



NEWS RELEASE

August 11, 2011

BLACK DIAMOND GROUP LIMITED REPORTS RECORD RESULTS FOR THE SECOND QUARTER ENDED JUNE 30, 2011

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 and six months ended June 30, 2011.

Second Quarter

Black Diamond's focus on strategic growth and diversification has resulted in it realizing record revenue in the second quarter of 2011 of \$56.8 million with EBITDA of \$21.5 million for the period, compared to revenue of \$31.2 million and EBITDA of \$10.4 million for the same period in 2010. Revenue was higher than the prior year's comparable period due to an increase in the rental base of the Company, continued increases in lodging revenue generated from the Sunday Creek Lodge and Horn River operated camps and considerable levels of non-rental revenue generated in the Workforce Accommodations division. Deployment of equipment on some long term mining and mineral projects in western Canada has also increased the revenue base for the Company. Rental revenues were \$18.2 million as compared to \$10.3 million for the second quarter of 2010, a 76% increase. Lodging revenue was \$12.3 million in the quarter compared to \$8.7 for the same period in 2010. Custom sales in addition to the operational revenues in support of rental and lodging revenues was \$26.3 million as compared to \$12.1 million in the second quarter of 2010. Some highlights from each of the operating divisions for the quarter are as follows:

Workforce Accommodations: The division ended the quarter with 1,692 units in the rental fleet which averaged 92% utilization for the quarter. The division generated \$35.1 million in revenues compared to \$18.7 million in the same quarter of 2010. Large increases in revenues came from rentals which increased by 133% over Q2 2010 to \$10.5 million and lodging revenues which increased by 41% to \$12.3 million. The quarter benefitted from the deployment activity of some previously announced projects in the Horn River and north central regions of BC. The division was also awarded an extension to the contract for accommodation services at Sunday Creek Lodges during the period, which will see the guaranteed future utilization of one hundred percent of the lodge's capacity.

Space Rentals: The division generated \$15.7 million in revenue during the quarter as compared to \$9.9 million for the same quarter in 2010. The Canadian based fleet generated \$10.3 million of revenue or 140% more than the prior year Q2 due to the increased fleet size and higher utilization rates, augmented by a 300% increase in non-rental activity. The US based fleet generated \$5.4 million of revenue comparable with the prior year Q2, due to the continued installation and transportation of several major projects during the period. The combined fleet size at the end of the quarter was 2,621 units and operated at an average of 74% utilization for the quarter as compared to 68% for the prior year.

Energy Services: The division generated \$5.9 million of revenue during the quarter as compared to \$2.6 million in Q2 of 2010. This 125% increase was partly due to a 10% larger fleet and partly due to higher utilization and rental rates for the surface rental equipment in the quarter. The higher rates and utilization is in concert with higher drilling and completions activity in western Canada. At the end of June 2011, the division had 213 drilling accommodation units and 1,410 pieces of surface rental equipment.

Balance Sheet

The Company ended the period with debt of \$63 million drawn on its' capital facility and \$5.0 million drawn on its' operating facility. The Company previously announced the extension and increase to its' bank facilities to \$125 million of credit from the previous \$95 million. The net proceeds of the bought deal financing completed during the quarter equaled approximately \$49 million which were used to offset some of the draw against the capital facility. On July 7, 2011 the Company closed a private placement of senior secured notes with a principal amount of \$62 million, at an interest rate of 5.44% per annum maturing in 2019. The Company continues to maintain a conservatively leveraged balance sheet and will have sufficient working capital to execute on its business plan.

Dividends

The Company paid dividends of \$0.095 per share per month throughout the second quarter 2011 resulting in a payout ratio for the period of 24%, compared to 43% for the same period in 2010. The Board of Directors of Black Diamond 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, administrative expenses, finance costs as well as dividends to shareholders.

Outlook

Over the course of the second half of 2010 and through the first half of 2011, Black Diamond has focused on the strategy of growing the business in a disciplined and measured manner through organic capital spend. Geographic diversification as well as a significant increase in the types of industries and customers being served throughout this growth continues to broaden the Company's operating platform. Management expects the second half of 2011 will see continued growth through additions to the scale of the business as well as diversity in the geography and customers serviced. Management of Black Diamond will continue to pursue long term contracts against the assets under management and deployment of new capital in a generally non-speculative manner. This is expected to continue to build and enhance the stability and visibility of the revenue and cash flows generated.

Black Diamond now has meaningful Workforce Accommodations revenue from shale gas, mining, and oil sands as well as conventional oil and gas. Black Diamond has turnkey and open lodging revenue in addition to pure dedicated facility rentals. Accommodation requirements in the oil sands areas of Alberta appear to have accelerated and Black Diamond anticipates additional capital will be deployed on several projects over the course of the next 12 months. The ongoing installation of new accommodation facilities as well as the commitment of occupancy at Sunday Creek Lodge is expected to cause revenue growth from the workforce accommodations division for the balance of 2011.

The above mentioned increase in economic activity also bodes well for continued increases in the utilization rates and strengthening rental rates being realized in the Space Rentals division especially in Canada. Deployment on several long term U.S. public sector contracts also increases the revenue and cash flows being realized from this Division's U.S. business. Significant custom sales in both Canada and the U.S. along with contracted fleet expansion are anticipated to result in positive year over year results for the Space Rentals platform throughout the remainder of 2011.

Strengthened activity in the Bakken oil shale's, potash drilling, and Montney shale gas resource areas are driving higher utilization and rental rates for the surface rentals fleet of the Company's Energy Services division. The Company's strategic partnership in the Fort St. John region of British Columbia with the West Moberly First Nations is expected to deliver strong monthly revenues from this large and flourishing activity area.

In Summary all divisions of the Company are extremely healthy with significant growth opportunities being realized. Despite global macroeconomic concerns it is anticipated that the strong strategic positioning of the Company, significant capex, and disciplined execution will continue to generate strong results. It is anticipated the third quarter will compare very favourably to the 2010 period. The second quarter of 2011 saw the Company generate a high percentage of revenue from non-recurring installation operations and one time sales. The third quarter of 2011 is expected to have a lesser percentage of revenue coming from these activities leading Management

to expect slightly lower top line revenue in the third quarter compared to the second quarter of 2011. However, given the increased rental fleet and robust utilization, it is expected that growth of recurring rental and operations revenues will provide stronger EBITDA margins leading Management to expect in-line or slightly higher EBITDA in the third quarter as compared to second quarter of 2011. Both rental and non-rental revenues are expected to grow through the fourth quarter of 2011 and into 2012 in concert with the Company's capital expenditure program.

The Company has announced an increase of \$20 million to its 2011 capital expenditure program. This brings the total 2011 capital program to \$100 million which has been allocated amongst the three operating divisions in a generally non-speculative manner and entirely through new asset purchases from suppliers. The increased expenditure is required to meet strong demand from the Company's customers across all business units. It is expected that substantially all of the program will have been expended prior to the end of the year with a small amount carrying into the first quarter of 2012. Full effect of the expanded program will be realized through rental and operations revenue growth in the first two quarters of 2012. There is no immediate indication of any degradation of the Company's business trends on account of recent financial market turmoil.

Summary Financial Statements

The following is a summary of the Company's consolidated statements of financial position as at June 30, 2011 and December 31, 2010, the Company's consolidated statements of net income and consolidated statements of cash flows for the three and six months ended June 30, 2011 and 2010. These summary statements should be read in conjunction with the Company's audited consolidated financial statements including the accompanying notes for year ended December 31, 2010 as filed on SEDAR.

As of January 1, 2011, Black Diamond adopted International Financial Reporting Standards (IFRS), and the following disclosures, as well as associated interim condensed consolidated financial statements have been reported in accordance with IFRS. Black Diamond's effective transition date is January 1, 2010, to accommodate 2010 IFRS comparative information. A comprehensive summary of all the significant changes including reconciliations of Canadian GAAP financial statements to those prepared under IFRS are included in note 29 of the Company's unaudited interim financial statements for the three and six months ended June 30, 2011 as filed on SEDAR.

Black Diamond Group Limited
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(Expressed in thousands)

As at	June 30, 2011	December 31, 2010
	\$	\$
ASSETS		
Current		
Trade and other receivables	58,274	35,080
Prepaid expenses and other current assets	10,551	2,491
	68,825	37,571
Non-Current		
Property and equipment	278,599	247,160
Intangible assets	11,216	12,064
Goodwill	34,476	34,591
	393,116	331,386
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	5,036	6,776
Accounts payable and accrued liabilities	34,393	32,575
Dividends payable	1,767	1,482
Current income taxes payable	19	68
Finance lease obligation	228	561
	41,443	41,462
Non-Current		
Long-term debt	62,973	66,000
Long-term customer deposits	217	543
Risk management liability	1,447	1,402
Asset retirement obligations	1,817	1,780
Deferred tax liabilities	31,413	25,571
	139,310	136,758
Shareholders' equity		
Share capital	239,762	187,925
Contributed surplus	4,092	4,246
Non-controlling interest	368	348
Accumulated other comprehensive income	(5,146)	(3,151)
Retained earnings	14,730	5,260
	253,806	194,628
	393,116	331,386

Black Diamond Group Limited
CONSOLIDATED STATEMENTS OF NET INCOME
(Unaudited)

(Expressed in thousands, except per share amounts)

	Three month period ended		Six month period ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	\$	\$	\$	\$
Revenue	56,801	31,161	112,532	62,132
Direct costs	28,342	15,870	56,025	30,386
Gross Profit	28,459	15,291	56,507	31,746
Expenses				
Administrative expenses	7,368	5,444	13,994	10,259
Depreciation of property and equipment	6,641	4,618	12,655	8,941
Amortization of intangibles	373	382	763	769
	14,382	10,444	27,412	19,969
Operating profit	14,077	4,847	29,095	11,777
Finance costs	993	551	2,041	1,092
Income before income taxes	13,084	4,296	27,054	10,685
Income tax				
Current	19	328	36	585
Deferred	3,129	1,100	6,793	2,476
	3,148	1,428	6,829	3,061
Net income	9,936	2,868	20,225	7,624
Net income attributable to non-controlling interest	551	(159)	945	75
Net income attributable to Black Diamond Group Limited	9,385	3,028	19,280	7,549
Net income per share				
Basic	0.53	0.19	1.13	0.49
Diluted	0.52	0.18	1.10	0.48

Black Diamond Group Limited
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Expressed in thousands)	Three month period ended		Six month period ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	\$	\$	\$	\$
Operating activities				
Operating profit for the period	14,077	4,847	29,095	11,777
Add (deduct) non-cash items:				
Depreciation of property and equipment	6,641	4,618	12,655	8,941
Amortization of intangible assets	373	382	763	769
Foreign exchange loss/ (gain)- unrealized	(12)	(17)	(4)	(28)
Share-based compensation expense	469	521	901	1,043
	21,548	10,351	43,410	22,502
Change in non-cash working capital related to operating activities	(8,004)	(2,519)	(37,017)	(8,712)
Net cash from/ (used in) operating activities	13,544	7,832	6,393	13,790
Investing activities				
Purchase of property and equipment	(19,056)	(14,450)	(45,135)	(25,886)
Business combinations	-	-	-	(17,945)
Change in non-cash working capital related to investing activities	(774)	1,615	6,286	-
Net cash used in investing activities	(19,830)	(12,835)	(38,849)	(43,831)
Financing activities				
Proceeds from long-term debt	10,000	11,973	46,000	36,969
Repayment of long-term debt	(49,031)	-	(49,031)	(26,012)
Repayment of finance lease	(182)	(159)	(347)	(315)
Interest in period	(993)	(551)	(2,041)	(1,092)
Net proceeds from issuance of shares	48,889	326	48,889	24,079
Dividend payments	(4,909)	(4,866)	(9,526)	(8,734)
Distribution to non-controlling interest	(607)	-	(925)	-
Purchase of shares in trust	-	(100)	(74)	(100)
Bank indebtedness	2,336	(2,691)	(1,740)	1,493
Share options exercised	782	1,071	1,269	3,753
Net cash from financing activities	6,285	5,003	32,474	30,041
Increase/ (decrease) in cash and cash equivalents	(1)	-	18	-
Cash and cash equivalents, beginning of year	-	-	-	-
Effect of foreign currency rate changes on cash and cash equivalents	1		(18)	
Cash and cash equivalents, end of year	-	-	-	-

Additional Information

A copy of the Company's unaudited condensed consolidated interim financial statements for the three and six month periods ended June 30, 2011 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 11, 2011. 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 416-340-8530 or toll free 1-877-240-9772 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 undertakings of which, through its wholly-owned subsidiaries, Black Diamond Limited Partnership, Nortex Modular Leasing and Construction Company and through its 50% participation in the Black Diamond Dene Limited Partnership and Black Diamond West Moberly Limited Partnership, are 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 and Logistics, BOXX Modular and Black Diamond Energy Services.

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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 International Financial Reporting Standards ("IFRS"). Readers are cautioned that these non-IFRS 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 month period ended June 30, 2011 filed on SEDAR.

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