NEWS RELEASE

Badger Daylighting Ltd. Provides Update on United States Income Tax Changes

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CALGARY, Alberta, Jan. 25, 2018 (GLOBE NEWSWIRE) -- Badger Daylighting Ltd. (“Badger”) is pleased to provide an update related to recent changes to United States income tax legislation as a result of the passing of the Tax Cuts and Jobs Act (“Revised Tax Legislation”), enacted on December 22, 2017.

The Revised Tax Legislation includes three primary changes that will impact Badger: 1) a reduction in the US federal corporate income tax rate; 2) an increase and extension of the bonus depreciation provision; and 3) the introduction of a Base Erosion Anti-Abuse Tax (“BEAT”), a new alternative minimum tax mechanism.

US Federal Tax Rate

The US federal corporate income tax rate will drop from 35% to 21% for fiscal years starting as of January 1, 2018 and for all subsequent years. The effect of the reduced current tax rates for 2018 and beyond is expected to be positive as more than two-thirds of Badger’s revenue and income is generated from the US as of the most recently released third quarter results.

The Revised Tax Legislation will require a revaluation of Badger's deferred income tax liability in the fourth quarter of 2017. Based on balances and exchange rates as of September 30, 2017, the one-time non-cash benefit upon the revaluation of deferred tax liabilities is anticipated to be approximately $15.0 million.

Within Badger’s total deferred income tax liability is a deferred income tax asset of $15.1 million as of September

30, 2017 that relates to benefits associated with Badger's transfer pricing activities. This deferred income tax asset will not be revalued as it relates to prior taxation years. The ultimate amount of the transfer pricing benefit will be determined by the Competent Authority and is currently under review by the United States Internal Revenue Service and the Canadian Revenue Agency.

Tax Depreciation Provisions

Under previous legislation, the accelerated or bonus depreciation provisions on certain depreciable property were set to reduce in 2018 and ultimately expire in 2019. The Revised Tax Legislation now provides for 100% tax depreciation for assets acquired and put into service after September 27, 2017 until December 31, 2022, with a gradual reduction in the bonus depreciation rate for assets acquired and placed into service thereafter, but prior to January 1, 2027.

A summary of the changes to tax depreciation rates is as follows:

Fiscal Year	Bonus Depreciation – Revised Tax Legislation	Bonus Depreciation - Previous Tax Legislation
2017 (1)	100%	50%
2018	100%	40%
2019	100%	30%
2020-2022	100%	standard rates
2023	80%	standard rates
2024	60%	standard rates
2025	40%	standard rates
2026	20%	standard rates
2027	standard rates	standard rates

(1) Bonus depreciation rates under the Revised Tax Legislation are effective after September 27, 2017.

Bonus depreciation is deductible at a federal level; the deductibility at a state or local tax level is on a jurisdiction-by-jurisdiction basis.

Base Erosion Anti-Abuse Tax ("BEAT")

Badger does not anticipate the BEAT having an impact on its income tax expense in the near term, as this tax is applicable when a company's US average annual gross receipts are US $500 million or greater and the company has deducted related party payments totaling 3% or more of total deductions for the taxation year. Badger does not currently meet the revenue threshold, but revenue growth could subject Badger to the BEAT in future years.

The minimum BEAT is the excess of 5% for 2018, 10% for taxation years 2019 through 2025 and 12.5% for taxation years after 2025 of a corporation's modified taxable income over its regular tax liability for the year, reduced by certain credits. The BEAT, if applicable in future taxation years, could increase the effective tax rate of US

operations.

Potential Future Year Impact

Badger anticipates that 2018 and future years will benefit from a reduction in the amount of current income tax expense in the United States, driven both by the reduced federal income tax rate and the accelerated depreciation schedule. However, readers should be cautioned that future revenue growth may have an impact on the applicability of the BEAT. The application of the BEAT could have a material impact on Badger's US tax depreciation and future income tax expense.

Badger continues to evaluate the overall impact that the Revised Tax Legislation may have on its financial results. Due to the nature, complexity and assumptions required when assessing changes to income tax legislation, including the impact of future regulations and interpretations to be issued by the Internal Revenue Service to implement the Revised Tax Legislation, the exact amount and timing of the future benefits are uncertain. The impact of the future benefits to Badger are highly dependent on the amount of Badger's future taxable earnings which cannot be predicted with certainty. In addition, the amount of future capital investment in the United States, primarily hydrovacs that are placed into the United States will, depending on the amount and the year have a significant impact on Badger's United States future taxable income as a result of the impact of the bonus depreciation provisions and the BEAT.

Cautionary Note Regarding Forward Looking Information

This press release contains certain forward-looking information including Badger's expectations of the impacts or potential impacts on Badger's current and future income tax expense and deferred income tax assets or liabilities associated with the Revised Tax Legislation, including the applicability and implications of the BEAT on Badger's current and future income tax expense. The provision of forward-looking information is not a guarantee of future performance and involves a number of assumptions, risks and uncertainties including, but not limited to, those referred to earlier in this press release. Badger's actual results may differ materially from those expressed or implied by the forward-looking information provided herein therefore readers are cautioned not to place undue reliance on that information. Except as required by applicable securities laws, Badger disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

About Badger Daylighting Ltd.

Badger is North America's largest provider of non-destructive excavating services. Badger traditionally works for contractors and facility owners in a broad range of infrastructure industries. The Company's key technology is the Badger Hydrovac, which is used primarily for safe digging in congested grounds and challenging conditions. The Badger Hydrovac uses a pressurized water stream to liquefy the soil cover, which is then removed with a powerful

vacuum system and deposited into a storage tank. Badger manufactures its truck-mounted hydrovac units.

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

For more information regarding this Press Release, please contact:

Paul Vanderberg
President and CEO

Jerry Schiefelbein
Vice President Finance and CFO

Jay Bachman
Director, Financial Operations

Badger Daylighting Ltd. Corporate Office:
1000, 635 – 8th Avenue SW
Calgary, Alberta T2P 3M3
Phone (403) 264-8500
Fax (403) 228-9773