



NEWS RELEASE

August 8, 2012

**BLACK DIAMOND GROUP LIMITED REPORTS RESULTS FOR THE SECOND QUARTER
ENDED JUNE 30, 2012**

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, 2012.

Second Quarter 2012 Highlights

Revenue generation in the second quarter of 2012 was \$62.0 million with EBITDA of \$26.5 million for the period, compared to revenue of \$56.8 million and EBITDA of \$21.5 million for the same period in 2011.

Rental revenue generated of \$23.3 million was 28% higher than the prior year's comparable period due to the increase in the rental fleet of the Company as well as utilization and rental rate increases for many of the asset classes and branch operations of the Company. Non-rental revenue of \$23.5 million represented a slight decrease from the prior year as operational activity associated with the deployment of several substantial projects was not as significant in the current period. Lodging revenue was \$15.2 million, a 23% increase from the prior year due to increases in bed counts and occupancy levels at the operated camps.

EBITDA margins of 43% for the quarter were up from the 38% generated in the prior year. This is due to increasing gross margins of the Company to 55% as a result of a higher percentage of revenues coming from rental activity. Highlights from each of the operating divisions for the quarter are as follows:

Camps:

The division ended the quarter with 1,764 units in the rental fleet which averaged 93% utilization for the period. The division generated \$17.8 million in revenue compared to \$18.2 million in the same quarter of 2011. Rental revenues increased by 26% over the second quarter of 2011 to \$13.2 million as a result of the larger fleet of assets. Non-rental revenues saw a 41% decrease in the quarter due to a decline in the volume of sales of newly manufactured products in the quarter. EBITDA generated in the quarter was \$13.8 million or 10% higher than that generated in the same period last year.

Logistics:

The division ended the quarter with 467 units in the operated camps, which were fully utilized during the period. Lodging revenues for the period were \$15.2 million, a 23% increase from the second quarter of 2011. Non-rental revenue saw a 61% increase as compared to the second quarter of 2011 due to the initial operational activity associated with the deployment of several substantial projects requiring transportation and installation. EBITDA generated in the quarter was \$7.9 million or 92% higher than that generated in the same period last year.

BOXX Modular:

The division ended the quarter with 2,913 units in the rental fleet which averaged 75% utilization for the period. The division generated \$14.0 million in revenue compared to \$15.7 million in the same quarter of 2011. The decrease in the revenues was due to fewer sales of new manufactured units. Rental revenue was 20% higher year over year as a result of an increased rental fleet and a slightly higher utilization rate. The EBITDA for the quarter was \$5.1 million, a small decrease from the prior year second quarter EBITDA of \$5.4 million.

Energy Services:

The division ended the quarter with 2,359 units in the surface rental fleet which averaged 32% utilization for the period and 268 pieces of drilling accommodations fleet which averaged 47% utilization during the quarter. The division generated \$7.6 million in revenue compared to \$5.9 million in the same quarter of 2011. The large increase in the size of the surface rental fleet (growing by 67% year over year) and rental rates on the equipment resulted in the rental revenues increasing for the quarter to \$4.2 million or 56% over the second quarter of last year. The increase in rental revenue was augmented by consistent non-rental revenue in the period of \$3.4 million. As such, the EBITDA generated by this division for the quarter was \$2.3 million, up 24% from the same period of 2011.

Balance Sheet

The Company ended the period with net debt of \$60.6 million, comprised of \$25 million drawn on its capital facility, senior secured notes of \$61.3 million, net of amortized set up costs, and a working capital surplus of \$36.8 million, including combined operating facility draws and bank indebtedness of \$4.2 million.

Following the recently completed equity financing the current number of common shares outstanding is 41.0 million, with 3.6 million common shares reserved for issuance pursuant to the exercise of options which have been granted pursuant to the share option plan.

Dividends

The Company paid dividends of \$0.055 per share in April and \$0.06 for May and June (equivalent to \$0.72 per share when annualized) resulting in a payout ratio for the period of 25%, comparable with the same period in 2011. The Board of Directors of Black Diamond is confident that the cash generated from operations will be sufficient to meet the dividend obligations.

Outlook

The second quarter of 2012 delivered strong revenue generation and strengthening EBITDA margins. The higher margins are due in part to the increase in the rental fleet, and to the percentage of rental to non-rental revenue on a consolidated basis. Management expects that both rental and non-rental revenue sources will increase in the third and fourth quarters due to the combination of recently announced project deployments and general fleet growth.

The resource industry continues to have very strong demand for workforce lodging and temporary workspace. This demand is being generated from oilsands development projects, unconventional oil and gas developments, resource related infrastructure projects and mining developments. Black Diamond is also experiencing strong demand for drilling and completions support equipment leading to strengthening returns and incremental demand for additional surface rental and wellsite accommodation assets. The aggregate of this demand from all four asset-oriented operating divisions has led to a further increase in the 2012 capital expenditure budget - from \$120 million to \$135 million. Management continues to have a high degree of visibility of capital returns given the longer term nature of guaranteed contracts being secured.

Management expects that the capital program will continue to follow the historical allocation between divisions and that the balance of the expanded capital budget will be expended more or less equally over the remainder of the year with some commitments potentially carrying over into early 2013. It is expected that this expanded capital program will translate into revenue and EBITDA growth as corresponding operations and rental revenues build.

It is anticipated that continued high utilization, fleet growth and strong pricing will characterize Black Diamond's Camps and Logistics divisions over the next several quarters. The second half of 2012 should experience a significant increase in operations revenue as the pace of new facility deployments quicken. The operated lodges revenue is expected to grow due to additional facilities coming on stream. The space rentals business is expected to

continue to grow in terms of fleet size and revenue as the division strives to meet strong demand in Canada and Energy Services revenue will build with rising field level activity post breakup and continued fleet additions.

Black Diamond's balance sheet, bolstered by the recent equity financing, has significant capacity to meet current and anticipated market demand for fleet additions as well as to fund potential future strategic opportunities.

Summary Financial Statements

The following is a summary of the Company's unaudited condensed consolidated interim statement of financial position as at June 30, 2012 and the audited consolidated statement of financial position as at December 31, 2011 and the Company's unaudited condensed consolidated interim statements of net income and cash flows for the three and six months ended June 30, 2012 and 2011. These summary statements should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements including the accompanying notes for the three and six months ended June 30, 2012 as filed on SEDAR.

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

(Expressed in thousands)

As at	June 30,	December 31,
	2012	2011
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	-	22,990
Trade and other receivables	56,783	47,641
Due from related parties	-	1,313
Prepaid expenses and other current assets	11,824	7,978
	68,607	79,922
Non-Current		
Property and equipment	350,125	301,073
Intangible assets and other non-current assets	10,249	10,778
Goodwill	34,662	34,657
	463,643	426,430
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Operating facility	4,239	-
Accounts payable and accrued liabilities	30,385	24,708
Due to related parties	1,186	1,415
Dividends payable	2,296	1,771
Income taxes payable	4,785	44
	42,891	27,938
Non-Current		
Long-term debt	86,249	86,130
Deferred revenue	67	80
Risk management liability	1,658	2,074
Asset retirement obligations	1,935	1,907
Deferred taxes	42,150	38,892
	174,950	157,021
Shareholders' equity		
Share capital	248,686	240,350
Contributed surplus	3,079	4,778
Non-controlling interest	2,897	1,359
Accumulated other comprehensive loss	(2,927)	(2,889)
Retained earnings	36,958	25,811
	288,693	269,409
	463,643	426,430

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, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	\$	\$	\$	\$
Revenue	61,974	56,801	120,931	112,532
Direct costs	27,676	28,342	53,033	56,025
Gross Profit	34,298	28,459	67,898	56,507
Expenses				
Administrative expenses	8,683	7,368	16,374	13,994
Depreciation of property and equipment	7,895	6,641	15,209	12,655
Amortization of intangibles	220	373	440	763
	16,798	14,382	32,023	27,412
Operating profit	17,500	14,077	35,875	29,095
Finance costs	1,331	993	2,745	2,041
Income before income taxes	16,169	13,084	33,130	27,054
Income tax				
Current	1,617	19	4,737	36
Deferred	2,352	3,129	3,392	6,793
	3,969	3,148	8,129	6,829
Net income	12,200	9,936	25,001	20,225
Net income attributable to non-controlling interest	1,224	551	982	945
Net income attributable to Black Diamond Group Limited	10,976	9,385	24,019	19,280
Net income per share				
Basic	0.29	0.27	0.64	0.57
Diluted	0.28	0.26	0.62	0.55

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

(Expressed in thousands)

	Three month period ended		Six month period ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	\$	\$	\$	\$
Operating activities				
Net income attributable to Black Diamond Group Limited	10,976	9,385	24,019	19,280
Add (deduct) non-cash items:				
Depreciation of property and equipment	7,895	6,641	15,209	12,655
Amortization of intangible assets	220	373	440	763
Net income attributable to non-controlling interest	1,224	551	982	945
Unrealized foreign exchange (gain)/loss	(14)	(12)	(42)	(4)
Finance costs	1,331	993	2,745	2,041
Deferred income taxes	2,352	3,129	3,392	6,793
Share-based compensation expense	861	469	1,456	901
	24,845	21,529	48,201	43,374
Book value of used fleet sales in operating activities	1,400	1,667	3,458	3,398
Change in non-cash working capital related to operating activities	(2,802)	(8,583)	(8,419)	(37,864)
Net cash from/ (used in) operating activities	23,443	14,613	43,240	8,908
Investing activities				
Purchase of property and equipment	(47,928)	(20,723)	(67,605)	(48,533)
Change in non-cash working capital related to investing activities	7,982	(774)	6,958	6,286
Net cash used in investing activities	(39,946)	(21,497)	(60,647)	(42,247)
Financing activities				
Proceeds from long-term debt	-	10,000	-	46,000
Repayment of long-term debt	-	(49,031)	-	(49,031)
Sale of shares held in trust	100	-	100	0
Repayment of finance lease	-	(182)	-	(347)
Interest in period	(1,253)	(975)	(2,597)	(2,006)
Net proceeds from issuance of shares	-	48,889	-	48,889
Dividend payments	(6,471)	(4,909)	(12,346)	(9,526)
Distribution to non-controlling interests	(393)	(607)	(393)	(925)
Purchase of shares in trust	-	-	(993)	(74)
Share options exercised	2,964	782	6,074	1,269
Advances/(repayment) of operating facility	4,239	2,336	4,239	(1,740)
Change in non-cash working capital related to financing activities	915	579	381	847
Net cash from/(used in) financing activities	101	6,882	(5,535)	33,356
Increase/ (decrease) in cash and cash equivalents	(16,402)	(2)	(22,942)	17
Cash and cash equivalents, beginning of year	16,450	-	22,990	-
Effect of foreign currency rate changes on cash and cash equivalents	(48)	2	(48)	(17)
Cash and cash equivalents, end of period	-	-	-	-

Additional Information

A copy of the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2012 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 8:30 a.m. MDT on August 9, 2012. Trevor Haynes, President and Chief Executive Officer, and Michael Burnyeat, Executive Vice President and Chief Financial Officer, will be in attendance. The call can be accessed by calling **416-695-6616** or toll free **1-800-952-6845** prior to the scheduled start time. Digital playback of the conference call will be available under the investor relations tab on the Company's website at www.blackdiamondlimited.com.

About Black Diamond

Founded in 2003, Black Diamond Group Limited is one of North America's fastest growing remote lodging, modular building and energy services companies. With its corporate head office located in Calgary, Black Diamond provides world-class services to a full spectrum of industries including oil and gas, mining, power, construction, engineering, military, government and education.

Through its wholly-owned subsidiaries, Black Diamond Limited Partnership, BOXX Modular Inc. and through its 50% equity participation in the Black Diamond Dene Limited Partnership, Black Diamond West Moberly Limited Partnership, and Black Diamond Nehiyawak Limited Partnership, Black Diamond operates four complementary divisions in thirteen strategic locations across Canada and the USA.

Black Diamond Camps rents and sells remote workforce housing and provides associated services; Black Diamond Logistics provides turnkey lodging services, remote facility management and supply chain solutions; BOXX Modular specializes in renting and selling a broad range of modular work space solutions and Black Diamond Energy Services rents and sells a complement of oilfield equipment and 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 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 months ended June 30, 2012 filed on SEDAR.