



PRESS RELEASE

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January 26, 2015

BADGER DAYLIGHTING LTD. PROVIDES OPERATIONS UPDATE

The cautionary statements regarding forward-looking information later in this document are an integral part of this press release.

Badger Daylighting Ltd. (“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 infrastructure industries. Badger’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 recent rapid decline in the price for oil has caused many producers and oilfield service providers to cut capital budgets and spending. This has increased the uncertainty around the oil and natural gas portion of Badger’s customer portfolio in 2015. In response to this uncertainty Badger will conservatively manage its capital spending – truck build - while aggressively developing markets and opportunities in areas of strong economic growth.

Badger believes that certain areas, which are heavily weighted towards the oil and natural gas sector, will see decreased demand for Badger’s services. These areas include Northern Alberta, North Dakota, some parts of the US Rocky Mountain region. In these areas Badger will carefully manage operations by controlling costs and redeploying underutilized hydrovacs as required. Badger has plans to aggressively grow in several areas where the economy is strengthening including Eastern Canada, and the North East, Midwest, South East and Pacific regions of the United States.

Badger manages its build and fleet of purpose-built hydrovacs to achieve profitable growth. It should be noted that profitability takes priority over growth. Badger monitors the amount of revenue earned per hydrovac as a key metric in optimizing growth and profitability. High revenue per hydrovac indicates Badger cannot service all its customers and generally leads to an increase in Badger’s build.

Average revenue per hydrovac per month for the years 2012 – 2014 is outlined in the table below. The 2014 numbers are preliminary and subject to change following completion of Badger’s audit.

	Average Revenue Per Hydrovac per Month		Year- End Hydrovacs (Number)	Total Revenue Full -Year (Canadian \$ 000's)
	Full -Year (Twelve Month Avg)	Fourth Quarter (Three Month Average)		
2012	32,900	35,095	630	239,228
2013	34,600	35,447	791	324,594
2014	32,169	30,435	998	Not Available

At the end of 2013 average revenue per hydrovac per month was higher than \$35,000. As a result Badger increased the build in 2014 reaching 5 hydrovacs per week for several months. When average revenue per hydrovac began to decline the build was reduced to allow for an increase in the utilization of existing units. Management believes that the unaudited, full-year 2014 average revenue per hydrovac result was a reasonable outcome given the addition of 207 net units during the year. Badger will continue to take a conservative approach to capital spending in 2015 reflecting the uncertainty caused by the announced reductions in oil & gas producer and service company 2015 capital budgets. Badger plans to build between two and four hydrovac units per week until such time as there is more certainty concerning demand for Badger's services and the effectiveness of its aggressive approach in attractive markets. Badger will continue to monitor its fleet profitability and adjust its hydrovac build rate and capital spending plans as appropriate in the future.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements and information contained in this press release, including statements related to the Company's capital expenditures, projected growth, view and outlook toward margins, 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 press release should not be unduly relied upon.

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

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