PRESS RELEASE **TSX-BAD**

FOR IMMEDIATE DISTRIBUTION **March 17, 2015**

BADGER DAYLIGHTING LTD. ANNOUNCES RESULTS FOR THE YEAR ENDED DECEMBER 31, 2014

Calgary, Alberta – Badger Daylighting Ltd. is pleased to announce its results for the year and three months ended December 31, 2014.

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) should be read in conjunction with the audited consolidated financial statements and related notes of Badger Daylighting Ltd. (the "Company" or "Badger") for the year ended December 31, 2014. The audited consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). Readers should also refer to the Annual Information Form for the year ended December 31, 2014 which, along with further information relating to Badger may be found on SEDAR at www.sedar.com.

All comparative share capital and profit per share amounts have been adjusted for the three for one share split that occurred on January 24, 2014.

This MD&A has been prepared taking into consideration information available to March 16, 2015.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements and information contained in this MD&A and other continuous disclosure documents of the Company referenced herein, including statements related to the Company's capital expenditures, projected growth, view and outlook toward margins, cash dividends, customer pricing, future market opportunities and statements, and information that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may" and similar expressions relating to matters that are not historical facts, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information. The Company believes the expectations reflected in such forward-looking statements and information are reasonable, but no assurance can be

given that these expectations will prove to be correct. Such forward-looking statements and information included in this MD&A should not be unduly relied upon. These forward-looking statements and information speak only as of the date of this MD&A.

In particular, forward looking information and statements include discussion reflecting the Company's belief that:

- Internal preparations for anticipated growth in 2015 will be completed;
- Overall activity and the economy remains relatively constant in areas and market segments not affected by activities in the oil and natural gas sector;
- Areas associated with the oil and natural gas industry continue to operate at least at levels not significantly worse than the slowdown in the sector in 2009;
- Badger can manage costs in areas and sectors affected by the low oil price environment and reallocate assets as required to areas which have strong economies and which have benefited from weak oil prices;
- Badger can grow in areas unaffected by the low oil price environment;
- Badger in 2015 can further develop the organization to position itself to be able to handle the planned future growth;
- The business development efforts will provide Badger with the additional new customers necessary to grow the business in 2015 and the future;
- Badger's fleet is available to perform work in 2015 and truck replacements are not significantly more than planned;
- Badger achieves revenue per truck greater than $30,000 per month on an annual basis;
- Badger achieves Adjusted EBITDA levels of approximately 28 to 29 percent of revenue.

The forward-looking statements rely on certain expected economic conditions and overall demand for Badger's services and are based on certain assumptions. The assumptions used to generate forward-looking statements are, among other things, that:

- Badger has the ability to achieve its revenue, net profit and cash flow forecasts for 2015;
- There will be a long-term demand for hydrovac services from oil refineries, petro-chemical plants, power plants and other large industrial facilities in North America;
- Badger will maintain relationships with current customers and develop successful relationships with new customers;
- The Company will collect customer payments in a timely manner;
- Badger will be able to compete effectively for the demand for its services;
- The overall market for its services will not be adversely affected by weather, natural disasters, global events, legislation changes, technological advances, economic disruption or other factors beyond Badgers control;
- Badger will execute its growth strategy;
- Badger will obtain all labour, parts and supplies necessary to complete the planned hydrovac build.

Risk factors and other uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements include, but are not limited to: price fluctuations for oil and natural gas and related products and services; political and economic conditions; industry competition; Badger's ability to attract and retain key personnel; the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations; extreme or unsettled weather patterns; and fluctuations in foreign exchange or interest rates.

Readers are cautioned that the foregoing factors are not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results is included in reports on file with securities regulatory authorities in Canada and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website. The forward-looking statements and information contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

NON-IFRS FINANCIAL MEASURES

This MD&A contains references to certain financial measures, including some that do not have any standardized meaning prescribed by IFRS and that may not be comparable to similar measures presented by other corporations or entities. These financial measures are identified and defined below:

"Cash available for growth and dividends" is used by management to supplement cash flow as a measure of operating performance and leverage. The objective of this measure is to calculate the amount available for growth and/or dividends to shareholders. It is defined as funds generated from operations less required debt repayments and maintenance capital expenditures, plus any proceeds received on the disposal of assets.

"EBITDA" is earnings before interest, taxes, depreciation and amortization and is a measure of the Company's operating profitability and is therefore useful to management and investors. EBITDA provides an indication of the results generated by the Company's principal business activities prior to how these activities are financed, assets are amortized or the results are taxed in various jurisdictions. EBITDA is calculated from the consolidated statement of comprehensive income as gross profit less selling, general and administrative costs, deferred unit plan costs and unrealized foreign exchange gain/loss. **"Adjusted EBITDA"** is EBITDA prior to recognizing deferred unit costs and the unrealized foreign exchange gain or loss on the senior secured notes. They are calculated as follows:

	Three months ended December 31,		**Twelve months ended December 31,**	
$ thousands	**2014**	**2013**	**2014**	**2013**
Gross profit	38,540	30,650	139,574	109,883
Selling, general and administrative costs	(3,801)	(5,112)	(19,453)	(15,714)
Deferred unit plan	(39)	(3,386)	(2,393)	(10,010)
Unrealized foreign exchange (loss) gain on senior secured notes	(2,667)	-	(3,839)	-
EBITDA	**32,033**	**22,152**	**113,889**	**84,159**
Deferred unit plan	39	3,386	2,393	10,010
Unrealized foreign exchange loss (gain) on senior secured notes	2,667	-	3,839	-
Adjusted EBITDA	**34,739**	**25,538**	**120,121**	**94,169**

"Funded debt" is a measure of Badger's long-term debt position. Funded debt is long-term debt.

"Funds generated from operations" is used to assist management and investors in analyzing operating performance and leverage. It is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net profit or other measures of financial performance calculated in accordance with IFRS. Funds generated from operations are derived from the consolidated statement of cash flows and is calculated as follows:

	Three months ended December 31,		**Twelve months ended December 31,**	
$ thousands	**2014**	**2013**	**2014**	**2013**
Cash provided by operating activities	30,794	21,844	84,203	58,403
Add (deduct):				
Net change in non-cash working capital relating to operating activities	4,330	(2,870)	16,276	11,419
Equity-settled share plan settled in cash	-	-	-	1,513
Funds generated from operations	**35,124**	**18,974**	**100,479**	**71,335**

"Growth capital expenditures" are capital expenditures that are intended to improve Badger's efficiency, productivity or overall capacity and thereby allow Badger to expand overall activity and/or access new markets. They generally represent any net additions to the daylighting fleet. Growth capital expenditures exclude acquisitions.

"Maintenance capital expenditures" are any amounts incurred during a reporting period to keep the Company's daylighting fleet at the same number of units (including costs incurred to extend the operational life of a daylighting unit), plus any other capital expenditures required to maintain the capacities of the existing business. The amount will fluctuate period-to-period depending on the number of units retired from the fleet.

"Net debt" is funded debt less cash and cash equivalents.

Cash available for growth and dividends, EBITDA, Adjusted EBITDA, funded debt, funds generated from operations, growth capital expenditures, maintenance capital expenditures and net debt throughout this document have the meanings set out above.

FINANCIAL HIGHLIGHTS

($ thousands, except per share and total shares outstanding information)

	Three months ended December 31,		Twelve months ended December 31,	
	2014	**2013**	**2014**	**2013**
Revenue	108,350	94,240	422,219	324,594
EBITDA	32,033	22,152	113,889	84,159
Adjusted EBITDA	34,739	25,538	120,121	94,169
Profit before tax	20,856	14,143	73,519	57,827
Income tax expense (recovery)				
Current	(465)	3,528	14,517	12,735
Deferred	4,277	(618)	5,900	4,729
Net Profit	17,045	11,233	53,102	40,363
Profit per share – diluted ($)	0.47	0.30	1.43	1.09
Funds generated from operations	34,645	18,974	100,479	71,335
Funds generated from operations per share – diluted ($)	0.94	0.51	2.71	1.93
Maintenance capital expenditures	7,074	2,420	10,303	8,035
Long-term debt repayments	-	-	-	-
Cash available for growth and dividends	27,715	16,711	90,716	63,725
Dividends declared	3,333	3,333	13,332	13,323
Growth capital expenditures	16,911	16,733	88,779	62,444
Total shares outstanding (end of period)	37,033,893	37,033,893	37,033,893	37,033,893

OVERVIEW

Highlights for the three months ended December 31, 2014:

- Revenues increased by approximately 15 percent to $108.4 million from $94.2 million for the comparable quarter of 2013 on relatively flat Canadian revenues and United States revenues that increased by 35 percent. Canadian revenues were effected by weaker conditions in Northern Alberta and a slow-down in a major project in Eastern Canada.
- Adjusted EBITDA margin increased to 32 percent in the fourth quarter of 2014 from 27 percent for the same quarter of 2013 due to management's focus on cost control. This 5 percent increase in Adjusted EBITDA margins comes despite the addition of the lower margin Fieldtek business. Without Fieldtek Canadian margins would be an additional 2 percent higher.
- Fourth quarter U.S. Adjusted EBITDA margins increased to 30 percent from 26 percent for the comparable period of last year helped by underlying business improvement and a full year of operating the hydrovacs added in 2013 as well as those hydrovacs added earlier in 2014.
- Funds generated from operations increased by 83 percent period-over-period to $34.6 million from $19.0 million in the comparable quarter of 2013.
- Badger had 998 daylighting units at the end of 2014, reflecting the addition of 221 daylighting units to the fleet in 2014 and the retirement of 14 units. Of the total, 410 units were operating in Canada and 588 in the United States at year-end. Badger had 356 units in Canada and 435 in the United States for a total of 791 units at December 31, 2013. The new units were financed from cash generated from operations and existing credit facilities.

Highlights for the year-ended December 31, 2014:

- Revenues increased 30 percent from $324.6 million in 2013 to $422.2 million in 2014. Canadian revenue increased by 27 percent, including Fieldtek. Without Fieldtek, revenue would have increased 12 percent. US revenue increased by 33 percent, or 24 percent on a common currency basis.
- Adjusted EBITDA improved 28 percent from $94.2 million to $120.1 million year-over-year.
- Adjusted EBITDA margin for 2014 was 28 percent versus 29 percent in 2013. The one percent decline in Adjusted EBITDA margin for the year was due to reduced margins in the first quarter of 2014 when increased labour and fuel costs in Western Canada were not passed on to customers.
- Funds generated from operations increased from $71.3 million in 2013 to $100.5 million in 2014.
- Profit per share was $1.43 for 2014 compared to $1.09 for 2013.
- Capital expenditures in 2014 were $99.1 million, split between growth capital of $88.8 million and maintenance capital of $10.3 million.
- Net debt increased from $73.7 million at the end of 2013 to $105.2 million at the end of 2014 primarily due to the addition new hydrovac units to the fleet and associated increase in working capital needed to support operations.
- On January 24, 2014 the Company closed a private placement of senior secured notes, which rank pari passu with the senior credit facilities, have a principal amount of US $75 million, an interest rate of 4.83 percent per annum and mature in 2022.
- In July 2014 the Company syndicated its senior, revolving credit facility, increasing the principal amount to $125 million. This facility matures on July 22, 2018.

OUTLOOK

In 2014 Badger was faced with some challenges due to tough weather in the US for the first quarter and reduced activity in some northern oil and gas producing areas. However, after a bit of a slow start in the first quarter, Badger is pleased with its response to these challenges and with its results for the full year.

2014 Comments:

1. The Eastern half of the US experienced reduced activity in the first quarter due to a very tough winter. However Badger was able to move idle trucks and crews to the US West where there was a shortage of capacity to keep up with demand. Although margins were slightly reduced due to moving and accommodation costs it was a positive move as it satisfied the customers and kept our employees working. The US East recovered quickly after the winter and had a great year.
2. US West produced better than expected results for revenue and margin growth. The ground work done in 2013 paid off in 2014.
3. Western Canada earned reduced EBITDA margins in the first quarter due to increased fuel and labour costs. The Region responded appropriately and margins improved for the rest of the year. Northern Alberta slowed down after the first quarter due to the end of several projects. Activity is not expected to increase until the price of oil and gas improves.
4. Eastern Canada exceeded expectations in terms of growth and profitability in 2014. Structural changes made in 2013 had a positive impact in 2014.
5. Badger built 221 trucks and retired 14, resulting in 207 growth trucks in 2014. This represents a 26 percent growth in the fleet year over year. These additional trucks should produce good margins and revenue for at least 10 years.
6. Although revenue per truck was slightly less in 2014 ($32,169) versus 2013 ($34,600) Badger is still pleased with the result given the large increase in fleet size and challenges during the year. Badger targets revenue per truck to be over $30,000.
7. Badger achieved revenue growth of 30 percent and Adjusted EBITDA growth of 28 percent. Obviously we are very pleased with these metrics and always want to ensure our growth is not at the expense of profitability.
8. 2014 Adjusted EBITDA was 28.4 percent which fits in our target range for Adjusted EBITDA of approximately 28 to 29 percent of revenue. At this level Badger can grow organically and meet its strategic objectives.
9. Badger divides its market in two broad categories – petroleum-related infrastructure plus oil field service and utilities plus other. It should be noted that these shift slightly from year to year depending on where the growth opportunities are. In 2014 the petroleum category dropped from 55 percent to 51 percent of revenue.
10. One of Badger's goals is to increase its customer base to diversify its revenue sources and also to achieve growth. In 2014, Canada remained essentially flat with approximately 6,000 customers and the US grew their customer base from 3,200 to 4,300. This is a good achievement in the US, but we need more.

Major initiatives for 2015:

1. The biggest long-term challenge Badger faces is to continue to build the organization to achieve our overall objective of doubling the US business in three to five years. This was achieved in the last three years. As always, people are the key. Badger's ability to attract and retain key people is the focus of management.
2. The overriding management challenge and action in 2015 is to prudently manage costs in areas and sectors affected by the low oil price environment and to reallocate assets as required plus to aggressively aim to surpass growth targets in areas which have strong economies and which will benefit from weak oil prices.

Badger is not certain what the results of its efforts will be but is committed to execute and take whatever actions are required.

3. Badger reduced its truck build in early 2015 to compensate for idle trucks in areas with lower than normal activity. Given the market uncertainty, we believe we will build between 1 and 3 trucks per week for at least the first 2 quarters of 2015. Our replacement truck estimate is 15 to 25 trucks this year and we retired 14 trucks in 2014.
4. Focus on revenue per truck greater than $30,000 per truck per month. It will be a challenge in the first quarter with western Canada being slower than normal due to less activity in the low oil price environment plus an unseasonably warm winter as well as the Eastern part of the continent not yet in its construction season.
5. Increase the effectiveness of the business development effort to continue to grow Badgers customer base, especially in the US.
6. As always continued focus on providing value added service to all customers with the best truck best operator philosophy.

2015 Outlook:

Every year provides challenges and opportunities – 2015 is no different. Last year it was the extreme cold winter in the US – this year it is the low oil price environment and unseasonably warm weather resulting in an earlier spring break-up in Western Canada. However last year the cold weather was certain to pass in the spring. It is much more difficult to forecast when the oil price will return to a more normal level. With this in mind Badger will prudently manage costs and move assets out of areas affected by the low oil price environment. However Badger will also aggressively pursue accelerated growth in areas of good economic growth to counterbalance negative impacts from the slow areas. As always, Badger's long term success depends on its ability to attract and retain employees and grow the organization. The final result of course cannot be accurately predicted but Badger is confident growth will continue in 2015 although muted compared to 2014 which was a very satisfying year.

Results of Operations

Revenues

Fourth quarter revenues of $108.4 million for the three months ended December 31, 2014 were 15 percent greater than the $94.2 million generated during the comparable period in 2013. The increase is attributable to the following:

- Canadian revenue increased by 5 percent from $50.7 million to $53.1 million before a one-time adjustment resulted in revenue of $49.4 million. The adjustment related to intercompany parts sales, decreasing both revenue and cost of goods sold with no impact on gross margin, Adjusted EBITDA or net income. Western Canada revenue was lower than forecast, with some continued softness in Northern Alberta and a slow down in a large eastern project. This is the fourth full quarter in which Fieldtek, acquired in November 2013, has been part of the financial results. Fieldtek performed well into the fourth quarter but did experience lower demand in December. Without Fieldtek, Canadian revenues would have declined by 4%.

- United States revenue in Canadian dollars increased from $43.5 million for the three months ended December 31, 2013 to $59.0 million for the three months ended December 31, 2014, an increase of 35 percent quarter-over-quarter. On a common currency basis, revenue increased by 26 percent. The 26 percent increase is due to getting a full quarter of work out of hydrovacs added in 2013.

Yearly revenue grew from $324.6 million in 2013 to $422.2 million in 2014. This 30 percent increase in revenue

was accompanied by an Adjusted EBITDA margin of 28 percent, 1 percent lower than the 2013 Adjusted EBITDA margin of 29 percent. Adjusted EBITDA margin in the first half of 2014 was 25 percent, and 32 percent in the second half.

Badger's average revenue per truck per month during the three months ended December 31, 2014 was $30,435 versus $35,644 for the three months ended December 31, 2013. For the year, the revenue per truck per month in 2014 was $32,169 versus $34,600 in 2013. The reduction in revenue per truck was the result of the addition to the fleet at a pace greater than demand growth.

Direct Costs

Direct costs for the quarter ended December 31, 2014 were $73.5 million before the parts adjustment discussed in the Revenue section above resulted in direct costs of $69.8 million. These direct costs compare to $63.6 million for the quarter ended December 31, 2013. For the year, 2014 direct costs were $282.6 million, or 67 percent of revenue, versus $214.7 million, or 66 percent of revenue, for 2013.

Gross Profit

The gross profit margin was 36 percent for the quarter ended December 31, 2014, up from the 33 percent for the quarter ended December 31, 2013. Gross profit margin for 2014 was 33 percent versus 34 percent for 2013. Canada had a gross profit margin of 44 percent in the fourth quarter (46 percent without Fieldtek) and 35 percent for the year (35 percent without Fieldtek). The United States gross profit margin was 32 percent in the fourth quarter (30 percent in the fourth quarter of 2013) and 32 percent for the year (32 percent in 2013).

Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment was $9.3 million for the three months ended December 31, 2014, $2.4 million higher than the $6.9 million incurred for the three months ended December 31, 2013, due to the increased number of hydrovac units in the fleet. Depreciation for all of 2014 was $33.6 million versus $24.2 million in 2013, also due to the increasing hydrovac fleet size.

Finance Cost

Finance cost was $1.6 million for the quarter ended December 31, 2014 versus $0.5 million for the same quarter in 2013. The higher finance cost was due to having a higher average debt balance as well as moving the majority of the balance from short-term Bankers' Acceptance rates to the longer-term senior secured notes with slightly higher interest rates. Finance costs were $5.8 million in 2014 versus $1.6 million in 2013, resulting from the same factors as mentioned above.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased from $5.1 million in the fourth quarter of 2013 to $3.8 million in the same quarter of 2014, due to non-recurring entries in the U.S. related to recovering an over-accrual for medical insurance and recovering an over-accrual for bonuses. For the full year SG&A cost $19.5 million in 2014 versus $15.7 million in 2013. As a percentage of revenues, selling, general and administrative expenses remained below Badger's target of 5 percent of revenue for the full year.

Income Taxes

The effective tax rate for the year ended December 31, 2014 was 28 percent versus 30 percent for the prior year. The effective tax rate changes from period to period based on the relative distribution of net income before tax to the various jurisdictions where the Company operates. Generally, the Company is taxed at 26 percent in Canada and 40 percent in the US.

Exchange Differences on Translation of Foreign Operations

The exchange gain on translation of $13.4 million resulted from the conversion of the United States subsidiaries financial statements into Canadian dollars, as the Canadian dollar weakened relative to the United States dollar from the prior period.

Liquidity and Dividends

Funds generated from operations increased to $34.6 million for the quarter ended December 31, 2014 from $19.0 million for the comparable period in 2013 due primarily to increased revenues and EBITDA. The Company uses its cash to pay dividends to shareholders, to build additional hydrovac units, to invest in maintenance capital expenditures and to repay long-term debt.

The Company had working capital of $92.9 million at December 31, 2014 compared to $61.8 million at December 31, 2013 as revenue growth increased receivables, which was partially offset by an increase in trade payables.

The following table outlines the cash available to fund growth and pay dividends to shareholders for the three and twelve months ended December 31, 2014:

	Year ended	
($ thousands)	**December 31, 2014**	**December 31, 2013**
Funds Generated from Operations	100,479	71,335
Add: Proceeds from sale of property, plant and equipment	541	425
Deduct: Long-term debt repayment	-	-
Deduct: Maintenance capital	(10,304)	(8,035)
Cash Available for Growth Capital and Dividends	90,716	63,725
Growth Capital Expenditures	88,779	62,444
Dividends Declared	13,332	13,323

In determining cash available for dividends, the Company excludes non-cash working capital changes for the period as well as growth capital expenditures. Changes in non-cash working capital items are excluded so as to remove the effects of timing differences in cash receipts and disbursements, which generally reverse themselves and can vary significantly between fiscal periods. Growth capital expenditures are excluded so as to include only the maintenance capital expenditures required to sustain the existing asset base.

The following table outlines the excess of cash provided by operating activities and net profit over dividends declared during the years ended December 31, 2014 and 2013:

($ thousands)	Year ended December 31, 2014	December 31, 2013
Cash provided by operating activities	84,203	58,403
Net profit	53,102	40,363
Dividends declared	13,332	13,323
Excess of cash provided by operating activities over dividends declared	70,871	45,080
Excess of net profit over dividends declared	39,770	27,040

The Company pays cash dividends monthly to its shareholders. They may be reduced, increased or suspended by the Board of Directors depending on the operations of Badger and the performance of its assets. The actual cash flow available for dividends to shareholders of Badger is a function of numerous factors, including: the Company's financial performance; debt covenants and obligations; working capital requirements; maintenance and growth capital expenditure requirements for the purchase of property, plant and equipment; and the number of shares outstanding.

The Company maintains a strong balance sheet. Its debt management strategy includes retaining sufficient funds from available distributable cash to finance maintenance capital expenditures as well as working capital needs. Growth capital expenditures will generally be financed through existing debt facilities, proceeds received from equity financings or cash retained from operating activities. The majority of the cash provided by operating activities in 2014 was used to finance growth capital expenditures and to pay dividends to shareholders.

If maintenance capital expenditures increase in future periods, the Company's cash available for growth capital expenditures and dividends will be negatively affected. Due to Badger's growth rate in recent years, the majority of the hydrovac units are relatively new, with an average age of approximately four-and-one-half years. As a result, Badger is incurring relatively low maintenance capital expenditures. Over time, if growth slowed, Badger would expect to incur annual maintenance capital expenditures approximately equaling the year's depreciation expense. Badger removed 14 hydrovac units from the fleet in 2014. Badger expects that cash provided by operations and cash available for growth capital expenditures and dividends will be sufficient to fund its future maintenance capital expenditures.

Badger is restricted from declaring dividends if it is in breach of the covenants under its credit facilities. As at the date of this MD&A the Company is in compliance with all debt covenants and is able to fully utilize its credit facilities as well as declare dividends. Badger does not have a credit rating.

Capital Resources

Investing

The Company spent $24.0 million on property, plant and equipment for the three months ended December 31, 2014 compared to $19.2 million for the three months ended December 31, 2013. For the year, the Company spent $99.1 million, a $28.6 million increase over the $70.5 million spent in 2013. The increase in property plant and equipment is largely due to the production of hydrovacs in 2014 as well as the production of other specialized vehicles and the investment in buildings. The costs to build a hydrovac unit remained consistent

with the average for 2013.

Maintenance capital expenditures are incurred during a period to keep the hydrovac fleet at the same number of units plus any other capital expenditures required to maintain the business. This amount will fluctuate period-to-period depending on the number of units retired from the fleet. During the year ended December 31, 2014, Badger added 221 units to the fleet (175 in 2013), of which 14 have been reflected as maintenance capital expenditures (14 in 2013). Total maintenance capital expenditures for the year were $10.3 million as compared to $8.0 million in 2013.

Financing

Syndicated credit facility

In 2014, the Corporation established a $125 million syndicated credit facility. The purpose of the credit facility is to finance the Corporation's capital expenditure program and for general corporate purposes. The credit facility bears interest, at the Corporation's option, at either the bank's prime rate plus a tiered set of basis points or bankers' acceptance rate also with a tiered structure. A stand-by fee is also required on the unused portion of the credit facility on a tiered basis. The prime rate tiers range between zero and 125 basis points. The bankers' acceptance tier ranges from 125 to 250 basis points. The stand-by fee tiers range between 25 and 50 basis points. All of the tiers are based on the Company's Funded Debt to EBITDA ratio. The stand-by fee is expensed as incurred.

The credit facility expires on July 22, 2018.

The syndicated credit facility is collateralized by a general security interest over the Corporation's assets, property and undertaking, present and future.

As at December 31, 2014, the Corporation has issued letters of credit of approximately $2.6 million. The outstanding letters of credit support the U.S. insurance program and certain performance bonds and reduce the amount available under the syndicated credit facility.

At December 31, 2014, the Corporation had available $86.0 million (December 31, 2013 - $16.3 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

Senior secured notes

On January 24, 2014 Badger closed a private placement of senior secured notes. The notes, which rank pari passu with the extendable revolving credit facility, have a principal amount of US $75.0 million and an interest rate of 4.83 percent per annum and mature on January 24, 2022. The Canadian dollar equivalent on January 24, 2014 was $82.9 million. Amortizing principal repayments of US $25.0 million are due under the notes on January 24, 2020, January 24, 2021 and January 24, 2022. Interest is paid semi-annually in arrears.

The senior secured notes are collateralized by a general security interest over the Corporation's assets, property and undertaking, present and future.

For the twelve months ended December 31, 2014, Badger recorded an unrealized foreign exchange loss of $3.8 million. This was due to the impact of the change over the period in the value of the Canadian dollar relative to the US dollar on the Corporation's $75.0 million of US dollar denominated debt.

Under the terms of the credit facility and the senior secured notes, the Corporation must comply with certain financial and non-financial covenants, as defined by the bank. Throughout 2014, and as at December 31, 2014, the Corporation was in compliance with all of these covenants.

SHARE CAPITAL

Shares outstanding at December 31, 2014 were 37,033,893.

As of March 16, 2015 the outstanding shares totaled 37,045,791, an increase of 11,898 shares resulting from exercises under the Company's Deferred Unit Plan.

SELECTED QUARTERLY FINANCIAL INFORMATION

All amounts are $000's except Per Share amounts are $'s	2014				2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	108,350	113,121	100,726	100,022	94,239	87,543	73,658	69,154
Net Profit	17,045	16,078	14,249	5,730	11,233	11,774	9,371	7,985
Net Profit per share – Basic	0.47	0.43	0.38	0.15	0.30	0.32	0.22	0.21
Net Profit per share – Diluted	0.47	0.43	0.38	0.15	0.30	0.32	0.25	0.22

CHANGES IN ACCOUNTING POLICIES

The Corporation adopted amendments to IFRS 7, IAS 32, IAS 36, and IFRIC 21 on January 1, 2014. There was no material impact to the Corporation's interim condensed consolidated financial statements as a result of the adoption of those standards.

ACCOUNTING STANDARDS PENDING ADOPTION

The following are the IFRS pronouncements which have been issued but are not yet effective. The pronouncements may, however, have a future impact on the measurement and/or presentation of the Company's consolidated financial statements. The pronouncements are as follows:

i) IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Company is assessing the impact of this standard on the consolidated financial statements.

ii) IFRS 15, "Revenue from Contracts with Customers" replaces IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers and SIC-31, Revenue - Barter Transactions Involving Advertising Services and is effective for annual periods beginning on or after January 1, 2017. IFRS 15 specifies how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. The new standard provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions.

a. Identify the contract(s) with the customer;
b. Identify the performance obligation(s) in the contract;
c. Determine the transaction price;
d. Allocate the transaction price to each performance obligation in the contract;
e. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Corporation is currently evaluating the impact of this standard.

CRITICAL ACCOUNTING ESTIMATES

Management is responsible for applying judgement in preparing accounting estimates. Certain estimates and related disclosure included in the financial statements are particularly sensitive because of their significance to the financial statements and the possibility that future events affecting them may differ significantly from management's current judgements. An accounting estimate is considered critical only if it requires the Company to make assumptions about matters that are highly uncertain at the time the accounting estimate is made, and if different estimates the Company could have used would have a material impact on Badger's financial condition, changes in financial condition or results of operations.

While there are several estimates and assumptions made by management in the preparation of financial statements in accordance with IFRS, the following critical accounting estimates have been identified by management:

Depreciation of hydrovac units

This accounting estimate has the greatest effect on the Company's financial results. It is carried out on the basis of the units' estimated useful lives. The Company currently depreciates hydrovac units over 10 years based on current knowledge and working experience. There is a certain amount of business risk that newer technology or some other unforeseen circumstance could lower this life expectancy. A change in the remaining life of the hydrovac units or the expected residual value would affect the depreciation rate used to depreciate the hydrovac units and thus affect depreciation expense as reported in the Company's consolidated statement of comprehensive income. These changes are reported prospectively when they occur.

Tax pools and their recoverability

Badger has estimated its tax pools for the income tax provision. The actual tax pools the Company may be able to use could be materially different in the future.

Intangible assets

Intangible assets consist of service rights acquired from Badger's operating partners, customer relationships, trade name and non-compete agreements. The initial valuation of intangibles at the closing date of any acquisition requires judgement and estimates by management with respect to identification, valuation and determining the expected periods of benefit. Valuations are based on discounted expected future cash flows and other financial tools and models and are amortized over their expected periods of benefit or not amortized if it is determined the intangible asset has an indefinite life. Intangible assets are reviewed annually with respect to their useful lives or more frequently if events or changes in circumstances indicate that the assets might be impaired. Impairment exists when the carrying amount of the intangible asset exceeds its recoverable amount, which is the higher of its fair

value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's-length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance. When an impairment loss reverses, the carrying amount of the intangible asset is increased to the revised estimate of the recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized.

Goodwill

Goodwill is the amount that results when the cost of acquired assets exceeds their fair value at the date of acquisition. Goodwill is recorded at cost, is not amortized and is tested at least annually for impairment. The impairment test includes the application of a fair value test, with an impairment loss recognized when the carrying amount of goodwill exceeds its estimated fair value. Impairment provisions are not reversed if there is a subsequent increase in the fair value of goodwill.

Impairment of long-lived assets

The carrying value of long-lived assets, which include property, plant and equipment and intangible assets, is assessed for indications of impairment when events or circumstances indicate that the carrying amounts may not be recoverable from estimated cash flows. Estimating future cash flows requires assumptions about future business conditions and technological developments. Significant, unanticipated changes to these assumptions could require a provision for impairment in the future.

Collectability of trade and other receivables

The Company estimates the collectability of its trade and other receivables. The Company continually reviews the balances and makes an allowance when a receivable is deemed uncollectable. The actual collectability of trade and other receivables could differ materially from the estimate.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The Company's financial instruments recognized on the consolidated statements of financial position consist of cash and cash equivalents, trade and other receivables, trade and other payables, deferred unit plan liability, dividends payable and long-term debt. The fair values of these recognized financial instruments, excluding long-term debt, approximate their carrying value due to their short-term maturity. The carrying value of the long-term debt approximates fair value because the long-term facilities have a floating interest rate.

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash flows from financial assets on hand at the balance sheet date. A substantial portion of the Company's trade receivables is with customers in the petroleum and utility industries and is subject to normal industry credit risks.

The Company manages its exposure to credit risk through standard credit-granting procedures and short payment terms. The Company attempts to monitor financial conditions of its customers and the industries in which they operate.

Liquidity risk

Liquidity risk is the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle an obligation on the due date and will be forced to sell financial assets at a price less than what they are worth, or will be unable to settle or recover a financial asset.

The Company's operating cash requirements are continuously monitored by management. As factors impacting cash requirements change, liquidity risks may necessitate the Company raising capital by issuing equity or obtaining additional debt financing. The Company also mitigates liquidity risk by maintaining an insurance program to minimize exposure to insurable losses.

Market risk

The significant market risks affecting the financial instruments held by the Company are those related to interest rates and foreign currency exchange rates, as follows:

Interest rate risk

The Company is exposed to interest rate risk in relation to interest expense on a portion of its long-term debt whose rate is floating. Interest is calculated at prime. The prime interest rate is subject to change. A sensitivity analysis would indicate that net profit for the year ended December 31, 2014 would have been affected by approximately $0.8 million if the average interest rate changed by 1 percentage point. The Company does not use interest rate hedges or fixed interest rate contracts to manage its exposure to interest rate fluctuations but has chosen to issue USD 75.0 million in fixed rate senior secured notes which fixes interest exposure on a portion of the long term debt.

Foreign exchange risk

The Company has United States operations which generate United States dollar revenue and its Canadian operations purchase certain products in United States dollars. In addition, early in 2014 the Company closed a private placement of United States dollar-denominated senior secured notes. As a result, fluctuations in the value of the Canadian dollar relative to the United States dollar can result in foreign exchange gains and losses. The Company does not have any agreements to fix the exchange rate of the Canadian dollar to the United States dollar.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Badger's President and CEO and its VP Finance and CFO have designed, or caused to be designed under their direct supervision, Badger's disclosure controls and procedures (as defined by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, adopted by the Canadian Securities Administrators) to provide reasonable assurance that (i) material information relating to Badger, including its consolidated subsidiaries, is made

known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and (ii) material information required to be disclosed in the annual filings is recorded, processed, summarized and reported on a timely basis. Further, they have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of Badger's disclosure controls and procedures at December 31, 2014 and have concluded the disclosure controls and procedures are fully effective.

Internal Control over Financial Reporting

Badger's President and CEO and its VP Finance and CFO have also designed, or caused to be designed under their direct supervision, Badger's internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Further, using the criteria established in Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, they have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of Badger's internal control over financial reporting at December 31, 2014 and have concluded the internal controls over financial reporting are effective.

Changes in Internal Control over Financial Reporting

There were no changes to Badger's internal control over financial reporting in the fourth quarter of 2014.

Inherent Limitations

Notwithstanding the foregoing, because of its inherent limitations a control system can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. Management's estimates may be incorrect, or assumptions about future events may be incorrect, resulting in varying results. In addition, management has attempted to minimize the likelihood of fraud. However, any control system can be circumvented through collusion and illegal acts.

BUSINESS RISKS

[Reference is also made to Badger's 2014 Annual Information Form]

Reliance on the oil and natural gas sector

The oil and natural gas sector accounts for approximately 51 percent of the Company's revenues in 2014, down from the 55 percent in 2013. The petroleum service industry, in which Badger participates, relies heavily on the volume of capital expenditures made by oil and natural gas explorers and producers. These spending decisions are based on several factors including, but not limited to: hydrocarbon prices, production levels of current reserves, fiscal regimes in operating areas, technology-driven exploration and extraction methodologies, and access to capital, all of which can vary greatly. To minimize the impact of the oil and natural gas industry's cycles, the Company also focuses on generating revenue from the utility and general contracting market segments.

Competition

The Company operates in a highly competitive environment for hydrovac services in Canada and the United States. In order to remain the leading provider of hydrovac services in these regions, Badger continually enhances its safety and operational procedures to ensure that they meet or exceed customer expectations. Badger also has the in-house capabilities necessary to continuously improve its daylighting units so that they remain the most productive and efficient hydrovacs in the business. There can be no assurance that Badger's competitors will not achieve greater

market acceptance due to pricing, efficiency, safety or other factors.

United States operations

Badger also faces risks associated with doing business in the United States. The Company has made a significant investment in the United States to develop the hydrovac market. The growth rate of the United States market is very hard to predict. The United States, and each of the 50 states, have their own unique set of laws, policies and regulations that have a real or apprehended effect on business operating conditions, approval or delay of potential new projects that could require Badger's services, current rates of capital investment and the general level of confidence about future economic conditions among businesses and organizations.

Safety

Badger is exposed to liabilities that are unique to the services that it provides. Such liabilities may relate to an accident or incident involving one of Badger's hydrovacs or damage to equipment or property caused by one of the hydrovacs, and could involve significant potential claims or injuries to employees or third parties. The amount of Badger's insurance coverage may not be adequate to cover potential claims or liabilities and Badger may be forced to bear substantial costs as a result of one or more accidents. Substantial claims resulting from an accident in excess of its related insurance coverage would harm Badger's financial condition and operating results. Moreover, any accident or incident involving Badger, even if Badger is fully insured or not held liable, could damage Badger's reputation among customers and the public, thereby making it more difficult for Badger to compete effectively, and could significantly affect the future cost and availability of insurance. Because Badger does not purchase replacement hydrovacs, but rather constructs them, the Company self-insures against the physical damage it could incur on the hydrovac units. Franchise owners are required to hold certain levels of insurance on the hydrovacs they lease from Badger. These decisions will be re-evaluated periodically as circumstances change.

Safety is one of the Company's on-going concerns. Badger has implemented programs to ensure its operations meet or exceed current hydrovac safety standards. The Company also employs safety advisors in each region who are responsible for maintaining and developing the Company's safety policies. These regional safety advisors monitor the Company's operations to ensure they are operating in compliance with such policies.

Depreciation of hydrovac units

The Company depreciates the hydrovac units over 10 years, a policy that is based on its current knowledge and operating experience. There is a certain amount of business risk that newer technology or some other unforeseen circumstance could lower this life expectancy.

Dependence on key personnel

Badger's success depends on the services of key senior management members. The experience and talents of these individuals will be a significant factor in Badger's continued success and growth. The loss of one or more of these individuals could have a material adverse effect on Badger's operations and business prospects. Management and the Board of Directors are focused on succession planning and contingency planning with respect to key senior management personnel.

Availability of labour and equipment

While Badger has historically been able to source the labour and equipment required to run its business, there can be no assurances it will be able to do so in the future.

Reliance on key suppliers

Badger has established relationships with key suppliers. There can be no assurance that current sources of equipment, parts, components or relationships with key suppliers will be maintained. If these are not maintained, Badger's ability to manufacture its hydrovac units may be impaired.

Fluctuations in weather and seasonality

Badger's operating results have been, and are expected to remain, subject to quarterly and other fluctuations due to a variety of factors including changes in weather conditions and seasonality. For example, in Western Canada Badger's results may be negatively affected if there is an extended spring break-up period since oil and natural gas industry sites may be inaccessible during such periods. In Eastern Canada, Badger has in the past experienced increased use of its equipment during cold winters, thus improving the results of its operations during such times. The Company may then experience a slow period during spring thaw. In the Eastern United States, Badger has experienced reduced work in unusually cold and snowy winters.

In the Western United States, Badger has from time-to-time been restricted by the imposition of government regulations from conducting its work in environmentally sensitive areas during the winter mating seasons of certain mammals and birds. This has had a negative effect on Badger's results. As such, changes in the weather and seasonality may, depending on the location and nature of the event, have either a positive or negative effect on Badger's operating and financial results.

Fluctuations in the economy and political landscape

Operations could be adversely affected by a general economic downturn, changes in the political landscape or limitations on spending.

Compliance with government regulations

While Badger believes it is in compliance with all applicable government standards and regulations, there can be no assurance that all of Badger's business are, or will be, able to continue to comply with all applicable standards and regulations.

Environmental risk

As the owner and lessor of real property, Badger is subject to various federal, provincial / state and municipal laws relating to environmental matters. Such laws provide that Badger could be liable for the costs of removal and remediation of certain hazardous substances or wastes released or deposited on or in its properties or disposed at other locations. The failure to remove or remediate such substances, if any, could adversely affect Badger's ability to sell such real property or borrow using such real property as collateral and could also result in claims against Badger.

Litigation

Legal proceedings may arise from time to time in the course of Badger's business. All industries, including the hydrovac industry, are subject to legal claims, with and without merit. Such legal claims may be brought against Badger or one or more of its subsidiaries in the future from time to time. Defense and settlement costs of legal claims can be substantial, even with respect to claims without merit. Due to the inherent uncertainty of the litigation process, such process could divert management time and effort and the resolution of any particular legal proceeding to which Badger may become subject could have a material effect on Badger's financial position and results of operations.

Income tax matters

Badger and its subsidiaries are subject to federal, provincial and state income taxes in Canada and the United States, as applicable. While Badger works to keep itself and its subsidiaries in full compliance with all applicable legal requirements relating to federal, provincial and state legislation on income tax, sales tax, goods and services tax, excise tax and all other direct or indirect taxes including business tax, real estate tax, municipal and other taxes, there can be no assurance that Badger and its subsidiaries will not be subject to assessment, reassessment, audit, investigation, inquiry or judicial or administrative proceedings under any such laws. As taxing regimes change their tax basis and rates, or initiate reviews of prior tax returns, Badger's liability to income tax may increase and Badger could be exposed to increased costs of taxation, which could, among other things, reduce the amount of funds available to distribute to shareholders or otherwise have a material adverse effect on Badger's business, results of operations or financial condition.

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. The Company's 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.

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

For more information regarding this press release, please contact:

Tor Wilson

President and CEO

Gerald Schiefelbein

Vice President Finance and CFO

1000, 635 – 8th Avenue SW Calgary
Alberta T2P 3M3
Telephone 403-264-8500
Fax 403-228-9773