



**PRESS RELEASE  
FOR IMMEDIATE DISTRIBUTION**

**TSX-BAD.UN**  
**January 4, 2011**

## **BADGER INCOME FUND ANNOUNCES CLOSING OF CONVERSION TO A CORPORATION**

Calgary, Alberta – Badger Income Fund (the “**Fund**”) is pleased to announce that the previously announced plan of arrangement (the “**Arrangement**”) to reorganize the Fund into a corporation called Badger Daylighting Ltd. (“**New Badger**”) and the other transactions contemplated therein, all of which were approved by the Unitholders of the Fund and the Court of Queen’s Bench, closed effective December 31, 2010 (the “**Effective Date**”).

### **Transactions in Arrangement and Related Events**

Pursuant to the Arrangement, on the Effective Date, the existing unitholders of the Fund transferred all of their units (the “**Fund Units**”) to New Badger in exchange for common shares of New Badger (“**New Badger Common Shares**”) on the basis of one such New Badger Common Share for each one Fund Unit held and New Badger became the owner of all issued and outstanding Fund Units. Immediately following the Effective Date, Badger Income Trust, a subsidiary of the Fund, was wound up and dissolved such that all of its assets were transferred to, and all of its liabilities were assumed by, the Fund. Immediately following the dissolution of Badger Income Trust, the Fund was wound up and dissolved such that all of its assets were transferred to, and all of its liabilities were assumed by, New Badger.

### **Effect of Arrangement and Related Events**

As such, pursuant to Arrangement: (i) The former holders of Fund Units collectively own 100% of the outstanding New Badger Common Shares; (ii) New Badger owns the assets and business formerly owned indirectly by the Fund; and (iii) the Fund was dissolved.

### **TSX Listing**

It is expected that the common shares of New Badger will commence trading on the Toronto Stock Exchange under the trading symbol “BAD” approximately three to five business days following the Effective Date and the units of the Fund will be de-listed immediately preceding that time.

### **Additional Information**

Additional information is presented in the Fund’s Management Information Circular dated May 14, 2010 which is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **About Badger Daylighting Ltd.**

*Badger Daylighting Ltd. 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.*

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

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