



**PRESS RELEASE  
FOR IMMEDIATE DISTRIBUTION**

**TSX-BAD**  
**February 24, 2011**

**BADGER DAYLIGHTING LTD. RELEASES CANADIAN TAX  
INFORMATION FOR BADGER INCOME FUND 2010 DISTRIBUTIONS**

Calgary, Alberta – On December 31, 2010 Badger Income Fund (the “Fund”) was reorganized into a corporation called Badger Daylighting Ltd. (“Badger”). The following reporting is for the Fund.

The information provided below is solely to assist Canadian individual unitholders with tax reporting information in respect of distributions paid and declared during the calendar year 2010. The information contained herein is based on the Fund’s understanding of the Canadian Income Tax Act and the regulations thereunder and is provided for general information only. Canadian unitholders should consult with a taxation or investment professional for individual tax advice.

Fund Units Held Within an RRSP, RRIF, RESP, DPSP or TFSA

No amounts are to be reported on the unitholders’ 2010 Income Tax Return where fund units are held within a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Registered Education Savings Plan (RESP), Deferred Profit Sharing Plan (DPSP) or Tax Free Savings Account (TFSA).

Fund Units Held Outside an RRSP, RRIF, RESP, DPSP or TFSA

Unitholders who hold their fund units outside of an RRSP, RRIF, RESP, DPSP or TFSA and were entitled to receive distributions on a distribution record date within the calendar year 2010 will receive a T3 Statement of Trust Income Allocations and Designations slip (“T3”) directly from Computershare Investor Services or from the broker/intermediary who the unitholder holds their fund units through. The amount reported in Box 26 “Other Income” on the T3 should be reported on the Unitholders’ 2010 Income Tax Return. The deadline for mailing the 2010 T3’s to unitholders, as required by the Canada Revenue Agency, is March 31, 2011.

Adjusted Cost Base of Fund Units for Capital Gain Purposes

Unitholders are required to reduce the adjusted cost base (“ACB”) of their fund units by the amount reported in Box 42 “Amount Resulting in Cost Base Adjustment” of the T3, which is equal to the cumulative distribution declared during calendar 2010 less the amount reported as “Other Income” in Box 26 of the T3. The ACB is used in determining the capital gain or loss on the disposition of fund units.

Schedule of Tax Treatment of 2010 Distributions

The following schedule details the cash distributions declared in 2010 and the tax treatment of each distribution per Fund unit for income tax purposes:

| <b>Record Date</b> | <b>Payment Date</b> | <b>Taxable Amount<br/>(T3 - Box 26)</b> | <b>Tax<br/>Deferred<br/>Amount<br/>(T3 - Box<br/>42)</b> | <b>Total<br/>Distribution</b> |
|--------------------|---------------------|---|--|-------------------------------|
| January 29/10      | February 15/10      | <b>0.09050</b>                          | <b>0.01450</b>   | 0.1050                        |
| February 26/10     | March 15/10         | <b>0.09050</b>                          | <b>0.01450</b>   | 0.1050                        |
| March 31/10        | April 15/10         | <b>0.09050</b>                          | <b>0.01450</b>   | 0.1050                        |
| April 30/10        | May 17/10           | <b>0.09050</b>                          | <b>0.01450</b>   | 0.1050                        |
| May 31/10          | June 15/10          | <b>0.09050</b>                          | <b>0.01450</b>   | 0.1050                        |
| June 30/10         | July 15/10          | <b>0.09050</b>                          | <b>0.01450</b>   | 0.1050                        |
| July 30/10         | August 16/10        | <b>0.09050</b>                          | <b>0.01450</b>   | 0.1050                        |
| August 31/10       | September 15/10     | <b>0.09050</b>                          | <b>0.01450</b>   | 0.1050                        |

|                 |                |                |                |        |
|-----------------|----------------|----------------|----------------|--------|
| September 30/10 | October 15/10  | <b>0.09050</b> | <b>0.01450</b> | 0.1050 |
| October 29/10   | November 15/10 | <b>0.09050</b> | <b>0.01450</b> | 0.1050 |
| November 30/10  | December 15/10 | <b>0.09050</b> | <b>0.01450</b> | 0.1050 |
| December 31/10  | January 17/11  | <b>0.09050</b> | <b>0.01450</b> | 0.1050 |

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.

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

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