



NEWS RELEASE

August 12, 2010

BLACK DIAMOND GROUP LIMITED REPORTS RESULTS FOR THE SECOND QUARTER ENDED JUNE 30, 2010

Calgary, Alberta — (TSX: BDI) Black Diamond Group Limited ("Black Diamond" or the "Company") is pleased to announce its financial and operational results for the three months ended June 30, 2010.

Revenue generated in the second quarter of 2010 was \$31.2 million with EBITDA of \$10.4 million for the period, compared to revenue of \$16.7 million and EBITDA of \$8.3 million for the same period in 2009. Revenue was higher than the prior year's comparable period mainly due to the newly acquired US operations that contributed approximately \$5.4 million and from the Sunday Creek Lodges which contributed approximately \$8.7 million. Gross profit for the quarter was \$15.3 million, up 37% from the second quarter of 2009. Gross Profit margin at 49% was lower than the prior year, as a higher percentage of overall revenue was generated from lodging and ancillary sources which generates lower margins than rental streams. Rental revenues were \$10.3 million as compared to \$9.5 million for the second quarter of 2009. Lodging revenue was \$8.7 million in the quarter compared to \$nil in 2009 as Sunday Creek Lodges only began operations in September 2009. Non-rental revenues were \$12.1 million as compared to \$7.2 million in the second quarter of 2009 – a 69% increase.

EBITDA margins in the second quarter declined from 50% in 2009 to 33% in 2010 due to the decline in the gross margins realized. Earnings for the quarter were \$2.9 million, compared with \$3.5 million for the second quarter of 2009.

The Workforce Accommodations division of Black Diamond generated \$4.5 million of revenue from rental activity during the Period which was approximately \$1.3 million less than the rental revenues recorded in the second quarter of the prior year due to the transfer of 135 units into the Sunday Creek Lodges facility. Utilization of the workforce accommodation fleet averaged 83% for the period down from 89% for the second quarter of 2009. Non-rental revenue was higher than in the same period in the prior year due to used fleet sales in the quarter. The operating open camps, Sunday Creek Lodges, had 260 units at the end of the June 2010. This is comprised of the assets purchased in September 2009, the transfer of fleet assets that were rented to customers on that site prior to the acquisition, and expansion of the camp throughout the fourth quarter and into the first quarter of 2010. Revenue associated with room and board in the operating camp was \$8.7 million with an occupancy rate of 47% for the quarter.

The Canadian Space Rentals division has grown its fleet size by 9% from June 2009. Utilization of the space rental fleet averaged 70% for the period compared to 62% for the same period in 2009. The increases are a result of the signs of a slowly strengthening economy in the regions where Black Diamond has space rental operations. These increases in rental revenue were offset by reductions in the non-rental revenue for the period. As a result, the Canadian space rental division's revenues were consistent with those of the prior year.

The US Space Rentals division had 1,134 units at June 30, 2010. Approximately 900 of the units were acquired in the Nortex acquisition which was completed on January 1, 2010, 90 units were purchased from Nortex in December 2009 and the remaining 144 units were acquired in small US equipment acquisitions completed in April and August 2009. Utilization rates were slightly lower than in the Canadian operations, averaging 66% for the quarter.

The Energy Services division generated \$2.6 million in revenues representing a decrease of 7% from the same period in 2009 primarily due to lower utilization of the drilling accommodations and surface rental fleets as well as pricing pressure across the entire surface rental platform. These decreases were offset by the acquisition of Paragon Energy Saskatchewan in January 2010, which was augmented by increased revenue from the provision of third party

catering operations and associated revenue from other non-rental streams such as logistics, installation and sub-lease of additional fleet. The drilling accommodations unit count is down 7% to 224 units while the surface rental equipment has increased by 229 to 1,245 pieces of rental equipment.

The Company declared dividends of \$0.09 per common share per month in the quarter resulting in a payout ratio for the quarter of 47%. Management of Black Diamond plans to continue this monthly dividend and is confident that the cash generated from operations will be sufficient to allow it to meet ongoing requirements for the foreseeable future for working capital, maintenance costs, SG&A costs, interest costs as well as dividends to shareholders.

The Company's results for the second quarter reflect the increased scale of operations following the acquisition of Nortex Modular and Paragon Saskatchewan, and the expanded facilities at Sunday Creek Lodges. They also reflect improving activity levels in the markets which Black Diamond serves. Consolidated revenue for the quarter is in-line or slightly stronger than management's previous outlook however EBITDA is lower. Management believes this is due to several factors including lower than anticipated margins in the Nortex and Sunday Creek operations, continued low rental rates in the surface rental segment of the Energy Services division, and marginally lower than expected utilization in the Space Rentals division.

Management anticipates that the Company will realize the benefits during the remainder of the year of recent disciplined acquisitions and organic growth initiatives. Management maintains a positive outlook overall, most notably with future revenue growth being led by the rental revenue stream. It is anticipated the non-rental, ancillary revenue streams will continue to add further granularity.

Operating efficiencies at Sunday Creek have been improving since the beginning of the year. It is anticipated that field operations relating to recently secured camps projects along with a gradual increase in rental revenue as the projects come on stream will strengthen the results generated by the workforce housing segment throughout the remainder of the year. The BOXX Modular division is experiencing stronger utilization in western Canada with new project deployments increasing. The US division continues to experience a struggling US economic environment, as a result management expects the results of this division during the remainder of 2010 will be similar to recent quarters. Improving activity levels for drilling and strengthened utilization levels and rates for summer and fall activity in the Energy Services division's core operating areas of northern British Columbia, northwestern Alberta, and southern Saskatchewan lead management to expect a corresponding increase in revenue from this division during the remainder of 2010.

Overall, management anticipates the Company's results for Q3 2010 will continue to show increased revenue and stronger margins from the workforce housing division, modest strengthening from BOXX Modular Canada, consistent results from Nortex, and improved results from Energy Services. Consolidated EBITDA is expected to be modestly stronger than the first half of the year, and markedly increased revenue and EBITDA over the prior year's is expected, highlighting the effects of the larger operating platform which Black Diamond has assembled over the previous year.

Summary Financial Statements

The following is a summary of the Company's consolidated balance sheets as at June 30, 2010 and December 31, 2009, the Company's consolidated statements of net income, comprehensive income and retained earnings and consolidated statements of cash flows for the three and six month periods ended June 30, 2010 and 2009. These summary statements should be read in conjunction with the Company's consolidated financial statements including the accompanying notes for the three and six month periods ended June 30, 2010 as filed on SEDAR.

Black Diamond Group Limited
(formerly Black Diamond Income Fund)
CONSOLIDATED BALANCE SHEETS
(unaudited)

(Expressed in thousands of dollars)

As at	June 30, 2010	December 31, 2009
	\$	\$
ASSETS		
Current		
Accounts receivable	23,111	12,553
Prepaid expenses and other current assets	1,600	874
	24,711	13,427
Property and equipment	205,526	156,188
Intangible assets	12,978	9,821
Goodwill	35,154	29,316
	278,369	208,752
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	1,502	9
Accounts payable and accrued liabilities	11,243	9,149
Dividends payable	1,480	1,234
Current income taxes payable	602	-
Current portion of capital lease obligation	657	639
	15,484	11,031
Capital lease obligation	228	561
Long-term debt	43,500	31,472
Risk management liability	1,415	-
Asset retirement obligations	1,226	1,116
Future income taxes	22,165	11,724
	84,018	55,904
Commitments		
Shareholders' equity		
Share capital	189,306	146,366
Contributed surplus	1,102	969
Non-controlling interest	(80)	51
Accumulated other comprehensive income	(1,061)	-
Retained earnings	5,084	5,462
	194,351	152,848
	278,369	208,752

See accompanying notes to the consolidated financial statements

Black Diamond Group Limited
(formerly Black Diamond Income Fund)
CONSOLIDATED STATEMENTS OF NET INCOME
(unaudited)

(Expressed in thousands of dollars, except per share amounts)

	Three months ended		Six months ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	\$	\$	\$	\$
Revenue	31,161	16,669	62,132	43,542
Direct costs	15,870	5,524	30,386	16,861
	15,291	11,145	31,746	26,681
Expenses				
Selling, general and administrative costs	4,938	2,870	9,775	5,585
Amortization of property and equipment	4,604	3,356	8,914	6,527
Amortization of intangibles	382	247	769	495
Accretion on asset retirement obligation	24	-	47	-
Acquisition costs	-	-	289	-
Foreign exchange gain- realized	-	-	(820)	-
Foreign exchange loss- unrealized	290	-	39	-
Interest	534	327	1,058	694
Stock-based compensation	322	102	388	191
	11,094	6,902	20,459	13,492
Income before income taxes and non-controlling interest	4,197	4,243	11,287	13,189
Income tax expense				
Current	328	-	585	-
Future	1,100	777	2,476	555
	1,428	777	3,061	555
Income before income attributable to non-controlling interest	2,769	3,466	8,226	12,634
Net (loss)/income attributable to non-controlling interest	(159)	-	75	-
Net income attributable to Black Diamond Group Limited	2,928	3,466	8,151	12,634
Net income per share				
Basic	0.18	0.29	0.53	1.07
Diluted	0.18	0.29	0.51	1.06

See accompanying notes to the consolidated financial statements

Black Diamond Group Limited
(formerly Black Diamond Income Fund)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND
RETAINED EARNINGS
(unaudited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in thousands of dollars, except per share amounts)

	Three months ended		Six months ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	\$	\$	\$	\$
Net income attributable to Black Diamond Group Limited	2,928	3,466	8,151	12,634
Net change in derivative financial instruments designated as cash flow hedges				
Unrealized loss during the period	(1,061)	-	(1,061)	-
Comprehensive income	1,867	3,466	7,090	12,634
Comprehensive income per share				
Basic	0.11	0.29	0.46	1.07
Diluted	0.11	0.29	0.45	1.06

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF RETAINED EARNINGS/ (DEFICIT)

(Expressed in thousands of dollars)

	Three months ended		Six months ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	\$	\$	\$	\$
Retained earnings/ (deficit), beginning of period	6,583	5,264	5,462	(708)
Net income	2,928	3,466	8,151	12,634
Dividends declared	(4,427)	(3,195)	(8,529)	(6,391)
Retained earnings, end of period	5,084	5,535	5,084	5,535

See accompanying notes to the consolidated financial statements

Black Diamond Group Limited
(formerly Black Diamond Income Fund)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(Expressed in thousands of dollars)

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2010	2009	2010	2009
	\$	\$	\$	\$
Operating activities				
Net income for the period	2,928	3,466	8,151	12,634
Add (deduct) non-cash items:				
Amortization of property and equipment	4,604	3,356	8,914	6,527
Amortization of intangible assets	382	247	769	495
Accretion of asset retirement obligation	24	-	47	-
Foreign exchange loss- unrealized	290	-	39	-
Future income taxes	1,100	777	2,476	555
Stock-based compensation expense	322	102	388	191
Earnings attributable to non-controlling interest	(159)	-	75	-
	9,491	7,948	20,859	20,402
Change in non-cash working capital related to operating activities	(2,761)	(198)	(8,711)	8,910
	6,730	7,750	12,148	29,312
Investing activities				
Purchase of property and equipment	(14,450)	(1,752)	(25,886)	(11,367)
Business acquisitions	-	-	(17,945)	-
Change in non-cash working capital related to investing activities	1,615	(589)	-	(1,833)
	(12,835)	(2,341)	(43,831)	(13,200)
Financing activities				
Proceeds from long-term debt	11,528	-	36,969	1,000
Repayment of long-term debt	996	(4,000)	(25,461)	(4,000)
Repayment of capital lease	(159)	(149)	(315)	(296)
Net proceeds from issuance of shares	326	-	24,079	-
Purchase of shares in trust	(100)	-	(100)	-
Dividend payments	(4,866)	(3,195)	(8,734)	(6,391)
Bank indebtedness	(2,691)	-	1,493	(4,889)
Stock options exercised	1,071	-	3,752	-
	6,105	(7,344)	31,683	(14,576)
Increase/ (decrease) in cash	-	(1,935)	-	1,536
Cash, beginning of period	-	3,471	-	-
Cash, end of period	-	1,536	-	1,536
<i>See accompanying notes to the consolidated financial statements</i>				
Cash paid during the period for:				
Interest	534	327	1,058	694

Additional Information

A copy of the Company's unaudited consolidated financial statements for the three and six month periods ended June 30, 2010 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).

Conference Call

Black Diamond will host a conference call for analysts, investors and interested parties to discuss its financial and operational results at 3:00 p.m. MST on August 12, 2010. Trevor Haynes, President and Chief Executive Officer, and Michael Burnyeat, Vice President, Finance and Chief Financial Officer, will be in attendance. The call can be accessed by calling 416-340-8061 or toll free 1-866-225-0198 prior to the scheduled start time. Digital playback of the conference call will be available on the Company's website.

About Black Diamond

Black Diamond is an Alberta company, the principal undertaking of which, through its wholly-owned subsidiaries, Black Diamond Limited Partnership, Nortex Modular Leasing and Construction Company and through its 50% equity participation in the Black Diamond Dene Limited Partnership, is to rent modular structures for use as workforce accommodation and temporary workspace, and to provide complementary services including transportation, installation, dismantling, repair and maintenance of modular structures, as well as related services through three operating divisions consisting of Black Diamond Camps, BOXX Modular and Black Diamond Energy.

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Reader Advisory

Certain information in this news release contains forward-looking statements including management's assessment of future plans and operations of Black Diamond including, without limitation, statements relating to utilization rates, fleet size, revenue, EBITDA, margins, cash flows, capital expenditures, further deployment of equipment, demand from existing and new customers and dividend levels. 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, 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 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.blackdiamondlimited.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.

In this news release, the following terms have been referenced: EBITDA (earnings before interest, taxation, depreciation and amortization), gross profit and payout ratio. Readers are cautioned that these measures are not defined under Canadian Generally Accepted Accounting Principles ("GAAP"). Readers are cautioned that these non-GAAP measures are not alternatives to measures under GAAP 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 GAAP is included in management's discussion and analysis for the three and six month periods ended June 30, 2010 filed on SEDAR.

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