarkably strong financial performances over the long run, and impressive diversified asset base have convinced JND's shareholders that joining the Foraco group was the best solution to maximize their value and to continue to serve our valued customers" commented Jonathan Nitschke, CEO of JND.

Subsequent to this acquisition, FORACO will have a total of 305 rigs.

#### **About Foraco International SA**

Foraco International SA (TSX: FAR) is a leading global mineral drilling services company that provides a comprehensive and reliable service offering in mining and water projects. Supported by its founding values of integrity, innovation and involvement, Foraco has grown into the third largest global drilling enterprise with a presence in 23 countries across five continents. For more information about Foraco, visit [www.foraco.com](http://www.foraco.com).

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### **Caution concerning forward-looking statements**

*This press release may contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. These statements and information include estimates, forecasts, information and statements as to management's expectations with respect to, among other things, the future financial or operating performance of the Company and capital and operating expenditures. Often, but not always, forward-looking statements and information can be identified by the use of words such as "may", "will", "should", "plans", "expects", "intends", "anticipates", "believes", "budget", and "scheduled" or the negative thereof or variations thereon or similar terminology. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that any such forward-looking statements and information are not guarantees and there can be no assurance that such statements and information will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Factors" in the Company's Annual Information Form dated March 31, 2010, which is filed with Canadian regulators on SEDAR ([www.sedar.com](http://www.sedar.com)). The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.*