



## NEWS RELEASE

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### FORACO INTERNATIONAL ANNOUNCES 2008 SECOND QUARTER RESULTS

**Toronto, Ontario / Marseilles, France – August 8, 2008** – Foraco International SA (TSX: FAR) (the “Company” or “Foraco”), a leading global provider of diversified drilling services, today announced its financial results for the three and six-month periods ended June 30, 2008. Foraco’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), rather than Canadian Generally Accepted Accounting Principles (Canadian “GAAP”), and as such may not be directly comparable to the financial statements of other Canadian issuers. All figures are reported in Euros (€), unless otherwise indicated.

#### Q2 2008 Highlights

- Revenue increased 21% to €24.6 million from €20.3 million in Q2 2007
- Gross profit increased 31% to €7.9 million from €6 million in Q2 2007
- Net earnings increased 73% to €3.3 million, or €0.6 per share (basic and diluted), compared to €1.9 million, or €0.04 per share (basic and diluted) in Q2 2007

“We are pleased to report strong growth in consolidated revenue, gross margin and net earnings for the second quarter of 2008. Our Mining & Energy segment revenue, which accounted for approximately 73% of our consolidated revenue in the period, increased 28% compared to the second quarter a year ago as we benefited from increased business activity in Africa, Europe and North America. Our Water, Environmental & Infrastructure segment revenue increased 6% in the quarter, largely as a result of growth in our water drilling contracts in western Africa,” said Daniel Simoncini, Chairman and Chief Executive Officer of Foraco. “Over the past year, as we have expanded our operations in North America, we believe we have made strong progress in building relationships with the mining majors and are now increasingly being considered for projects around the world. As we continue to grow and add capacity, we will strategically deploy resources or expand into regions that present the greatest opportunities.”

“Our gross margin, which reflects depreciation expense in cost of goods sold, increased to 32.4% in the quarter, up from 30.0% in the second quarter a year ago, reflecting stronger overall performance, increased business activity and capacity utilization,” said Jean-Pierre Charmensat, Vice-CEO and Chief Financial Officer. “Looking ahead, we will continue to capitalize on favorable market conditions through the selective expansion of our operations in key growth regions, investing in new drilling equipment and optimizing the allocation of our production capacity. With €18.6 million in cash and equivalents and continued strong growth in operating cash flow, we are well positioned to capitalize on growth opportunities.”

## Financial Results

<i>(In thousands Euros)</i>	<b>Three months ended June 30, 2008</b>	Three months ended June 30, 2007	<b>Six months ended June 30, 2008</b>	Six months ended June 30, 2007
Revenue	<b>24,556</b>	20,313	<b>47,265</b>	34,569
Gross profit <sup>1</sup>	<b>7,949</b>	6,082	<b>14,409</b>	9,319
Operating profit	<b>5,270</b>	3,289	<b>9,376</b>	4,939
Net profit for period	<b>3,332</b>	1,922	<b>6,028</b>	2,934

(1) Includes depreciation expenses allocated to cost of sales

### ***Three-month period ended June 30, 2008***

Revenue for the three-month period ended June 30, 2008 increased 21% to €24.6 million, compared to €20.3 million in the second quarter of 2007. Revenue growth was achieved in both the Mining & Energy and Water, Environmental & Infrastructure segments, with the greatest growth realized in the Company's Mining & Energy operations in Africa. For the second quarter of 2008, Foraco's revenue derived from its operations in Africa and Europe increased to €13.9 million and €2.1 million respectively, up from €10 million and €1.4 million respectively in the second quarter a year ago. In North America, Foraco's revenue increased to €6.7 million in the second quarter of 2008 compared to €6.1 million in the same period a year ago.

Gross profit (including depreciation) for the three-month period ended June 30, 2008 increased 31% to €7.9 million, or 32.4% of revenue, compared to gross profit (including depreciation) of €6.1 million, or 29.9% of revenue, in the second quarter a year ago. Increased gross profit and margin for the second quarter of 2008 reflects Foraco's strong revenue growth and the improvement in profitability in both business segments during the period.

Selling and marketing expenses, and general and administrative expenses ("operating expenses"), for the second quarter of 2008 totaled €2.5 million, or 10.1% of revenue, compared to operating expenses of €2.1 million, or 10.1% of revenue, in the second quarter of 2007. Increased operating expenses in the second quarter of 2008 reflect increased business activity, and Company initiatives to further strengthen its corporate organization and controls.

Operating profit totaled €5.3 million (or 21.5% of revenue) for the second quarter of 2008 compared to €3.3 million (or 16.2% of revenue) a year ago.

Net earnings for the second quarter of 2008 increased 73% to €3.3 million, or €0.06 per share (basic and diluted), compared to €1.9 million, or €0.04 per share in the second quarter a year ago.

### ***Six-month period ended June 30, 2008***

Revenue for the six-month period ended June 30, 2008 increased 37% to €47.3 million, compared to €34.6 million in the same period of 2007. Revenue growth was achieved in both the Mining & Energy and Water, Environmental & Infrastructure segments, with the greatest growth realized in the Company's Mining & Energy operations in North America, Europe and Africa. For the first half of 2008, Foraco's revenue derived from its operations in North America, Europe and

Africa increased to €15.1 million, €4.5 million and €24.5 million respectively, up from €9.9 million, €2.4 million and €18.8 million respectively in the first half of 2007.

Gross profit (including depreciation) for the six-month period ended June 30, 2008 increased 55% to €14.4 million, or 30.5% of revenue, compared to gross profit (including depreciation) of €9.3 million, or 27.0% of revenue, in the first half of 2007. Increased gross profit for the first half of 2008 reflects Foraco's strong revenue growth and the improvement in profitability in both business segments during the period.

Selling and marketing expenses, and general and administrative expenses ("operating expenses"), for the first half of 2008 totaled €4.9 million, or 10.3% of revenue, compared to operating expenses of €3.7 million, or 10.7% of revenue, in the first half of 2007. Increased operating expenses in the first half of 2008 reflect increased business activity, and the Company initiatives to further strengthen its corporate organization and controls.

Operating profit totaled €9.4 million (or 19.8% of revenue) for the first half of 2008 compared to €4.9 million (or 14.3% of revenue) a year ago.

Net earnings for the first half of 2008 increased 105% to €6.0 million, or €0.10 per share (basic and diluted), compared to €2.9 million, or €0.07 per share in the first half of 2007.

For the six-month period ended June 30, 2008, cash flow from operations before changes in working capital increased to €12.0 million compared to €8.1 million in the first half of 2007.

As at June 30, 2008, cash and cash equivalents totaled €18.6 million compared to €23.3 million as at December 31, 2007. This decrease in cash and cash equivalents was primarily attributable to: increased working capital requirements in connection with increased business activity; and the Company's acquisition of 1.5 million Foraco common shares from a single foreign shareholder for approximately €3.4 million during the second quarter to meet the Company's obligation under the free share plan and for the purpose of potential acquisitions.

## Segment Revenue Performance

<i>(In thousands €)</i>	<u>Three-months ended June 30, 2008</u>	<u>Three-months ended June 30, 2007</u>	<u>Six-months ended June 30, 2008</u>	<u>Six-months ended June 30, 2007</u>
<i>Reporting segment</i>				
Mining & energy	17,893	14,012	34,308	22,584
Water, environmental & infrastructure	6,664	6,301	12,957	11,985
<b>Total revenue</b>	<b><u>24,556</u></b>	<b><u>20,313</u></b>	<b><u>47,265</u></b>	<b><u>34,569</u></b>
<i>Geographical region</i>				
Africa	13,875	10,925	24,508	18,820
Europe	2,106	1,381	4,501	2,371
Asia Pacific	1,925	1,939	3,137	3,432
Americas	6,650	6,068	15,119	9,946
<b>Total revenue</b>	<b><u>24,556</u></b>	<b><u>20,313</u></b>	<b><u>47,265</u></b>	<b><u>34,569</u></b>

### ***Mining & Energy***

The Mining & Energy segment continued to benefit from favorable general market conditions in the second quarter of 2008. In Africa, the Company's significant drilling contracts in Guinea were primarily attributable to its second quarter revenue growth in this segment. In the Americas, revenue growth was driven by continued strong demand for the Company's services and new drilling equipment put into operation in both Canada and the U.S.

### ***Water, Environment & Infrastructure***

In the Water, Environmental & Infrastructure segment, revenue increased by 5.8% during the second quarter and 8.1% for the six-month period ended June 30, 2008, with growth driven primarily by deep water drilling projects in Niger.

### **Currency and exchange rate**

The average exchange rate between € and Canadian dollar ("C\$") for the three-month period ended June 30, 2008 was 1.58. As at June 30, 2008, the closing € / C\$ exchange rate was 1.60.

### **Dividend**

The Company held its Annual General Meeting of Shareholders ("AGM") on May 13, 2008 in Marseille, France. At the AGM, shareholders approved, among other matters, the payment of a dividend in the amount of €0.014 per share, or the equivalent of C\$0.02 per share (based on the Bank of Canada noon buying rate as of May 13, 2008 of one Euro equal to C\$1.5520). The dividend was paid to shareholders of record as at June 13, 2008.

Foraco's Financial Statements and Management's Discussion & Analysis ("MD&A"), for the three-month and six-month period ended June 30, 2008 will be filed on SEDAR today and will be available via Foraco's web site at [www.foraco.com](http://www.foraco.com).

### **Notice of Conference Call and Webcast**

Management of Foraco will host a conference call today, August 8, 2008, at 10:00 am (EDT) to discuss its 2008 second quarter financial results. You can join the call by dialing 1-800-814-4941 or 416-644-3434. Please call in 15 minutes prior to the call to secure a line. You will be put on hold until the conference call begins. A live audio webcast of the conference call will also be available through [www.foraco.com](http://www.foraco.com). Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be needed to hear the webcast. An archived replay of the webcast will be available for 90 days. A taped replay of the conference call will also be available until August 15, 2008 at midnight by calling 1-877-289-8525 or 416-640-1917, reference number 21278222 followed by the # sign.

### **About Foraco**

Foraco (TSX: FAR) is a worldwide drilling service provider headquartered in Marseille, France. The Company provides a diverse range of drilling services to the minerals, energy, water, environmental and infrastructure sectors. The Company currently operates 113 drilling rigs, with a presence in 18 countries across five continents. For more information about Foraco, visit [www.foraco.com](http://www.foraco.com).

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

*This document 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, 2008, 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 Foraco or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.*

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