

Black Diamond Announces Second Quarter 2016 Results

Maintains Strong Balance Sheet with Continued Debt Reduction and Cost Discipline

Calgary, Alberta, August 11, 2016 - Black Diamond Group Limited ("Black Diamond", the "Company" or "we"), (TSX:BDI), a leading provider of workforce accommodation and space rental solutions, today announced its operating and financial results for the three and six month periods ended June 30, 2016. All financial figures are expressed in Canadian dollars.

“Black Diamond’s focus on cost management and financial flexibility continues to benefit our existing operations and provide opportunity for future growth,” said Trevor Haynes, Chairman, President and CEO of Black Diamond. “In spite of the current challenges in the energy markets, Black Diamond continues to generate positive cash flow and repay debt. Our BOXX Modular platform is positioned strategically to capture healthy non-energy markets across North America. Our growth focus for the remainder of 2016 will be to further scale recently added and existing BOXX operations in both Canada and the US.”

Second Quarter 2016 Financial Highlights

(in thousands, except where noted)	Three months ended June 30,			Six months ended June 30,		
	2016 \$	2015 \$	Change %	2016 \$	2015 \$	Change %
Revenue						
Camps & Lodging	19,777	46,645	(58)%	51,872	118,243	(56)%
BOXX Modular	10,284	15,941	(35)%	23,598	31,253	(24)%
Energy Services	2,680	5,896	(55)%	8,216	16,561	(50)%
International	1,184	2,026	(42)%	2,657	3,555	(25)%
Corporate and Other	468	632	(26)%	931	1,223	(24)%
Total Revenue	34,393	71,140	(52)%	87,274	170,835	(49)%
Total Adjusted EBITDA	7,591	23,254	(67)%	24,825	54,124	(54)%
Profit (loss)	(8,602)	(843)	920%	(11,023)	8,186	(235)%
Earnings (Loss) Per share - Basic	(0.21)	(0.02)	950%	(0.27)	0.20	(235)%
- Diluted	(0.21)	(0.02)	950%	(0.27)	0.20	(235)%
Capital expenditures	1,688	18,184	(91)%	4,714	36,122	(87)%
Dividends declared	3,082	9,862	(69)%	8,220	19,723	(58)%
Per share (\$)	0.08	0.24	(67)%	0.20	0.48	(58)%
Payout Ratio	37%	44%		32%	40%	

HIGHLIGHTS FOR THE QUARTER

- Long-term debt as at June 30, 2016 was \$145.3 million, down 24% or \$46.0 million from \$191.3 million as at June 30, 2015 and down 8% compared with \$157.7 million as at March 31, 2016 primarily due to cost controls, management of capital expenditures, dividends and working capital.
- Subsequent to the Quarter, Black Diamond completed a bought deal equity financing for aggregate gross proceeds of \$27.2 million, including the full over-allotment option granted to underwriters of \$2.4 million and the participation by certain directors, officers and employees of Black Diamond of approximately \$2.2 million.
- BOXX Modular opened two new Canadian branches in Saskatoon, Saskatchewan and Vancouver, British Columbia. These branches are positioned to capture growing infrastructure and general construction spends in their areas.
- Camps & Lodging was awarded a long term contract renewal for 354 beds in the Duvernay region of northwest Alberta. The renewal commenced July 1, 2016 and will generate rental revenue of \$6.6 million over its three year term.
- Administrative expenses for the Quarter were \$9.9 million, down 15% or \$1.8 million from the Comparative Quarter primarily due to reductions in compensation costs and personnel as management continues to realign its cost structure. Effective February 1, 2016, Black Diamond implemented a graduated salary rollback averaging approximately 10%.

2016 Capital Plan

The previously announced 2016 capital spending plan continues to be \$10.0 million, \$4.7 million of which was spent as of June 30, 2016. Additionally, Black Diamond had \$4.8 million in outstanding capital commitments as at June 30, 2016. Given the current economic environment, stringent controls have been placed on capital spending and consistent with Black Diamond's long-term strategy, the utilization of existing assets within our fleet continues to be aggressively promoted. The capital spending to date and capital commitments are primarily for growth capital related to expanding the BOXX Modular fleet in the United States and Canada as well as maintenance capital related to the previously announced five year contract in Australia.

Financial Review

- Revenue for the Quarter was \$34.4 million, down 52% or \$36.7 million from the Comparative Quarter primarily due to the impact of low commodity prices on utilization and pricing in Camps & Lodging, Energy Services, International and to a lesser extent BOXX Modular.
- Adjusted EBITDA (see "Non-GAAP Measures") for the Quarter was \$7.6 million, down 67% or \$15.7 million from the Comparative Quarter primarily due to the impact of low commodity prices on business activity in western Canada.
- Net loss for the Quarter was \$8.6 million, compared with net loss of \$0.8 million in the Comparative Quarter. The loss in the Quarter was due to lower operating income described in the sections above and a write-off of the note receivable from Northern Frontier Corp.
- Consolidated contracted future revenue at the end of the Quarter was \$60.0 million, down 39% or \$39.1 million from \$99.1 million in the Comparative Quarter due to lower market activity resulting from lower commodity prices. However, this is relatively unchanged from the contracted future revenue of \$64.2 million at March 31, 2016.
- Days Sales Outstanding (see "Non-GAAP Measures") improved significantly, declining by 32% to 61 days at the end of the Quarter compared with 90 days for the Comparative Quarter.

Dividend and Payout Ratio

The Payout Ratio (see "Non-GAAP Measures") for the Quarter decreased to 37% compared with 44% in the Comparative Quarter due to a reduction in dividends declared partially offset by lower funds available for dividends (see "Non-GAAP Measures").

Additional Information

A copy of the Company's unaudited interim condensed consolidated financial statements for the three and six month periods ended June 30, 2016 and 2015 and related management's discussion and analysis have been filed with the Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and www.blackdiamondgroup.com.

Conference Call

Black Diamond will hold a conference call and webcast tomorrow at 11:00 a.m. MT (1:00 p.m. ET).

Chairman, President and CEO Trevor Haynes and Executive Vice President and CFO Toby LaBrie will discuss Black Diamond's financial results for the Quarter and then take questions from investors and analysts.

To access the conference call by telephone dial toll free 1-866-696-5910. Callers from the Toronto area should use (416) 340-2217 (Conference ID: 5093547). Please connect approximately 10 minutes prior to the beginning of the call.

Please log into the webcast 10 minutes before the start time at: <http://www.gowebcasting.com/7134>.

Slides to accompany the conference call can be accessed through <https://join.me/BDI-Investors>.

Following the conference call, an audio archive will be available in the Investor Events section of the Company's website at www.blackdiamondgroup.com.

Reader Advisory

Forward-Looking Statements

Certain information in this news release contains forward-looking statements including the amount of funds that will be expended on the 2016 capital plan, management's assessment of Black Diamond's future operations, business prospects and opportunities and management's future expectations regarding the financial performance of the Company and its business units. With respect to the forward-looking statements contained in this news release, Black Diamond has made assumptions, regarding among other things: future commodity prices, that Black Diamond will continue to conduct its operations in a manner consistent with past operations, that counterparties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Black Diamond's control including, without limitation, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of exchange rates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility and timely and cost effective access to sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form and other reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and at Black Diamond's website (www.blackdiamondgroup.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Black Diamond does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Non-GAAP Measures

In this news release, the following terms have been referenced: Adjusted EBITDA, Days Sales Outstanding and Payout Ratio. Readers are cautioned that these measures are not defined under International Financial Reporting Standards ("IFRS"). Readers are cautioned that these non-GAAP measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of the Company's performance or cash flows, a measure of liquidity or as a measure of actual return on the common shares of the Company. These non-GAAP measures should only be used in conjunction with the consolidated financial statements of the Company. A reconciliation between these measures and measures defined under IFRS is included in management's discussion and analysis for the three and six month periods ended June 30, 2016 filed on SEDAR.

About Black Diamond

Black Diamond rents and sells modular workforce accommodation and space rental solutions to customers in Canada, the United States and Australia. In addition to providing turnkey lodging and other support services related to remote workforce accommodation and space rentals, we also provide specialized field rentals to the oil and gas industries of Canada and the United States. From more than twenty locations, we serve multiple sectors including oil and gas, mining, power, construction, engineering, military, government and education.

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