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ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

March 31, 2009

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CERTAIN INFORMATION

This Annual Information Form includes, and expressly identifies market and industry data that has been obtained from third party sources, including industry publications, as well as industry data prepared by management on the basis of its knowledge of and experience in these markets. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although believed to be reliable, the Company has not independently verified any of the data from third party sources. In addition the Company has not independently verified any of the industry data prepared by management of the Company.

Unless otherwise noted or unless the context otherwise indicates, "Foraco" or the "Company" refers to Foraco International SA and its direct and indirect subsidiaries.

FORWARD LOOKING STATEMENTS

This Annual Information Form contains "forward looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. See "*Risk Factors*". Forward looking statements contained herein are made as of the date of this Annual Information Form and the Company disclaims any obligation to update any forward looking statements, whether as a result of new information, future events or results or otherwise, except as expressly required by applicable securities laws. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward looking statements.

CURRENCY AND EXCHANGE RATES

In this Annual Information Form, references to "$" or "Cdn$" are to Canadian dollars, references to "Euro", "Euros" or "€" are to the lawful single currency of the European Monetary Union, and references to "US$" are to United States dollars.

The following table sets forth for the periods indicated, certain information concerning the number of Euros for which one Canadian dollar ("Cdn$") could be exchanged based on the quoted rate from the Bank of Canada. No representation is made that the Canadian Dollar amounts actually represent such Euro amounts or could have been or could be converted into Euros at the rate indicated, any other rate or at all. Quotations are based on Bank of Canada "nominal rates", which are neither buying nor selling rates. Rates available from financial institutions will likely differ.

Period	Period end rate	Average rate
January 1, 2008 – December 31, 2008	€0.59 = Cdn$1.00	€0.64 = Cdn$1.00
January 1, 2007 – December 31, 2007	€0.69 = Cdn$1.00	€0.68= Cdn$1.00
January 1, 2006 – December 31, 2006	€0.65 = Cdn$1.00	€0.70 = Cdn$1.00
January 1, 2005 – December 31, 2005	€0.72 = Cdn$1.00	€0.66 = Cdn$1.00
January 1, 2004 – December 31, 2004	€0.61 = Cdn$1.00	€0.62 = Cdn$1.00

The closing, high, low and average exchange rates reported by the Bank of Canada for the conversion of United States dollars to Canadian dollars, each based on the noon rate of exchange, for the periods indicated are set forth below.

	Closing	High	Low	Average
Year ended December 31, 2008	1.2180	1.2969	0.9719	1.0660
Year ended December 31, 2007	0.9913	1.1853	0.9170	1.0748
Year ended December 31, 2006	1.1654	1.1726	1.0990	1.1342
Year ended December 31, 2005	1.1630	1.2704	1.1507	1.2116
Year ended December 31, 2004	1.2020	1.3968	1.1774	1.3015

DESCRIPTION AND DEVELOPMENT OF THE BUSINESS

Overview

Foraco is a global drilling service provider headquartered in Marseilles, France, with a presence in 18 countries. The Company operates 115 drill rigs throughout the world providing a diverse range of drilling services to its customer base. The Company has developed and acquired significant expertise in destructive and non-destructive drilling, as well as proprietary drill rig design capabilities, which allow Foraco to tailor solutions to meet the specific conditions and drilling requirements of certain customers, such as mining companies, governmental organizations, and international development funds. From its operations on five continents, the Company services a range of industries including mining, energy, water, environmental and infrastructure.

The Company specializes in drilling in harsh environments, isolated locations, mountainous and desert areas, and generally in circumstances where operations are challenged by logistic matters and geographic hurdles. The Company's engineers and technicians have developed special drilling methods where the geology prevents use of standard techniques and equipment. The Company has specialized equipment for, among other uses, helicopter based drilling campaigns, combination rigs able to perform multi drilling technique contracts, desert suited rigs and large diameter core sampling systems.

The Company's ability to satisfy its customers' unique requirements is partially due to its specialized drilling rigs. The Company has developed in-house equipment engineering and design capabilities and has designed and assembled over half of the Company's drilling rigs.

The Company is headquartered in Marseilles, France with its main technical and engineering base in Lunel, France, 130 kilometres west of Marseilles. The Company has three regional offices, including an office in North Bay, Ontario, from which its North American operations are managed, an office in Abidjan, Ivory Coast, which is the main logistical hub for the Company's operations in Africa and an office in Noumea, New-Caledonia, from which its Asian Pacific operations are managed.

The Company has also established a network of local offices, each led by a country manager. Each country manager reports to a regional manager, who in turn reports directly to the Company's senior management. Although most of the Company's rigs and ancillary equipment move between countries, following the Company's workload, certain of the Company's rigs and ancillary equipment are permanently located in countries where they are continuously employed.

Foraco's common shares commenced trading on the Toronto Stock Exchange ("TSX") under the symbol "FAR" effective at the opening of trading on August 2, 2007.

Strategy of Foraco

The Company's business strategy is to continue to grow through the development and optimization of its services offered across geographical regions, industry sectors and customers. The Company expects it will continue to execute on its strategy through a combination of organic growth and acquisitions of existing businesses in the drilling services industry.

THE DRILLING SERVICES INDUSTRY

Overview of the Drilling Services Industry

Drilling is widely used: (i) to explore for, develop and produce underground resources such as solid minerals, dissolved minerals, water and oil and gas; (ii) to monitor underground and environmental conditions, and (iii) to measure the underground characteristics of a site in advance of an infrastructure project.

Drilling equipment and technology are specialized and require trained operators to perform the drilling service in a safe and cost-effective manner. For this reason, companies typically outsource their drilling services to contracted service providers. A company's drilling services requirements will typically fluctuate and outsourcing is accepted as a desirable alternative to maintaining peak staffing and equipment levels, particularly on a global scale. Traditionally, in the mining segment, customers that have in-house drilling operations generally undertake such activities at underground mining operations or where they have unionized workforces, and are therefore contractually obligated to conduct these activities using their own employees.

In recent years the industry's technology has advanced significantly, and now drilling rigs have the ability to penetrate most geological terrain, from soft and unstable geological formations such as soaked sands, alluvial banks and volcanic scoria to the hardest formations, comprised of competent granite, iron ore oxide and quartzites. The drilling industry offers a wide range of drilling techniques: the three main categories are described below:

Grinding. This technique utilizes tricone drill bits, with sharp teeth or smooth, round button shaped teeth to grind the ground. Energy as Torque is applied to the drill rods while exerting weight on the bit.

Blasting. This technique utilizes percussion generated by hammers located either on top or at the bottom of a drill rod. The latter of these techniques, utilizes percussion generated by hammers located at the bottom of a drill rod commonly referred to as "down the hole hammer" or "DTH" drilling. The drill bit is a percussion bit often made of tungsten carbide with smooth, round button shaped teeth. The primary energy source is compressed air, which moves a piston that strikes the top of the bit as the bit slowly rotates.

Cutting. This technique utilizes rotation of an annular tool that is sufficiently abrasive to "cut" rock. Tools of this nature, which use industrial diamonds, are known as "diamond bits". Using this method a cylindrical core of solid rock is extracted and recovered to the surface.

Each of these techniques has its own particular niche in terms of type of sampling and ground conditions it is best suited for. No particular technique can be used everywhere, with the exception of diamond core drilling, which can be used for providing drilling services under almost all ground conditions.

Markets for Drilling Services

Mining & Energy

Mining

Industry Overview

The mining industry is one of the largest consumers of drilling services, and also consumes a significant amount of ancillary drilling services, including water and dewatering wells, geotechnical drilling, environmental monitoring drilling, construction drilling and remediation drilling. Drilling services are critical for mining companies to discover deposits, and to estimate the size and quality of reserves. Drilling is typically contracted to drilling service providers such as Foraco.

The typical development cycle of a mining project involves test and exploration, development and production stage drilling.

Test and Exploration Stage Drilling

The exploration stage of mining, also known as the "greenfield" stage, is primarily focused on the discovery of mineral deposits. In this stage, equipment and crews are often deployed to remote locations to undertake exploration drilling on undeveloped land to determine whether sufficient deposits exist within a region to justify further exploration. Mining companies typically rely on drilling service providers to provide quality core samples as the integrity of the samples is an important factor in determining the feasibility of a particular project. Following the discovery of a mineral deposit, additional drilling is typically required to characterize the size and quality of the deposit and to assess the feasibility of developing the deposit.

It is management's view that growing consumption of raw materials, together with a slowing rate of commercial mineral discoveries and declining global mineral inventories will continue to increase the market demand for exploration drilling services in the long term, despite the current down cycle. It is estimated that global nonferrous exploration budgets for mining companies totalled approximately US$12.6 billion in 2008 and assuming 40% of exploration budgets are generally related to drilling operations, that currently the global minerals drilling services market is approximately US$5 billion.

Development Stage Drilling

Development stage drilling is typically undertaken to enable resource definition required for the planning and construction of new mine sites or the expansion of an existing mining project. With respect to planning and construction of mine sites, mining companies typically add to or enhance their existing drilling services to obtain more precise information regarding the mineral reserves to support project financing. With respect to the expansion stage of a mine, additional drilling may enable the extension of the mine life or allow for more efficient or expanded mining operations.

Production Stage Drilling

Production stage drilling involves drilling within the mine boundaries and includes both surface and underground operations. Operating mines require exploration drilling services to delineate the ore body for planning and grade control over the life of the mine. Production drilling is also required to control or obtain water. Large diameter water production wells are often bored either to supply the mine with process water, or to extract water from the vicinity of the mine to improve mining conditions.

One specialized area of production stage drilling is drilling for the solution mining industry. Solution mining is a technique that utilizes a drill hole to extract the valuable components from a mineral deposit using an aqueous leaching solution. Today, solution mining also includes ore leaching, the in-place (in-situ) leaching of valuable metal components from an ore body, and the mine-site procedures of heap leaching and dump leaching.

Key Industry Drivers

The rapid industrialization and urbanization of emerging economies, including Brazil, Russia, India and China (collectively referred to as "BRIC"), has led to significant growth in the consumption of raw materials. The deep cuts in exploration spending from 1998 to 2002 have resulted in a decline in the rate of substantial discoveries in recent years that has strained the addition of new commodity supply. The combination of increases in demand and lack of new sources of supply has resulted in high commodity prices and an acceleration of drilling activity in recent years, including the first half of 2008. As of mid 2008, the global economic crisis has pushed commodity prices back to their last down cycle lows and most of the mining industry has switched into cash preservation mode. This has resulted in halting, freezing and postponing many projects and has reduced the demand for drilling services.

A further factor driving the demand for drilling services is the scarcity of accessible new reserves, forcing mining companies to explore for deeper and more remote ore bodies. These deposits typically have more complex geology and thus mine planning and extraction techniques require more detailed information before production can commence. As a result, a greater volume of drilling is required to locate the mineral deposits and ascertain whether they can be economically mined.

Demand for production stage drilling for mine planning and production is relatively stable despite fluctuations in commodity prices. Production stage drilling is driven predominantly by supply and demand fundamentals as operating mines target the highest possible utilization levels. However, as a result of the recent economic crisis, some mines have been mothballed or simply closed and the related demand for production stage drilling has therefore diminished significantly.

Energy

Industry Overview

The segments of the energy drilling services market in which Foraco competes include:

Uranium. World uranium production currently meets less than two thirds of the world's consumption. As such, since the early 1990s, more than 40% of the demand has been satisfied with secondary sources, including excess inventories. Due to the resulting depletion of excess uranium inventories, particularly those of the utilities and those stockpiled in Russia, it is expected that primary sources will represent a growing share of the market.

There is also a growing demand for nuclear power stations, as they offer a "no gas emission" type of energy. Each newly ordered reactor has to be accompanied with its nuclear fuel supply scheme, increasing uranium demand.

However, the increase in production required to meet demand will be limited as a result of the significant amount of time required to bring a new primary source into production. Such sources will also need to offset a number of mine shut-downs contemplated to occur after the year 2010. This increase in production will

require a significant increase in drilling services. Similar to the minerals industry, drilling services for the uranium industry are related to the exploration, development and production stages of a uranium project. There is a growing demand for nuclear power stations, as they offer a "no gas emission" type of energy and each newly ordered reactor has to be accompanied with its nuclear fuel supply scheme, increasing uranium demand.

Geothermal Energy. Presently, geothermal energy is exploited by extracting, through bore holes, the underground water stored in permeable rocks that have absorbed heat from the earth. Underground water can provide energy for a variety of applications, including but not limited to district and residential heating. A number of countries are producing geothermal energy and many others are considering large scale, geothermal energy projects.

Natural Gas Underground Storage. Seasonal demand increases cannot feasibly be met by pipeline delivery alone and therefore storage is required to meet the demand for natural gas. There are three principal types of underground storage facilities: depleted gas reservoirs, aquifers and salt caverns. In the construction of underground storage facilities drilling is used to build a cavern by leaching the salt deposit through water circulation. These drill holes are then used to inject the natural gas into the storage facility.

Petroleum. The world's demand for oil has led to new methods of extracting oil, and recently, oil sands have been utilized to meet that demand. Oil sands are a type of bitumen deposit found in extremely large quantities in Canada and Venezuela. Oil sands have only recently been considered to be part of the world's oil reserves, as higher oil prices and new technology allow them to be extracted profitably and upgraded to usable products. As a result of the development of the Canadian oil sands, Canada has become the number one supplier of oil to the United States, ahead of Saudi Arabia and Mexico. Although there are environmental issues affecting the manner in which oil is extracted from the oil sands, at this time the exploration for and production of oil in the oil sands requires significant drilling services. The Company through its recent acquisition of North West Sequoia Drilling Ltd. ("NWS") in Alberta now has a presence in this market segment.

Key Industry Drivers

Demand for energy related drilling services is strongly influenced by the price of hydrocarbons, such as oil and gas; the increased rate of consumption of hydrocarbons as a result of economic growth; the spread of environmental regulations to reduce emissions from hydrocarbons; the growing interest globally in developing alternative sources of energy; and in the case of uranium, the imbalance between its consumption and production.

Water, Environmental & Infrastructure

Water

Industry Overview

Groundwater remains the principal source of water in many areas where rivers and storage capacities are not sufficient. Aquifers can range in depth from a few metres up to a thousand metres, the latter requiring heavy drilling equipment to be reached. Some aquifers can be quite difficult to reach, and diversity of ground conditions requires different drilling techniques to be employed, from basic rotary to high tech reverse circulation down the hole ("DTH") in karstic or volcanic zones.

In a 2002 study by the World Bank it was estimated that approximately 1.1 billion people globally lack access to the standard minimum number of litres of fresh water, per person per day. Of this number, approximately 650 million were in Asia, 300 million in Africa, 60 million in Latin America and 15 million in developed countries. According to a 2001 World Health Organization/UNICEF study, an additional 1.8 billion people do not have access to water in their own homes. A study by the World Bank in 2003 estimated that between 2000 and 2015, 1.5 billion people will require an improved water supply with an estimated cost to meet this demand of US$100 billion.

It is estimated that the water drilling industry has the potential to grow at a compound annual rate of approximately 7% over the next decade. Management estimates that Africa is expected to lead the expansion of this industry, with substantial growth of between 10% and 20% per annum over the next decade. However, the current global economic crisis may lead to a temporary reduction of available money within national budgets and International Development Agencies which may slow down the pace of investment in basic infrastructures such as water wells in some countries.

Other consumers of water include industrial manufacturers, the agricultural industry for irrigation and water for mineral extraction and processing.

Key Industry Drivers

With respect to non-bottled drinking water, the primary market drivers are increases in population, more stringent water quality standards and Gross Domestic Product ("GDP") growth. With respect to bottled water, the industry drivers are primarily societal, linked to a belief by consumers that bottled water is better tasting, safer and healthier than tap water. The key industry driver in the industrial water market is GDP growth.

In developing countries, the key drivers also include development policy priorities and available funding from Official Development Assistance ("ODA") programs. ODA commitments for water have risen steadily from US$2.6 billion in 1992 to US$4.5 billion in 2004, of which 50% was used for basic drinking water and sanitation and 18% for large water supply and sanitation systems. At the United Nations Millennium Summit in September 2000, world leaders adopted the Millennium Declaration, from which emerged the Millennium Development Goals ("MDG"), an integrated set of time-bound targets for extending the benefits

of globalization to the world's poorest citizens. One of the 18 targets is to cut in half, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation. The global financial cost of reaching this goal has been estimated at between US$51 and US$102 billion. Most ODA donors have joined the MDG project and set Africa as a top priority. To reach the MDG target, the United Nations estimates that annual spending of US$5 billion will be required in Africa.

Environmental & Infrastructure

Industry Overview

Drilling services offered to the environmental industry primarily include: (1) site investigation drilling, which involves the installation of wells for monitoring and characterization of ground water; (2) soil pollution analysis; and (3) remediation drilling, which relates to in-situ treatment or pump-and-treat applications.

Infrastructure drilling services include the development of bore holes that are used for the installation of piles, grout, freeze pipes, tensioning devices or instrumentation. This also includes geotechnical drilling services performed in advance of construction and excavation work, required to provide engineers and geologists with core samples for analysis to determine the ground's material properties, such as soil strength. These investigations are required well in advance of the construction of large scale public works such as dams and tunnels as well as major urban construction. For example, one of Foraco's projects is the Lyon-Turin railroad tunnel, a 52 km long tunnel to be built below the Alps between France and Italy. This project has required more than 10 years of deep drilling in mountainous terrain in order to get an accurate enough geological map to commence tunnel construction. This project has gained momentum again, as it was ranked within the top 10 infrastructure projects in European Union at the recent Franco-Italian summit.

Key Industry Drivers

The key drivers of expansion of the infrastructure and geotechnical drilling services market are GDP growth, government regulation, urbanization and most recently budgetary stimulus packages put in place by governments in an attempt to sustain their economies. Existing infrastructure, including roadways, bridges and dams, are undergoing constant maintenance and upgrading to accommodate growing usage and demand. Large scale development projects, such as transportation or underground services, including light-rail and sewer systems, required to support larger population bases are expected to increase in number as economic and urban expansion continues.

Government regulation and spending, GDP growth and stimulus packages are the primary drivers of growth in the environmental and infrastructure drilling services industry. In developed countries, mitigating environmental liability is a prime concern for industry and government and results in demand for environmental testing, monitoring and remediation drilling on industrial sites. Increasingly stringent environmental regulations in developed countries are expected to continue to drive demand for drilling services in these markets.

BUSINESS OF THE COMPANY

Business Strategy

The Company's business strategy is to continue to grow in the long term through the development and optimization of the services it offers across geographical regions, industry sectors and its customer base. The Company expects it will continue to execute on its strategy through a combination of organic growth and acquisitions of existing businesses in the drilling services industry.

The Company has undertaken a strategy of leveraging its extensive experience in delivering drilling services to unique and challenging geographic markets in Africa to expand into other geographic regions and industry sectors. In September 2008, the Company acquired NWS, a Canadian company based in Calgary, Alberta, which provides highly specialized drilling services in the diamond, coal and oil sands sectors. Through this acquisition, the Company has gained a presence, know-how and a client base within these drilling sectors. It is also a strategy of the Company to expand its activities by attracting new mining customers who are looking for a more fully integrated drilling services provider. The Company's in-house engineering and design capabilities enable it to tailor its equipment to suit specific customer needs. Further, in the first quarter of 2009, the Company secured its first drilling contract in Russia, pursuant to which it will perform large diameter and bulk sampling for diamonds.

The Company has significant experience in providing drilling services to the water industry and intends to maintain and possibly grow a substantial portion of its activities in this market. In particular, since the adoption of the MDG targets at the United Nations Millennium Summit in 2000, ODA organizations have committed vast sums of money to fund water projects in water scarce regions such as Africa. The Company is an ODA approved services provider, and management believes that it is well positioned to benefit from the continuing growth of development aid to Africa, provided the current economic crisis does not significantly reduce the available amount of ODA.

Drilling Services Provided by the Company

The Company provides the following types of drilling service. Each of these methods is destructive, with the exception of diamond core drilling.

Diamond Core Drilling

Diamond core drilling is used exclusively to obtain "non-destructed samples". This method utilizes an annular drill bit with an industrial grade diamond crown to cut a cylindrical core through solid rock. This form of drilling is the most sophisticated form of drilling and therefore commands a higher service margin than other forms of drilling. The core barrel assembly used in diamond core drilling enables core samples to be retrieved using a device on a wireline cable through the hollow drill rods. The wireline device has the benefit of permitting the core sample to be withdrawn without having to remove the entire string of drill rods from the hole to reach the sample. This is of particular importance for deep drilling and for ground conditions that require frequent inner tube removals. Diamond core drilling has been used to extract core samples from depths of up to 3,000 metres.

Rotary Drilling

Rotary drilling, in its simplest form, uses an air or water stream pumped to the face of the drill bit to deliver drill cuttings to the surface between the wall of the hole and the exterior of the drill pipe. This form of drilling is used to create a stable hole that can be used for a variety of purposes, including to drill water wells, oil and gas wells, groundwater monitoring wells (piezometers), monitoring wells, seismic testing wells, and to sample particular formations such as uranium deposits.

Down-the-hole Hammer (DTH)

Down-the-hole hammer drilling is by far the fastest method of penetrating hard rock formations. This method is used to create a stable hole that can be used for a variety of purposes, including water wells, groundwater monitoring wells (piezometers), monitoring wells, seismic testing wells, and to sample particular mineral deposits, within hard ground conditions.

Direct Circulation Drilling

Direct circulation drilling, involves circulation of drilling fluid in the tube of the drill string which is then circulated to the surface, together with cuttings, via the space between the width of the hole and the exterior of the drill pipe. Geological conditions make direct circulation drilling unsuitable, or even impossible, in the following circumstances:

- where the drill hole crosses layers with large cracks (limestone, granite and sandstone) that prevent drilling fluid from reaching the surface;
- where an exact sampling is required with no contamination of cuttings (in direct circulation cuttings are conveyed and mixed with eroded chips of the hole wall);
- where an exact individualization of water tables crossed by the drill hole is required; or
- where the hole wall is highly unstable and cannot support the eroding effect of drilling fluid flowing uphole.

Reverse Circulation Drilling

Reverse circulation drilling ("RC") can be applied to both rotary and DTH techniques. This technique can be used to create a stable hole that can be used for a variety of purposes, including water wells, groundwater monitoring wells (piezometers), monitoring wells, seismic testing wells, and to sample mineral deposits, within a large spectrum of ground conditions. Reverse circulation drilling requires dual tube drill rods. The drilling fluid is circulated down to the drill bit via the annular space that exists between the inner and outer tubes of the dual-walled drill string; as the drilling fluid passes through the drill bit, it picks up the cuttings at the face of the drill bit which are conveyed to the surface in the inner tube.

Air Core

Air core is a quick and inexpensive way of obtaining an accurate geological sequence in unconsolidated ground. This form of drilling is useful for geological sampling in the earliest drilling stages of exploration drilling or pre-exploration. This form of drilling uses a reverse circulation drill string fitted with a bit that has tungsten or industrial diamond blades. The sample, consisting of chips, dust and some core pieces, is blown by compressed air through the centre of the bit, through the inner tube and is recovered on surface, without being contaminated. Air core drilling is generally used in shallow hole systems to depths no greater than 70 metres.

Rotary Air Blast

Rotary air blast is an inexpensive method of rotary drilling, is useful for geological sampling in the earliest drilling stages of exploration drilling, and is well-suited for hard rock. Cutting samples are blown to the surface using compressed air that is directed through the inside of the hollow drill rods, through the drill bit, and up the annulus between the wall of the hole and the exterior of the drill pipe. Rotary air blast drilling is generally used in shallow hole systems to depths no greater than 50 metres.

Mining & Energy

The Company offers a wide range of drilling services to the mining and energy industry, including exploration, development and production drilling. Foraco provides its customers with a variety of geological samples including chips and cores, stabilized holes for blasting, logging, injecting water or acid (solution mining and in situ leaching), cold water injection (geothermal), producing wells (solution mining, geothermal, underground gas storage) and large diameter cores and bulk samples, which are typically several tons but can be up to hundreds of tons of ore. Foraco also specializes in turn-key service contracts for the installation of high capacity production pumps, especially for de-watering purposes. After mine closure, the Company is involved in decommissioning of mineral production facilities, where drift stabilization or water table protection is required.

Exploration

There are multiple parameters that drive an exploration drilling contract, ranging from the accessibility of the drilling site, topography, water supply, ground conditions and the customer's technical requirements. The Company addresses the needs of each project by providing technical advice to the customer and proposing a package of equipment, drill methods and procedures to fulfill the needs of the project.

The Company specializes in operating in harsh environments, including deserts, rain forests, high altitudes, and in Arctic territories and remote locations. It has developed specific equipment tailored to meet its customer's needs, including:

- Specialized combination rigs that optimize exploration drilling activity for its customers. This enables the customer to conduct the RC DTH destructive drilling and diamond core drilling with the same rig and crew, allowing it to get quick results and core samples.

- Specially developed heli-portable drilling rigs and equipment to facilitate access to locations customers cannot readily access.

The Company also markets its logistic advantage in Africa to supply customers with "complete packages", including lodging, catering, transportation and manpower, as well as its unique expertise in volcanic ground drilling, which is of great interest for geothermal project managers.

Development

During the development stage, the Company typically mobilizes more rigs on site, and performs larger drilling campaigns, "ramping up" from the previous early exploration stage. Drilling services are often of the same type, but volumes are much larger.

It is during the development stage that Foraco markets some of its more technical drilling techniques, such as:

- Large bulk sampling, utilizing destructive drilling techniques, provided to customers requiring a large tonnage of ore, typically for a pilot processing test before the mine is put into production.

- Large core drilling. This specialty technique allows customers to get both bulk samples and large cores that may be used for geotechnical assessment of the ore body, as required by mining production engineers.

Development stage drilling services are typically longer term contracts with larger mining companies that require multiple drilling rigs. Development contracts represent a more significant commitment from the driller in terms of staffing and logistical support.

Production

During mining production, the Company either performs "grade control" shallow drilling over small grids, to provide customers with detailed geological information required to plan mining production, or pre-exploitation drilling, which is shallow drilling over a larger grid, to prepare a future detailed mining production plan.

Recently, the Company began specializing in drilling for the solution mining industry using its Air RC DTH drilling technique. The services provided by the Company for the solution mining industry include injection well, collector well and monitoring well drilling. The Company is currently providing drilling services to the potash industry under a 2-year contract in Central Africa.

In the energy market, the Company delivers production wells to its customers that are designed using oil and gas industry standards and require specialized personnel and techniques as well as specialized sub contractors such as casing cementation specialists, drilling mud specialists or specialized well logging companies.

Customers and Contracts — Mining & Energy

The Company's key customers of drilling services in the mining and energy segments can be divided into three primary groups:

- "Majors" — large, global companies with current annual revenues of more than US$1 billion. These companies typically have the financial strength to develop a major project without the need for external financing. Examples of Foraco's customers include Areva SA, BHP, DeBeers Group, Eramet SA, Rio Tinto, Teck Cominco, Val Inco and Xstrata PLC.

- "Intermediates" — companies with revenue falling between those of majors and juniors (typically over US$50 million but less than US$1 billion annually). Examples of Foraco's customers include Etruscan Resources Inc., Randgold Resources Limited, Orezone Resources Inc., High River Gold Mines Ltd. and Société des Mines d'Ity.

- "Juniors" — companies without significant current revenues that are dependent on external financing to fund exploration activity. Typically, these companies are pure explorers that have not yet achieved sufficient scale to finance new projects through internal sources of capital.

During fiscal 2008, seven of the Company's top ten customers were mining and energy customers representing a total of €38.0 million in revenues for the year. These customers were primarily major mining and energy companies to whom Foraco was providing dedicated drilling rigs for either production or development services. In the first quarter of 2009 the Company secured its first drilling services contract in Russia, valued at approximately €10 million over its one-year term.

In addition the Company has "preferred" driller contracts, which allow companies to secure drilling capacity for a known period of time and allow drilling service providers to meet the specific needs of their customers by investing in the equipment and personnel required for a particular project. These long-term contracts are typically awarded to drilling companies that have a wide range of drilling capabilities, technologies, specialized personnel and equipment, such as Foraco.

Drilling service contracts are typically awarded following a tender process. Drilling service providers tend to quote following a detailed costing and pricing process that ensures that projects are properly planned and take into account the geography and geology of the project as well as staffing, equipment and tooling costs.

A typical drilling contract for Foraco specifies the depth of drilling required, the duration of the project and the scope and conditions of work to be undertaken. Customers are typically charged on a rate per-metre drilled basis and therefore profitability of a project is a function of Foraco's ability to provide an accurate price estimate, and on the efficiency of the equipment and skill of the drill operators, among other factors.

With respect to the uranium sector, there are a limited number of major companies that produce uranium, some of the largest ones including Cameco Corporation of Canada, Areva SA of France and Energy Resources of Australia Ltd. These companies operate worldwide and have a number of producing mines and numerous exploration properties. In addition to these large producers, there are numerous junior companies that are exploring specific areas, such as the Athabasca Basin in Canada, Niger, Kazakhstan, Mongolia and central Africa, all requiring drilling services. In the nuclear energy industry, national nuclear waste disposal agencies from time to time initiate significant drilling programmes. For example, Foraco periodically provides services to the French Nuclear Waste Disposal Agency, and has obtained in 2009 another contract worth €5.9 million for services to be performed in 2009.

The key users of drilling services in the geothermal energy market are geothermal utilities, energy companies, and engineering companies. The key users of drilling services in natural gas storage are the gas utilities, the gas network operators, and the engineering companies that sell turn-key construction infrastructure.

Competitors — Mining & Energy

Drilling service providers in the mining and energy segments of the market generally compete on productivity, price, accuracy, safety, reliability and experience. While price is an important consideration, it is often not the definitive factor in the selection of a drilling service provider. In management's experience, technical ability, safety record, consistency and quality of services have emerged as key considerations for many mining companies, and in particular for major mining companies.

The mining drilling service industry is highly fragmented, with few major market participants and a large number of small, often family-run, regional or local companies. Key large industry participants in the global mining drilling services industry include Boart Longyear Group, Layne Christensen Company, Major Drilling Group International Inc. and Foraco. There are also a few strong regional drilling companies such as Bradley Bros. Limited in Canada, GeoSearch International Ltd. in east Africa, Geotec Boyles Bros. SA in Latin America, and Ausdrill Group in Australia.

Competition in the geothermal industry is largely comprised of local operators including companies such as Compagnie Forage Cofor SAS in France and the French Territories, Foralith Erdwärme AG in Switzerland and Germany, KCA Deutag Drilling in Germany, and Boldon Drilling in the United Kingdom.

Water, Environmental & Infrastructure

Water

Foraco is a specialist in drilling wells for drinking water, irrigation water and industrial water. Foraco carries out a wide range of projects, including large scale rural water drilling programs, some of which have developed as many as 500 wells per project, highly specialized drilling projects to access mineral water utilizing sanitary protection methods and large diameter well fields in urban and suburban environments to supply populations with water. Foraco has experience in a wide range of techniques used in drilling for water, as well as the techniques

involved in the inspection, servicing and rehabilitation of existing wells, enabling it to offer an integrated package of services to its customers, including turn-key contracts for water production and initial distribution systems in rural or semi-urban areas of developing countries.

Exploration

Exploration drilling undertaken by Foraco involves detecting the presence of groundwater and determining its quality and quantity. For this purpose, Foraco has developed its own reverse circulation drilling technique, which enables it to recognize the nature of the geological formations encountered, to detect each of the crossed aquifers and to accurately measure the quality of the water and the yields available. This method can be applied to depths of up to approximately 1,000 metres. Beyond these depths and up to 1,500 metres, Foraco uses more conventional methods including rotary, DTH or core boring to achieve the same objectives. Foraco's technical expertise means it can equip the resulting wells and provide the instrumentation needed to understand and manage the resource.

Production

Foraco has drilled approximately 37,000 water production wells in all types of geological formations ranging from 20 metres to 2,000 metres in depth. Depending on the use of the installation, Foraco installs a large range of equipment in the bore holes, from a full polyvinyl chloride (PVC) installation for shallow wells to 100% stainless steel casing for deeper wells that extend to more than 300 metres in depth. Foraco has developed its own proprietary method of hydraulically fracturing rocks in the water production zone of the well to stimulate the well and boost its yield.

Inspection, Rehabilitation and Maintenance

As part of Foraco's goal of offering its customers a complete suite of services for water drilling, it has developed a well inspection, rehabilitation and maintenance operation, particularly attractive for well field managers. Each bore-hole undergoes video inspection and various measurements are made using modern equipment. Foraco uses the results of these tests to assist its customers in assessing whether to refurbish or abandon the installation.

Environmental & Infrastructure

The Company has a substantial presence in the environmental and infrastructure segments, primarily in Europe. The Company is one of three European drilling contractors that has worked on tunnel geological exploration and geotechnical measures over the last 10 years. Drilling services offered to the environmental and construction industry include the following applications:

- Geological exploration for deep underground tunnels, mostly below mountains.
- Geotechnical drilling (characterization of ground properties).

The Company has worked on large infrastructure projects such as the France - Italy train tunnel near Modane, the Brenner Tunnel between Austria and Italy, and the Pertuis Tunnel between France and Spain.

Customers and Contracts — Environmental and Infrastructure

Customers of Foraco's water drilling services include governments and quasi government organizations in both developed and developing countries. Customers in developed countries include municipalities, public utilities and private utility operators such as Veolia Environnement, Suez SA and La Societe de Distribution d'Eau de Cote d'Ivoire (Sodeci SA). These customers set budgets to develop their supply infrastructures and distribution networks and select contractors utilizing standard tendering procedures. Contracts for customers in developed countries are typically for a short period of between two to six months and will involve work such as deep water exploration wells, deep water production wells and well rehabilitation.

Water drilling customers in developing countries represent the largest segment of Foraco's water environmental & infrastructure drilling customer base. Foraco's contracts in developing countries will typically involve water supply development programmes which are managed at the state level or, increasingly by local communities. These programmes are funded via bilateral or multilateral financing conventions, signed with ODA providers, such as the World Bank, the European Development Fund ("EDF"), the African Development Bank, or aid agencies; including the Canadian International Development Agency ("CIDA"), the French Development Agency ("AFD") or German Development Bank ("KFW"). While ODA providers pay Foraco directly for the services, local administrators award these contracts under the particular ODA's contracting rules. Foraco is an approved service provider to these ODA organizations. Contracts with these customers will typically extend for a period of between one and three years and often involve construction of hundreds of water wells, including small water distribution systems, as well as the supply and installation of handpumps.

Of the Company's top 10 customers during 2008, three were customers of water, environment and infrastructure drilling services. The EDF was the largest single water, environmental and infrastructure customer for the Company, representing €7.5 million in revenues in 2008. As discussed above, while EDF was the ultimate source of payment, this business was represented by 9 separate contracts with 6 different countries in West Africa.

Customers of water drilling services also include major international bottled water companies as well as local producers. For example, Foraco provides Nestlé SA (the maker of the "Perrier" and "Evian" brands of bottled water, among other brands) and Danone SA (the maker of the "Badoit" brand of bottled water, among other brands) with new producing wells, gas injection wells and exploration wells. Contracts for these customers will involve one or more very technical wells, the drilling of which is very precise, as the wells may be subject to food quality standards.

Customers for industrial water include electronics chip makers, chemical manufacturers, steel makers, agriculture companies, food manufacturers, road contractors and brewers. These companies are often dependent on groundwater, either as a primary supply or as back up supply

for their processes and end-products. Foraco has provided drilling services for the supply of industrial water to IBM, Castel Brewers Group, the Vinci Group, the Bouygues Group, and Compagnie Generale Fruitière. Contracts for these customers will range in size from the drilling of one particular bore hole to the drilling of numerous water wells alongside the path of a future road.

The key customers for environmental drilling services are consulting firms, such as Antea Ingénierie et Conseil, Hatch Ltd., Golder Associates Ltd. and Technip SA representing public and private entities undertaking large capital works. The key customers for construction and geotechnical drilling services are subcontractors to civil construction companies. Contracts for these customers will range from extensive geotechnical campaigns to large diameter foundation drilled piles to support industrial facilities.

Competitors — Water, Environmental & Infrastructure

Drilling service providers in the water, environmental and infrastructure segment of the market generally compete on productivity, price, accuracy, safety, reliability and experience. While price is an important consideration, it is often not the definitive factor in the selection of a drilling service provider. Track record, technical ability, safety record, consistency and quality of services have emerged as key considerations for many customers.

Competition in the water industry is generally local, with few companies operating internationally. In Europe, Foraco competes with J-M Massé & Fils Inc., and Compagnie Forage Cofor SAS as well as a number of regional contractors, that operate in the low tech end of the market. In Africa, its main competitors are Chinese contractors, such as China Geo engineering Corporation, China Overseas Engineering Group Co. Ltd., and China Hebei International Economic & Technical Cooperation Corporation, as well as small drilling contractors which operate on a national basis.

Description of the Company's Drilling Rigs

Since its inception, Foraco has been designing and building most of its own rigs and ancillary equipment. This capability allows Foraco to tailor a drilling solution to suit a specific drilling program, environment or terrain. In recent years, exploration and development has expanded into remote regions and increasingly demanding operating environments. Foraco's design and engineering capabilities in respect of rigs that are specially suited for these regions and environments have become an important competitive advantage for the Company. Furthermore, Foraco has adapted a number of its drill rigs to accommodate both mining and water infrastructure projects, providing improved rig utilization across its rig fleet.

Generally, the Company operates three types of drilling rigs. As at December 31, 2008 these included 51 rotary drilling rigs, 44 core diamond drilling rigs and 20 combination rigs.

The depth to which a rig can drill is primarily a function of its capacity to hold a drill string, which can weigh up to several tons, and its torque power to rotate the drill string in a bore hole. For example, typically a 1,000 metre deep destructive hole requires 50 metric tons (MT) of pull capacity and 1 ton metre of torque capacity.

Rotary Drilling Rigs

Rotary drilling rigs can operate in DTH, direct, RC, mud or air drilling modes, and are truck mounted. Their lift capacity varies from 15 metric tons to 80 metric tons. The main types are:

- BF831 — (proprietary) This rig has an 80 metric ton lift capacity. It is used for deep water wells, dewatering wells, large bulk mining sampling, geothermal wells, leached gas caverns and solution mining. The rig can reach drilling depths of up to 2000 metres.

- BF800 — (proprietary) This rig has a 60 metric ton lift capacity. It is used for deep water wells, dewatering wells, large bulk mining sampling, geothermal wells, leached gas caverns and solution mining. The rig can reach drilling depths of up to 1500 metres.

- HV2000 — (proprietary) and GEFCO (non proprietary): These rigs have a 15 metric ton lift capacity. They are used for water wells, destructive, direct and RC sampling and large diameter conventional core drilling

- DR24 (Foremost) (non proprietary): Special rig with CWD (casing while drilling) capacity.

- RB40, RB30 and RB20 — (proprietary): These rigs have lift capacities of 40, 30 and 20 metric tons, respectively. They are used for direct rotary drilling. The rigs can reach drilling depths of 130 to 500 metres.

Diamond Drilling Rigs

These rigs can operate exclusively in diamond drilling modes, and are typically heli-portable or underground rigs. Their drilling capacity varies from 300 metres of NQ (being a core having a 76 millimetre diameter, the standard measurement in the diamond drilling industry) to 2500 metres in depth. The main types are:

- 60 HH — (proprietary) This rig has a 2500 metre NQ capacity.

- VD5000 — (non-proprietary) This rig has a 1700 metre NQ capacity.

- 30 HH — (proprietary) This rig has a 1000 metre NQ capacity.

- 25HH/25A — (proprietary) This rig has a 600 metre NQ capacity.

- LF70 — (non-proprietary) This rig has a 500 metre NQ capacity.

- LM75 — (non-proprietary) This rig has a 600 metre NQ capacity.

Combination Rigs

These rigs operate in rotary, DTH, direct, RC, mud or air drilling modes as well as core drilling mode, and are truck or track mounted. Their lift capacity varies from 10 to 40 metric tons. The main types are:

- P1600 — (proprietary) This rig has a 40 metric ton lift capacity. It is used for deep water wells, deep coring, deep RC mining, de-watering wells, geothermal wells and large diameter conventional core drilling. The rig can reach drilling depths of up to 1500 metres.

- NSM2 — (proprietary) This rig has a 15 metric ton lift capacity. It is used for deep water wells, deep coring, deep RC mining, de-watering wells, geothermal wells and large diameter conventional core drilling. The rig can reach drilling depths of up to 1000 metres.

- Reska 30 — (nonproprietary) This rig has a 10 metric ton lift capacity. It is used for water well, destructive, direct and RC sampling and large diameter conventional core drilling. The rig can reach drilling depths of up to 600 metres.

- HD45 heli-portable drilling rig — (proprietary) This rig has a 10 metric ton lift capacity. It is used for air core or diamond core drilling. This rig can reach drilling depths of up to 100 metres.

These drilling rigs are complimented by ancillary assets such as trucks and light vehicles, mud systems (pumps and tanks) and air compressors. The Company owns and operates more than 200 trucks and 150 four wheel drive vehicles.

Suppliers

The Company does not rely on any significant supply contracts for the supply of its drilling rigs or ancillary equipment, or for the servicing of such assets and revises its supply policy on a regular basis. The Company's main suppliers are drilling products providers (drill bits, mud additives and rods), water well equipment providers (steel and PVC casings and screens and pumps), transportation and transit agents, and fuel and lube providers.

Owned and Leased Premises

Owned Premises

As at December 31, 2008, the Company owned the following premises:

Location	Land (in square metres)	Buildings (in square metres)
Kamloops, British Columbia, Canada	12,140	1,112
Yellowknife, Northwest Territories, Canada	6,799	353
Ouagadougou, Burkina Faso	6,014	448
Bamako, Republic of Mali	10,000	500
Mamou, Guinea	9,388	910
Accra, Ghana	6,300	150
Noumea, New Caledonia	5,515	570
Abidjan, Ivory Coast	2,307	200
Niger, Niamey	10,628	0

Leased Premises

Location	Land (in square metres)	Buildings (in square metres)
North Bay, Ontario, Canada	10,000	836
Picture Butte, Alberta, Canada	9510	566
Calgary, Alberta, Canada	—	232
Marseilles, France	—	225
Lunel, France	24,657	3,250
Niamey, Niger	14,400	830
N'Djamena, Republic of Chad	4,988	—
Conakry, Guinea	1,300	300
Accra, Ghana	5,538	189
Dimbokro, Ivory Coast	15,000	300

Employees

As at December 31, 2008 the Company had 931 employees.

In the Northwest Territories certain employees of Foraco Drilling Ltd. ("Foraco Drilling"), a wholly owned subsidiary of Foraco, are members of the United Steel, Paper and Forestry, Rubber, Energy, Allied Industrial and Service Workers International Union, Local 7288. A collective bargaining agreement has been in place at this facility since 1987. The current collective bargaining agreement with these employees expired on May 31, 2008, and the Company is in negotiations regarding a new collective agreement with these employees. At year-end, Foraco Drilling and the union have agreed on a new collective agreement and the agreement had been ratified by the union members. The Company anticipates this agreement will be signed by both parties shortly.

On October 20, 2008, the Construction and Specialized Workers Union, Local 1611 was decertified at Foraco Drilling's facilities in British Columbia and the Yukon Territory. Accordingly, employees of Foraco Drilling who work on projects in British Columbia and the Yukon Territory are not required to be union members. See "Risks — Employee and Union Relations".

To date, there have been no labour disputes, including work stoppages due to strikes, at any of these facilities.

The Company may, from time to time, have unionized employees in Niger, Ghana and Burkina Faso and has unionized employees in Canada and New Caledonia; otherwise, the Company's employees are generally not subject to any collective bargaining arrangements.

The number and location of the Company's employees changes frequently. As at December 31, 2008 the Company's employees were employed as follows:

Geographical Location	Senior Management	General Administrative and Office	Operations, Mechanical and Field Personnel	Total
Canada	5	18	96	119
Niger	1	4	131	136
France	7	30	41	78
Guinea	1	9	221	231
Mali	0	3	58	61
Burkina Faso	1	2	41	44
New Caledonia	1	4	30	35
Ivory Coast	1	1	60	62
Chad	1	4	63	68
Ghana	0	10	30	40
Congo	0	0	56	56
Pérou	0	1	0	1
Total	18	86	827	931

Environmental Matters and Safety Policy

The Company and its operations are subject to environmental laws and regulations. The Company's customers are responsible for obtaining the environmental permits necessary for drilling. Compliance with environmental laws and regulations has not required the Company to make substantial capital expenditures in the past, and the Company does not expect environmental compliance to require it to make significant capital expenditures in the foreseeable future.

The Company's policy is to comply with all applicable environmental standards and regulations. In addition, the Company strives to meet the higher of the local environmental standards and the relevant corresponding international standards, where any such international standards exist. Management believes that the operations of the Company are in substantial compliance with applicable environmental laws.

The Company has adopted a general health and safety policy. In addition, for certain job sites, the Company's customers impose their own safety policies on the Company and its employees, in which case the Company complies with the higher applicable standard. Management believes that the Company has an excellent health and safety record.

CORPORATE STRUCTURE

Foraco was incorporated under the French Code de Commerce (the "Code") for a term of 99 years, which commenced on July 7, 1997 upon the Company being registered in the Trade and Companies Register of Marseilles under number 412 824 682. On incorporation the capital consisted of 1,500,000 Francs. By a resolution passed at an extraordinary shareholders' meeting held on July 7, 1997, the capital of the Company was increased to 2,272,800 Francs, by means of cash contributions. By a resolution passed at an extraordinary shareholders' meeting held on October 30, 2000, the capital of the Company was increased to 4,790,400 Francs, by means of cash contributions. By a resolution passed at an extraordinary shareholders' meeting held on July 16, 2001, the capital of the Company was decreased to 4,000,000 Francs. By a resolution passed at an extraordinary shareholders' meeting held on November 15, 2001, the capital of the Company was increased to 4,300,000 Francs, by means of cash contributions. By a resolution passed at an extraordinary shareholders' meeting held on January 2, 2002 the capital of the Company was converted to Euros. By a resolution passed at an ordinary and extraordinary general meeting of shareholders of the Company held on June 7, 2007, the capital of the Company was increased to €664,619, divided into 43,596 common shares. By a resolution passed at an ordinary and extraordinary general meeting of shareholders of the Company held on June 29, 2007 as approved for completion by the directors of the Company on August 2, 2007, the capital of the Company was increased to €878,672, divided into 57,636,870 common shares. By a resolution passed at an ordinary general meeting of shareholders of the Company held on June 29, 2007 the shareholders authorized the directors of the Company to issue 2,106,130 share purchase warrants to purchase common shares in the capital of the Company for $2.40, which share purchase warrants were exercised on August 20, 2007 and by a resolution of the directors of the Company the share capital was accordingly increased to €910,780, divided into 59,743,000 common shares. As of the date hereof, the capital of the Company consists of €910,780 divided into 59,743,000 common shares. See "French Code and Constating Documents" for further details regarding the organization and management of the Company and the rights of the shareholders of the Company.

The Company's registered and head office is located at 26, Plage de l'Estaque 13016 Marseilles, France.

The Company has a total of 25 subsidiaries. The following chart illustrates the Company's corporate structure, including its material subsidiaries (which together comprise 100% of the total assets and revenues of the Company for the period ended December 31, 2008), the jurisdictions of incorporation, and the percentage of voting securities beneficially owned, or controlled or directed, directly or indirectly, by Foraco International SA.

Subsidiaries	Country of incorporation	Percentage of shareholdings
Foraco International S.A.	France	n.a.
Foraco SAS	France	100%
Géode International SASU	France	100%
Foraco Canada Ltd.	Canada	100%
Foraco Drilling Ltd.	British Columbia, Canada	100%
Northwest Sequoia Drilling Ltd	Alberta, Canada	100%
Foraco Corp	Delaware, USA	100%
Foraco Management	France	100%
Boniface	France	100%
Forafrique International SASU	France	100%
Foraco Pacifique	New Caledonia	100%
Foraco CI	Ivory Coast	90%
Foremi S.A.	Ivory Coast	51%
Foraco Niger S.A.	Niger	100%
Foraco Sahel Sarl	Mali	100%
Foraco Division Géoméchanik Guinée	Guinea	100%
Géo Ghana Ltd	Ghana	100%
Foraco Pérou	Peru	100%
Foraco Perfoandes	Chili	100%
Géoméchanik International	Germany	100%

History of Foraco

The earliest predecessor of the Company was incorporated in 1961 as Le Forage Rationnel ("Forage") Forage was located in France and focused on the design of small geophysical drilling rigs. In December 1965, the Foraco SA ("Foraco SA") company was established as a subsidiary of Forage to focus on geophysics related drilling services. In 1967, a sister company, Techno SA ("Techno") was established to design and build geophysics, mining exploration and water well drill rigs. In the early 1970s, Foraco SA began to perform large water well drilling campaigns in West Africa. During this period, Foraco SA also began mining exploration drilling in Australia, New Caledonia and Africa. In 1974, Elf Aquitaine (now part of Total SA) acquired a minority interest in Foraco SA. During the late 1970s Foraco SA developed a sonic drilling system targeted at oil sands deposits in the Ivory Coast and for anchoring the Trans Alaska Pipeline. In 1981, Elf Aquitaine acquired 100% ownership of Foraco SA.

In 1986, Foraco SA merged with the Compagnie Française de Forages Miniers ("CFFM"), a subsidiary of the French Geological Bureau ("BRGM"). In 1992, BRGM was partially privatized and Foraco SA was sold to private investors. In 1997, Foraco International SA was established by the current management of the Company and acquired 100% of Foraco SA. Since the current management acquired the Company, it has grown both organically and through strategic acquisitions, and revenues have increased from approximately €11 million in 1997 to €86.6 million in 2008. In 1998, Foraco established an office in Peru and in 2000 it established an office in Chile, to service the mining industries in those countries and throughout South America. In 2000, Foraco acquired the Boniface group of companies, its main competitor in the French water well drilling market and, in 2001, took control of the Géoméchanik group of companies, its main competitor in the African water well drilling market.

In August 2006, the Company expanded its operations into North America by establishing Foraco Canada Ltd. ("Foraco Canada") to provide drilling services to the mining industry. In January 2007, the Company further expanded its operations by acquiring substantially all the Canadian assets of Connors Drilling, a leading medium sized Canadian drilling company that has provided drilling services to the mining industry in western Canada since 1926. In September 2008, the Company further expanded its operations in North America by acquiring Northwest Sequoia Drilling Ltd. ("NWS"). See "Acquisition of Northwest Sequoia".

On August 2, 2007 the Company completed its initial public offering (the "Offering") of an aggregate of 14,040,870 common shares at a price of $2.40 per common share for gross proceeds to the Company of $33,698,088. In connection with the Offering the Company granted the Agents an over-allotment option (the "Over-Allotment Option") to purchase up to an additional 15% of the number of common shares sold under the Offering (up to 2,106,130 common shares) at a price of $2.40 per common share, which Over-Allotment Option was exercised in full on August 20, 2007, resulting in an aggregate of 16,147,000 common shares being issued by the Company for aggregate gross proceeds to the Company of approximately $38,752,800.

In October, 2007, the Company finalized a reorganization whereby all of the shares of its subsidiary, Géoméchanik Bohrgesellschaft mbH ("Géoméchanik") were sold for nominal consideration to a non-consolidated entity owned and co-managed by two of the directors, officers and current shareholders of Foraco. Prior to the sale of the shares, Géoméchanik transferred all of its assets and liabilities to the Company, save for certain real property and premises located in Woringen, Germany and obligations under a defined benefit pension plan in Germany, which plan only benefits retired employees of Géoméchanik. In connection with this transaction, the Company transferred certain real property and premises located in Lunel, France to Géoméchanik, which are now leased back to the Company at market rates. These transactions resulted in a net loss of €0.3 million to the Company, which impacted the fourth quarter of 2007.

Today, the Company has a presence in 18 countries across five continents. Its gross revenues for the fiscal year ended December 31, 2008, were approximately €86.6 million

Acquisition of Northwest Sequoia

As noted above, under "Corporate Structure — History of Foraco", on September 26, 2008 the Company acquired all of the issued and outstanding shares of NWS pursuant to the terms and conditions of a share purchase agreement (the "Share Purchase Agreement"). In fiscal year ended October 31, 2008, NWS generated gross revenues of approximately $12 million. The purchase price for the shares of NWS was comprised of $9,500,000 in cash and 1,150,000 common shares of the Company. In addition, depending on the performance of NWS over each of the 2009, 2010 and 2011 calendar years, the Company may be required to make additional payments to the vendors. NWS is a highly specialized drilling company providing drilling services in the diamond, coal and oil sands sectors.

Recent Share Acquisitions and Dispositions

In May 2008, the Company acquired 1.5 million common shares from a single foreign shareholder for approximately €3.4 million to meet the Company's obligation under the free share plan and for the purpose of potential acquisitions. As a French company, the Company is permitted to hold up to 10% of its issued and outstanding share capital.

On October 1, 2008, the Company launched a normal course issuer bid (the "NCIB") to be transacted through the TSX. Pursuant to the NCIB, the Company may purchase up to 1,000,000 of its common shares at prevailing market prices, commencing October 3, 2008 and ending October 2, 2009. As at March 20, 2009 the Company had acquired 563,236 common shares under its NCIB.

As part of the consideration paid in respect of the acquisition of NWS, the Company transferred 1,150,000 of the common shares held by the Company to the vendors of NWS. See *Acquisition of Northwest Sequoia*".

DIVIDENDS

There are no restrictions in the Company's constating documents that would restrict or prevent it from paying dividends. Dividends may be declared at the annual general meeting of shareholders. Dividends are approved by an ordinary resolution of shareholders, being more than one-half of the votes cast by shareholders that carry a right to vote in person of by proxy at a meeting of shareholders. See "*French Commercial Code and Constating Documents*".

In each year 2006 and 2007, the Company paid €602,000 in dividends and in 2008 the Company paid €836,402. The Company intends to present to its shareholders for approval at its 2009 annual general meeting of shareholders the declaration of a dividend in respect of its fiscal year ending December 31, 2008. The amount of the dividend to be declared is expected to be €836,402 or € 0.014 per share.

Dividends paid by the Company to shareholders resident in countries other than France may be subject to withholding tax under French taxation laws. Such withholding tax may be creditable against tax payable on such dividends in the country of residence of the shareholder.

Although dividends are to be approved by an ordinary resolution of shareholders, being more than one-half of the votes cast by shareholders that carry a right to vote in person or by proxy at a meeting of shareholders, as the current principal shareholders own more than one half of the issued and outstanding common shares of the Company, these principal shareholders control any declaration of dividends. See "*Risks – Dividends*".

FRENCH COMMERCIAL CODE AND CONSTATING DOCUMENTS

Governing Documents and Statutes

The business activities of French companies (hereinafter "Société Anonyme" or "SA") are governed by the French Commercial Code (the "Code") and the SA articles of incorporation (the "Articles").

While the Code provides the basic framework in which companies operate, the Articles deal with the organization and administration of the SA. The Articles are the civil law equivalent of articles of incorporation or a memorandum of association, however, the Articles tend to be less comprehensive, as the Code provides detailed provisions applicable to SA.

The Articles are publicly filed documents available to any person through the Registry of Commerce and Companies and may be accessed through the Registry of Commerce and Companies website at www.infogreffe.fr. Shareholders are entitled, on request, to receive a copy of the Articles.

Amendment of Articles

The Articles of a SA may be amended by passing an "extraordinary resolution" of the shareholders, which is defined in the Code as at least two-thirds of the votes cast by shareholders that carry the right to vote in person or by proxy at a meeting of shareholders (the "qualified majority").

Foraco's qualified majority is two thirds.

Share Capital

Minimum Share Capital

The minimum share capital of a SA is €37,000; shares can be issued with or without par value.

At the date of hereof, the share capital of Foraco consists of €910,780 divided into 59,743,000 common shares.

Share Price

Subject to the Articles and the Code, shares may be issued for such consideration as is determined by an extraordinary resolution of the shareholders.

Preference Shares / Purchase by a Company of its Own Shares

The Code permits the Articles of a SA to provide for more than one class of shares, in which case, the rights, privileges, restrictions and conditions attaching to the shares of each class must be set out in the Articles. Accordingly, a SA may issue preference shares.

Foraco's Articles only provide for one class of shares, being common shares. A new class of shares may be created if approved by an extraordinary resolution of the shareholders of Foraco.

Under the Code, a SA is prohibited from purchasing and/or holding more that 10% of its issued and outstanding share capital.

Variation of Rights Attached to Shares

Where the share capital of the SA is divided into different classes of shares, any amendment to the Articles that affects the rights attaching to shares of a particular class must be approved by a separate vote of the shareholders of that particular class, passed by two thirds of the shareholders of that particular class that carry a right to vote in person or by proxy at a meeting of shareholders of that particular class.

Foraco has only one class of shares at this time, being common shares.

Increases in Share Capital

All increases in share capital must be approved by an extraordinary resolution of shareholders. The shareholders must consider, at the time of any increases in capital, whether a portion of the increase is to be reserved for employees.

Effective on closing of the Offering the Company's shareholders approved future share issuances which allow the Company to issue additional common shares with an aggregate value of €230,470 without shareholder approval at anytime prior to August 2, 2009. See "*Description of Share Capital*".

Reduction of Share Capital

A SA may reduce its registered capital, provided that following such reduction the share capital is not less than the applicable minimum share capital specified in the Code. All reductions in share capital must be approved by an extraordinary resolution of shareholders.

Issue of Share Certificate

The Code provides that all shares issued to residents of France are either nominative (recorded in the records of the SA in the name of the beneficial owner of the shares) or non-nominative (recorded in the records of the SA in the name of a financial intermediary). All shares must be registered in an account opened in the name of the shareholder by the SA and/or by a financial intermediary. A SA may issue certificates evidencing the ownership of shares.

Prior to the Offering, all shares issued by Foraco were nominative. Each shareholder had an account in its name in the records maintained by Foraco indicating the number of shares and the name and full address of the shareholder.

Once a SA becomes listed on a stock exchange, only the name of the financial intermediary or transfer agent holding shares on behalf of the underlying beneficial shareholders who are not residents of France will be entered in the records of the SA, and such financial intermediary or transfer agent will manage the records of the underlying beneficial shareholders. A certificate evidencing the ownership of the shares may be issued to the financial intermediary or transfer agent.

In connection with the Offering, Foraco issued share certificates to all of its shareholders.

Transfer of Shares

Provided that the Articles do not contain restrictions to the shareholders' right to transfer shares, shares are freely transferable. Only shares that are fully paid for may be transferred.

Foraco's Articles contain no restrictions regarding the transfer of shares.

Pre-emptive Rights

The Code provides shareholders with a preferential right to subscribe for any increase in capital on a pro-rata basis. However, this right may be suspended in respect of a particular increase in capital if approved by an extraordinary resolution of shareholders. See "*Risk Factors — Pre-emptive Rights*".

The pre-emptive rights of shareholders have been suppressed in respect of the possible future issuance of additional common shares up to an aggregate value of €230,470 that can be issued without shareholder approval at anytime prior to August 2, 2009.

Dividends

Dividends may be declared at the annual general meeting of shareholders, once the shareholders have approved the SA's accounts and verified the availability of funds. Dividends are approved by an "ordinary resolution" of shareholders, which is defined in the Code as more than one-half of the votes cast by shareholders that carry the right to vote in person or by proxy at a meeting of shareholders.

Management and Administration

Directors and Officers

The Code provides that the directors manage, or supervise the management of, the business and affairs of a SA. A SA must have at least three directors and no more than twelve directors. There are no residency requirements for directors.

Directors are appointed at the annual general meeting of shareholders by an ordinary resolution of the shareholders and may be removed from office without notification or compensation, unless such removal is abusive, by an ordinary resolution of shareholders. The term of office of each director, notwithstanding contrary provision in the Articles cannot exceed six (6) years. Foraco's Articles provide such six (6) years duration.

In the event a director resigns or dies, the remaining directors may appoint a replacement for the remaining term of office, such appointment begins subject, however, to the ratification thereof by the shareholders at the next General Meeting of the shareholders. Where the number of directors falls below the minimum specified in the Articles (but not below the legal minimum of three), the remaining directors must, within three months, name a replacement whose appointment is similarly subject to ratification by the shareholders. If, however, the number of directors falls below the legal minimum of three, the remaining directors may no appoint a

replacement but must immediately call a shareholders meeting to elect a sufficient number of directors to raise the total to the legal minimum.

Subject to the Articles of a SA, the board of directors may appoint officers and specify their duties. The board of directors may also appoint a committee of directors and delegate to them certain powers.

Indemnity

A SA may purchase and maintain insurance for the benefit of the directors or officers against any liability incurred as a result of being a director or officer of the SA. Foraco carries directors and officers insurance.

Management

A SA is managed either by the chairman of the board of directors acting also as the chief executive officer with the title of chairman and chief executive officer ("Chairman and CEO") or by a chief executive officer ("CEO") who is not the chairman of the board of directors. The Chairman and CEO or the CEO is entrusted with the general management of the SA. The board of directors on the recommendation of the Chairman and CEO or the CEO may nominate up to five vice-chief executive officers ("Vice-CEO") to assist with the management of the SA. In addition, the board can delegate certain functions to one or several directors.

Foraco is currently managed by its Chairman and CEO and one Vice-CEO, the latter currently performs the duties of a chief financial officer ("CFO").

Registered Office

All SAs must have a registered office in France. SA must register with the appropriate Registry of Commerce and Companies in each place where the SA conducts business.

General Meetings

A SA is required to hold an annual general meeting of shareholders at least once a year at its registered office, or if the Articles permit, at such other place as the board of directors may designate. At the annual general meeting, shareholders are asked to approve the SA's accounts (which are prepared by the management of the SA) and certain other matters that from time to time may require shareholder approval. The auditors of a SA are provided with notice of the general meeting and are permitted to attend.

The board of directors calls the annual general meeting of shareholders. Shareholders must be provided with at least 15 days notice of a shareholders meeting. Notice is given by registered mail to nominative shareholders and by publication of an announcement in a national newspaper and on the Company's website to holders of non-nominative shares.

Foraco's Articles provide that Foraco's general meeting may be held at the registered office or at such other place the board of directors designates.

Foraco is a reporting issuer in Canada and accordingly is subject to the continuous disclosure requirements of applicable Canadian securities legislation, which requires Foraco to provide its shareholders with disclosure in respect of the matters to be dealt with at shareholders meetings and notice of such meeting in accordance with the requirements of applicable Canadian securities legislation.

Voting

Unless the Articles or the rights, privileges, restrictions and conditions attaching to a class of shares otherwise provide, each share of a SA entitles the holder thereof to one vote at a meeting of shareholders. Unless the Articles otherwise provide, voting at a meeting may be done in person or by proxy. A proxy may be given to either a shareholder or a spouse. The Articles may permit voting by telephone or other means of communication.

Foraco has only one class of shares at this time, being common shares, entitling the holder thereof to one vote in person or by proxy at a meeting of shareholders.

Minutes

The Code requires that minutes of shareholders meetings and resolutions of the board of directors of the SA be prepared and kept at the registered office.

Related Party Transactions

No director, officer or shareholder holding more than 10% of voting rights of the SA may be a party directly or indirectly to a contract or transaction with the SA unless said contract or transaction has been approved by the board of directors. A director with an interest in the particular contract or transaction must abstain from voting. The contract or transaction must be disclosed to the SA's auditors, who are required to prepare a special report to be submitted for approval by the shareholders at the following annual general meeting of shareholders.

Accounting Requirements

The Code requires that certain accounting records be kept at the registered office.

Auditing Requirements

There are numerous requirements under the Code and other French laws with respect to the accounts that must be maintained by a SA and delivered to its shareholders. Auditors are appointed for a term of six years and cannot be terminated by management or the shareholders during such term. Auditors report directly to shareholders at the annual general meeting of shareholders. Under French law, auditors must be independent.

Protection of Minority Shareholders

French law provides protection to minority shareholders, and penalizes abuses of minority rights.

Charges on the Assets of the Company

Under French law, persons and companies holding a security interest, including a charge or encumbrance on the assets of a company, may register their interest. Such security interests are subject to the applicable bankruptcy and insolvency laws, including priority rules. Charges rank in priority to a shareholder's investment in the event of a bankruptcy of a SA.

Sale of Undertaking

Pursuant to the Code, a SA may sell, lease or otherwise dispose of all or substantially all of the undertaking of the SA. Such actions are within the power of the Chairman and CEO and or the Vice CEO, unless restrictions have been imposed by the board of directors at the time of their appointment and/or restrictions are contained in the Articles.

Foraco's shareholders have approved amendments to Foraco's Articles, so that any sale, lease or disposition of all or substantially all of the undertaking of Foraco must be approved by an extraordinary resolution of shareholders.

Insider Trading

Insider trading in France is governed by criminal law. French conflict of law rules provide that the applicable law is the law of the country where the insider trading acts took place. If the SA is listed on a stock exchange, the laws of the country in which the stock exchange is located will apply.

Foraco is a reporting issuer in Canada and accordingly, is subject to the insider trading provisions contained in applicable Canadian securities legislation.

Winding Up and Arrangement Provisions

Under normal circumstances, the tribunal of Commerce of Marseilles has jurisdiction over bankruptcy matters.

A voluntary winding up may be approved by the shareholders at an extraordinary general meeting, provided that at the completion of the winding up all debts have been fully paid.

DESCRIPTION OF SHARE CAPITAL

At the date of this Annual Information Form, the capital of the Company is €910,780, divided into 59,743,000 common shares.

Each common share entitles the holder thereof to take part in shareholders' meetings, either in person or by proxy. Holders of common shares have cumulative voting rights and accordingly the holders of a majority of the common shares may elect all directors and declare dividends. See "*Risk Factors — Control by Principal Shareholder*" and "*Risk Factors — Dividends*". Upon the expiration of the Company's term or if the Company is dissolved earlier, the shareholders shall determine the liquidation procedure and appoint one or more liquidators, who will divide the net assets of the Company, after payment of debts and other liabilities,

among the shareholders on a pro-rata basis. For further details, see "*French Commercial Code and Constating Documents*".

All increases or reductions in the Company's capital, redemption, retraction or conversion of shares and all alterations to the Articles must be approved by an extraordinary resolution of shareholders. See "*French Commercial Code and Constating Documents*".

In connection with the closing of the Offering, the Company reorganized its capital by allowing an increase in the number of common shares, so that the capital was sufficient to satisfy the issuance of shares under the Offering and the Over-Allotment Option and to have available for future share issuances additional common shares with an aggregate value of €230,470. These additional common shares may be issued without shareholder approval at anytime prior to August 2, 2009 See "*Description of Share Capital*" and "*French Commercial Code and Constating Documents*".

FREE SHARE PLANS

The Company has two free stock award plans (the "Share Plans"), one for beneficiaries who are residents of France (the "French Plan") and one for beneficiaries who are not residents of France (the "International Plan"). The beneficiaries under both Share Plans are employees and corporate officers of the Company to whom the directors have granted stock award rights under the Plans.

The common shares to be transferred under the Share Plans will be purchased by the Company and transferred to beneficiaries for no consideration. No common shares are to be issued under the Share Plans from treasury. The total number of shares to be transferred under the Share Plans is limited to 3% of the issued and outstanding share capital of the Company on the date grants are made.

Under the French Plan, grants are subject to a two-year vesting period. Following this vesting period and provided that the beneficiary has been continuously employed by the Company throughout the vesting period, the common shares that are the subject matter of the grant are to be transferred to the beneficiary, but registered in a nominative share account. The shares will not be transferable by the beneficiary for an additional two-year period. However, the beneficiary will be entitled to receive dividends declared on the shares during this period.

Under the International Plan, grants are subject to a four-year vesting period. Following this vesting period and provided that the beneficiary has been continuously employed by the Company throughout the vesting period, the common shares that are the subject matter of the grant are to be transferred to the beneficiary and will be fully transferable thereafter by the beneficiary.

The Share Plans contain provisions for the transfer of the common shares prior to the vesting dates in the event that a beneficiary becomes disabled and for the transfer of shares to heirs upon the death of a beneficiary. Otherwise the rights under the Share Plans are non-transferable.

In the event that the capital of the Company is reorganized, including the completion of a share split, the number of common shares subject to grants already made will automatically be adjusted to take into account the reorganization of the capital.

The Share Plans are governed by the laws of France, and in particular the provisions of the Code. However, so long as the Company is a reporting issuer in Canada and has its securities listed on an exchange in Canada, the Company will be subject to compliance with applicable Canadian securities laws and stock exchange rules. The Share Plans may be amended by the board of directors of the Company, provided such amendments do not require shareholder approval or affect the terms and conditions applicable to grants made under the Share Plans prior to the amendments, unless the amendments are favourable to the existing beneficiaries.

The Company does not currently plan to adopt any other form of share plans, including any stock option plans.

Free shares awarded as of December 31, 2008 under the Company's Free Share Plan are presented in Note 23 to the Audited Annual Consolidated Financial Statements.

MARKET FOR SECURITIES

Trading Price and Volume

As of the date hereof, our common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "FAR". The following sets out the price range and volumes traded or quoted on the TSX on a monthly basis for each month in our financial year:

Month	High	Low	Close	Volume
January 2008	$3.25	$2.80	$3.25	474,650
February 2008	$3.85	$2.80	$3.70	225,349
March 2008	$3.85	$3.00	$3.10	86,361
April 2008	$3.39	$2.90	$3.10	137,579
May 2008	$3.30	$2.33	$3.22	96,522
June 2008	$3.30	$3.00	$3.00	611,115
July 2008	$3.29	$2.50	$2.60	35,000
August 2008	$2.70	$2.01	$2.69	11,400
September 2008	$2.79	$1.27	$1.50	194,367
October 2008	$1.95	$0.86	$0.91	64,286
November 2008	$1.10	$0.37	$0.99	407,967
December 2008	$0.81	$0.36	$0.50	462,300

DIRECTORS AND OFFICERS

The following table sets out, for each of the directors and officers, the person's name, municipality of residence, position with the Company, the date on which the person first became a director or officer, and their principal occupation. The term of office of all the directors will expire on the date of the ordinary annual general meeting of shareholders held in 2013.

Name and Municipality of Residence	Position with the Company	Principal Occupation[1]	Common Shares Held	Director Since
Daniel Simoncini Marseilles, France	Chairman, Chief Executive Officer and Director	Chairman/Chief Executive Officer of the Company May 2006-Present	38,290[2]	1997
Jean-Pierre Charmensat Marseilles, France	Vice-Chief Executive Officer (acting CFO) and Director	Vice Chief Executive Officer of the Company May 2006-Present	20,209[3]	1997
Bruno Chabas[4][5][6] Thames, United Kingdom	Director	Chief Operating Officer of Acergy SA since October 2002 Acergy SA is a seabed-to-surface engineering and construction contractor for the offshore oil and gas industry.	1	2007
Jean-Paul Camus[4][5][6] Marseilles, France	Director	Chief Executive Officer of Veolia Acqua (Italy) since 2008. Veolia Acqua is a division of Veolia Water a worldwide municipal, domestic and industrial water and wastewater service provider.	1	2007
Warren Holmes[4][5][6] Toronto, Ontario, Canada	Director	Chairman of Nuinsco Resources Limited (a mineral exploration and development company) and Victory Nickel Inc. (a mineral exploration and development company).	85,001	2007
Dominique Coutard Paris, France	Corporate Secretary	Lawyer, Coutard & Associés , société Civile Professionnelle d'Avocats, practicing since 1982.	Nil	2007

Notes:

(1) See biographies below for principal occupations within the five years preceding the date of this Annual Information Form.

(2) Daniel Simoncini owns 38,290 common shares directly and holds 32.9% of the shares of SAS JPC-DS, and accordingly has a beneficial interest in an additional 12,349,015 common shares, for a total direct and indirect interest in 12,387,305 common shares representing 20.7% of the issued and outstanding capital of the Company. In addition Daniel Simoncini's former wife, Corinne Sachot owns 1,000 common shares in the capital of the Company directly and holds 17.1 % of the shares of SAS JPC-DS and accordingly has a beneficial interest in an additional 6,418,485 common shares. In addition, Julie Simoncini, Daniel Simoncini's daughter, owns 999 common shares.

(3) Jean-Pierre Charmensat owns 20,209 common shares directly and holds 50% of the shares of SAS JPC-DS, and accordingly has a beneficial interest in an additional 18,767,500 common shares, for a total direct and indirect interest in 18,787,709 common shares representing 31.4% of the issued and outstanding capital of the

Company. In addition Jean-Pierre Charmensat's wife, Irene Vasquez-Vasquez owns 999 common shares and Camille Charmensat, Jean-Pierre Charmensat's daughter, owns 1,000 common shares

(4) Member of the Audit Committee.

(5) Member of the Compensation Committee.

(6) Member of the Corporate Governance and Nominating Committee

As at the date of this Annual Information Form the controlling shareholders, directors and officers of the Company and its subsidiaries, as a group beneficially own directly and indirectly, or exercise control or discretion over 37,682,500 common shares, representing approximately 63.07% of the issued and outstanding common shares of the Company.

Biographies of the Board of Directors

The following are brief biographies of the foregoing directors.

***Daniel Simoncini**, age 51 — Director, Chairman and Chief Executive Officer* — Mr. Simoncini has been a Director and Executive Officer of the Company since incorporation. Prior to his involvement with the Company, Mr. Simoncini held various senior management positions with other entities. From 1994 to 1997, Mr. Simoncini was Chief Executive Officer of Technoplus Industries SA, a subsidiary of the French Atomic Bureau (CEA). From 1982 to 1994, Mr. Simoncini held various positions in Comex group of companies, predecessor to Acergy SA, listed on the NASDAQ, including Vice President of Business Development. Mr. Simoncini is a Professional Engineer and holds a Mechanical Engineering degree from Ensam University in Paris, France.

***Jean-Pierre Charmensat**, age 58 — Director, Vice Chief Executive Officer (acting CFO)* — Mr. Charmensat has been a Director and Executive Officer of the Company since incorporation. Prior to his involvement with the Company, Mr. Charmensat held various senior management positions with other entities. From 1995 to 1997, Mr. Charmensat was Chief Financial Officer of the LOHR group in France, a worldwide specialist in the design and manufacture of transportation systems. From 1990 to 1995, Mr. Charmensat served as Chief Financial Officer of Stolt Comex Seaway SA, predecessor to Acergy SA, listed on the NASDAQ. From 1975 to 1990, Mr. Charmensat held various financial management positions in France and Chile with Spie-Batignolles, a group of international engineering and construction companies. Mr. Charmensat holds a Master of Business Administration from the University of Paris Pantheon-Sorbonne in France, and a Master of Economics from the University of Aix en Provence in France.

***Jean-Paul Camus**, age 51 — Director* — Mr. Camus is the Chief Executive Officer of Veolia Acqua a division of Veolia Water, a worldwide municipal, domestic and industrial water and wastewater service provider. From the period from 1982 through 2008 Camus has held various management positions with divisions of Veolia Water. From 1979 to 1982 Mr. Camus was an Engineer for Compagnie Electromecanique. From 1978 to 1979, Mr. Camus served in the French military. Mr. Camus holds a M.Sc. in Engineering from Ecole Centrale des Arts et Manufactures in Paris and a M.B.A. from the Institut d'Administration des Enterprises in Provence.

***Bruno Chabas**, age 44 — Director* — Mr. Chabas was appointed Chief Operating Officer of Acergy SA in October 2002, with responsibility for all the day-to-day commercial and operational activity of Acergy SA worldwide. Acergy SA is listed on the Oslo Stock Exchange and the NASDAQ. From 1992 through 2002, Mr. Chabas held various management positions within preceding companies of Acergy SA including as the Chief Financial Officer of Stolt Offshore SA. From 1999 to 2002, these positions were held in the United Kingdom, France and the United States. Prior to 2002, Mr. Chabas was a loan officer and investment adviser for a French bank. Mr. Chabas holds an M.A. in Economics from the University of Science at Aix-en-Provence and an M.B.A. from Babson College in Massachusetts.

***Warren Holmes**, age 66 — Director* — Mr. Holmes was appointed Chairman of Nuinsco Resources and Victory Nickel Inc. on June 14, 2006, and prior to such appointment, was the Vice-Chairman and Chief Executive Officer of Nuinsco Resources Limited. From 1986 to 2002 he was employed by Falconbridge Ltd. in various senior management positions including, as Senior Vice-President – Canadian Mining Operations. From 1964-1986 he worked for Noranda Inc. in a series of supervisory, technical and management roles, becoming Vice President and General Manager of the Noranda-owned Pamour Porcupine Mines Ltd. in 1985. Mr. Holmes is also a director of several other public companies, private companies and not for profit organizations and is Co-Chair of the Ontario Mining Cluster, an initiative sponsored by Ontario's Ministry of Northern Development and Mines. He has been President of the Canadian Institute of Mining, Metallurgy and Petroleum and has received a number of awards recognizing his professional contribution to the industry. Mr. Holmes holds an M.B.A from the University of Western Ontario and a Bachelor of Science, Mining Engineering, from Queen's University in Ontario.

Committees of the Board of Directors

The Company has an audit committee, a compensation committee, and a corporate governance and nominating committee and a mandate for each committee.

Compensation Committee

The compensation committee assists the board of directors in fulfilling its oversight responsibilities relating to compensation. The committee's role includes establishing a remuneration and benefits plan for directors, executives and other key employees and reviewing the adequacy and form of compensation of directors and senior management. The committee oversees the development and implementation of compensation programs in order to support the Company's business objectives and attract and retain key executives. The committee also reviews and makes recommendation to the Company's board of directors regarding the Company's incentive compensation equity based plans. The members of the compensation committee are Bruno Chabas, Jean-Paul Camus and Warren Holmes, who are all independent directors.

Corporate Governance and Nominating Committee

The corporate governance and nominating committee assists the board of directors in fulfilling its oversight responsibilities relating to the governance of the Company and its

relationship with senior management. The committee's role includes developing and monitoring the effectiveness of the Company's system of corporate governance, assessing the effectiveness of individual directors, the board of directors and various board committees, and ensures appropriate corporate governance and the proper delineation of the roles, duties and responsibilities of management, the board of directors and its committees. The committee is responsible for recommending to the board of directors a set of corporate governance principles and reviewing those principles at least once a year. The committee oversees the Company's investor relations and public relations activities. In addition, the committee identifies and recommends candidates qualified to become directors and board committee members and ensures that an effective Chief Executive Officer succession plan is in place. The members of the corporate governance and nominating committee are Bruno Chabas, Jean-Paul Camus and Warren Holmes, who are all independent directors.

Audit Committee

The audit committee assists the board of directors in fulfilling its responsibilities for oversight of financial and accounting matters. In addition to recommending the auditors to be nominated and reviewing the compensation of the auditors, the committee is responsible for overseeing the work of the auditors, and pre-approving non-audit services. The committee also reviews the Company's annual and interim financial statements and releases containing information taken from the Company's financial statements prior to their release. The committee will be responsible for reviewing the acceptability and quality of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application. The members of the audit committee are Bruno Chabas, Jean-Paul Camus and Warren Holmes, who are all independent directors.

Education and Experience of Members of the Audit Committee

All members of the audit committee are "independent" and "financially literate" as such terms are defined in Multilateral Instrument 52-110, based on their experience as senior executives of a public and/or private company and their education.

Audit Committee Mandate

The Company has adopted a mandate to guide the audit committee in the fulfillment of it purpose. The mandate is reviewed by the Board of Directors on a periodic basis. The mandate as most recently approved by the Board of Directors is attached as Appendix A to this Annual Information Form.

Pre-Approved Policies and Procedures of Non-Audit Services

The Mandate of the Audit Committee contains provisions regarding pre-approval policies and procedures of non-audit fees. During fiscal year 2008, the Company incurred €67,700 non-audit fees related to acquisition projects its fiscal year ending December 31, 2008.

External Auditor Service Fees

The aggregate fees billed for professional services rendered by PricewaterhouseCoopers Audit ("PwC") and other accounting firms for the years ended December 31, 2008 and 2007 were as follows:

Fiscal year ended December 31,	2008	2007
Audit Fees (for audit of the Company's annual financial statements for the respective year and reviews of the Company's quarterly financial statements)	€355,000	€366,320
Audit-Related Fees	€8,000	€218,440
Total audit and audit-related fees	**€363,000**	**€584,760**
Tax Fees	€49,000	€55,530
All Other Fees	€67,700	Nil
Total Audit Fees	**€475,700**	**€640,290**

The audit committee considered and concluded that the provision by PwC of such audit, audit-related, tax and other services as were provided to the Company in fiscal 2008, is compatible with maintaining the independence of PwC.

Corporate Cease Trade Orders or Bankruptcies

None of the directors or officers of the Company is, or has been within the ten years before the date of this Annual Information Form, a director or officer of any other company that, while such person was acting in that capacity or after they ceased to act in respect of any event that occurred while they were acting in such capacity, was the subject of a cease trade or similar order, or an order that denied the company access to any statutory exemptions under the Canadian securities legislation, for a period of more than 30 consecutive days, or was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

Penalties or Sanctions

None of the directors or officers of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

None of the directors or officers of the Company has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings,

arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director of officer.

Conflicts of Interest

To the Company's knowledge, and other than as disclosed in this Annual Information Form, there are no known existing or potential conflicts of interest among the Company, its directors and officers, or other members of management, or of any proposed director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. See "*Interest of Management and Others in Material Transactions*".

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any material contract or material transaction. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest in respect of the Company and are required to comply with such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or senior officers of the Company has been indebted to the Company or its subsidiaries during the financial year ended December 31, 2008.

RISK FACTORS

An investment in securities of the Company is speculative and involves significant risks, which should be carefully considered by prospective investors before purchasing such securities. In addition to the other information set forth elsewhere in this Annual Information Form, prospective investors should carefully review the following risk factors:

Current Global Financial Conditions

Recently, the global credit markets experienced serious disruption, causing a loss of confidence in the broader global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for the

Company and its customers to obtain, or increase the cost of obtaining, capital and financing for operations. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on the Company or its customers' business, financial condition and results of operations.

Mineral and Commodities Price Cycles

Demand for drilling services and products fluctuate significantly with the level of mineral exploration and development activities conducted by mining companies. Past industry experience indicates that when commodities prices fall below certain levels, mining expenditures decline in the following months. There is a risk that a significant, sustained fall in commodities prices could substantially reduce future mining expenditure particularly in relation to exploration, which could lead to a decline in the Company's revenues and which may have a material adverse effect on its financial position.

The decline of commodity markets in early 2008 led to a decreased demand for drilling services and currently the drilling services market may have an oversupply of rigs, which may in turn result in downward pressure on the margins and drilling volumes of drilling services providers, including the Company.

The recent fall in commodity prices has decreased equity market support for listed mining companies, particularly junior mining companies resulting in mining companies finding it difficult to raise additional equity capital to fund their exploration activities and has consequently decreased their spending on drilling services.

At times of decreased demand for drilling services, smaller competitors may be able to better compete on price, due to their lower overhead costs, and these smaller competitors may gain market share from the Company.

Operating Model Risk

The Company is not directly involved in the ownership or operation of projects. The drilling contracts that the Company has entered into are subject to most of the significant risks and rewards of a mining, energy, water, or infrastructure company. As a result of the Company's operating model, the cash flow of the Company is dependent upon the activities of third parties which creates the risk that at any time those third parties may (a) have business interests or targets that are inconsistent with those of the Company, (b) take action contrary to the Company's policies or objectives, (c) be unable or unwilling to fulfill their obligations under their contracts with the Company, or (d) experience financial, operational or other difficulties, including insolvency, which could limit a third party's ability to perform its obligations under the third party arrangements. In addition, the termination of one or more of the Company's major drilling contracts could have a material adverse effect on the results of operations or financial condition of the Company.

International Operations

The Company carries on business internationally in numerous jurisdictions. International operations are subject to a number of special risks, including currency exchange rate fluctuations, trade barriers, exchange controls, national and regional labour strikes, political risks and risks of increases in duties, taxes and governmental royalties, as well as changes in laws and policies governing operations of foreign based companies. In addition, earnings of subsidiaries and intercompany payments are subject to foreign income tax rules that reduce cash flow available to meet required debt service and other obligations of the Company.

Moreover, the Company derives a substantial portion of its revenues from the operations of subsidiaries located in numerous jurisdictions, the payment of dividends or the making of other cash payments or advances by these subsidiaries to the Company may be subject to restrictions or exchange controls on the transfer of funds in or out of the respective countries or could result in the imposition of taxes on such payments or advances. The Company has organized its group structure and its operations in part based on certain assumptions about various tax laws (including, among others, income tax and withholding tax), foreign currency and capital repatriation laws and other relevant laws of a variety of jurisdictions. While the Company believes that such assumptions are correct, there can be no assurance that foreign taxing or other authorities will reach the same conclusion. If such assumptions are incorrect, or if such jurisdictions were to change or modify such laws or the current interpretation thereof, the Company may suffer adverse tax and financial consequences.

Customer Contracts

The Company's largest customers account for a significant percentage of its revenues. During fiscal 2008, seven of the Company's top ten customers were mining and energy customers representing a total of €38.0 million in revenues for the year, representing approximately 44% of total revenue. Although the Company believes its relationships with its largest customers are good, the loss of a material amount of sales to any of these customers could have a material and adverse effect. In addition, consolidation of the Company's customers could materially adversely affect the Company's results of operations and financial condition.

The majority of the Company's contracts with customers tend to be reasonably short term and/or subject to cancellation by the customer upon short notice with limited or no damages payable to the Company. There is a risk that contracts may not be renewed or may be cancelled, potentially impacting the financial performance of the Company.

Safety

The Company's safety, health and environmental record are a key factor in its status as a qualified supplier to major companies. Any major accident may have a material impact on the Company's ability to remain on the approved list of suppliers, which may result in the loss of business opportunity with these customers.

Instability in Certain Countries

Some of the countries in which the Company operates or has targeted for growth have experienced political and or economic instability in the past and may be subject to risks beyond the Company's control, such as war or civil disturbance, political, social and economic instability, corruption, nationalization, expropriation without fair compensation or cancellation of contract rights, significant changes in government policies, breakdown of the rule of law and regulations and new tariffs, taxes and other trade barriers. If adverse events occur in such countries, there is a risk that the foreign operations or repatriation of revenues could be impaired or assets or employees could be adversely affected.

In addition, operations may be affected in such countries in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in France or Canada or to international commercial arbitration. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's foreign operations or profitability in such countries.

Key Personnel

The Company believes that its ability to implement its strategy of pursuing selective expansion opportunities is dependent on the efforts and abilities of its executive officers. In addition, the Company's operations depend, in part, upon the continued services of certain key employees. The loss of Messieurs Charmensat, Simoncini or such other key employees could adversely affect the Company's results of operations and financial condition.

Competition

The Company may lose business to its competitors if it is unable to demonstrate technical competence, competitive pricing and reliable performance to its customers. The Company faces significant competition and a large part of the drilling services business is dependent upon obtaining work through a competitive bidding process. In the drilling services business the Company competes with several large drilling companies and many smaller firms on a local or regional level. Competition may place downward pressure on contract prices and profit margins and presents challenges for maintaining strong growth rates.

The threat of increased competition in the drilling services market may adversely affect the Company's current market share and plans for future growth. The fragmented nature of the Company's markets provides opportunities for competitors to consolidate, which may reduce the scale advantage that the Company currently enjoys.

Additionally, the capital cost to acquire drilling rigs is relatively low, enabling existing competitors to expand and new competitors to enter the market. This exposes the Company to the risk of reduced market share and scope for geographic growth as well as lower price, and margins from its existing business.

Recent Acquisitions

Company's recent acquisition may expose the Company to business risks or liabilities, including environmental liabilities and regulatory breaches, for which the Company is not fully indemnified or insured. The integration of systems, equipment and personnel may influence the success of the acquisitions. Any issues arising from integration of the acquired businesses may require significant management, financial or personnel resources that would otherwise be available for ongoing development and expansion of existing operations. If this happens, it may have a material adverse effect on the operating and financial performance of the Company.

In relation to the acquisition of the assets of Connors Drilling, the Company obtained an indemnity from the vendors in respect of certain environmental matters, which indemnity was secured by a holdback of a portion of the purchase price. There is a risk that this indemnity holdback will not be insufficient to cover actual claims.

Expansion into new regions via acquisitions (and organically) also brings additional geographic and currency risk. Some of the key locations targeted for growth by the Company are undergoing industrialization and urbanization and as such do not have the economic, political or social stability that many developed nations now possess. There is a risk that the operations, assets, employees or repatriation of revenues could be impaired by factors specific to the regions in which the Company operates.

Adverse Foreign Exchange Movements

Fluctuations in the exchange rate between the United States dollar and the Euro and between United States dollars and Canadian dollars can have an effect on the Company's revenues, cash flows and earnings. In addition, because a significant portion of the Company's sales, cost of goods sold and other expenses are denominated in Euros, the Company has a translation exposure to fluctuations in the Euro against the United States dollar and Canadian dollar. These currency fluctuations could have a material impact on the Company.

Operational Risks and Liability

Risks associated with drilling include, in the case of employees, personal injury and loss of life and, in the case of the Company, damage and destruction to property and equipment, release of hazardous substances to the environment and interruption or suspension of drill site operations due to unsafe drill operations. The occurrence of any of these events may have an adverse effect on the Company, including financial loss, key personnel loss, legal proceedings and damage to the Company's reputation. In particular, the Company's customers are placing an increasing focus on occupational health and safety, and deterioration in the Company's safety record may result in the loss of significant customers.

Additionally, warranty and indemnity provisions in the Company's drilling services contracts leave the Company exposed to substantially all of the risk and liability associated with the services performed under such contracts. While the Company maintains insurance to cover losses and claims arising out of the performance of its drilling services, such insurance may not prevent a material adverse effect on the financial position and operating performance of the Company by such losses or claims.

Employee and Union Relations

Certain of the Company's employees in Canada, Africa and in New Caledonia are unionized. Any labour problems such as prolonged work stoppages due to labour strikes at any the Company's principal facilities may have an adverse effect on its results of operations and financial condition. There can be no assurance that the Company will not experience significant labour problems in the future.

The Company, through its wholly owned subsidiary, Foraco Drilling, has unionized employees at its operations in British Columbia, the Northwest Territories and Yukon. The collective agreement with the unionized employees at the facilities in British Columbia and Yukon will not expire until December 31, 2009. The collective agreement with the unionized employees at the facility in the Northwest Territories expired on May 31, 2008 and a replacement collective agreement, which was ratified by such employees, will expire on May 31, 2010. The Company's inability to negotiate an acceptable contract with any of its unions could result in a strike or work stoppage by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. See "Business of the Company — Employees".

Non-mining Expenditures

Non-mining expenditures include environmental and infrastructure drilling. Most of these markets are driven by governmental regulation and spending. As a result, revenues and earnings generated from these markets tend to reflect growth in GDP rather than being correlated with the commodities price cycle. A downturn in general economic conditions or productivity of the economy may reduce the income earned from the environmental and infrastructure markets.

Certain Tax Matters

Draft legislation to amend the *Income Tax Act* (Canada) to revise Canadian taxation respecting investments in foreign investment entities ("FIEs") have been announced. The draft legislation as currently proposed is to be applicable to taxation years commencing after 2006. In their 2009 budget, the Federal government announced that it was reviewing and may revise these proposals.

The proposed legislation is exceedingly complex and its application is unclear in certain circumstances. Moreover, no determination can be made as to whether the proposals will be enacted in the form as proposed, or at all. Accordingly, no determination has been made as to whether the proposed legislation, if enacted, will apply to the Company or a shareholder thereof that is resident in Canada. A prospective shareholder of Common Shares should consult their

own tax advisors with respect to the possible tax consequences of the proposed legislation to such shareholder.

Regulatory

The drilling industry is highly regulated by environmental, health and safety regulations, which could have a material impact on the functioning, financial stability and future earnings potential of the Company.

To the extent that the Company fails to comply with laws and regulations, it could be subject to monetary fines, suspension of operations or other penalties. In addition, legislation and regulations affect the Company's mineral exploration customers and influence their decision whether to conduct mineral exploration and development.

Environmental

The Company operates in a variety of locations, some of which are prone to extreme weather conditions. From time to time these conditions, as well as natural or other disasters, could have an adverse financial impact on operations located in the regions where these conditions occur.

Taxation

The Company operates in many countries and is therefore subject to the jurisdiction of numerous tax authorities, as well as cross border tax treaties concluded between governments. The Company determines its tax provision based on its interpretation of enacted tax laws and existing practices, and uses assumptions regarding the tax deductibility of items and the recognition of revenue. Changes in these assumptions could have an impact on the amount of income taxes that the Company provides for in any given year. In the normal course of the business, the Company's tax filings become subject to enquiry and audit by the tax authorities in jurisdictions where the Company has operations. The enquiries may result in additional tax assessments, which the Company aims to resolve through an administrative process with tax authorities and failing that through a judicial process. Forecasting the ultimate outcome includes some uncertainty.

Business Interruptions

Significant business interruption as a result of natural disasters, unstable weather conditions, unstable service sites, regulatory intervention, delays in necessary approvals and permits or product input supply bottlenecks may reduce the Company's ability to complete drilling services, resulting in performance delays, increased costs and loss of revenue. See "*Risks — Instability in Certain Countries*".

Control by Principal Shareholder

SAS JPC-DS, the principal shareholder of the Company, holds 37,535,000 common shares in the capital of the Company representing 62.83% of the issued and outstanding common shares. The principal shareholder owns more than one half of the issued and outstanding

common shares in the capital of the Company, and therefore it can control substantially all of the actions taken by shareholders of the Company, including the election of directors and declaration of dividends. Such concentration of ownership could have the effect of delaying, deterring or preventing a change of control of the Company that might otherwise be beneficial to its shareholders and may discourage acquisition bids for the Company or limit the amount certain investors may be willing to pay for the Common Shares.

Dividends

Although dividends are to be approved by an ordinary resolution of shareholders, being more than one-half of the votes cast by shareholders that carry a right to vote in person or by proxy at a meeting of shareholders, as the current principal shareholders own more than one half of the issued and outstanding common shares of the Company, these principal shareholders control any declaration of dividends. See "*Dividends" and "Risk Factors — Control by Principal Shareholder*".

Increases in Share Capital Require Shareholder Approval

All increases of Foraco's share capital must be approved by an extraordinary meeting of the shareholders of Foraco pursuant to the Code. Accordingly, Foraco will be required to call and hold shareholder meetings to obtain shareholder approval for share issuances in connection with future financings and proposed acquisitions. In addition to the timing delays this may cause, there can be no assurance that the Company will obtain the necessary shareholder approvals for such capital increases, if required, which may inhibit the Company's ability to carrying out its proposed business strategy and raise additional capital. See "*French Commercial Code and Constating Documents*".

Pre-emptive Rights

In the event that Foraco proposes to issue additional shares in the future, Foraco's shareholders have pre-emptive rights entitling them to subscribe for their pro rata proportion of the additional shares contemplated, unless such rights are suspended in respect of a particular increase in capital by an extraordinary resolution of shareholders. In addition to the timing delays this may cause, there can be no assurance that the Company will obtain the appropriate waivers from its shareholders in respect of any proposed issuance of shares, which may inhibit the Company's ability to carry out its business strategy and raise additional capital. See "*French Commercial Code and Constating Documents*".

The pre-emptive rights of shareholders were suppressed in respect to the possible future issuance of additional common shares with an aggregate value of €230,470, which may be issued without shareholder approval at anytime prior to August 2, 2009.

Accounting Estimates

The preparation of the Company's financial statements and the forecasts relating to future fiscal years, including estimates of future capital expenditures, require management to make estimates and judgments that affect the amounts reported. Actual results may differ from these estimates under different assumptions or conditions.

LEGAL PROCEEDINGS

The Company is subject to certain legal proceedings, claims and legal actions arising in the ordinary course of business. Other than as stated herein, the Company's management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. In 2004, the Company launched an arbitration process against a former customer, Corporacion National del Cobre ("Codelco"), a Chilean state-owned company. This dispute arose following the breach of the provisions of a drilling contract in relation to the 2002 and 2003 fiscal year. In November 2008, the arbitrator issued his final decision, whereby Codelco is required to pay a net amount of US$806 thousand (€620 thousand) to the Company for certain drilling services which were contested. Although the award of these contested fees is final, the Company's claim against Codelco for breach of contract has been submitted for hearing at the Appeal Court.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The key management compensation as reflected in the consolidated annual financial statements is as follows:

In thousand €	Wages and bonuses	Share-based payment expense	Other benefits	Total
Key management	1,065	—	—	1,065
Board of Directors members other than key management	54	—	—	54
Year ended December 31, 2008	**1,119**	—	—	**1,119**
Key management	804	781	60	1,645
Board of Directors members other than key management	14	—	—	14
Year ended December 31, 2007	**818**	**781**	**60**	**1,659**
Key management	336	—	—	336
Board of Directors members other than key management	—	—	—	—
Year ended December 31, 2006	**336**	—	—	**336**

The Company did not contribute to any special pension scheme for management.

The Company paid during the period to a related party certain lease rentals amounting to €217 thousand and financial interest with respect to its loan payable of €150 thousand (€62 thousand and €27 thousand in 2007, respectively). The outstanding balance of the related loan payable as at December 31, 2008 amounts to €1,067 thousand.

Except as disclosed in this Annual Information Form, no director, senior officer or principal shareholder of the Company and no associate or affiliate of the foregoing has a material interest, direct or indirect, in any transaction in which the Company has participated within the three year period prior to the date of the Annual Information Form, or will have a material interest in any proposed transaction, which has materially affected or will materially affect the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The Company's auditors are PricewaterhouseCoopers, independent chartered accountants, represented by PricewaterhouseCoopers Audit, 63 rue de Villiers, 92200 Neuilly sur Seine, France. The partners and associates of PricewaterhouseCoopers as a group, beneficially own, directly or indirectly none of the outstanding common shares of the Company.

Transfer Agent and Registrar

The Company's transfer agent and registrar is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts entered into by the Company within the most recently completed financial year or before the most recently completed financial year (but after January 1, 2002) and still in effect:

1. The Asset Purchase Agreement relating to the acquisition of the Canadian assets of Connors Drilling by Foraco Drilling. See *"Corporate Structure - History of Foraco"*.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities, securities authorized for issuance under equity compensation plans and a statement as to the interest of insiders in material transactions, will be contained in our management proxy circular for our annual meeting of shareholders to be held in May, 2009. Additional financial information is provided in our audited financial statements and Management's Discussion and Analysis for our most recent year-end. The foregoing additional information is available on SEDAR at www.sedar.com under the Company's name.

Appendix A

CHARTER

OF

THE AUDIT COMMITTEE

OF

FORACO INTERNATIONAL SA

Adopted by the Board of
Directors on November 7, 2007

FORACO INTERNATIONAL SA
(the "Company")

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee (the "Committee") is a committee of the board of directors (the "Board") of the Company. The role of the Committee, subject to applicable laws and obligations imposed by the French Code de Commerce and the Company's constating documents, is to:

(a) provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls;

(b) to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies, including:

(i) helping directors meet their responsibilities;

(ii) facilitating better communication between directors and the external auditor;

(iii) enhancing the independence of the external auditor;

(iv) increasing the credibility and objectivity of financial reports; and

(v) strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor;

(c) management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them; and

(d) the Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

Duties and Responsibilities

External Auditor

- To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.

- To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the

Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

- To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.

- To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.

- To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.

- To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:

  (e) no member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;

  (f) no former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;

  (g) the CEO and the Vice-CEO must approve all office hires from the external auditor; and

  (h) the CEO and the Vice-CEO must report annually to the Committee on any hires within these guidelines during the preceding year.

- To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

- To review the Company's annual audited financial statements with the CEO and Vice-CEO and then the full Board. The Committee will review the interim financial statements with the CEO and Vice-CEO.

- To review and discuss with management and the external auditor, as appropriate:

  (a) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and

(b) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.

- To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.

- To review with the CEO and the Vice-CEO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CEO and the Vice-CEO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

- To review the internal audit staff functions, including:

  (a) The purpose, authority and organizational reporting lines;

  (b) The annual audit plan, budget and staffing; and

  (c) The appointment and compensation of the controller, if any.

- To review, with the CEO and the Vice-CEO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.

- To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.

- To meet at least annually with management (including the CEO and the Vice-CEO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.

- In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and Vice-CEO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

Membership

- The Committee shall consist solely of three or more members of the Board, each of whom the Board has determined has no material relationship with the Company and is otherwise "independent" as required under applicable securities rules and applicable stock exchange rules.

- Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

- All members of the Committee must be "financially literate" (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

Procedures

- The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the "Chair"). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.

- The Chair will appoint a secretary (the "Secretary") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.

- No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.

- The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.

- The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.

- The Company shall provide the Committee with the resources necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate, acting reasonably.

- The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the Vice-CEO such records and other matters considered appropriate.

- The Committee has the authority to communicate directly with the internal and external auditors.

Reports

- The Committee shall produce the following reports and provide them to the Board:

  (a) an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report; and

  (b) a summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.