NEWS RELEASE

FORACO INTERNATIONAL REPORTS Q4 2012

FY 2012: Revenue up 22% at US$ 368 million, Net earnings up 7% at US$ 32.6 million, EPS up 3% at US$ 35.18 cents

Q4: Revenue down 7% at US$ 69.5 million, Net Earnings down 29% at US$ 5.1 million, EPS down 29% at US$ 6.23 cents

Toronto, Ontario / Marseille, France March 5, 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 fourth quarter 2012. All figures are reported in US Dollars (US$), unless otherwise indicated.

“As mentioned last quarter, the market has continued to contract during Q4 as project cutbacks, capital expenditure deferrals and cost cutting exercises have spread. Many customers stopped or reduced their operations much earlier than last year, leading to a utilization rate of 43% for the quarter, the lowest since we report. This level of activity, despite the overall satisfactory performance of our contracts, did not allow the fixed running costs to be covered, and our troubled two contracts in Chile both ending in June have continued to negatively impact the gross profit,” said Daniel Simoncini, Chairman and co-CEO of Foraco. “We completed the acquisition of JND in Australia in November, and have subsequently observed that the conditions to meet the earn-out clause were not matched. Consequently, the overall actual price will be set at a 4.6 EBITDA. Our order book at year end stands at US$ 342 million compared with US$ 418 million at the end of 2011. We expect lower utilization rates in the first half of 2013 compared to the same time period in 2012, however, industry sentiment has seemingly improved since last November, and we hope this sentiment will materialize in the second half of this year.

“In this environment, the Company’s quarterly gross profit was nil, including a negative impact of US$ 4 million on the Chilean contracts, and after the incorporation of the one off profit corresponding to the change in estimate of the Servitec acquisition price, the EBITDA as a percentage of sales was 20.2% and the net profit was US $5.1 million, or a 6.23 US cents EPS (diluted). For FY2012, we report a 22% increase in our revenue, at US$ 368 million, a net profit of US$ 32.6 million, an EBITDA of US$ 83.1 million or 22.6% of revenue and a yearly EPS of 35.18 US cents (diluted). Our cash position is strong at US$35.9 million and our net debt at December 31st was US$ 137.5 million including US$ 44.4 million corresponding to our commitment to acquire the remaining 49% of Servitec. This represents a debt to equity ratio of 0.66 and a net debt / FY2012 EBITDA ratio of 1.65” commented Jean-Pierre Charmensat, co-CEO and Chief Financial Officer. “Given the current market conditions, we have taken additional steps to lower our costs, and have reached a US$10 million fixed costs reduction pro forma year over year at the end of the quarter.

Our total FY 2012 CAPEX was US$41 million. For FY 2013 we have set our CAPEX budget at a significantly lower level and expect to decrease our net debt position substantially. Meanwhile we will continue to focus on the integration of recent acquisitions and on operational profitability. In addition, the Board of Directors proposed a dividend of Cdn 5.5 cents per share for the Shareholders meeting, to be held on May 22, 2013."

Three months Q4 2012 Highlights

Revenue

- Q4 2012 revenue amounted to US$ 69.5 million compared to US$ 75.1 million in Q4 2011, a decrease of 7%. Excluding the impact of acquisitions performed during fiscal year 2012, revenue decreased by 33% due to the sharp fall of the exploration budgets of mining companies recorded in all regions which significantly impacted the activity of Q4 2012.

Profitability

- Q4 2012 gross profit including depreciation within cost of sales was nil compared to US$ 16.9 million (22.5% of revenue) in Q4 2011.

- All contracts performed well as expected excluding certain contracts in Chile which strongly impacted the gross margin. The level of activity did not allow the equipment cost and other fixed operating expenses to be covered.

- Despite the corrective actions taken by the Company, two key contracts in Chile incurred losses during the quarter. The Q4 2012 gross profit was negatively affected by US$ 4 million. Negotiations are in progress to recognize contractual compensations and better conditions for the renewal of these long term contracts.

- Q4 2012 EBIT amounted to US$ 3.6 million compared to US$10.1 million in Q4 2011. During the quarter, the Company reestimated at US$ 43.7 million the present value of the amount payable related to the second phase of the Servitec acquisition, compared to US$57.0 million at the acquisition date. The adjustment amounting to US$ 13.3 million has been recorded in other operating income and expense within operating profit in accordance with IFRS 3.

- Q4 2012 EBITDA amounted to US$ 14.0 million (or 20.2% of revenue) compared to US$ 17.9 million (or 23.9% of revenue) in Q4 2011. Q4 2012 EBITDA includes US$ 1.0 million one-off transaction costs related to JND (nil in Q4 2011).

- Q4 2012 net profit after tax amounted to US$ 5.2 million (6.2% of revenue) compared to Q4 2011 which amounted to US$ 7.3 million (9.6% of revenue).

- Q4 2012 earnings per share attributable to the equity holders of the Company during the period amounted to 6.31 US cents (basic) and 6.23 US cents (diluted), compared to 8.79 US cents (basic) and 8.72 US cents (diluted) in Q4 2011.

FY 2012 Highlights

Revenue

- FY 2012 revenue amounted to US$ 367.5 million compared to US$ 301.1 million in FY 2011, an increase of 22% or US$ 66.4 million including US$ 53.9 million generated by the acquisitions.

Profitability

- FY 2012 gross profit, including depreciation within cost of sales, decreased to US$ 67.9 million (18.5% of revenue) compared to US$ 69.4 million (23.1% of revenue) in FY 2011, a decrease of 2%.

- FY 2012 EBIT amounted to US$ 45.0 million, a 3.6% increase compared to FY 2011 (US$ 43.4 million). During the quarter, the Company reestimated at US$ 43.7 million the present value of the amount payable related to the second phase of the Servitec acquisition, compared to US$57.0 million at the acquisition date. The adjustment amounting to US$ 13.3 million has been recorded in other operating income and expense within operating profit in accordance with IFRS 3.

- FY 2012 EBITDA amounted to US$ 83.1 million (22.6% of revenue) compared to US$ 73.43 million in FY 2011 (24.3% of revenue). FY 2012 EBITDA includes US$ 2.2 million one-off transaction costs related to Servitec and JND (nil in FY 2011).

- FY 2012 net profit after tax amounted to US$ 32.6 million (8.9% of revenue), an increase of 7% compared to US$ 30.4 million (10.1% of revenue) in FY 2011.

- FY 2012 earnings per share attributable to the equity holders of the Company during the period including the non-controlling interests corresponding to Servitec which the Company is in the process of acquiring amounted to 35.67 US cents (basic) and 35.18 US cents (diluted), compared to 34.51 US cents (basic) and 34.25 US cents (diluted) for FY 2011.

Acquisitions of businesses and non-controlling interests

<u>Servitec</u>

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 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. The maximum amount payable for this tranche is capped at US$ 75 million. 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 over the year, the Company has revised this estimate and now considers that the present value of the amount payable should approximate US$ 43.7 million. The adjustment amounting to US$ 13.3 million has been accounted for within other operating income and expense in accordance with IFRS 3.

Servitec has been consolidated into the Foraco International financial statements since April 20, 2012. The financial statements as at December 31, 2012 include eight months of Servitec activity.

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. The earn out payable was based on the calendar year 2012 EBITDA of JND. As a result of the change in market conditions over the year, the Company has assessed that JND will not achieve the EBITDA threshold which would generate a payment and therefore, no earn out payable is expected.

Order Backlog

As at December 31, 2012, the Company's order backlog for continuing operations was US$ 342 million, of which US$ 221 million is expected to be executed during the 2013 fiscal year. This compares to an order backlog as at December 31, 2011 of US$ 418 million of which US$ 294 million was expected to be executed during the 2012 fiscal year. As mentioned above, certain significant contracts in Chile are in the process of being re-tendered. These contracts are not included in the backlog as at December 31, 2012.

Selected Financial data

(In thousands of US$) *(unaudited)*	**Three-month period ended December 31,**		**Year ended December, 31**	
	2012	**2011**	**2012**	**2011**
Revenue	**69,511**	**75,142**	**367,519**	**301,139**
Gross profit (1)	**178**	**16,878**	**67,933**	**69,425**
As a percentage of sales	*0.3%*	*22.5%*	*18.5%*	*23.1%*
EBITDA	**14,041**	**17,924**	**83,097**	**73,306**
As a percentage of sales	*20.2%*	*23.9%*	*22.6%*	*24.3%*
Operating profit	**3,576**	**10,080**	**44,989**	**43,419**
As a percentage of sales	*5.1%*	*13.4%*	*12.2%*	*14.4%*
Profit for the period	**5,159**	**7,251**	**32,617**	**31,414**
EPS (in US cents)				
Basic	6.31	8.79	33.15	34.51
Diluted	6.23	8.72	32.69	34.25
EPS (in US cents) including the impact of the considered acquisition of the non-controlling interest of Servitec				
Basic	6.31	8.79	35.67	34.51
Diluted	6.23	8.72	35.18	34.25

(1) includes amortization and depreciation expenses related to operations

Financial results

(In thousands of US$) *(unaudited)*	Q4 2012	% change	Q4 2011	FY 2012	% change	FY 2011
Reporting segment						
Mining	68,232	-6%	72,381	357,375	25%	286,444
Water	1,279	- 54%	2,761	10,144	-31%	14,695
Total revenue	***69,511***	***-8%***	***75,142***	***367,519***	***22%***	***301,139***
Geographic region						
South America	37,462	19%	31,574	180,034	53%	117,779
Europe, Middle East and Africa	12,890	-43%	22,629	92,228	-3%	95,135
North America	9,241	-23%	12,056	61,568	10%	55,754
Asia Pacific	9,918	12%	8,884	33,688	4%	32,472
Total revenue	***69,511***	***-8%***	***75,142***	***367,519***	***22%***	***301,139***

Q4 2012

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.

Q4 2012 revenue amounted to US$ 69.5 million compared to US$ 75.1 million in Q4 2012, a decrease of 7%. Excluding the impact of acquisitions performed during fiscal year 2012, revenue decreased by 33% due to the sharp fall of the exploration budgets of mining companies recorded in all regions which significantly impacted the activity of Q4 2012.

Revenue in South America amounted to US$ 37.5 million in Q4 2012 (US$ 31.5 million in Q4 2011), an increase of 19%. This growth is mainly generated by the addition of Brazilian operations enabled by the Servitec acquisition in Q2 2012. Excluding this acquisition, revenue decreased by 29%.

In EMEA, revenue decreased by 43%, from US$ 22.6 in Q4 2011 to US$ 12.9 million in Q4 2012. This is mainly due to reduced activity levels in Africa while Russia remained stable.

Revenue in North America decreased by 23%, from US$ 12.1 million in Q4 2011 to US$ 9.2 million in Q4 2012. This decrease was mainly due to earlier than expected year end suspensions of long term contracts, as well as reallocation of assets in the region to mobilize new contracts.

In Asia-Pacific, Q4 2012 revenue amounted to US$ 9.9 million, an increase of US$ 1.0 million compared to Q4 2011 as a result of integration of JND activity since November 19, 2012. Excluding this acquisition, revenue decreased by 35% compared to Q4 2011.

FY 2012

FY 2012 revenue amounted to US$ 367.5 million, an increase of 22% compared to FY 2011 (US$ 301.1 million). Excluding the impact of acquisitions performed during fiscal year 2012, revenue increased by 4% as a result of a strong activity during the first half of 2012 followed by the reduction of activity due to the sharp fall of the exploration budgets of mining companies in the last quarter of 2012.

Revenue in South America amounted to US$ 180.0 million in FY 2012 (US$ 117.8 million in FY 2011), an increase of 53%. This growth is mainly generated by the addition of Brazilian operations enabled by the Servitec acquisition in Q2 2012. Excluding this acquisition, revenue increased by 11%.

In EMEA, revenue decreased by 3%, from US$ 95.1 in FY 2011 to US$ 92.2 million in FY 2012. This is mainly due to reduced activity levels in Africa during the last quarter which has only partially been offset by a 7% increased activity in Russia.

Revenue in North America increased by 10%, from US$ 55.8 million in FY 2011 to US$ 61.6 million in FY 2012. This increase has been realized through increased activity in long term contracts with major companies.

In Asia-Pacific, FY 2012 revenue amounted to US$ 33.7 million, an increase of 4% compared to FY 2011, including the integration of JND activity since November 19, 2012. Excluding this acquisition, revenue decreased by 9% compared to FY 2011.

Gross Profit

(In thousands of US$) *(unaudited)*	Q4 2012	% change	Q4 2011	FY 2012	% change	FY 2011
Gross profit						
Reporting segment						
Mining	(136)	*-101%*	16,299	65,145	*-2%*	66,165
Water	314	*-46%*	579	2,788	-14%	3,260
Total gross profit	***178***	***-99%***	***16,878***	***67,933***	***-2%***	***69,425***

Q4 2012

Overall, Q4 2012 gross profit amounted to US$ 0.2 million compared to US$ 16.3 million in Q4 2011.

All contracts performed well as expected excluding certain contracts in Chile which strongly impacted the gross margin. The level of activity (-33% on a comparable basis) did not allow the equipment cost and other fixed operating expenses to be covered, despite the cost cutting actions taken to better align fixed costs to the reduced activity.

Despite the corrective actions taken by the Company, two key contracts in Chile incurred losses during the quarter. The Q4 2012 gross profit was negatively affected by US$ 4 million. Negotiations are in progress to recognize contractual compensations and better conditions for the renewal of these long term contracts.

FY 2012

Overall, FY 2012 gross profit amounted to US$ 67.9 million compared to US$ 69.4 million in FY 2011.

All contracts performed well as expected excluding certain contracts in Chile which strongly impacted the gross margin in Q3 and Q4 2012.

In Chile two key contracts had a negative impact on gross profit estimated at US$ 6.7 million in FY 2012, caused by the combination of a significant number of rigs being shut down at the client's request, preexisting unfavorable contract conditions aggravated by the significant downsizing of the allocated fleet, and lower production rates during the winter season. These two contracts are due to expire in mid 2013 and are being re tendered. Negotiations are in progress to recognize contractual compensations and better conditions for the renewal of these long term contracts.

The Company remains focused to adapting its structure and fixed costs to the market conditions, to the integration of newly acquired businesses, and to risk management.

Selling, General and Administrative Expenses

(In thousands of US$) *(unaudited)*	Q4 2012	% change	Q4 2011	FY 2012	% change	FY 2011
Selling, general and administrative expenses	9,905	46%	6,798	36,247	40%	25,983

Q4 2012

During the quarter, SG&A expenses included US$ 2.8 million for (i) the one-off costs associated with the acquisition of JND and (ii) the integration of Servitec and JND. In addition, the Company reinforced its corporate structure.

FY 2012

During the period, SG&A expenses included US$ 2.6 million for the one-off costs associated with the business acquisitions in Brazil and Australia. The integration of Servitec and JND contributed US$ 1.4 million to the SG&A expenses. In addition SG&A expenses included costs associated with the relocation and reinforcement of the corporate structure.

Operating profit

(In thousands of US$) *(unaudited)*	Q4 2012	% change	Q4 2011	FY 2012	% change	FY 2011
Operating profit						
Reporting segment						
Mining	3,444	*-65%*	9,751	43,161	4%	41,441
Water	132	-60%	329	1,828	-8%	1,978
Total operating profit	***3,576***	***-65%***	***10,080***	***44,989***	***4***	***43,419***

Q4 2012

Operating profit decreased to US$ 3.6 million in Q4 2012 compared to US$ 10.1 million in Q4 2011. During the quarter, the Company reestimated at US$ 43.7 million the present value of the amount payable related to the second phase of the Servitec acquisition, compared to US$57.0 million at the acquisition date. The adjustment amounting to US$ 13.3 million has been recorded in other operating income and expense within operating profit in accordance with IFRS 3.

FY 2012

Operating profit increased to US$ 45.0 million in FY 2012 compared to US$ 43.4 million in FY 2011.

Financial Position

The following table provides a summary of the Company's cash flows for FY 2012 and FY 2011:

(In thousands of US$)	FY 2012	FY 2011
Cash generated from operations before working capital requirements	70,119	74,088
Working capital requirements, interest and tax	(28,326)	(6,320)
Net cash flow from operating activities	**41,973**	**67,768**
Purchase of equipment in cash	(39,512)	(35,702)
Consideration payable related to acquisitions	(49,435)	(7,600)
Net cash used in investing activities	**(88,947)**	**(43,302)**
Proceeds from credit facilities, net	68,835	(7,981)
Acquisition of treasury shares	(3,667)	(3,272)
Dividends paid	(7,068)	(2,957)
Net cash from financing activities	**58,100**	**(14,210)**
Exchange differences	458	(863)
Variation in cash and cash equivalents	**11,584**	**9,393**

For the year ended December 31, 2012, cash generated from operations before changes in operating assets and liabilities decreased to US$ 70.1 million in FY 2012 compared to US$ 74.1 million in FY 2011.

After working capital requirements, interest and income tax paid the net cash generated from operations was US$ 41.4 million in FY 2012 compared to US$67.8 million in FY 2011. The significant increase in the working capital requirements is mainly due to the increased year on year activity and to US$12.1 million of income tax paid related to the 2011 profit. The income tax payable may differ from the income tax charge in a given period due to the timing difference between the recognition of the charge and the payment to the tax authorities.

During the year, the Company acquired operating equipment through US$ 41.6 million in cash purchases and financial lease. This compares to a total of US$ 51.3 million in cash purchases and finance leases during FY 2011.

In 2012 the cash paid for the acquisitions of Servitec and JND net of the cash available in the companies amounted to US$ 48.8 million.

During the year, the Company paid dividends to its minority shareholders in Russia amounting to US$ 2.1 million and dividends to its shareholders amounting to US$ 4.9 million.

As of December 31, 2012, cash and cash equivalents totaled US$ 35.9 million compared to US$ 24.3 million as at December 31, 2011. Cash and cash equivalents are held at or invested within top tier financial institutions.

On December 31, 2012, financial debts and equivalents amounted to US$ 175.0 million (US$ 49.2 million as at December 31, 2011), including two new long term loans amounting to US$ 53 million related to finance the Servitec and JND acquisitions made during the year. 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$ 43.7 million.

As at December 31, 2012, the maturity of the financial debts (borrowing and other financial debts) breaks down as follows (in thousands of US$):

Maturity	Less than one year	Between one and five years	More than five years	Total
Bank overdraft	26,115	–	–	**26,115**
Assignment of trade receivables with recourse	13,026	–	–	**13,026**
Bank financing	18,043	56,305	–	**74,348**
Capital lease obligations	10,117	5,428	–	**15,545**
Total financial debt	**67,301**	**61,733**	–	**129,034**

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$ 106 million available as at December 31, 2012 (US$ 82.6 million as at December 31, 2011), corresponding to bank overdrafts and the assignment of trade receivables. US$ 39.1 million has been drawn down as at December 31, 2012.

As at December 31, 2012, the net debt amounted to US$ 139.1 million. The ratio of debt (net of cash) to shareholders' equity increased to 0.67 from 0.15 as at December 31, 2011 mainly as a result of the Servitec and JND acquisitions.

Bank guarantees as at December 31, 2012, totaled US$ 22.8 million compared to US$ 19.2 million as at December 31, 2011.

Currency and exchange rates

The exchange rates for the periods under review are provided in the Management's Discussion and Analysis of Q4 2012.

Dividends

On March 4, 2013, the Board of Directors proposed a Dividends payment of Cdn$0.055 per common share to be approved by shareholders at the Company's Annual General Meeting on May 22, 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 March 5, 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/1118823/1219893 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.

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