



**PRESS RELEASE
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BADGER INCOME FUND RELEASES CANADIAN TAX INFORMATION

Calgary, Alberta – The information provided below is solely to assist Canadian individual unitholders with tax reporting information in respect of distributions paid and declared during the calendar year 2008. The information contained herein is based on Badger Income Fund's understanding of the Canadian Income Tax Act and the regulations thereunder and is provided for general information only. Canadian unitholders should consult with a taxation or investment professional for individual tax advice.

Fund Units Held Within an RRSP, RRIF, RESP or DPSP

No amounts are to be reported on the unitholders' 2008 Income Tax Return where fund units are held within a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Registered Education Savings Plan (RESP) or a Deferred Profit Sharing Plan (DPSP).

Fund Units Held Outside an RRSP, RRIF, RESP or DPSP

Unitholders who hold their fund units outside of an RRSP, RRIF, RESP or DPSP and were entitled to receive distributions on a distribution record date within the calendar year 2008 will receive a T3 Statement of Trust Income Allocations and Designations slip ("T3") directly from Computershare Investor Services or from the broker/intermediary who the unitholder holds their fund units through. The amount reported in Box 26 "Other Income" on the T3 should be reported on the Unitholders' 2008 Income Tax Return. The deadline for mailing the 2008 T3's to unitholders, as required by the Canada Revenue Agency, is March 31, 2009.

Adjusted Cost Base of Fund Units for Capital Gain Purposes

Unitholders are required to reduce the adjusted cost base ("ACB") of their fund units by the amount reported in Box 42 "Amount Resulting in Cost Base Adjustment" of the T3, which is equal to the cumulative distribution declared during calendar 2008 less the amount reported as "Other Income" in Box 26 of the T3. The ACB is used in determining the capital gain or loss on the disposition of fund units.

Schedule of Tax Treatment of 2008 Distributions

The following schedule details the cash distributions declared in 2008 and the tax treatment of each distribution per Trust unit for income tax purposes:

Record Date	Payment Date	Taxable Amount (T3 - Box 26)	Tax Deferred Amount (T3 - Box 42)	Total Distribution
January 31/08	February 15/08	0.09925	0.00575	0.1050
February 29/08	March 17/08	0.09925	0.00575	0.1050
March 31/08	April 15/08	0.09925	0.00575	0.1050
April 30/08	May 15/08	0.09925	0.00575	0.1050
May 30/08	June 16/08	0.09925	0.00575	0.1050
June 30/08	July 15/08	0.09925	0.00575	0.1050
July 31/08	August 15/08	0.09925	0.00575	0.1050
August 29/08	September 15/08	0.09925	0.00575	0.1050
September 30/08	October 15/08	0.09925	0.00575	0.1050
October 31/08	November 17/08	0.09925	0.00575	0.1050
November 28/08	December 15/08	0.09925	0.00575	0.1050
December 31/08	January 15/09	0.09925	0.00575	0.1050

Badger Income Fund is an open-ended trust that is North America's largest provider of non-destructive excavating services. Badger traditionally works for contractors and facility owners in the utility and petroleum industries. Our 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.

Badger Income Fund's business model involves the provision of excavating services through two distinct entities: the Operating Partners (franchisees in the United States and agents in Canada), and Badger Corporate. Badger Corporate works with its Operating Partners to provide Hydrovac service to the end user. In this partnership, Badger provides the expertise, the trucks, and North American marketing and administration support. The Operating Partners deliver the service by operating the equipment and developing their local markets. All work is invoiced by Badger and then shared with the Operating Partner based upon a revenue sharing formula. In certain locations Badger has established corporate run operations to market and deliver the service in the local area.

This press release contains forward-looking statements subject to various risk factors and uncertainties, which may cause the actual results, performances or achievements of Badger to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, fluctuations in the market for oil and gas related products and services, political and economic conditions, the demand for services provided by Badger, industry competition and Badger's ability to attract and retain key personnel.

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

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