NEW RELEASE

FORACO INTERNATIONAL REPORTS Q1 2013

Q1 Revenue down 32% YoY at US$ 59.8 million with a net loss of US$ 4.2 million

Toronto, Ontario / Marseille, France – Tuesday, May 7, 2013 Foraco International SA (TSX:FAR) (the "Company" or "Foraco"), a leading global provider of mineral drilling services, today reported unaudited financial results for its first quarter 2013. All figures are reported in US Dollars (US$), unless otherwise indicated.

Three months Q1 2013 Highlights

Revenue

- Q1 2013 revenue amounted to US$ 59.8 million compared to US$ 88.2 million in Q1 2012, a decrease of 32%. Excluding the impact of acquisitions performed during fiscal year 2012, revenue decreased by 53% due to the continued trend of sharp fall of the exploration budgets of mining companies recorded in all regions which significantly impacted the activity since Q4 2012.

Profitability

- Q1 2013 gross profit including depreciation within cost of sales was US$ (8.7) million compared to US$ 20.4 million in Q1 2012.

- The contraction of activity recorded in all regions generated an under absorption of fixed operational cost of US$10.8 million.

- The Company has taken actions to reduce the number of employees and to cut SG&A costs with non-recurring costs of US$ 10.2 million which include US$ 7.2 million incurred in 2 key contracts in Chile.

- As a result of the continuing change in market conditions, the Company reassessed its estimate of the second tranche payable to Servitec minority shareholders to US$ 34.5 million, resulting in an operating profit of US$ 9.2 million on Q1 2013.

- Q1 2013 EBIT amounted to US$ (8.5) million compared to US$12.8 million in Q1 2012.

“The downward trend in the market has continued into Q1 with further customer project cutbacks, drilling campaign deferrals and cost cutting exercises. Our utilization rate contracted again and reached a low of 37% for the quarter, almost half that of a year ago. The current market conditions do not show clear indications of a significant near term recovery, although we do expect an improved utilization in the next two quarters given our latest rig plan. Faced with this uncertain situation and only short term visibility, we are focusing on delivering the best quality of service, seizing opportunities to provide additional services to our existing customers, reinforcing the cross fertilization between our business units and developing our activity in targeted countries”, said Daniel Simoncini, Chairman and co-CEO of Foraco. “Despite this difficult environment, we are engaged in business development actions which we expect to have a positive impact on the utilization of our equipment, as we do observe interesting opportunities occurring in the markets.”

“During the quarter, revenue fell by 32% compared to Q1 2012. The US$ 10.8 million under-absorption of fixed operational costs related to lower activity together with additional losses on the two troubled contracts in Chile resulted in a negative gross profit of US$ 8.7 million. This result specifically includes US$ 10.2 million relating to non-recurring costs. Our focus on reducing costs is being reinforced, capex has been further reduced and working capital is being scrutinized closely” commented Jean-Pierre Charmensat, co-CEO and Chief Financial Officer. “As a consequence of the change in market conditions, we have further reduced the debt associated with the Servitec minority shareholders’ from US$ 44.4 million to US$ 35.2 million. As at March 31, 2013, our net debt amounts to US$ 139.6 million. This represents a debt to equity ratio of 0.65. Our short term facilities (used and unused) amount to US$ 107.7 million, out of which US$ 37.0 million was used. We will continue to focus on aligning our cost structure to the changing market.”

Acquisitions of businesses

Servitec

On April 20, 2012, the Company completed the acquisition of a 51% shareholding in WFS Sondagem S.A. (“Servitec”), a Brazilian drilling service provider, for an amount of US$ 44.2 million through a combination of US$ 20.2 million in cash and 4,816,509 Foraco shares at US$ 4.99 each representing US$ 24.0 million. As part of this agreement, the Company has an option to acquire, and the current minority shareholders of Servitec have an option to sell, the remaining 49% after three years. The corresponding purchase consideration will depend upon a formula based on the average 2012, 2013 and 2014 EBITDA of Servitec and on the net cash as at December 31, 2014. A first estimate at transaction date of the present value of the amount payable was US$ 57.0 million. As a result of the change in market conditions in the last part of FY 2012, the Company has revised this estimate and adjusted the amount payable to US$43.7 million as at December 31, 2012. The further deterioration of these market conditions in the first part of 2013 led the Company to reassess the present value of the amount payable. In accordance with IFRS 3, the adjustment amounting to US$ 9.2 million has been accounted for within other operating income in Q1 2013. The best estimate of the present value of the amount payable is US$ 34.5 million as at March 31, 2013.

Servitec has been consolidated into the Foraco International financial statements since April 20, 2012. The financial statements for the three month period ended March 31, 2012 did not include the contribution of Servitec.

John Nitschke Drilling

On November 19, 2012, the Company acquired a 100% shareholding in John Nitschke Drilling, (“JND”), an Australian drilling service provider, through a combination of AU$ 30 million (US$ 31.2 million) in cash, an earn out amount and 6,000,000 warrants giving the right to acquire, for no additional consideration, 6,000,000 Foraco International 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 occurrence of certain events on or after 9 months from the closing date.

JND has been consolidated into the Foraco International financial statements since November 19, 2012. The financial statements for the three month period ended March 31, 2012 did not include the contribution of JND.

Selected financial data

	2013	2012
Revenue	**59,795**	**88,163**
Gross profit / (loss) (1)	**(8,741)**	**20,383**
As a percentage of sales	*-14.6%*	*23.1%*
EBITDA	**2,134**	**21,337**
As a percentage of sales	*3.6%*	*24.2%*
Operating profit / (loss)	**(8,483)**	**12,842**
As a percentage of sales	*-14.2%*	*14.6%*
Profit / (loss) for the period	**(4,170)**	**9,102**
EPS (in US cents)		
Basic	(3.66)	11.97
Diluted	(3.66)	11.83
EPS (in US cents) including the impact of the considered acquisition of the non-controlling interest of Servitec		
Basic	(2.64)	11.97
Diluted	(2.64)	11.83

(1) includes amortization and depreciation expenses related to operations

Financial results

Revenue

(In thousands of US$) *(unaudited)*	Q1 2013	% change	Q1 2012
Reporting segment			
Mining	57,559	-31%	83,028
Water	2,236	- 56%	5,135
Total revenue	***59,795***	***-32%***	***88,163***
Geographic region			
South America	24,451	-34%	37,297
Europe, Middle East and Africa	13,279	-48%	25,335
North America	11,135	-32%	16,449
Asia Pacific	10,930	20%	9,080
Total revenue	***59,795***	***-32%***	***88,163***

Since Q3 2012, Europe, Africa and Middle East have been grouped into one geographic region for management and reporting purposes (EMEA). Previously, Africa and Europe were presented separately.

Q1 2013 revenue amounted to US$ 59.8 million compared to US$ 88.2 million in Q1 2012, a decrease of 32%. Excluding the impact of acquisitions performed during fiscal year 2012, revenue decreased by 53% due to the continued trend of sharp fall of the exploration budgets of mining companies recorded in all regions which significantly impacted the activity of Q1 2013.

Revenue in South America amounted to US$ 24.5 million in Q1 2013 (US$ 37.3 million in Q1 2012), a decrease of 34%. Excluding the acquisition of Servitec in Brazil during Q2 2012, revenue decreased by 64%.

In EMEA, revenue decreased by 48%, from US$ 25.3 in Q1 2012 to US$ 13.3 million in Q1 2013. This is mainly due to reduced activity levels in Africa (60%) partially compensated by new contract in France and an increase of 34% in Russia.

Revenue in North America decreased by 32%, from US$ 16.4 million in Q1 2012 to US$ 11.1 million in Q1 2013. This decrease was mainly due to delays in the restart of long term contracts in Ontario which were suspended in October 2012.

In Asia-Pacific, Q1 2013 revenue amounted to US$ 10.9 million, an increase of 20% compared to Q1 2012 as a result of the integration of JND activity since November 19, 2012. Excluding this acquisition, revenue decreased by 54% compared to Q1 2012.

Gross profit

(In thousands of US$) *(unaudited)*	Q1 2013	% change	Q1 2012
Gross profit			
Reporting segment			
Mining	(8,668)	*-146%*	18,808
Water...	(73)	*-105%*	1,575
Total gross profit	***(8,741)***	***-143%***	***20,383***

Q1 2013 gross profit including depreciation within cost of sales was US$ (8.7) million compared to US$ 20.4 million in Q1 2012.

The contraction of activity recorded in all regions generated an under absorption of fixed operational cost of US$10.8 million. The Company has taken actions to reduce the number of employees (by 514 in Q1 2013) and Capex. The two troubled contracts in Chile negatively impacted the Gross Profit by US$ 7.2 million. In addition, redundancy costs related to the contraction of activity amounting to US$ 2 million in Chile and US$ 1 million in Argentina impacted Q1 2013.

Selling, General and Administrative Expenses

(In thousands of US$) *(unaudited)*	Q1 2013	% change	Q1 2012
Selling, general and administrative expenses	8,960	19%	7,541

Excluding the impact of the acquisitions in Brazil and Australia, SG&A are stable compared to Q1 2012.As a result of a cost cutting action plan that has been implemented by the Company, SG&A decreased by US$ 0.9 million (10%) when comparing Q1 2013 to Q4 2012.

Operating Profit

(In thousands of US$) (unaudited)	Q1 2013	% change	Q1 2012
Operating profit			
Reporting segment			
Mining	(8,075)	*-169%*	11,710
Water...	(408)	-136%	1,132
Total operating profit	***(8,483)***	***-166%***	***12,842***

During the quarter, the Company reestimated at US$ 34.5 million the present value of the amount payable related to the second phase of the Servitec acquisition, compared to US$ 43.7 million as at December 31, 2012. The adjustment amounting to US$ 9.2 million has been recorded in other operating income and expense within operating profit in accordance with IFRS 3.

Financial position

The following table provides a summary of the Company's cash flows for Q1 2013 and Q1 2012:

(In thousands of US$)	Q1 2013	Q1 2012
Cash generated from operations before working capital requirements	(7,036)	21,315
Working capital requirements, interest and tax	3,645	(21,208)
Net cash flow from operating activities	**(3,391)**	**107**
Purchase of equipment in cash	(3,571)	(8,629)
Net cash used in investing activities	**(3,571)**	**(8,629)**
Proceeds from credit facilities, net	3,785	10,119
Acquisition of treasury shares	(1,005)	(1,917)
Dividends paid	-	(2,125)
Net cash from financing activities	**2,780**	**(6,077)**
Exchange differences	(880)	1,175
Variation in cash and cash equivalents	**(6,805)**	**(3,495)**

For the three month period ended March 31, 2013, cash used in operations before changes in operating assets and liabilities amounted to US$ 7.0 million in Q1 2013 compared to US$ 21.3 million of cash generated during the same period a year ago.

After working capital requirements, interest and income tax paid, the net cash used in operations was US$ 3.4 million in Q1 2013 compared to nil in Q1 2012.

During the period, the Company acquired operating equipment for US$ 3.6 million in cash. This compares to a total of US$ 8.6 million in cash purchases during Q1 2012.

As of March 31, 2013, cash and cash equivalents totaled US$ 29.1 million compared to US$ 35.9 million as at December 31, 2012. Cash and cash equivalents are held at or invested within top tier financial institutions.

On March 31, 2013, financial debts and equivalents amounted to US$ 168.7 million (US$ 175.0 million as at December 31, 2012). The financial debt also includes the present value of the consideration payable in 2015 for the acquisition of the remaining shares of Servitec totaling US$ 34.5 million.

As at March 31, 2013, the maturity of the financial debt (borrowing and other financial debts) can be analyzed as follows (in thousands of US$):

Maturity	Less than one year	Between one and five years	More than five years	Total
Bank overdraft	29,072	—	—	**29,072**
Assignment of trade receivables with recourse	7,890	—	—	**7,890**
Bank financing	21,248	61,829	—	**83,077**
Capital lease obligations	9,272	4,208	—	**13,480**
Total financial debt	**67,482**	**66,037**	**—**	**133,519**

Assignment of trade receivables with recourse, which is presented in the table above as "less than one year", is backed by trade receivables and can be renewed as necessary. The Company has used and unused short-term credit facilities of US$ 107.7 million available as at March 31, 2013 (US$ 106 million as at December 31, 2012), corresponding to bank overdrafts and the assignment of trade receivables. US$ 37.0 million has been drawn down as at March 31, 2013.

As at March 31, 2013, the net debt amounted to US$ 140.0 million. The ratio of debt (net of cash) to shareholders' equity increased to 0.65 from 0.62 as at December 31, 2012 mainly as a result of the Servitec and JND acquisitions.

Bank guarantees as at March 31, 2013, totaled US$ 17.7 million compared to US$ 22.8 million as at December 31, 2012.

Current economic conditions make forecasting difficult, and there is the possibility that the Company's actual operating performance during the coming year may be different from expectations. Based on internal forecasts and projections that take into account reasonably possible changes in the Company's operating performance, the Company believes that it has adequate financial resources to continue in operation and meet its financial commitments (mainly related to debt service obligations) for a period of at least twelve months.

Currency exchange rates

The exchange rates for the periods under review are provided in the Management's Discussion and Analysis of Q1 2013.

Outlook

The Company's business strategy is to reinforce its existing platform and to develop and optimize the services it offers across geographical regions and industry segments. Foraco expects to continue to execute its strategy through a combination of organic growth and development and acquisitions of complementary businesses in the drilling services industry.

Conference call and webcast

On May 7, 2013, Company Management will conduct a conference call at 10:00 am ET to review the financial results. The call will be hosted by Daniel Simoncini, Chairman and CEO, and Jean-Pierre Charmensat, Vice-CEO and CFO.

You can join the call by dialing 1-888-231-8191 or 647-427-7450. You will be put on hold until the conference call begins. A live audio webcast of the conference call will also be available through http://www.newswire.ca/en/webcast/detail/1155423/1261547 or on our website.

An archived replay of the webcast will be available for 90 days.

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.

For further information, please contact:

Sonia Tercas, Manager, Investor Relations
Email: tercas@foraco.com

Tel: (647) 351-5483

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