



NEWS RELEASE

May 1, 2012

**BLACK DIAMOND GROUP LIMITED REPORTS RESULTS FOR THE FIRST QUARTER
ENDED MARCH 31, 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 months ended March 31, 2012.

First quarter 2012 highlights

Revenue generation in the first quarter of 2012 of \$59.0 million with EBITDA of \$26.5 million for the period, compared to revenue of \$55.7 million and EBITDA of \$21.9 million for the same period in 2011.

Rental revenue generated of \$25.2 million was 29% 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. In addition, non rental revenue of \$20.8 million saw a 15% decrease as the prior year saw operational activity associated with the deployment of several substantial projects, which was not replicated in the current period. This decrease was offset by sales of new manufactured product and used fleet through both the Camps and BOXX Modular divisions. Lodging revenue was \$12.9 million, a 13% increase from the prior year due to increases in occupancy levels at the operated camps.

EBITDA margins of 45% for the quarter were up from the 39% generated in the prior year. This is a result of increasing the gross margins of the Company to 57% through a change in the sales mix and maintaining the administrative costs as a percentage of the revenue generated at 13%. Some highlights from each of the operating divisions for the quarter are as follows:

Camps:

The division ended the quarter with 1,896 units in the rental fleet which averaged 91% utilization for the period. The division generated \$17.4 million in revenue compared to \$15.9 million in the same quarter of 2011. Large increases in revenues came from rentals which increased by 19% over Q1 2011 to \$12.5 million. This was a result of the larger fleet of assets. Non rental revenues saw a 10% decrease in the quarter due to a decline in the volume of sales of newly manufactured products and used fleet sales in the quarter. EBITDA generated in the quarter was \$13.6 million or 33% higher than that generated in the same period last year.

Logistics:

The division ended the quarter with 245 units in the operated camps, which were fully utilized during the period, a 3% increase from prior period. Variability in revenue arises through changes in the occupancy rates. Lodging revenues for the period were \$12.9 million, a 13% increase from prior period. Non-rental revenue saw a 59% decrease due to the prior period including the installation phases of several significant projects augmented by several material sales of used fleet and new manufactured assets. EBITDA generated in the quarter was \$4.9 million or 12% lower than that generated in the same period last year.

Boxx Modular:

The division ended the quarter with 2,768 units in the rental fleet which averaged 76% utilization for the period. The division generated \$13.5 million in revenue compared to \$12.2 million in the same quarter of 2011. The increase in the revenues was due to the increase in fleet size from the prior period by 7% as well as a slight increase in utilization rates year over year. Non rental revenue was up slightly as a result of some additional

custom sales of equipment in Canada which were largely offset by less custom sale activity coming from the US operations. The increase in the rental revenue and better margins achieved on some of the operations resulted in this division generating \$5.1 million in EBITDA for the quarter which was 16% higher than the prior year.

Energy Services:

The division ended the quarter with 2,348 units in the surface rental fleet which averaged 66% utilization for the period and 216 pieces of drilling accommodations fleet which averaged 84% utilization during the quarter. The division generated \$12.1 million in revenue compared to \$8.7 million in the same quarter of 2011. The large increase in the size of the surface rental fleet (growing by 67% year over year) as well as increased utilization and rental rates on the equipment resulted in the rental revenues increasing for the quarter to \$7.2 million or 69% over Q1 of last year. The increase in rental revenue was augmented by consistent non-rental revenue in the period of \$4.9 million. As such, the EBITDA generated by this division for the quarter was \$5.7 million, up 59% from the same period of 2011.

Balance Sheet

The Company ended the period with net debt of \$28.6 million, comprised of \$25 million drawn on its' capital facility, senior secured notes of \$61 million, net of amortized set up costs, and a working capital surplus of \$57.4 million including a cash position of \$16.5 million.

The current number of common shares outstanding is 37.8 million, with 3.4 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 per month throughout the first quarter 2012 (equivalent to \$0.66 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 first quarter of 2012 has delivered meaningful rental revenue growth and correspondingly stronger EBITDA margins. The higher margins are due to the increase in the rental fleet but also due in part to lower operations revenue as a percentage of consolidated revenue. Management believes that this is temporary and as a result of permit related project delays in the quarter. Management expects that operations revenue will increase in the second and third quarters as new project deployments advance. Rental revenues are also expected to rise in concert with further asset additions in all four operating divisions.

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 development, 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 assets. The aggregate of this demand from all four operating divisions has led to an increase in the 2012 capital expenditure program from \$70 million to \$95 million. Management continues to have a high degree of visibility of capital returns given the longer term nature of contracts being secured.

Management expects that the increased capital program will continue to follow the historical allocation between divisions and that the balance of the increased capital budget will be expended more or less equally over the next three quarters 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 expected that continued high utilization, fleet growth and strong pricing will characterize the Camps and Logistics divisions over the next several quarters. The second quarter should experience a significant increase in operations revenue as the pace of new facility deployments accelerates. The operated lodges revenue is expected to remain strong due to high occupancy commitments.

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. The US branch activity is expected to see modest revenue growth in the second quarter as general construction activity strengthens and resource demand grows in the United States.

While oilfield equipment rentals will experience some seasonal decline of revenue due to spring break up in western Canada, the second quarter will remain profitable due to the increasing number of longer term contracts in place and the continued growth of the rental fleet.

Black Diamond continues to have an attractive and well-positioned competitive standing with a strong market position. Management anticipates that the second quarter will show incremental growth from the prior year period and from the recently completed first quarter. Black Diamond's revenue and earnings are expected to grow in subsequent quarters in concert with the Company's increased capital investment. Furthermore, management foresees continued growth and stability throughout 2012 and into 2013 from Black Diamond's multi-service platform.

Summary Financial Statements

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

Black Diamond Group Limited
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands)

As at	March 31, 2012	December 31, 2011
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	16,450	22,990
Trade and other receivables	56,737	47,641
Due from related parties	2,167	1,313
Prepaid expenses and other current assets	9,388	7,978
	84,742	79,922
Non-Current		
Long term receivables	78	-
Property and equipment	310,694	301,073
Intangible and other non-current assets	10,506	10,778
Goodwill	34,581	34,657
	440,601	426,430
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	26,322	24,708
Due to related parties	958	1,415
Dividends payable	2,083	1,771
Current income taxes payable	3,168	44
	32,531	27,938
Non-Current		
Long-term debt	86,191	86,130
Deferred revenue	65	80
Risk management liability	1,658	2,074
Asset retirement obligations	1,921	1,907
Deferred tax liabilities	39,583	38,892
	161,949	157,021
Shareholders' equity		
Share capital	244,555	240,350
Contributed surplus	3,285	4,778
Non-controlling interest	1,876	1,359
Accumulated other comprehensive loss	(3,731)	(2,889)
Retained earnings	32,667	25,811
	278,652	269,409
	440,601	426,430

Black Diamond Group Limited
CONSOLIDATED STATEMENTS OF NET INCOME

(Expressed in thousands, except per share amounts)

	Three month period ended	
	March 31,	March 31,
	2012	2011
	\$	\$
Revenue	58,957	55,732
Direct costs	25,357	27,683
Gross Profit	33,600	28,049
Expenses		
Administrative expenses	7,689	6,627
Depreciation of property and equipment	7,314	6,014
Amortization of intangibles	220	389
	15,223	13,030
Operating profit	18,377	15,019
Finance costs	1,416	1,048
Income before income taxes	16,961	13,971
Income tax		
Current	3,120	17
Deferred	1,040	3,663
	4,160	3,680
Net income	12,801	10,291
Net (loss)/income attributable to non-controlling interest	(242)	394
Net income attributable to Black Diamond Group Limited	13,043	9,897
Net income per share		
Basic	0.35	0.29
Diluted	0.34	0.29

Black Diamond Group Limited
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands)

	Three month period ended	
	March 31, 2012	March 31, 2011
	\$	\$
Operating activities		
Net income attributable to Black Diamond Group Limited	13,043	9,897
Add (deduct) non-cash items:		
Depreciation of property and equipment	7,314	6,014
Amortization of intangible assets	220	389
Earnings/(loss) attributable to non-controlling interest	(242)	394
Unrealized foreign exchange (gain)/ loss	(28)	8
Finance costs	1,416	1,048
Deferred income taxes	1,040	3,663
Share-based compensation expense	595	432
	23,358	21,845
Book value of used fleet sales in operating activities	2,056	1,731
Change in non-cash working capital related to operating activities	(5,616)	(29,005)
Net cash from/ (used in) operating activities	19,798	(5,429)
Investing activities		
Purchase of property and equipment	(19,677)	(27,810)
Change in non-cash working capital related to investing activities	(1,024)	7,060
Net cash used in investing activities	(20,701)	(20,750)
Financing activities		
Proceeds from long-term debt	-	36,000
Repayment of finance lease	-	(165)
Interest in period	(1,340)	(1,048)
Dividend payments	(5,875)	(4,617)
Distribution to non-controlling interest	-	(318)
Purchase of shares in trust	(993)	(220)
Bank indebtedness	-	(4,076)
Share options exercised	3,110	642
Change in non-cash working capital related to financing activities	(534)	-
Net cash from financing activities	(5,632)	26,198
Increase/ (decrease) in cash and cash equivalents	(6,535)	19
Cash and cash equivalents, beginning of year	22,990	-
Effect of foreign currency rate changes on cash and cash equivalents	(5)	(19)
Cash and cash equivalents, end of period	16,450	-

See accompanying notes to the unaudited condensed consolidated interim financial statements

Additional Information

A copy of the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 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. MST on May 2, 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 on the Company's website.

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 and Black Diamond West Moberly 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.

For more information please contact:

Black Diamond Group Limited

Trevor Haynes

President and Chief Executive Officer

Phone: (403) 206-4737

Fax: (403) 264-9281

Michael Burnyeat

Executive Vice President and Chief Financial Officer

Phone: (403) 206-4740

Fax: (403) 264-9281

Website: www.blackdiamondlimited.com

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 months ended March 31, 2012 filed on SEDAR.