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PRESS RELEASE
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TSX-BAD
May 31, 2012

BADGER DAYLIGHTING ANNOUNCES \$37.5 MILLION OFFERING OF COMMON SHARES

Calgary, Alberta – Badger Daylighting Ltd. (“Badger” or the “Company”) today announced that it has entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. and including Cormark Securities Inc. (the “Underwriters”), to purchase, on a bought deal basis 1,500,000 common shares of the Company at a price of \$25.00 per share (the “Offering”). In addition, Badger has granted to the Underwriters an over-allotment option exercisable at any time up to 30 days after closing of the Offering to acquire up to an additional 225,000 common shares of the Company. In the event that the over-allotment option is exercised in full, the aggregate gross proceeds of the Offering will be approximately \$43,125,000 million.

The net proceeds from the Offering (after deducting the underwriters' fees and estimated Offering expenses) will be used for growth initiatives, working capital, and other general corporate purposes.

The common shares will be offered by way of a short form prospectus to be filed with the securities commissions and other similar regulatory authorities in each of the provinces of Ontario, Alberta, and British Columbia pursuant to National Instrument 44-101 – Short Form Prospectus Distributions and in the United States pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended. Closing of the Offering is currently expected to take place on or about June 19, 2012 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States unless registered or an applicable exemption from the registration requirements is available.

About Badger

Badger is North America’s largest provider of non-destructive excavating services. Badger traditionally works for contractors and facility owners in the utility and petroleum industries. Our key technology is the Badger Hydrovac, which is used primarily for safe digging in congested grounds and challenging conditions. The Badger Hydrovac uses a pressurized water stream to liquefy the soil cover, which is then removed with a powerful vacuum system and deposited into a storage tank. Badger manufactures its truck-mounted hydrovac units.

Badger's business model involves the provision of excavating services through two distinct entities: the Operating Partners (franchisees in the United States and agents in Canada), and Badger Corporate. Badger Corporate works with its Operating Partners to provide Hydrovac service to the end user. In this partnership, Badger provides the expertise, the trucks, and North American marketing and administration support. The Operating Partners deliver the service by operating the equipment and developing their local markets. All work is invoiced by Badger and then shared with the Operating Partner based upon a revenue sharing formula. In certain locations Badger has established corporate run operations to market and deliver the service in the local area.

Forward-looking statements

This news release contains "forward-looking information" within the meaning of applicable securities laws ("forward-looking statements").

These forward-looking statements are made as of the date of this news release and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as otherwise required by law. Users of forward-looking statements are cautioned that actual results may vary from forward-looking statements contained herein. Forward-looking statements include, but are not limited to, statements concerning the Offering, the Company's ability to complete the Offering; the timing for completion of the Offering, proceeds expected to be raised from the Offering, use of proceeds from the Offering and other similar statements concerning anticipated future events, conditions or results that are not historical facts. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and assumptions include, amongst others, the effects of general economic and market conditions, actions by government authorities, uncertainties associated with legal proceedings and negotiations and misjudgements in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors are described in Badger's Annual Information Form dated March 15, 2012, filed with the Canadian Securities Administrators and available at www.sedar.com and in the "Business Risks" section of the Company's management's discussion and analysis for the year ended December 31, 2011 available at www.sedar.com. 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 not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements, or the material factors or assumptions used to develop such forward looking statements, will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

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