



NEWS RELEASE

December 18, 2014

## BLACK DIAMOND GROUP LIMITED PROVIDES OPERATIONAL UPDATE

**Calgary, Alberta – (TSX: BDI)** - With continued weakness in some subsectors of the Canadian energy and resource accommodations market, Black Diamond Group Limited (“Black Diamond” or the “Company”) is updating its earnings outlook for both Q4 2014 and full year 2015 while concurrently re-affirming its current dividend, given the strength of its balance sheet and strong cashflow.

The Company anticipates that EBITDA in Q4 2014 will be approximately 20 to 25 per cent lower than the \$38 million in Q4 2013. This decrease is due to the Company’s Canadian Structures and Energy Services business units and its Australian operations. The workforce accommodation segment of the Company’s Structures business unit currently anticipates lower than projected utilization in the quarter, however going forward this will be partially mitigated by the recently announced \$27 million in new camp contracts utilizing existing fleet, and the completion of phase one of the previously announced 1,244 bed Dawson Creek project which will have first revenue early in Q1 2015. With these new contracts, the Company anticipates that EBITDA in Q1 2015 will be moderately ahead of that in Q4 2014.

In terms of the Company’s 2015 outlook for earnings, based upon current baseline run-rate, contracts in place, anticipated contract renewals and without considering additional capital expenditures beyond firm committed or meaningful new contracts, expectations are for EBITDA to be slightly below 2014 as a whole. However, with the strength of the Company’s balance sheet and capital discipline, cost-awareness, ongoing cashflow from operations, and healthy sales pipeline, and given a history of maintaining and increasing its dividend, the Company has confidence that a monthly dividend of \$0.08 per share per month is sustainable.

At this time the Company is maintaining its 2015 capital expenditure guidance of \$85 million, of which \$35 million is firm committed. The balance will be expended in a generally non-speculative manner should opportunities arise that meet the Company’s investment criteria.

“Despite broad concerns around potential project delays, and activity related to risks surrounding commodity prices, Management believes the Company is well-positioned to effectively capitalize on, and manage through, periods of softer market demand, given the Company’s strong balance sheet, stable and diversified assets and operating base, and recurring cash flow,” said Trevor Haynes, President and Chief Executive Officer.



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**Reader Advisory**

*Forward-Looking Statements*

Certain information in this news release contains forward-looking statements including, without limitation, management's expectations regarding the future financial performance of the Company and statements relating to forward-contracted revenue, future EBITDA in 2015, future returns of current contracted assets on-site and the anticipated timing of the completion of the first and second phase of the 1,244 bed project. With respect to the forward-looking statements contained in this news release, Black Diamond has made assumptions, regarding among other things: 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, 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](http://www.sedar.com)) and at Black Diamond's website ([www.blackdiamondgroup.com](http://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-IFRS Measure*

In this news release, the term EBITDA (earnings before interest, taxation, depreciation and amortization) has been referenced. Readers are cautioned that this measure is not defined under International Financial



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Reporting Standards (IFRS). Readers are cautioned that this non-IFRS measure is not an alternative to a measure under IFRS and should not, on its 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 shares of the Company. This non-IFRS measure should be used in conjunction with the consolidated financial statements of the Company.

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