

OILFIELD SERVICE

QUARTERLY UPDATE

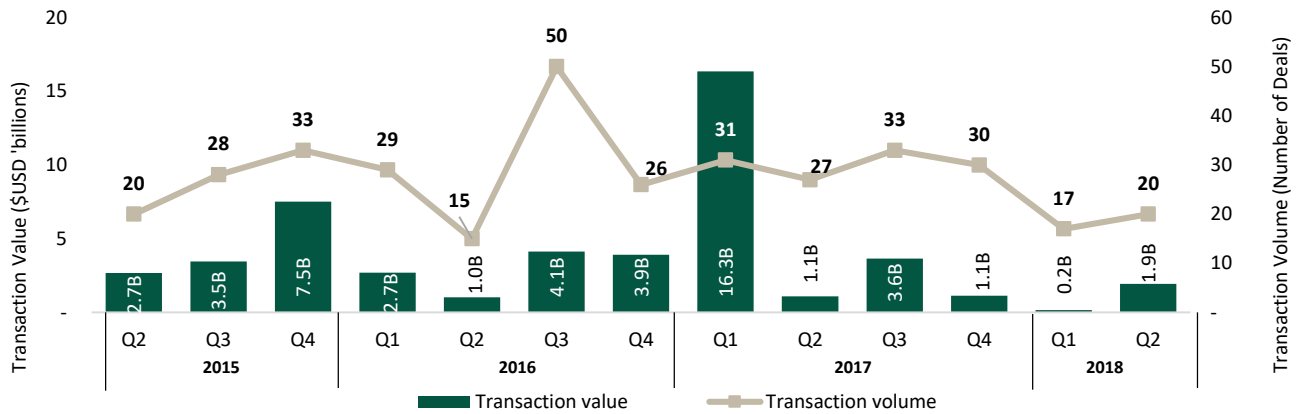
Q2 2018

INDUSTRY OVERVIEW

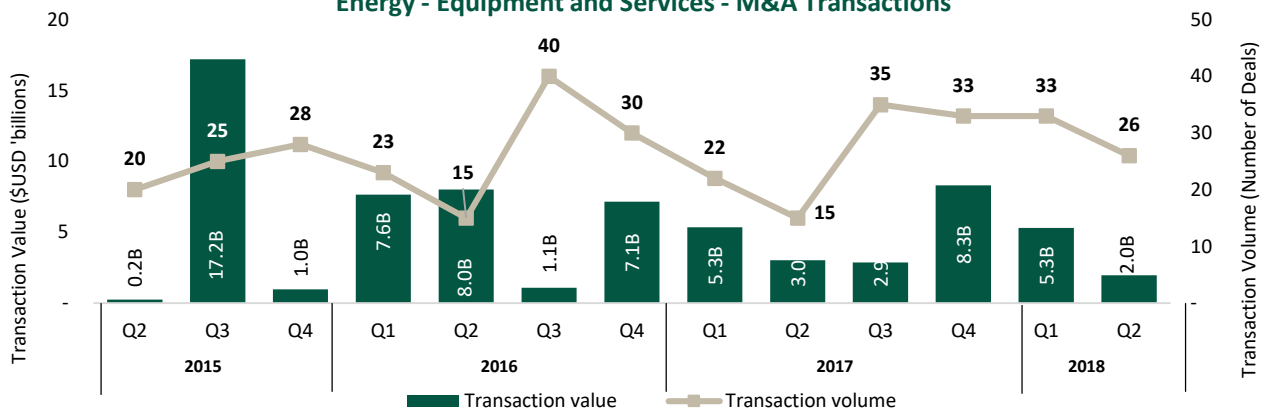
M&A TRANSACTIONS & PERFORMANCE

NORTH AMERICAN OILFIELD SERVICES AND CANADIAN E&P M&A TRANSACTIONS*

Canadian Oil and Gas Exploration and Production- M&A Transactions



Energy - Equipment and Services - M&A Transactions



M&A Market Update for Q2 2018

- According to PSAC, there were about 200 more rigs drilling in H1-2018 vs. the same time last year and average well lengths are 190m longer. OFS companies are doing marginally better, however, there are fewer E&P companies now than there were a few years ago and pricing pressures continue to weigh on OFS bottom lines. E&P companies have been impacted by restricted takeaway capacity and lack of access to tidewater: the spread between WTI and WCS pricing exceeded US \$20 per barrel in the first half of the year which roughly translates in to lost potential revenue of \$15 billion per year for the sector. Rail is helping alleviate some of this pressure: the amount of oil being transported by rail is up more than 50% from the prior year according to the National Energy Board.
- Oilfield services M&A activity was lower in Q2 2018 vs. Q1 2018 and vs. the same time in 2017 and accessing capital for both E&Ps and OFS companies remains challenging. OFS companies are considering mergers in order to gain efficiencies. South of the border, the situation is more positive as rig counts and production output continue to climb. The S&P OFS index is up more than 30% from the start of the year as compared to the Canadian OFS index which is down around 5%.
- In the Canadian Oil and Gas E&P sector, the value and volume of M&A activity increased in Q2 2018 vs. the prior quarter. A major transaction, Vermillion Energy Inc.'s \$1.40 billion acquisition of Spartan Energy Corp, accounted for a large portion of this activity. The acquisition enhances Vermillion's position in southeast Saskatchewan, and adds high-netback, low decline, capital efficient production assets to the company's balance sheet.

*Source: Capital IQ. Data as of June 30th, 2018. Note: OFS transactions include companies with head offices in other countries.

INDUSTRY OVERVIEW

SELECT RECENT M&A TRANSACTIONS



Acquired



Announced	June 19, 2018
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

"This acquisition is an excellent example of how our organization approaches acquisitions. Not only do we acquire an industry leader in a growth market, we now have a real opportunity to generate margin improvement from the synergies associated with combining the assets with our existing hydrovac and specialized combo units business in western Canada, including those that we will acquire with the recently announced AECOM purchase."

Chairman and CEO, Mullen Group, Murray K. Mullen



Acquired a division of



Announced	June 11, 2018
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

"This opportunity is a perfect synergistic fit in our organization given that the business and assets of AECOM ISD virtually overlap three of our Business Units in the Production Services division of our Oilfield Services segment. The fact that the services sector of the oil and natural gas industry in western Canada remains very competitive reinforces our belief that only those companies with the right cost structure and strong balance sheet will survive today's challenging market conditions and be positioned to capitalize on future opportunities when growth returns to the oil and natural gas industry. With this acquisition not only do we grow and strengthen three of our Business Units, we add a quality work force, which is a real challenge for oilfield service companies in today's environment of low unemployment and tight labour markets,"

Chairman and CEO, Mullen Group, Murray K. Mullen



Acquired

**T.S.L
Industries**

Closed	June 7, 2018
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

"This acquisition will expand Vertex's service offering with the addition of a hot oiler that is used to perform clearing and preventative maintenance on wells, pipelines, tanks and various other operational lines that experience build up of wax and other debris. This service is extremely complimentary to Vertex's service offering as both a stand-alone service and integrated as part of an industrial cleaning and turnaround service package."

President of Vertex - Terry Stephenson



Acquired



Closed	Apr 20, 2018
TEV	201 mm
TEV/EBITDA	162x
TEV/Revenue	2.8x

- Akita will purchase Xtreme for 0.37 non-voting shares or \$2.65 in cash for each share of Xtreme common stock, along with assuming \$10 mm of Xtreme's net debt.

"The combined company will have a larger and stronger platform to continue Xtreme's strategy of providing high-spec drilling rigs with a premium value proposition for the US market. Together we will be better positioned to optimize existing assets and pursue new business opportunities."

President and CEO, Xtreme Drilling, Matt Porter

INDUSTRY OVERVIEW

SELECT RECENT M&A TRANSACTIONS



Bought assets from



Announced	May 10, 2018
TEV	5.7 mm
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- MATRRIX Energy paid \$5mm in cash and issued \$0.7 mm worth of shares to Red Dog Drilling in order to purchase the company's oil and gas drilling assets.
- MATRRIX will operate the assets from its existing Stamped Drilling Ltd. facilities located in Estevan, SK.

Assets purchased include:

Two telescopic double drilling rigs with a depth rating of 4,000m;

One cantilever triple drilling rig with a depth rating of 5,000m; and

One double drilling rig with a depth rating of 2,800 meters.



Acquired



Closed	Apr 20, 2018
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Gearcon's assets were acquired by Tally Energy Services. The Company develops, manufactures, and rents downhole drilling motors and drilling equipment.

"The acquisition of Gearcon supports Tally's ambitions to develop collaborative partnerships in directional drilling, completions, and artificial lift to support the development of the ever-evolving North American shale programs."

CEO, Talley Energy Service , Chris Dorros



Acquired



Announced	Apr 18, 2018
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Triwest invested alongside members of HPC's management team and existing shareholders.

"With its continued focus on developing highly engineered primary cell and battery pack technology, HPC is well positioned to broaden its product offering to enhance its current market share while exploring opportunities to enter new markets outside the oil & gas drilling space."

Senior MD, Triwest Capital Partners, Jeff Belford



Acquired



Closed	Apr 16, 2018
TEV	147 mm
TEV/EBITDA	8.7x
TEV/Revenue	0.7x

Daseke purchased Aveda's shares for \$0.90 per share and assumed \$70.9mm of debt.

"Aveda is an exceptional fit for our platform. Beyond the strategic rationale, this transaction presents numerous synergies not contemplated in the purchase price. Aveda outsources up to 35% of its long-distance rig movers to other carriers, and we have the equipment to capture some of this revenue through our various operating companies.

Chairman and CEO, Daseke, Don Daseke

INDUSTRY OVERVIEW

SELECT RECENT M&A TRANSACTIONS



Acquired



Announced	Apr 13, 2018
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Capstone acquired Doull with the intention of actualizing on potential synergies between the two firms' technology, expertise, and service lines.

"Bringing these two companies together means the site assessments, the well integrity testing, data tracking and abandonment work are all in one shop, the process is streamlined, more accurate and provides our customers more value."

President, Capstone Oilfield Services, Dwight Bulloch



Acquired



Closed	Apr 5, 2018
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Quorum Business Solutions, Inc. is a developer of financial, operational, and accounting software solutions used by all industries within the energy sector.

- The Entero Corporation provides midstream and upstream companies with software for energy trading, risk management, accounting, reserve management, and capital budgeting.

"Quorum's modern energy software suite, combined with the functionality of MOSAIC and Entero ONE, now form the industry's most comprehensive upstream and midstream management software portfolio."

President and CEO, Quorum, Perry Tube



LIFTING SOLUTIONS

Acquired

Canadian assets from multinational firm

Closed	Apr 5, 2018
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Lifting Solutions Inc. purchased 250 pieces of a equipment and absorbed 120 employees from a multinational OFS company.

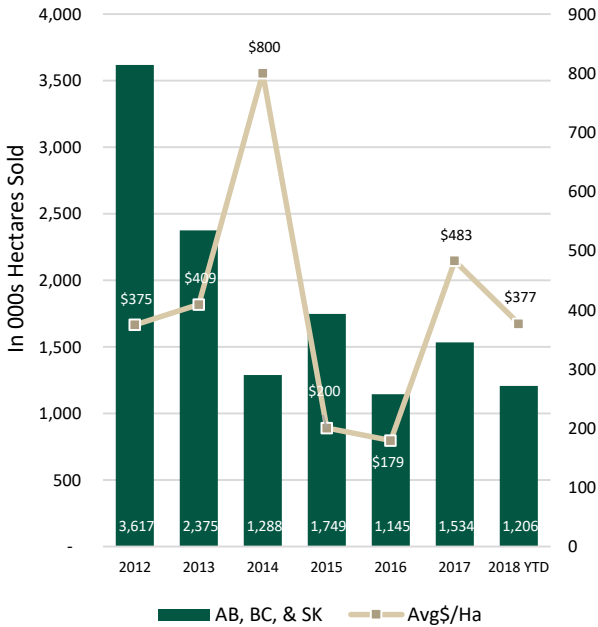
"Lifting Solutions is committed to growing its artificial lift products and services organization by providing client-valued service and system solutions in a very challenging industry environment."

VP of Client Solutions, Lifting Solutions, Jomo Green

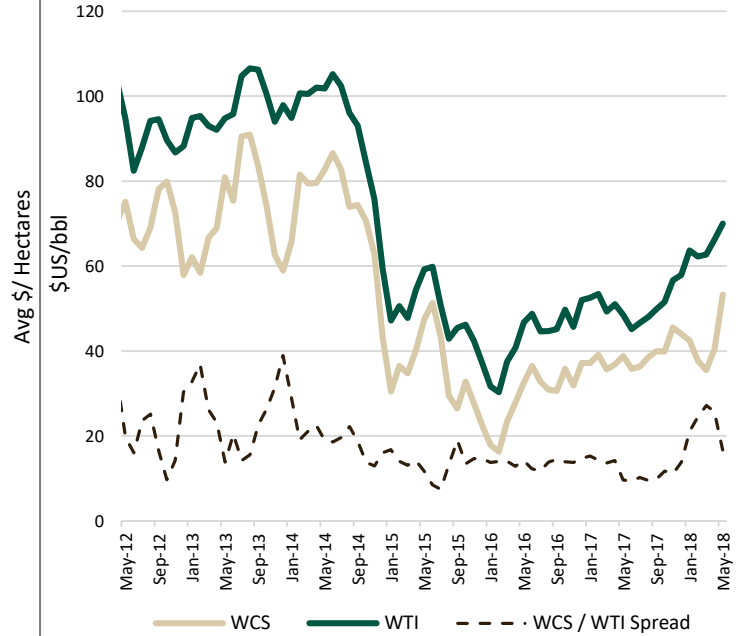
INDUSTRY OVERVIEW

MACRO ECONOMIC INDICATORS

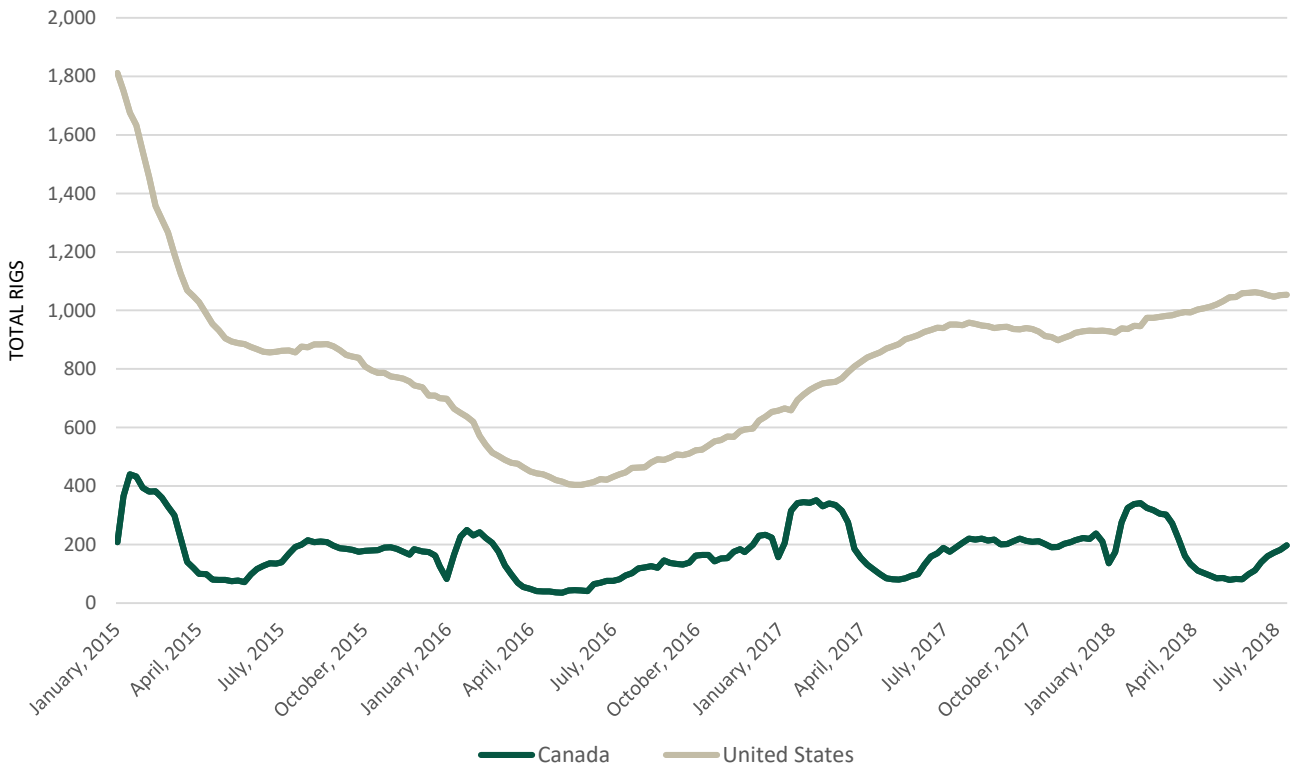
OIL & GAS LAND SALES - ALBERTA, BRITISH COLUMBIA, AND SASKATCHEWAN



WTI VERSUS WCS



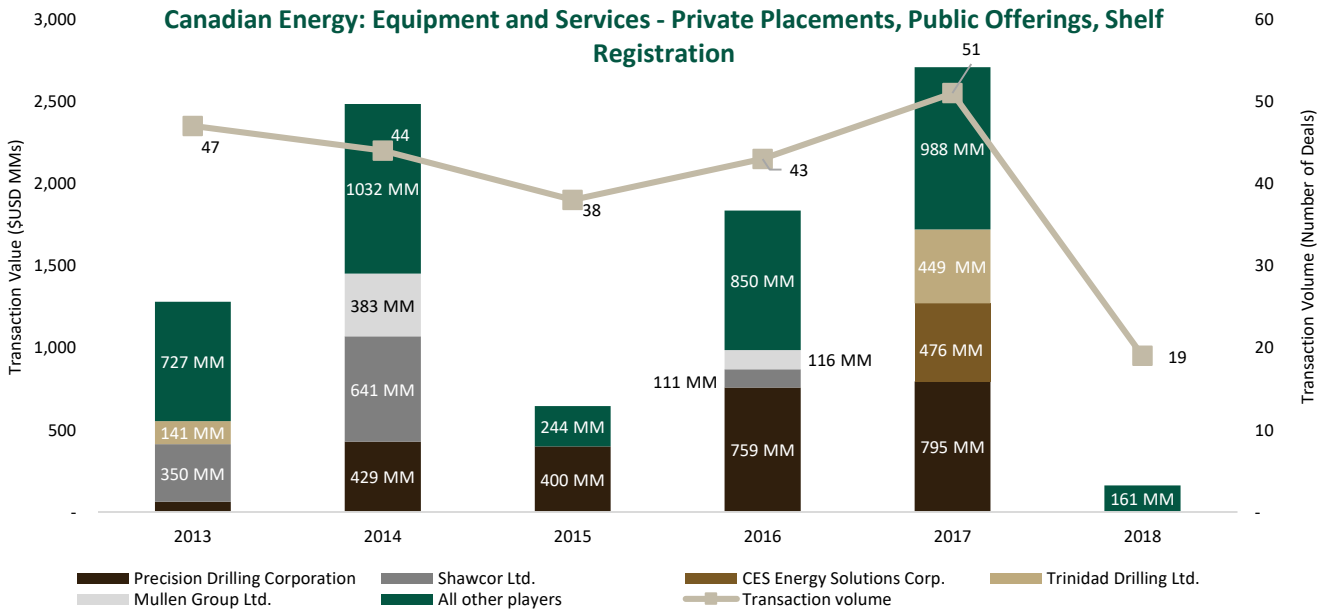
TOTAL RIG COUNT: CANADA VS. UNITED STATES



*Source: Government of Alberta, BC, and SK; Data as of June 30th, 2018.

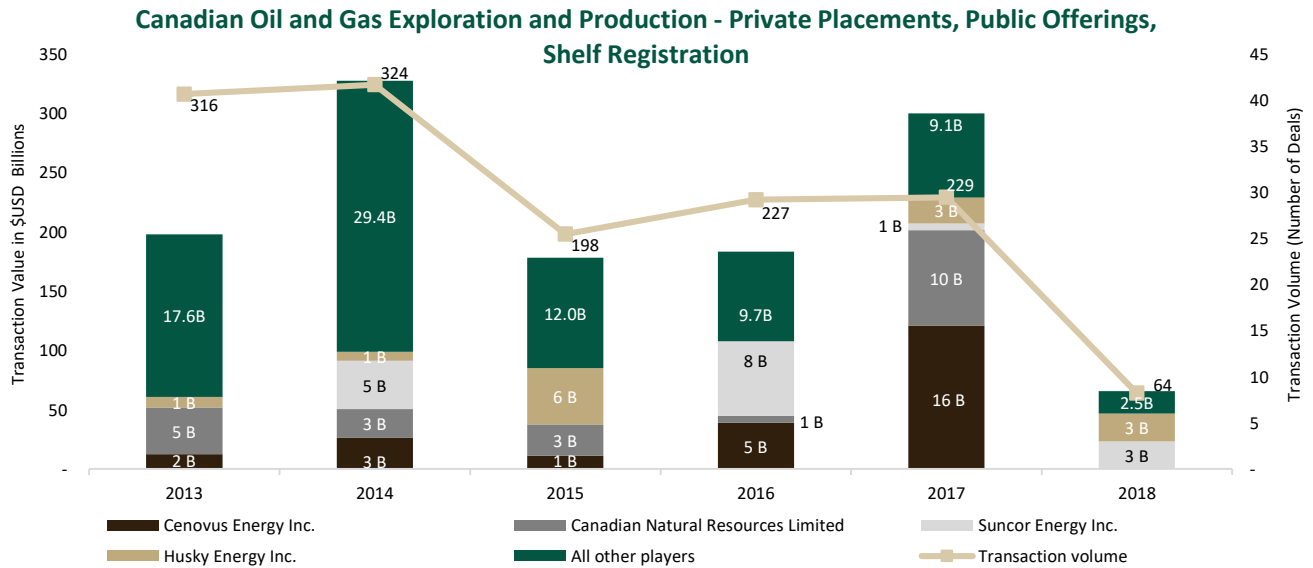
INDUSTRY OVERVIEW

MACRO ECONOMIC INDICATORS



OFS Capital Raised

- Access to capital remains challenging for many oilfield service players.



E&P Capital Raised

- The majority of capital raised in 2018 so far has been directed towards Husky and Suncor.

*Source: CAPIQ. Data as of June 30th, 2018.
 Note: data does not contain share buy-backs.

INDUSTRY OVERVIEW

EXPERT THOUGHTS

We asked a few industry participants for their thoughts on the sector:

Gary Summach, CFO Clearstream Energy Services

What was the most positive change in the last twelve months for your business?

Our ability to expand outside of Alberta with major contract wins in Newfoundland and Saskatchewan; also, the successful refinancing of our balance sheet was evidence of our stakeholders confidence in our ability to execute our strategy and in an improving market environment.

What was the most negative change in the last twelve months for your business?

Continued pressure from our clients to reduce pricing; the inability of Canada to build more take away capacity (pipelines).

What is your outlook for the next twelve months?

Slight improvement in demand; continued decreases in pricing for services due to an intense competitive environment; overall profitability unchanged.

Scott Lauinger, President and CEO Dragos Energy Corp.

What was the most positive change in the last twelve months for your business?

Increase in fluid volumes to our Fox Creek Facility, in particular specifically on the water disposal side. A lot of drilling and PAD development in the Fox Creek area. Fracs are very large and water volumes are high for the first 6 months once wells are on line.

What was the most negative change in the last twelve months for your business?

Very slow spring breakup due to road bans and soft lease conditions. Very challenging to find good field operators as many have left our industry during the downturn. Institutional funding is still a major challenge but is very much offset by very good venture capital opportunities. Seems to be a major shift in how projects are getting funded in the past year.

What is your outlook for the next twelve months?

Projecting increased volumes within the Fox Creek facility we have and area. This should reflect higher processing prices for our group to charge out. We have executed a pretty aggressive growth structure for the next twelve months as we anticipate a continued upward climb in Alberta Oil and gas activity within our GP and Fox Creek areas of focus.



INDUSTRY OVERVIEW

EXPERT THOUGHTS

We asked a few industry participants for their thoughts on the sector:

Bob Willows, President Willows Construction (2001) Ltd.

What was the most positive change in the last twelve months for your business?

The approval and commencement of Kinder Morgan and the rise in oil price.

What was the most negative change in the last twelve months for your business?

Lack of competent employees. This is a significant struggle. People are just not looking to the oilfield or construction as a long term career option. Sporadic work due to seasonality and the cyclical nature of the economy have driven most away. Limited margins in the work have lowered compensation and the requirements of employees that have an increasing level of responsibility all contribute to exodus of the industry. This combined with the possibility that millennials may want a life over a life sentence in a challenging industry all contribute to HR struggles.

What is your outlook for the next twelve months?

The next 12 months will be interesting. Governments in Canada will be campaigning so there is potential for projects to reach fruition. Kinder should have pipe in the ground signally “this is a reality” triggering development in the Ft Mac region. Competition will be fierce as winter will not see a lot of projects. Margins will be low and organizations will be challenged with maintaining employees.

Interest will be a big concern as Lines of credit become more and more costly. Financing costs will also be more significant if lending is required. Pressure from BC and Saskatchewan may mount as they have our moves in to restrict Alberta companies from working outside the province.

Mike Williamson, President of Dark Horse Energy Consultants

The current state of the industry is strong for those intermediate to large cap companies capable of supporting themselves within their cash flow. Those in the service sector working for those companies are busy.

The small cap companies that used to be the backbone of our industry do not exist at the moment due to:

- Lack of outside capital funding and adversity to increasing debt loads,
- Low natural gas prices,
- More favorable investment conditions in the US.

If we were able to sell our oil and gas into a better market the investment capital may return to Canada but until then, we will continue to suffer. We must increase our competitiveness and improve the overall investment climate.

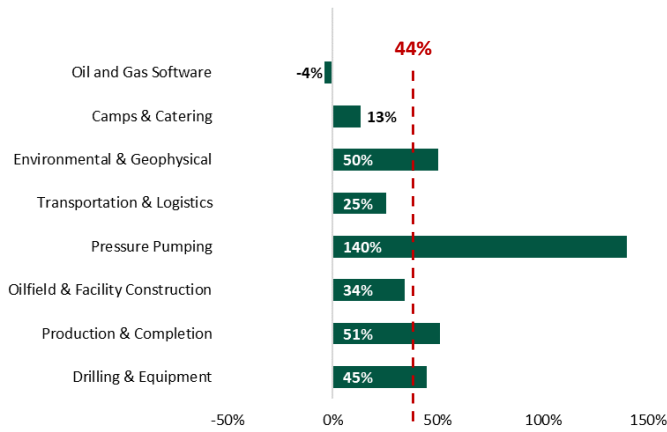


**DARK HORSE
ENERGY
CONSULTANTS LTD**

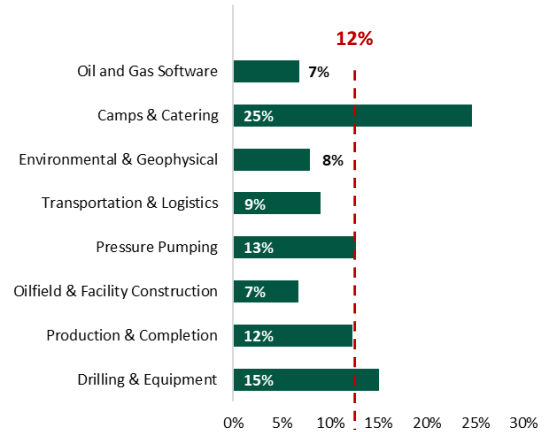
PUBLIC COMPARABLE ANALYSIS

GROWTH, MARGINS & MULTIPLES

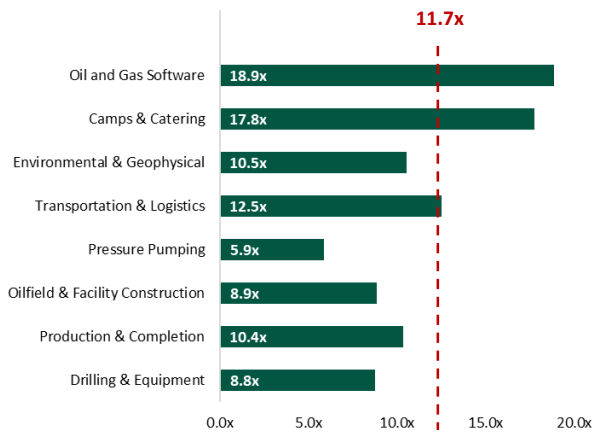
LTM MEDIAN REVENUE GROWTH



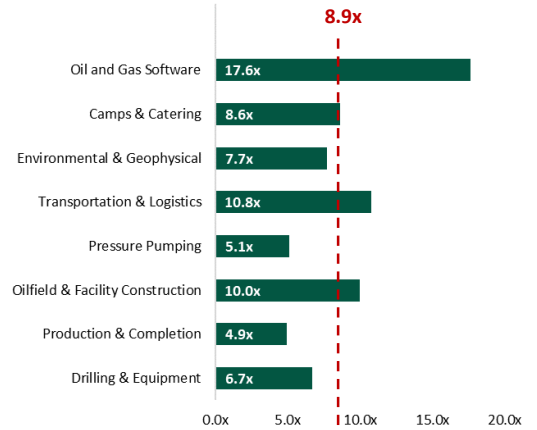
NTM MEDIAN REVENUE GROWTH



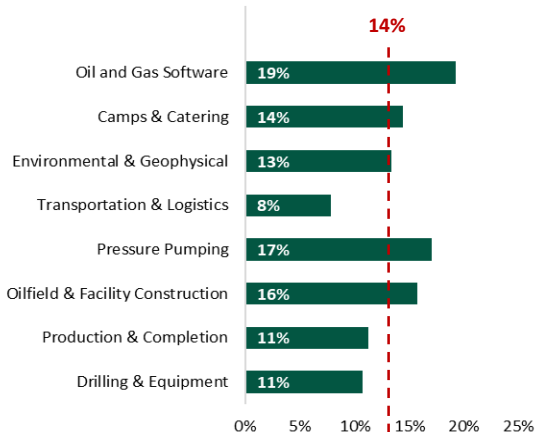
LTM MEDIAN EV/EBITDA



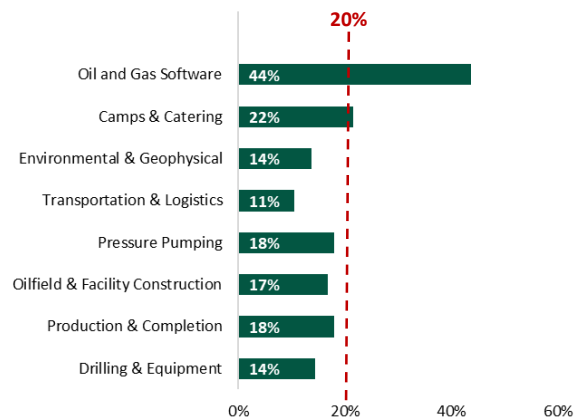
NTM MEDIAN EV/EBITDA



LTM MEDIAN EBITDA MARGIN



NTM MEDIAN EBITDA MARGIN

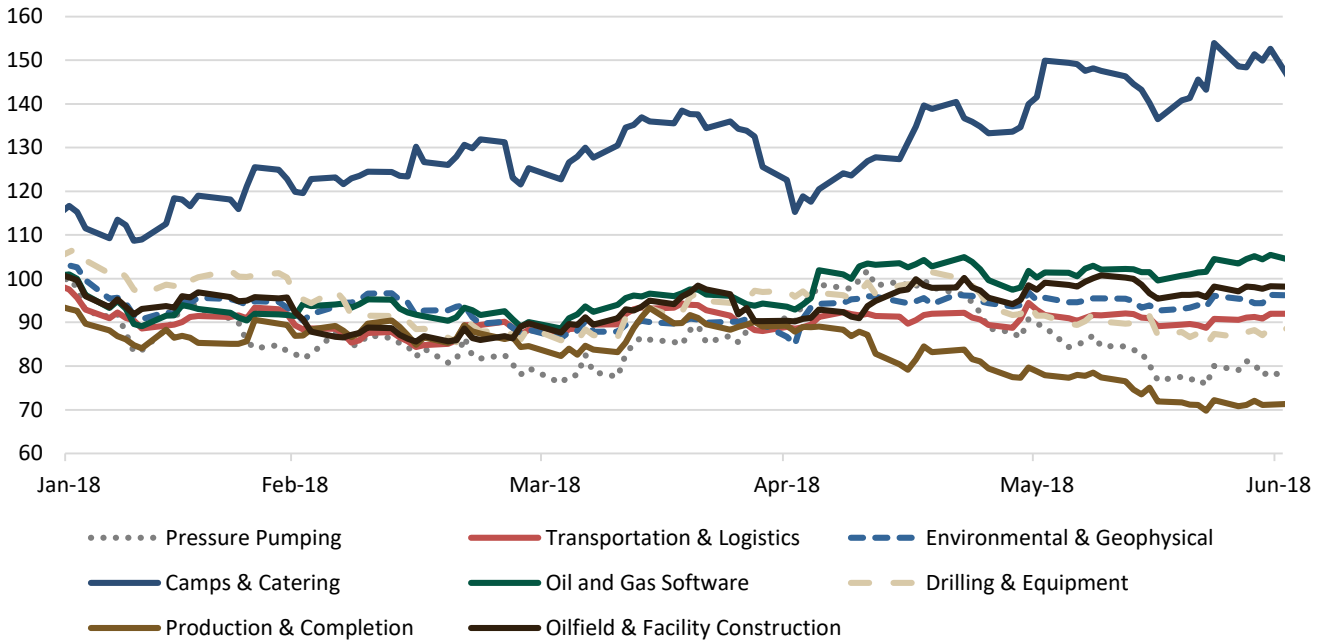


Source: Capital IQ. Data as of June 30th, 2018.
 "LTM" refers to last twelve months. "NTM" refers to next twelve months.
 Further details provided on pages 11 - 12.

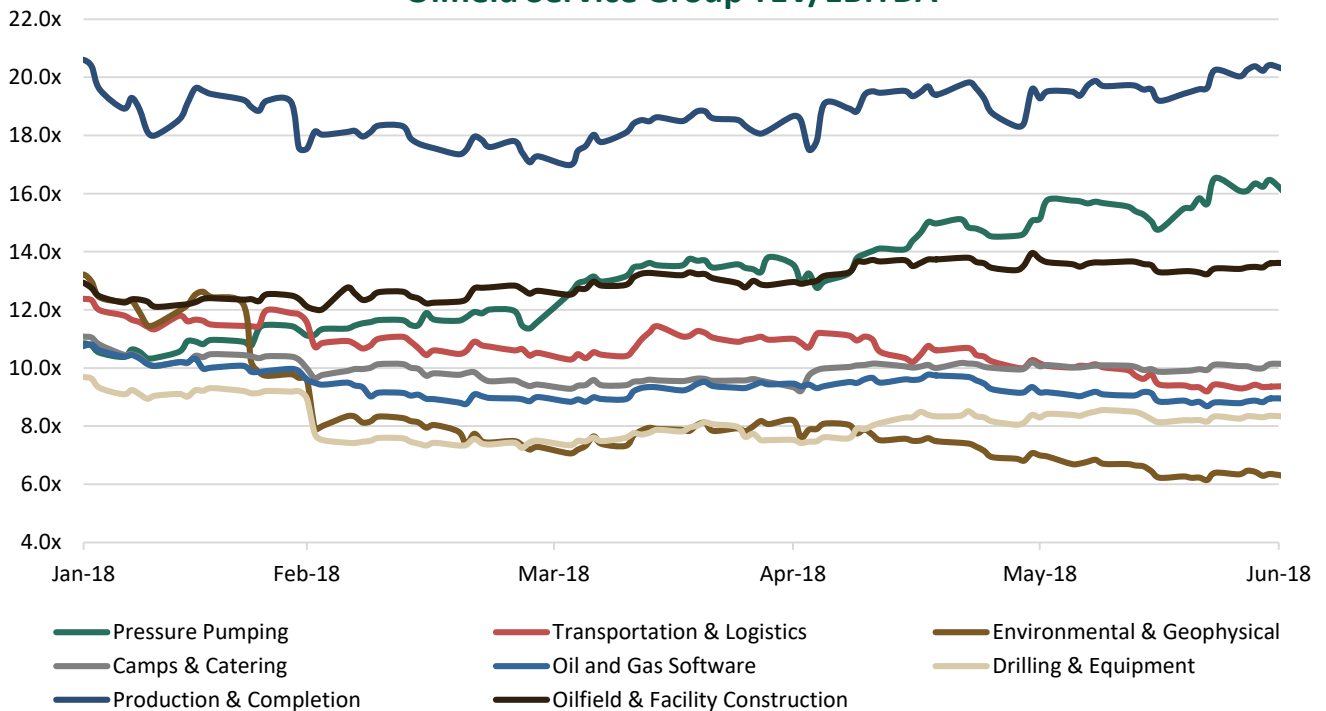
PUBLIC COMPARABLE ANALYSIS

PERFORMANCE ANALYSIS

Oilfield Service Group Share Prices



Oilfield Service Group TEV/EBITDA



Source: Capital IQ. Data as of June 30th, 2018.
Further details provided on page 13.

O&G AND OILFIELD SERVICES TEAM

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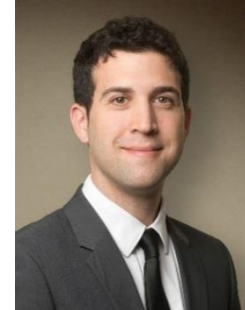
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MNPCF - RECENTLY CLOSED DEALS

OFS DEALS

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Aztec Liner Systems Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has purchased the assets of

MNP Corporate Finance Inc. acted as the exclusive financial advisor to Rainbow Riggers Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. provided transaction advisory services to Challenger Surveys Ltd.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as the financial advisor to Ranger Distributors Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as financial advisor to Clayburn Helicopters Ltd.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as financial advisor to Hank's Maintenance & Services Company Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as the financial advisor to Apexone Oilfield in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. provided financial and tax due diligence services to the purchaser.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has successfully sold the shares of its company to

Genivar Income Fund

MNP Corporate Finance Inc. acted as financial advisor to Tundra Engineering Associates Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has taken a majority share position in

MNP Corporate Finance Inc. acted as the financial advisor to Gibson Production Systems Inc. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has concluded a sale of its shares to

MNP Corporate Finance Inc. acted as the corporate financial advisor to Horizon Machine & Design Inc.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has concluded a sale of its shares to a subsidiary of

MNP Corporate Finance Inc. acted as financial advisor to Johnstone Tank Trucking Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has successfully sold the shares of its company to Entrec Transportation Services Ltd.

Entrec Transportation Services Ltd.

MNP Corporate Finance Inc. acted as the financial advisor to KEM Enterprises Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has concluded a sale of the majority of its shares to

Lafrenz & Christenson (L&C) Trucking Ltd.

MNP Corporate Finance Inc. acted as financial advisor to Wanner's Energy Services Inc. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as the financial advisor to Independent Pump Co. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as the financial advisor to Sasktech Inspection Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as financial advisor to L&C Trucking Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has concluded a sale of the majority of its assets to

MNP Corporate Finance Inc. acted as financial advisor to Healey Enterprises Ltd. in registering and structuring this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has concluded a sale of its assets to a portfolio company of

MNP Corporate Finance Inc. acted as financial advisor to Tru-Traker Trucking Ltd. in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has concluded a sale of its units to

MNP Corporate Finance Inc. acted as financial advisor to Polar Controls Solutions LP in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired a 70% interest in

MNP Corporate Finance Inc. acted as exclusive financial advisor to South East Construction in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as financial advisors and provided financial and tax due diligence services to Tier 1 Energy Solutions.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as the financial advisor to South East Construction in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as financial advisor to Total Gas Detection Ltd.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Scott Environmental Group Limited in structuring and registering this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS