



# BADGER DAYLIGHTING

The leading North American provider of non-destructive excavation services.

## Q3

## QUARTERLY REPORT

For the ten months ended September 30, 2004

### Financial Highlights

Badger Income Fund (the "Fund" or "Badger") is the successor organization to Badger Daylighting Inc. following its conversion to an income trust effective March 31, 2004. Badger's year-end has been changed from November 30, 2004 to December 31, 2004. Consequently, this interim report presents financial information for the ten- and three-month periods ended September 30, 2004 along with comparative information for the nine- and three-month periods ended August 31, 2003.

(\$ thousands, except per unit and total units outstanding information)	Three months ended September 30, 2004	Three months ended August 31, 2003	Ten months ended September 30, 2004	Nine months ended August 31, 2003
Revenues	20,133	17,216	58,208	45,296
Net earnings	4,193	1,685	9,858	2,095
Net earnings per unit – diluted <sup>(3)</sup>	0.39	0.17	0.94	0.21
EBITDA <sup>(1)</sup>	6,023	4,558	16,518	9,305
Cash flow from operations <sup>(2)</sup>	5,939	3,486	14,884	7,197
Cash flow per unit – diluted <sup>(3)</sup>	0.56	0.34	1.42	0.71
Maintenance capital expenditures <sup>(4)</sup>	985	776	1,365	1,090
Required debt repayment <sup>(5)</sup>	691	1,177	2,690	3,475
Additional debt repayment <sup>(5)</sup>	–	–	1,800	–
Cash available for growth and distribution <sup>(6)</sup>	4,295	1,537	10,983	2,986
Cash distributions declared	2,203	–	4,342	–
Growth capital expenditures <sup>(4)</sup>	1,654	–	7,724	–
Total units outstanding <sup>(3)</sup>	10,648,879	10,078,973	10,648,879	10,078,973

Excluding net earnings per unit, cash flow per unit and total units outstanding the following measures do not have any standardized meaning prescribed by generally accepted accounting principles ("GAAP") and may not be comparable to similar measures presented by other companies or trusts:

- (1) Earnings before interest, taxes, depreciation and amortization ("EBITDA") is provided to assist investors in determining the ability of the Fund to generate cash from operations and is calculated from the consolidated statement of earnings and accumulated earnings as gross margin, less selling, general and administrative costs and trust reorganization costs.
- (2) Cash flow from operations is calculated from the consolidated statement of cash flows as net earnings adjusted for non-cash items charged to the consolidated statement of earnings and accumulated earnings.
- (3) For comparative purposes the weighted average shares outstanding in 2003 have been converted to units on a 2:1 basis; therefore per unit calculations have been restated on this basis.
- (4) Maintenance capital expenditures is defined as the amount incurred during the period to keep the daylighting fleet at the same number of units. It also includes any costs incurred on a daylighting unit to enhance its operational life. This amount will fluctuate from quarter to quarter depending on the number of units retired from the fleet. During the three-month period, Badger added eight units to the fleet and removed three from service. As a result five of the units added during the three months ended September 30, 2004 represented growth capital expenditures, while three of the units represent maintenance capital expenditures. During the ten-month period ended September 30, 2004 Badger added 24 units to the fleet, of which four have been reflected as a maintenance capital expenditures. The economic life of a Badger hydrovac is approximately ten years. The average age of the fleet is just under four years.
- (5) Required debt repayments is defined as the amount of debt which had to be repaid during the period pursuant to regularly scheduled debt repayments. Additional debt repayments represent accelerated payments of debt that were not required to be made during the period.
- (6) Cash available for growth and distribution represents cash flow from operations per the statement of consolidated cash flows, less required debt repayments and maintenance capital expenditures, plus any proceeds received on the disposal of assets.

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## Operational Summary

1. In Western Canada Badger secured reasonable work volumes in the third quarter by moving trucks to areas of greatest activity. This reduced the negative impact of wet weather on truck utilization in the overall region.
2. Eastern Canada realized improved utilization due to increased construction activity in the region during the quarter.
3. Activity generally improved in the United States during the third quarter. Badger was also able to secure higher revenue project work, which enhanced operating results.
4. Revenue per truck per month was \$27,200 to date in 2004 compared to \$25,800 in the first nine months of 2003. Badger budgets an overall fleet average of \$25,000 per truck per month.
5. Badger had 205 units at the end of the third quarter of 2004, which included the addition of 24 daylighting units to the fleet so far in 2004 and the retirement of four units. The Fund had 185 units at November 30, 2003.

## Increased Monthly Distributions

As a result of solid operational and financial performance, the trustees intend to increase the monthly distributions by 5 percent to \$.0735 per unit per month from \$0.07 per unit per month commencing with the November distributions, which are payable in December. After analyzing the results, Management and the trustees believe this increase in monthly distributions is sustainable and reflects the performance of the business. It should be noted that the trustees also increased distributions by approximately 5 percent for August distributions.

## INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Management's discussion and analysis should be read in conjunction with the attached unaudited interim consolidated financial statements of Badger Income Fund (the "Fund" or "Badger") and readers should also refer to the audited consolidated financial statements and Management's Discussion and Analysis included in Badger Daylighting Inc.'s 2003 Annual Report as well as the Badger Information Circular dated February 18, 2004. The Fund commenced operations on March 31, 2004. However, to provide unitholders with meaningful financial information and a quarterly comparison, the discussion and analysis of operations and attached unaudited interim consolidated financial statements deal with the period December 1, 2003 to September 30, 2004. The accounts for Badger Daylighting Inc. are included for the period December 1, 2003 to March 31, 2004, on a continuity-of-interest basis as if the Fund had existed at the beginning of the period. The comparative information for the entire period of December 1, 2002 to August 31, 2003, is for Badger Daylighting Inc.**

**As a result of converting to a trust the year-end has been changed from November 30, 2004 to December 31, 2004; therefore, the following Management's Discussion and Analysis compares the ten months ended September 30, 2004 to the nine months ended August 31, 2003 and the three months ended September 30, 2004 to the three months ended August 31, 2003.**

**Revenue and expense variance analysis in the Management's Discussion and Analysis focuses primarily on the year-over-year changes during the third quarter. However, unless otherwise indicated, year-over-year variances for the ten months ended September 30, 2004 are explained by the same general factors which contributed to the third quarter variance.**

### Disclaimer

This quarterly report 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 and 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, agents and franchisees.

### Results of Operations

#### Revenues

Revenues for the three months ended September 30, 2004 increased to \$20.1 million from \$17.2 million for the three months ended August 31, 2003. The 54 percent increase in United States' revenues from \$3.2 million for the three months ended August 31, 2003 to \$4.9 million for the three months ended September 30, 2004 reflected the Fund's continued focus on certain geographical areas and market segments resulting in an increased customer base and added demand for hydrovac services. The 8 percent increase in Canadian revenues is mainly due to increased activity in Western Canada. The continued upward pressure on petroleum commodity prices has resulted in continued spending on projects in the Western Canada Sedimentary Basin, which in turn is increasing the demand for hydrovac services.

Badger's average revenue per truck per month during the three months ended September 30, 2004 was \$31,400 versus \$30,500 per month for the three months ended August 31, 2003. This brings the year-to-date average revenue per truck per month to \$27,200 for the ten months ended September 30, 2004 versus \$25,800 for the nine months ended August 31, 2003.

#### Direct Costs

Direct costs were \$12.6 million for the three-month period ended September 30, 2004, resulting in a 37 percent gross margin versus 36 percent for the three months ended August 31, 2003. The majority of this higher gross margin can be attributed to the increase in United States' revenues. The higher truck utilization in the United States resulted in improved margins.

## Amortization of Capital Assets

Amortization of capital assets was relatively consistent between periods. The minor increase is the result of having more units in the fleet.

## Interest Expense

The reduction in interest expense is due to the significant decrease in long-term debt.

## Selling, General and Administrative

Selling, general and administrative costs were \$1.5 million for the three months ended September 30, 2004 compared to \$1.6 million for the three months ended August 31, 2003. The improvement reflects a continued focus on cost control.

## Income Taxes

The Fund recorded an income tax expense of \$1.0 million for the three months ended August 31, 2003 resulting in an effective tax rate of 37 percent. The minimal effective tax rate of 4 percent for the three months ended September 30, 2004 was due to the conversion to a trust structure, which resulted in tax deductible distributions being made for this three-month period.

## Liquidity

During the three and ten months ended September 30, 2004, the Fund generated cash flow from operations of \$5.9 million and \$14.9 million respectively.

The following table outlines the cash available to fund growth and pay distributions to unitholders for the three and six months ended September 30, 2004:

	<b>Three months ended September 30 \$</b>	<b>Six months ended September 30 \$</b>
Cash flow from operations	5,938,633	10,050,349
Add: proceeds on disposal of capital assets	32,083	94,987
Less: required principal repayments of long-term debt	(691,322)	(1,374,586)
Less: maintenance capital expenditures (*)	(985,138)	(1,364,703)
Cash available for growth capital expenditures and distributions	4,294,256	7,406,047
Growth capital expenditures (*)	1,654,480	4,271,929
Distributions	2,203,109	4,341,758

(\*) Total maintenance and growth capital expenditures for the three and six months ended September 30, 2004 was \$2,639,618 and \$5,636,632 respectively.

## Capital Resources

Working capital was \$6.5 million at September 30, 2004, which was unchanged from the period ended November 30, 2003. Strong cash flow from operations allowed Badger to build new units, pay down long-term debt and make distributions, while still maintaining a positive working capital position.

The Fund continued to reduce its long-term debt during the three months ended September 30, 2004. The long-term debt balance of \$3.1 million (including the current portion of long-term debt) is 26 percent of fiscal 2003 cash flow from operations – an indicator of the Fund's low, long-term debt.

The Fund believes its healthy balance sheet and unutilized borrowing capacity, combined with cash generated from operations, will provide sufficient capital to fund its ongoing operations, pay for future capital expenditures and fund ongoing distributions to unitholders.

#### Number of Daylighting Units

During the three-month period ended September 30, 2004 Badger added eight new daylighting units to the Canadian fleet, transferred three daylighting units to the United States and removed three from service, bringing the total to 157 daylighting units operating in Canada at period-end. Badger transferred three daylighting units to the United States during the third quarter bringing the total number of daylighting units in the United States to 48 at September 30, 2004.

#### Contractual Obligations

The Fund intends to meet its contractual obligations through cash flow generated by operating activities. The Fund's only material contractual obligations for the next five years relate to repayment of long-term debt and are as follows:

	\$
October 1, 2004 to December 31, 2004	696,656
2005	1,275,536
2006	108,768
2007	108,768
2008	108,768
Thereafter	788,615
<b>Total</b>	<b>3,087,111</b>

#### Selected Quarterly Financial Information

	Quarter ended							
	2004			2003				2002
	Sept. 30	June 30	Mar 31 <sup>(1)</sup>	Nov. 30	Aug. 31	May 31	Feb. 28	Nov. 30
Revenues (\$)	<b>20,133,108</b>	15,488,043	22,587,177	18,391,028	17,216,491	15,175,522	12,903,817	14,791,263
Net earnings (loss)(\$)	<b>4,193,112</b>	2,755,838	2,909,169	1,884,246	1,684,627	1,057,045	(646,572)	240,200
Net earnings (loss) per unit – basic <sup>(2)</sup> (\$)	<b>0.39</b>	0.26	0.28	0.19	0.17	0.10	(0.06)	0.02
Net earnings (loss) per unit – diluted <sup>(2)</sup> (\$)	<b>0.39</b>	0.26	0.27	0.18	0.17	0.10	(0.06)	0.02
Units outstanding <sup>(2,3)</sup>	<b>10,648,879</b>	10,640,049	10,415,473	10,085,639	10,078,973	10,053,973	10,053,973	10,053,973
Diluted units <sup>(2,3)</sup>	<b>10,666,542</b>	10,666,542	10,666,542	10,221,229	10,139,457	10,065,738	10,053,973	10,094,348

Notes:

(1) The quarter ended March 31, 2004 represents a four-month period.

(2) For comparative purposes the shares outstanding and diluted shares outstanding for the quarters ended March 31, 2004, the 2003 quarters and the quarter ended November 30, 2002 have been converted to units on a 2:1 basis; therefore per unit calculations have been restated on this basis.

(3) Units outstanding and diluted units outstanding are as at the end of the respective quarters.

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## Other

As with the previous fiscal period Badger has decided to continue with self-insuring against any physical damage it incurs on the hydrovac units due to the high cost of insurance premiums. This decision will be re-evaluated next year as part of the insurance policy renewal process.

## Outlook

Utilization is expected to remain at or near current levels for the next quarter. This is based on an expectation of reasonable weather conditions and a continued high level of activity for the petroleum industry. Badger expects to add eight or nine daylighting units in the fourth quarter of 2004.

## Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Fund have been prepared by Badger Income Fund's management.

The Fund's independent auditor has not performed a review of the accompanying unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# Consolidated Balance Sheets

	Sept. 30, 2004 (\$)	Nov. 30, 2003 (\$)
	(Unaudited)	(*)
<b>ASSETS</b>		
<b>Current</b>		
Cash	454,532	2,986,045
Accounts receivable	18,357,115	14,979,088
Inventories	1,622,554	1,297,954
Prepaid expenses	487,883	379,947
	<b>20,922,084</b>	19,643,034
<b>Capital assets</b>	<b>44,027,182</b>	40,172,348
	<b>64,949,266</b>	59,815,382
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
<b>Current</b>		
Bank indebtedness	3,194,919	–
Accounts payable and accrued liabilities	8,619,977	7,946,593
Income taxes payable	84,854	1,168,655
Distributions payable	745,422	–
Current portion of long-term debt	1,771,463	4,034,579
	<b>14,416,635</b>	13,149,827
<b>Long-term debt</b>	<b>1,315,648</b>	3,542,750
<b>Future income taxes</b> [note 2]	<b>3,061,893</b>	4,437,018
	<b>18,794,176</b>	21,129,595
<b>UNITHOLDERS' EQUITY</b>		
Unitholders' capital [note 3]	41,940,517	41,308,849
Contributed surplus	826,000	826,000
Accumulated distributions [note 3]	(4,341,758)	–
Accumulated earnings [note 2]	7,730,331	(3,449,062)
	<b>46,155,090</b>	38,685,787
	<b>64,949,266</b>	59,815,382

(\*) These figures were derived from the audited November 30, 2003 consolidated financial statements.

# Consolidated Statements of Earnings and Accumulated Earnings

	Three months ended Sept. 30, 2004 (\$)	Three months ended Aug. 31, 2003 (\$)	Ten months ended Sept. 30, 2004 (\$)	Nine months ended Aug. 31, 2003 (\$)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenues</b>	<b>20,133,108</b>	17,216,491	<b>58,208,328</b>	45,295,830
<b>Direct costs</b>	<b>12,600,339</b>	11,076,740	<b>37,037,202</b>	30,992,792
<b>Gross margin</b>	<b>7,532,769</b>	6,139,751	<b>21,171,126</b>	14,303,038
<b>Expenses</b>				
Amortization of capital assets	<b>1,600,632</b>	1,512,378	<b>5,106,046</b>	4,590,737
Loss (gain) on sale of capital assets	<b>(16,841)</b>	90,665	<b>(26,374)</b>	71,751
Interest				
Long-term	<b>44,370</b>	194,027	<b>233,907</b>	634,731
Current	<b>32,131</b>	70,666	<b>55,556</b>	124,502
Selling, general and administrative	<b>1,509,815</b>	1,581,856	<b>4,397,627</b>	4,997,959
Trust reorganization charges [note 2]	–	–	<b>255,267</b>	–
	<b>3,170,107</b>	3,449,592	<b>10,022,029</b>	10,419,680
<b>Earnings before income taxes</b>	<b>4,362,662</b>	2,690,159	<b>11,149,097</b>	3,883,358
<b>Income taxes</b>				
Current	<b>7,820</b>	807,273	<b>1,344,829</b>	1,349,276
Future	<b>161,730</b>	198,259	<b>(53,851)</b>	438,982
	<b>169,550</b>	1,005,532	<b>1,290,978</b>	1,788,258
<b>Net earnings for the period</b>	<b>4,193,112</b>	1,684,627	<b>9,858,119</b>	2,095,100
<b>Accumulated earnings, beginning of period</b>	<b>3,537,219</b>	(7,017,935)	<b>(3,449,062)</b>	(7,428,408)
<b>Reorganization into a trust [note 2]</b>	–	–	<b>1,321,274</b>	–
<b>Accumulated earnings, end of period</b>	<b>7,730,331</b>	(5,333,308)	<b>7,730,331</b>	(5,333,308)
<b>Per unit information</b>				
– basic and diluted [note 4]	<b>0.39</b>	0.17	<b>0.94</b>	0.21

# Consolidated Statements of Cash Flows

	Three months ended Sept. 30, 2004 (\$)	Three months ended Aug. 31, 2003 (\$)	Ten months ended Sept. 30, 2004 (\$)	Nine months ended Aug. 31, 2003 (\$)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Operating Activities</b>				
Net earnings for the period	4,193,112	1,684,627	9,858,119	2,095,100
Add (deduct) items not affecting cash:				
Amortization of capital assets	1,600,632	1,512,378	5,106,046	4,590,737
Future income taxes	161,730	198,259	(53,851)	438,982
Loss (gain) on sale of capital assets	(16,841)	90,665	(26,374)	71,751
Cash flow from operations	5,938,633	3,485,929	14,883,940	7,196,570
Net change in non-cash working capital	(3,439,965)	931,524	(3,475,558)	1,494,692
	2,498,668	4,417,453	11,408,382	8,691,262
<b>Financing Activities</b>				
Proceeds from shares/units issued	88	42,500	631,668	42,500
Repayment of long-term debt	(691,322)	(1,177,252)	(4,490,218)	(3,474,985)
Distributions to unitholders	(2,203,109)	–	(4,341,758)	–
Increase (decrease) in bank indebtedness	2,574,919	(991,470)	3,194,919	(1,787,726)
	(319,424)	(2,126,222)	(5,005,389)	(5,220,211)
<b>Investing Activities</b>				
Purchase of capital assets	(2,639,618)	(775,637)	(9,088,641)	(1,089,987)
Proceeds on disposal of capital assets	32,083	4,243	154,135	354,481
	(2,607,535)	(771,394)	(8,934,506)	(735,506)
<b>Increase (decrease) in cash</b>				
<b>during the period</b>	(428,291)	1,519,837	(2,531,513)	2,735,545
<b>Cash, beginning of period</b>	882,823	1,936,197	2,986,045	720,489
<b>Cash, end of period</b>	454,532	3,456,034	454,532	3,456,034

# Notes to Consolidated Financial Statements

## 1. Basis of Presentation and Summary of Significant Accounting Policies

The Fund was established by Deed of Trust dated February 17, 2004. Pursuant to the terms of the Plan of Arrangement, the Fund acquired all of the common shares of Badger Daylighting Inc. on March 31, 2004. Prior to the Plan of Arrangement the consolidated financial statements include the accounts of Badger Daylighting Inc. and its subsidiaries. After giving effect to the Plan of Arrangement, the consolidated financial statements include the accounts of the Fund and its subsidiaries. For reporting purposes the Fund is considered the continuing entity of Badger Daylighting Inc.

The unaudited interim consolidated financial statements, commencing with April 1, 2004, follow the continuity-of-interest basis of accounting as if the Fund had always been a Fund. This basis is intended to provide unitholders with meaningful financial information and a quarterly comparison. As a result certain comparative figures will be reclassified to conform to the current presentation.

Management, in accordance with Canadian generally accepted accounting principles, has prepared the interim consolidated financial statements of the Fund. The interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements of Badger Daylighting Inc. for the fiscal year ended November 30, 2003. The disclosures provided below are incremental to those included with the annual consolidated financial statements. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes in the Badger Daylighting Inc.'s Annual Report for the year ended November 30, 2003.

## 2. Reorganization

On March 24, 2004 the shareholders and optionholders of Badger Daylighting Inc. approved a Plan of Arrangement under section 193 of the Business Corporations Act (Alberta). The purpose of the Arrangement was to convert Badger Daylighting Inc. from a corporate entity concentrating on growth through reinvestment of cash flow to a growth-oriented trust entity, which will distribute a portion of cash flow to unitholders. The Plan of Arrangement took effect March 31, 2004.

Under the Plan of Arrangement the Fund issued units in exchange for all of the shares of Badger on a 1:2 basis. Prior to the exchange, Badger had 20,830,945 shares outstanding and immediately subsequent to the exchange, Badger Income Fund had 10,415,475 units outstanding.

As a result of the conversion to a trust and the related reorganization future income taxes were reduced by \$1,321,274 with the gain credited to opening accumulated earnings.

Associated with the reorganization the Fund incurred costs of \$255,267 during the ten months ended September 30, 2004.

## 3. Unitholders' Capital

### Issued

	Units/Shares	Amount (\$)
November 30, 2003	20,171,278	41,308,849
Exercise of options	659,667	629,334
Shares issued at March 31, 2004	20,830,945	41,938,183
Shares cancelled under the Plan of Arrangement	(20,830,945)	(41,938,183)
Units issued under the Plan of Arrangement	10,415,475	41,938,183
Rights exercised	233,404	2,334
Units outstanding as at September 30, 2004	10,648,879	41,940,517

The diluted units outstanding as at September 30, 2004 are 10,666,542.

The Fund declared distributions of \$0.067 per unit for each of the months of April, May, June, July and \$0.07 per unit for each of the months of August and September for a total of \$4,341,758.

#### 4. Net Earnings Per Unit

Basic per unit calculations for the ten and three months ended September 30, 2004 were based on the weighted average number of units outstanding of 10,455,151 and 10,642,992 respectively. Basic per unit calculations for the nine and three months ended August 31, 2003 were based on the weighted average units outstanding of 10,057,098 and 10,066,473 respectively. The per unit and number of units/shares have been retroactively restated to reflect the 2:1 conversion of shares into units effective March 31, 2004.

#### 5. Geographic Segmented Information

	Three months ended Sept. 30, 2004			Three months ended Aug. 31, 2003		
	Canada (\$)	USA (\$)	Total (\$)	Canada (\$)	USA (\$)	Total (\$)
Revenues	<b>15,206,596</b>	<b>4,926,512</b>	<b>20,133,108</b>	14,022,871	3,193,620	17,216,491
Direct costs	<b>9,731,266</b>	<b>2,869,073</b>	<b>12,600,339</b>	8,889,058	2,187,682	11,076,740
Selling, general and administrative	<b>1,000,246</b>	<b>509,569</b>	<b>1,509,815</b>	1,100,490	481,366	1,581,856
EBITDA	<b>4,659,097</b>	<b>1,363,857</b>	<b>6,022,954</b>	4,291,687	266,208	4,557,895
Amortization of capital assets	<b>1,235,878</b>	<b>364,754</b>	<b>1,600,632</b>	1,241,803	270,575	1,512,378
Earnings (loss) before income taxes	<b>3,365,237</b>	<b>997,425</b>	<b>4,362,662</b>	2,544,589	145,570	2,690,159
Capital expenditures	<b>2,639,618</b>	–	<b>2,639,618</b>	775,637	–	775,637

	Ten months ended Sept. 30, 2004			Nine months ended Aug. 31, 2003		
	Canada (\$)	USA (\$)	Total (\$)	Canada (\$)	USA (\$)	Total (\$)
Revenues	<b>45,564,629</b>	<b>12,643,699</b>	<b>58,208,328</b>	37,156,222	8,139,608	45,295,830
Direct costs	<b>29,175,691</b>	<b>7,861,511</b>	<b>37,037,202</b>	25,118,567	5,874,225	30,992,792
Selling, general and administrative	<b>2,938,938</b>	<b>1,458,689</b>	<b>4,397,627</b>	3,101,120	1,896,839	4,997,959
EBITDA	<b>13,316,163</b>	<b>3,202,069</b>	<b>16,518,232</b>	9,373,996	(68,917)	9,305,079
Amortization of capital assets	<b>4,053,086</b>	<b>1,052,960</b>	<b>5,106,046</b>	3,667,477	923,260	4,590,737
Earnings (loss) before income taxes	<b>9,004,961</b>	<b>2,144,136</b>	<b>11,149,097</b>	4,727,580	(844,222)	3,883,358
Capital assets	<b>35,150,177</b>	<b>8,877,005</b>	<b>44,027,182</b>	33,102,419	7,132,317	40,234,736
Total assets	<b>51,650,038</b>	<b>13,299,228</b>	<b>64,949,266</b>	48,667,027	10,755,600	59,422,627
Capital expenditures	<b>7,451,505</b>	<b>1,637,136</b>	<b>9,088,641</b>	1,089,987	–	1,089,987

# Corporate Information

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## Trustees

George Watson  
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Critical Control Solutions Inc.

David Calnan, LL.B  
Partner  
Shea Nerland Calnan

Martin Margolis, CA  
Chartered Accountant

Glen D. Roane  
Corporate Director

Garry Mihaichuk  
Sr. Vice President  
Business Development  
Mancal Corporation

Tor Wilson  
President & CEO

## Officers and Management

Tor Wilson  
President & CEO

Greg Kelly, CA  
Vice President Finance & CFO

David Calnan, LL.B  
Corporate Secretary

## Head Office

Badger Income Fund  
Suite 2820, 715 - 5th Avenue S.W.  
Calgary, Alberta, Canada T2P 2X6  
Phone: (403) 264-8500  
Fax: (403) 228-9773

## Auditors

Ernst & Young LLP  
Chartered Accountants  
Calgary, Alberta

## Bankers

Toronto Dominion Bank  
Calgary, Alberta

## Registrar and Transfer Agent

Computershare Investor Services  
Calgary, Alberta

## Solicitors

Shea Nerland Calnan  
Calgary, Alberta

Henderson Daily  
Indianapolis, Indiana

## Stock Exchange Listing

Toronto Stock Exchange  
Trading Symbol "BAD.UN"

## Website

[www.badgerinc.com](http://www.badgerinc.com)



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