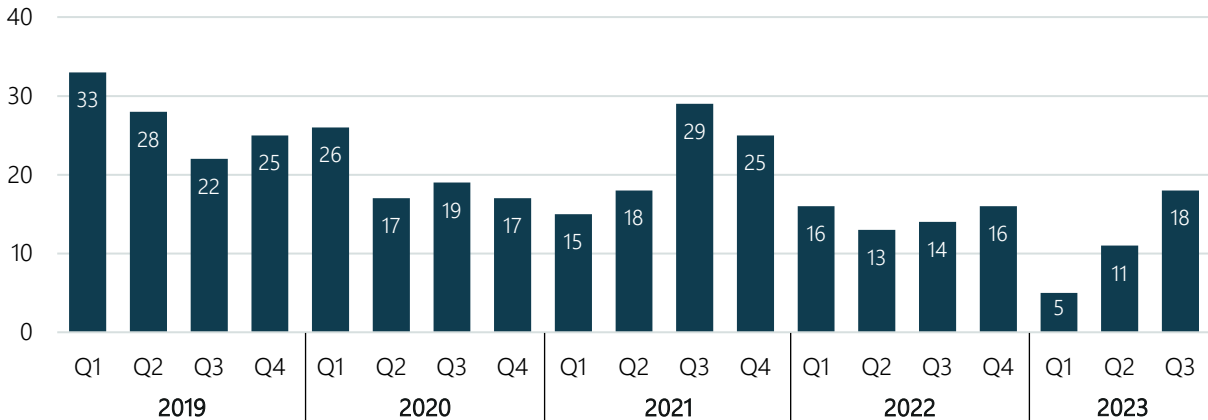


Oilfield Services

Quarterly Update | Q3 2023



North American Mid-Market Oilfield Services - M&A Activity (Transaction Count)



Source: Capital IQ. Data as of September 30, 2023.

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million.

Oilfield Services - Merger and acquisition (M&A) activity in Q3 2023 reached \$954.5 million in disclosed transaction value across 18 deals in Canada and the U.S. The average deal size among disclosed transactions was \$119.3 million, a more than tenfold increase from \$9.5 million in Q2 2023. Canada and the U.S. accounted for three and 15 disclosed deals in the quarter, respectively.

North American Mid-Market Oil & Gas Exploration & Production - M&A Activity (Transaction Count)



Source: Capital IQ. Data as of September 30, 2023.

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million.

Oil & Gas Exploration & Production - M&A activity in Q3 2023 exceeded \$1.6 billion in disclosed transaction value across 43 deals in Canada and the U.S. The average deal size among disclosed transactions was \$58.3 million, an 18.9% decrease from \$71.9 million in Q2 2023. Canada and the U.S. accounted for 15 and 28 disclosed deals in the quarter, respectively.

Ottawa announces plan to phase out “inefficient” fossil fuel subsidies¹

- **July 24, 2023:** The federal government published its plan for eliminating inefficient fossil fuel subsidies. This plan honours the country’s public promise to phase out and rationalize these subsidies over the medium term, as stated during the 2009 G20 summit.
 - The plan still allows fossil fuel subsidies for projects if these are used to reduce greenhouse gas emissions, support clean and renewable energy, support Indigenous economic participation in fossil fuel activities, offer essential energy services to remote communities, provide short-term support for emergencies, or support carbon capture in oil and gas.
 - Fossil fuels are still supported via other methods, such as commercial loans through Export Development Canada (EDC). Approximately \$19 billion in financing for fossil fuels came from the EDC in 2022, says Environmental Defence, a Canadian advocacy group.
 - The federal government says they are currently working on identifying all remaining sources of public financing and intends to create a plan to phase them out by the end of 2024.
-

Enbridge bets big on US gas with \$14 billion bid for Dominion utilities²

- **September 5, 2023:** Enbridge is set to buy three utilities from Dominion Energy for \$14 billion. Upon completion of this deal, Enbridge will become North America’s largest natural gas provider.
 - This deal signals Enbridge is bullish on the future of natural gas, even as energy companies and consumers transition away from fossil fuels.
 - Enbridge is currently the only pipeline and midstream company that is also a regulated gas utility provider. This deal will double the size of the company’s gas distribution and storage business.
-

Chevron buys world’s biggest hydrogen storage plant in Utah³

- **September 12, 2023:** Chevron announced the acquisition of a majority stake in the advanced clean energy storage hydrogen project (ACES Delta LLC), the world’s largest proposed storage facility for hydrogen, located in Delta, Utah.
- The facility will use clean energy created from wind and solar to produce hydrogen, an important technology in reaching net zero emissions. When combusted, hydrogen produces water as a by-product, making it a cleaner source of energy.
- The ACES Delta LLC project received a loan for clean energy in the amount of US\$504 million in 2022, the first U.S. Department of Energy loan for a clean energy project in nearly a decade.
- Chevron intends to develop “a large-scale, hydrogen platform that provides affordable, reliable, ever-cleaner energy,” - Austin Knight, vice president of hydrogen, Chevron New Energies.

Source 1: <https://www.cbc.ca/news/politics/fossil-fuel-subsidies-guilbeault-1.6915838>

Source 2: <https://www.reuters.com/markets/deals/enbridge-buy-three-utilities-deal-valued-14-bln-2023-09-05/>

Source 3: <https://www.reuters.com/sustainability/chevron-buys-majority-stake-utah-hydrogen-project-2023-09-12/>

Market Update

Select Recent M&A Transactions

AMMOLITE
INVESTMENT PARTNERS

has acquired



Closed	Sept 6, 2023
Transaction Value	Not disclosed
TEV/EBITDA	Not disclosed
Location	Virден, MB

- **Ammolite Investment Partners** is a Calgary-based private equity firm with a focus on investing in small and medium-sized Canadian businesses to help them pursue growth, achieve liquidity, and facilitate generational change.
- **Silverline Oilfield Services** is an oilfield hauling company servicing Manitoba's energy producers. In addition to oil hauling, Silverline provides ancillary services such as well stimulation, boiler and heaters, and vacuum truck services.
- **MNP Corporate Finance Inc.** acted as the exclusive financial advisor to Silverline Oilfield Services in structuring and negotiating this transaction.



To acquire



Announced	Sept 7, 2023
Transaction Value	\$144.6MM
TEV/EBITDA	3.35x
Location	Calgary, AB

- **Precision Drilling Corporation (TSX:PD; NYSE:PDS)** is an oil and gas drilling contractor with operations in Canada, the U.S. and international markets. The company also provides oilfield equipment rentals and camp services.
- **CWC Energy Services Corporation (TSXV:CWC)** provides drilling and service rigs to established oil and gas producers in Canada and the U.S.



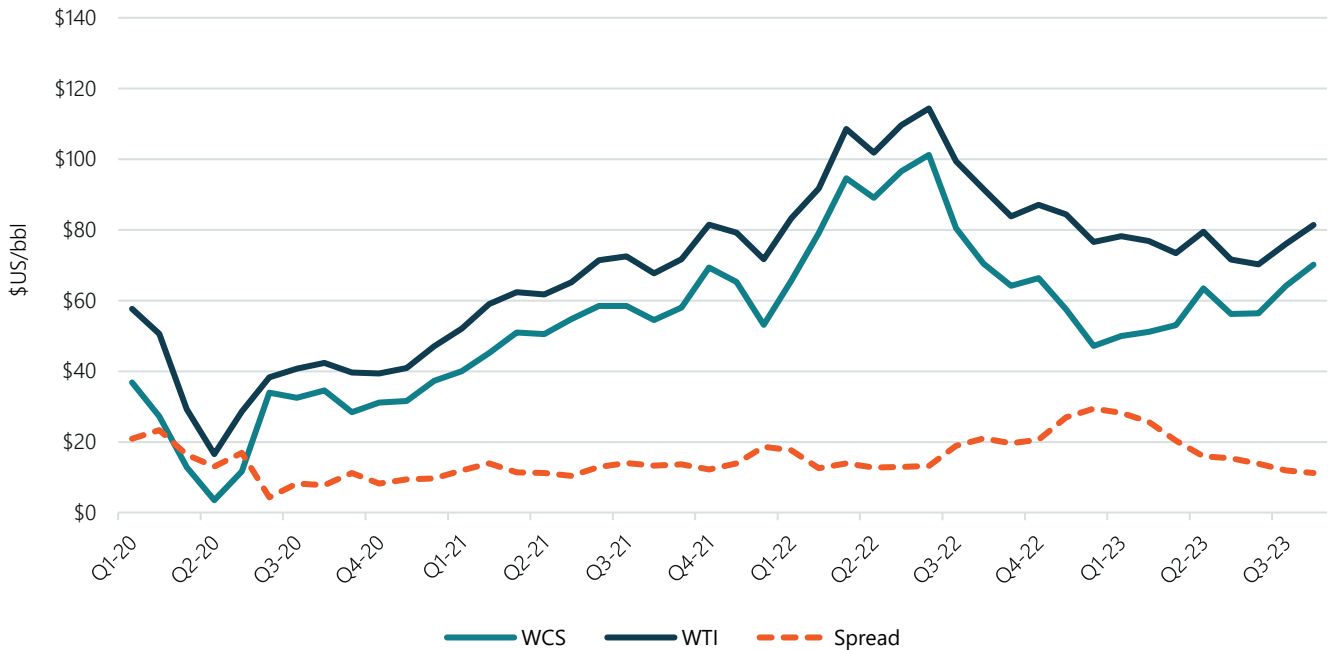
To acquire



Announced	Sept 15, 2023
Transaction Value	\$73.7MM
TEV/EBITDA	4.95x
Location	Calgary, AB

- **Element Technical Services** is a private company that provides well fracturing services and coiled tubing operations in Western Canada and the U.S.
- **Essential Energy Services (TSE: ESN)** provides oilfield services in Western Canada. The company offers completion, production and wellsite restoration services and has one of the largest coiled tubing fleets in Canada.

WTI Versus WCS

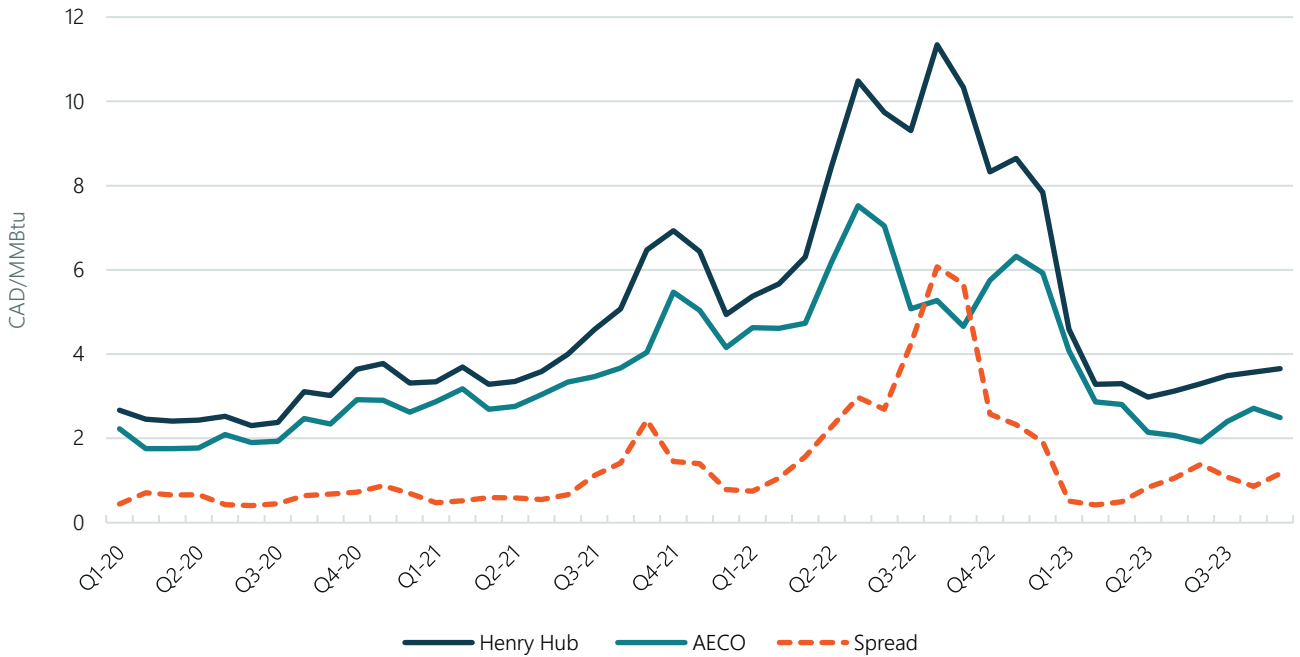


Average Barrel and BOE¹ Production Per Day in Alberta

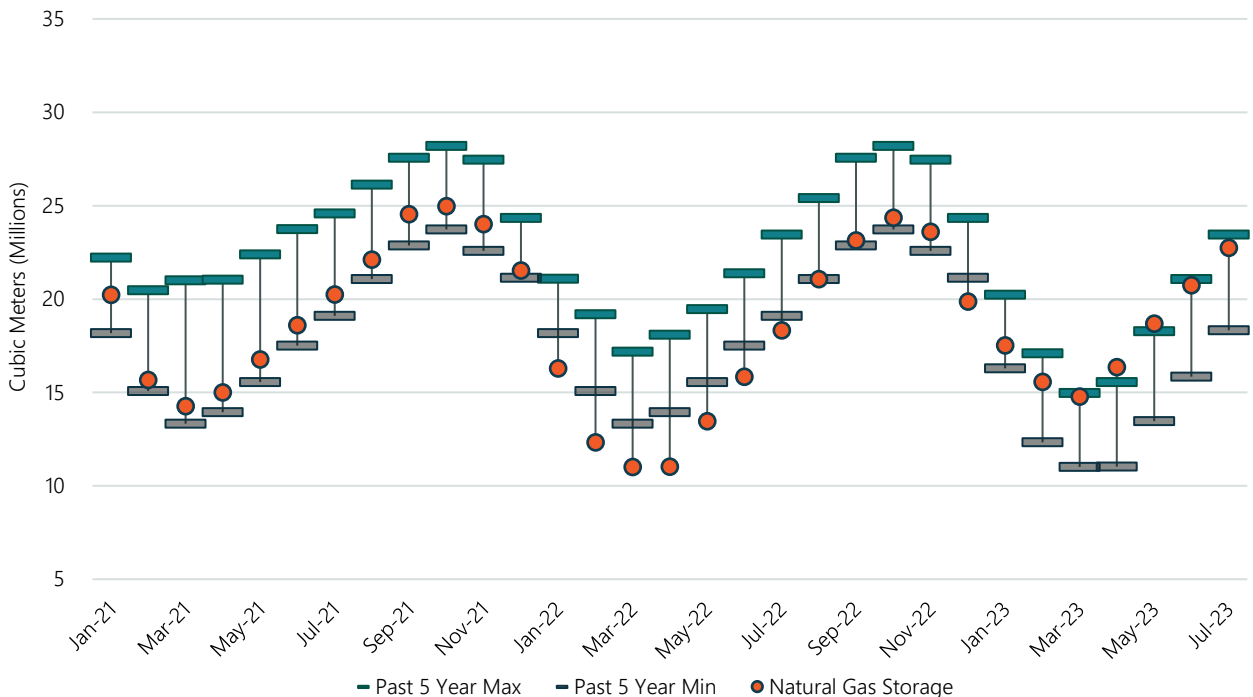


Note 1: Barrel of oil equivalent (BOE) summarizes the amount of energy of natural gas equivalent to that contained in a barrel of oil.
 Source: <https://economicdashboard.alberta.ca/dashboard/wcs-oil-price/>,
<https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st3>

Natural Gas Prices: Henry Hub vs. AECO



Canadian Natural Gas Storage

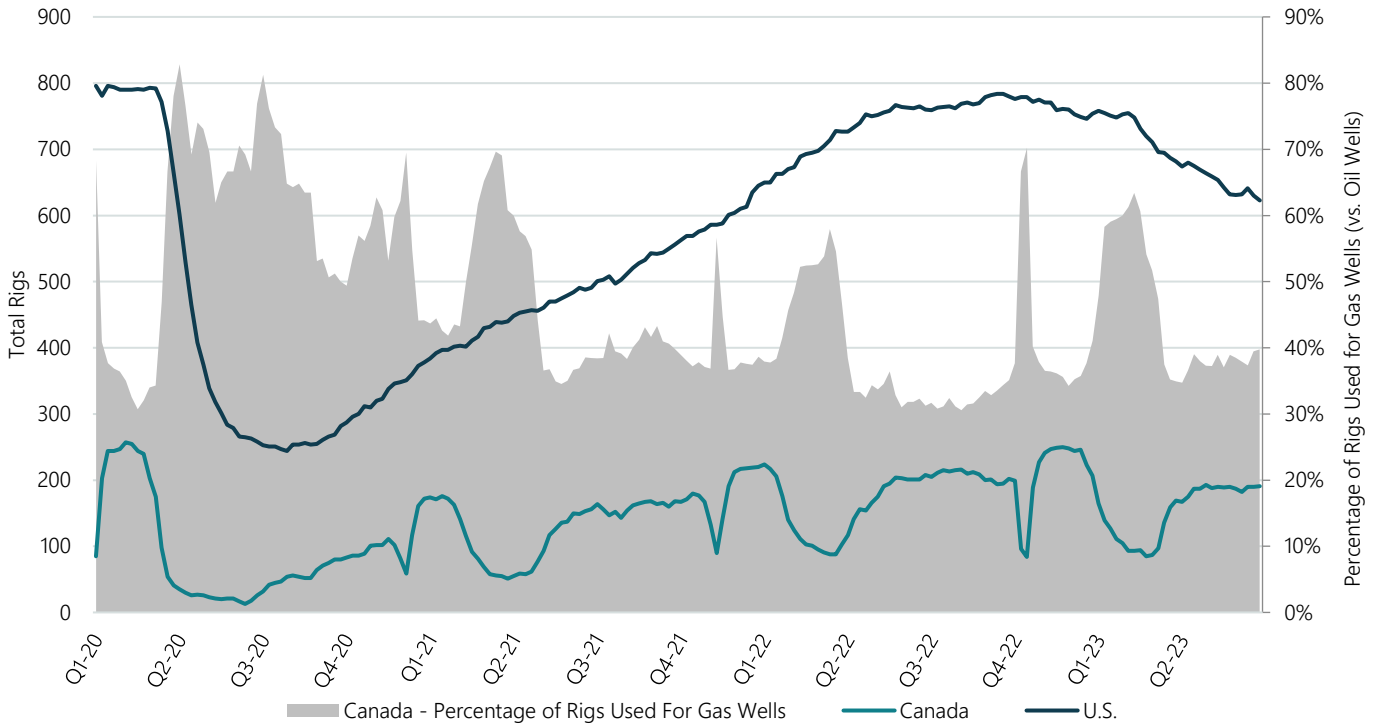


Source: GLJ Petroleum Consultants Commodity Price Forecasts as of September 30, 2023, Statistics Canada – Canadian Natural Gas Storage as of September 30, 2023.

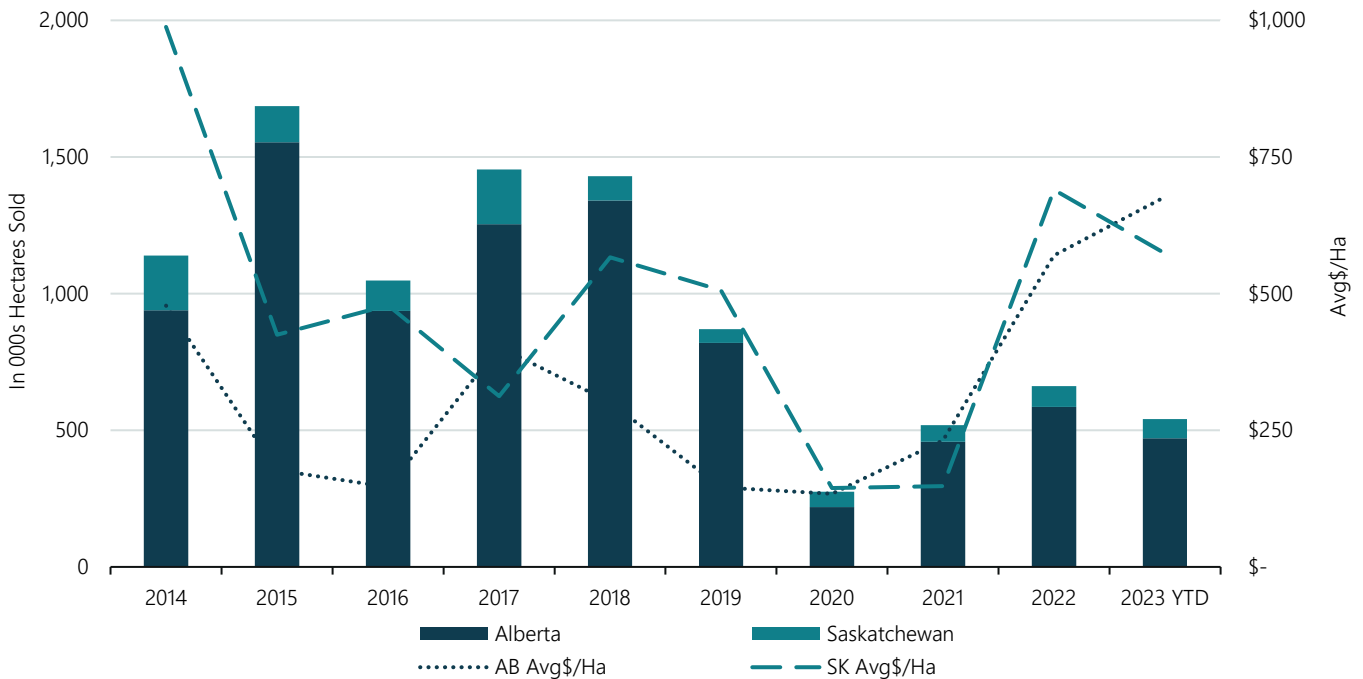
Industry Overview

Rig Count & Land Sales

Total Rig Count: Canada Vs. United States



Oil & Gas Land Sales - AB and SK

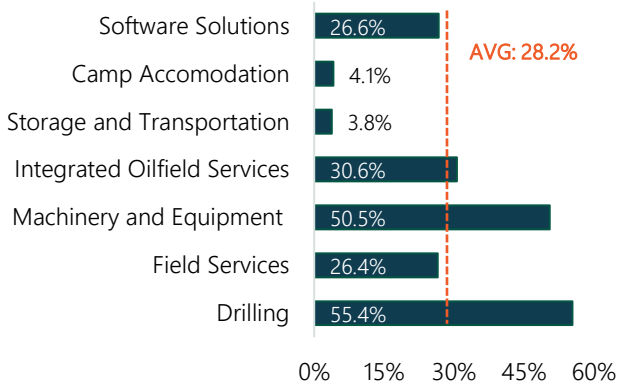


Sources: Baker Hughes rig count report as of September 30, 2023, Government of Alberta and Saskatchewan; Data as of September 30, 2023.

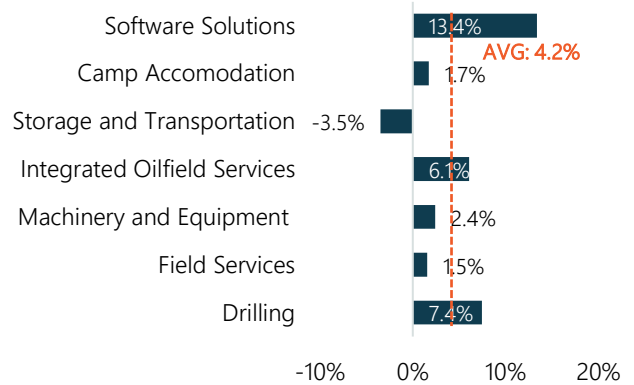
Public Comparable Analysis

Growth, Margins & Multiples

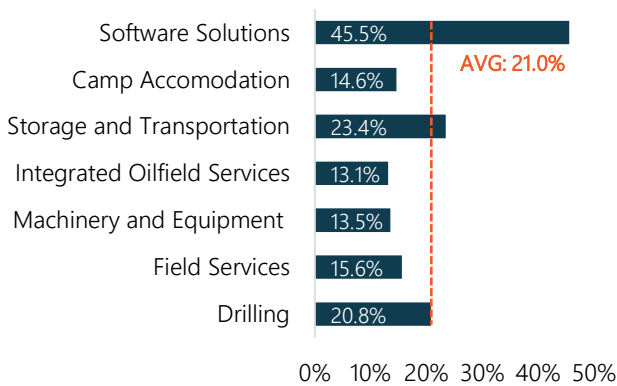
LTM Revenue Growth



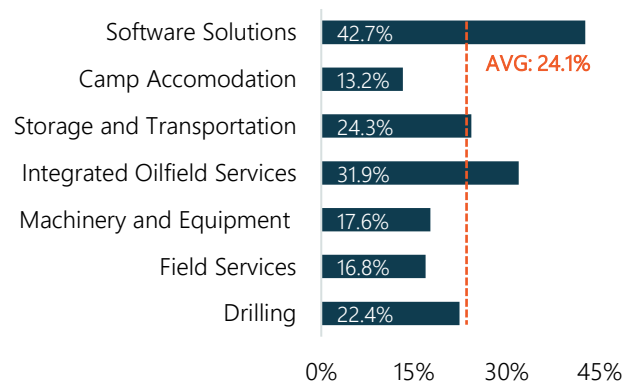
NTM Revenue Growth



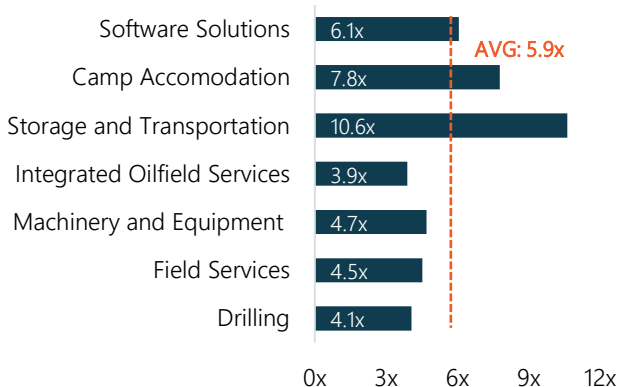
LTM EBITDA Margin



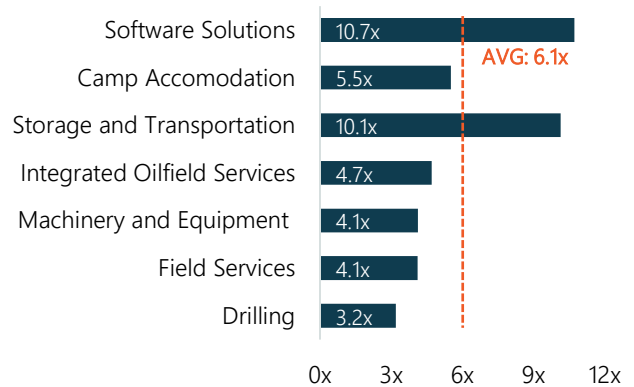
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



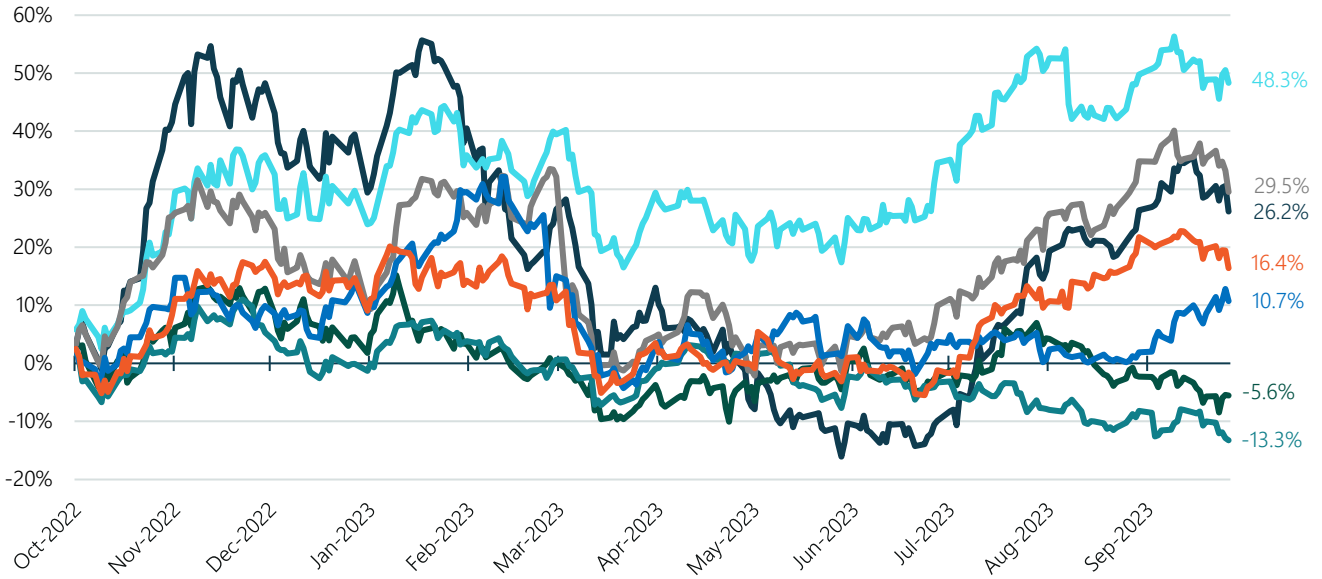
Source: Capital IQ. Data as of September 30, 2023.

Note: Above noted oilfield service peer groups are market capitalization weighted indexes. Valuation details provided on page 10. "LTM" refers to last twelve months. "NTM" refers to next twelve months. Figures above are based on median peer group metrics.

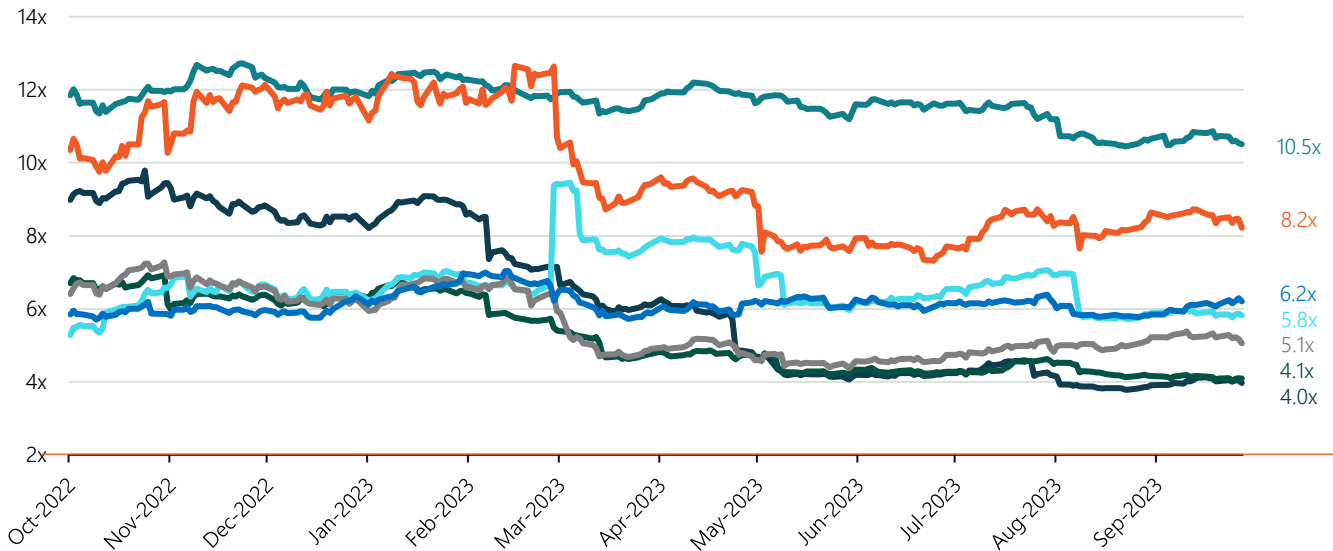
Public Comparable Analysis

Performance Analysis

Oilfield Service Group Share Prices



Oilfield Service Group EBITDA Multiples



- Oil and Gas Drilling
- Oil and Gas Field Services
- Oil and Gas Machinery and Equipment
- Oil and Gas Storage and Transportation
- Integrated Oilfield Services
- Camp Accommodations
- Oil and Gas Software Solutions

Source: Capital IQ. Data as of September 30, 2023.

Note: Above noted oilfield service peer groups are market capitalization weighted indexes. Valuation details provided on page 10. "LTM" refers to last twelve months.

Public Comparable Analysis

Trading Multiples & Operating Statistics

We have selected a group of publicly traded oil and gas entities for this high-level analysis. These public companies help act as a proxy for the industry and provide a strong industry context.

(Figures in \$CAD Millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Oil and Gas Drilling											
Precision Drilling Corporation	\$1,325	\$2,334	\$1,924	56.9%	\$552	28.7%	4.3%	30.4%	3.9x	4.2x	1.2x
Ensign Energy Services Inc.	\$599	\$1,890	\$1,817	46.4%	\$478	26.3%	0.6%	26.5%	3.9x	4.0x	1.0x
PHX Energy Services Corp.	\$377	\$423	\$622	44.2%	\$104	16.8%	3.7%	20.7%	3.2x	4.1x	0.7x
Western Energy Services Corp.	\$128	\$241	\$241	55.4%	\$47	19.5%	7.9%	19.8%	4.5x	5.1x	1.0x
AKITA Drilling Ltd.	\$70	\$141	\$236	55.3%	\$60	25.3%	7.4%	20.9%	2.7x	2.4x	0.6x
Stampede Drilling Inc.	\$59	\$85	\$83	114.9%	\$17	20.8%	28.9%	24.8%	3.2x	4.9x	1.0x
Cathedral Energy Services Ltd.	\$216	\$272	\$479	352.5%	\$69	14.3%	18.7%	22.2%	2.1x	4.0x	0.6x
Median	\$216	\$272	\$479	55.4%	\$69	20.8%	7.4%	22.2%	3.2x	4.1x	1.0x
Mean	\$396	\$769	\$772	103.7%	\$190	21.7%	10.2%	23.6%	3.4x	4.1x	0.9x
Oil and Gas Field Services											
Mullen Group Ltd.	\$1,191	\$1,994	\$2,013	8.6%	\$342	17.0%	(0.5%)	16.1%	6.2x	5.8x	1.0x
Calfrac Well Services Ltd.	\$457	\$811	\$1,846	67.0%	\$314	17.0%	2.7%	17.5%	2.5x	2.6x	0.4x
STEP Energy Services Ltd.	\$306	\$447	\$992	26.4%	\$197	19.9%	0.5%	20.3%	2.2x	2.3x	0.5x
Wolverine Energy and Infrastructure Inc.	\$5	\$89	\$57	3.4%	\$2	3.0%	N/A	N/A	5.9x	51.9x	1.6x
Essential Energy Services Ltd.	\$49	\$61	\$158	17.1%	\$14	9.1%	N/A	N/A	N/A	4.2x	0.4x
Vertex Resource Group Ltd.	\$46	\$168	\$238	26.8%	\$37	15.6%	8.3%	15.9%	4.1x	4.5x	0.7x
Flint Corp.	\$3	\$361	\$641	29.8%	\$23	3.6%	N/A	N/A	N/A	15.6x	0.6x
Median	\$49	\$361	\$641	26.4%	\$37	15.6%	1.6%	16.8%	4.1x	4.5x	0.6x
Mean	\$294	\$561	\$849	25.6%	\$133	12.2%	2.7%	17.4%	4.2x	12.4x	0.7x
Oil and Gas Machinery and Equipment											
Enerflex Ltd.	\$966	\$2,295	\$2,684	115.2%	\$267	10.0%	16.2%	17.6%	4.1x	8.6x	0.9x
CES Energy Solutions Corp.	\$945	\$1,417	\$2,161	42.4%	\$276	12.8%	0.1%	14.0%	4.7x	5.1x	0.7x
Total Energy Services Inc.	\$374	\$463	\$866	45.7%	\$157	18.1%	2.4%	19.2%	2.7x	3.0x	0.5x
McCoy Global Inc.	\$49	\$39	\$64	55.2%	\$9	14.3%	N/A	N/A	N/A	4.3x	0.6x
Median	\$660	\$940	\$1,513	50.5%	\$212	13.5%	2.4%	17.6%	4.1x	4.7x	0.6x
Mean	\$583	\$1,054	\$1,444	64.6%	\$177	13.8%	6.2%	16.9%	3.8x	5.2x	0.7x
Integrated Oilfield Services											
Trican Well Service Ltd.	\$983	\$958	\$960	38.7%	\$246	25.7%	6.1%	24.8%	3.8x	3.9x	1.0x
Secure Energy Services Inc.	\$2,157	\$3,220	\$7,863	22.5%	\$551	7.0%	N/A	36.4%	5.6x	5.8x	0.4x
CWC Energy Services Corp.	\$98	\$139	\$214	51.3%	\$41	19.2%	N/A	N/A	N/A	3.4x	0.6x
High Arctic Energy Services Inc.	\$58	\$18	\$53	(44.6%)	\$0	0.2%	N/A	N/A	N/A	N/A	0.3x
Median	\$541	\$548	\$587	30.6%	\$144	13.1%	6.1%	30.6%	4.7x	3.9x	0.5x
Mean	\$824	\$1,084	\$2,272	17.0%	\$210	13.0%	6.1%	30.6%	4.7x	4.4x	0.6x
Oil and Gas Storage and Transportation											
Enbridge Inc.	\$95,757	\$184,177	\$47,504	(9.2%)	\$17,170	36.1%	6.0%	31.7%	11.5x	10.7x	3.9x
TC Energy Corporation	\$48,461	\$111,370	\$15,598	11.7%	\$10,586	67.9%	(0.1%)	67.6%	10.7x	10.5x	7.1x
Pembina Pipeline Corporation	\$22,430	\$35,887	\$9,845	(9.2%)	\$3,011	30.6%	(6.3%)	40.8%	9.6x	11.9x	3.6x
Keyera Corp.	\$7,308	\$11,569	\$6,782	4.3%	\$1,102	16.2%	(4.0%)	16.6%	10.8x	10.5x	1.7x
Gibson Energy Inc.	\$3,141	\$4,791	\$10,131	3.3%	\$547	5.4%	4.3%	6.1%	7.5x	8.8x	0.5x
Tidewater Midstream and Infrastructure Ltd.	\$438	\$1,493	\$2,546	5.2%	\$130	5.1%	(0.3%)	8.8%	6.4x	11.5x	0.6x
Median	\$14,869	\$23,728	\$9,988	3.8%	\$2,056	23.4%	(0.2%)	24.2%	10.1x	10.6x	2.7x
Mean	\$29,589	\$58,215	\$15,401	1.0%	\$5,424	26.9%	(0.1%)	28.6%	9.4x	10.6x	2.9x
Camp Accommodations											
Dexterra Group Inc.	\$371	\$526	\$1,050	21.7%	\$63	6.0%	6.0%	8.9%	5.3x	8.3x	0.5x
Civeo Corporation	\$416	\$604	\$917	4.1%	\$134	14.6%	(7.9%)	13.2%	5.5x	4.4x	0.6x
Black Diamond Group Limited	\$439	\$669	\$358	3.8%	\$86	24.0%	1.7%	27.4%	6.7x	7.8x	1.9x
Median	\$416	\$604	\$917	4.1%	\$86	14.6%	1.7%	13.2%	5.5x	7.8x	0.6x
Mean	\$409	\$599	\$775	9.9%	\$95	14.9%	(0.1%)	16.5%	5.8x	6.8x	1.0x
Oil and Gas Software Solutions											
Pason Systems Inc.	\$1,078	\$910	\$370	37.7%	\$175	47.3%	(5.0%)	45.6%	5.5x	5.2x	2.5x
Computer Modelling Group Ltd.	\$687	\$661	\$78	15.6%	\$34	43.8%	31.8%	39.9%	15.9x	19.2x	8.4x
Dawson Geophysical Company	\$78	\$74	\$80	53.1%	(\$18)	(21.9%)	N/A	N/A	N/A	NM	0.9x
Pulse Seismic Inc.	\$100	\$91	\$22	(27.9%)	\$15	68.8%	N/A	N/A	N/A	6.1x	4.2x
Median	\$394	\$376	\$79	26.6%	\$25	45.5%	13.4%	42.7%	10.7x	6.1x	3.3x
Mean	\$486	\$434	\$138	19.6%	\$52	34.5%	13.4%	42.7%	10.7x	10.2x	4.0x

Source: Capital IQ. Data as of September 30, 2023.

Note: In order to derive more accurate valuation multiples, MNP Corporate Finance Inc. has eliminated results which skew the averages excessively. "LTM" refers to last twelve months. "NTM" refers to next twelve months.

About Us

MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A, capital markets, and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

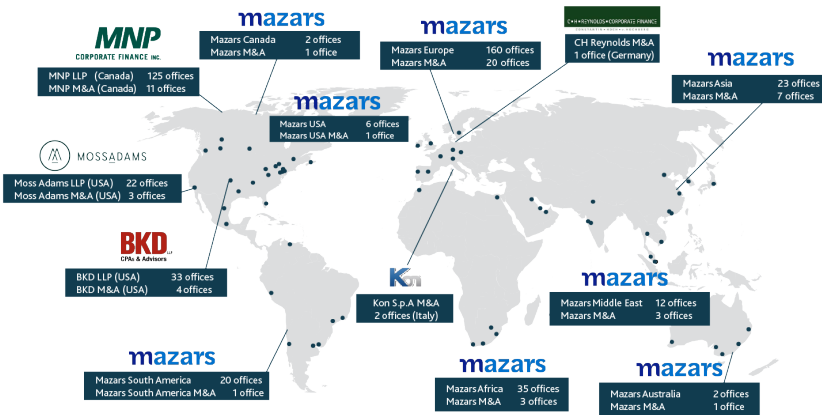
Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



CFxBorder - Global reach with local relationships
 Our corporate finance team through CFxBorder consists of 250 plus M&A professionals in more than 30 countries



Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)

has acquired

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

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Global Physical Asset Management in structuring and negotiating this transaction.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Diamond Ice Systems Ltd. in structuring and negotiating this transaction.

has acquired

MNP Corporate Finance Inc. provided financial and tax due diligence services to Kirlend Capital Partners.

has acquired

MNP Corporate Finance Inc. provided financial due diligence services to TRS Ltd.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to C. Martin's Bus Service Ltd. in structuring and negotiating this transaction.

has acquired a \$100,000,000 equity interest in the

MNP Corporate Finance Inc. acted as exclusive financial advisor and debt placement monitor to Northern Energy Services in this transaction.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Silverline Oilfield Services in structuring and negotiating this transaction.

has acquired

MNP Corporate Finance Inc. provided financial and tax due diligence services to Regimen Equity Partners.

has acquired a majority interest in

MNP Corporate Finance Inc. provided financial and tax due diligence services to Nibe Industrier AB.

About Us

Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past 10 years alone, we have completed over 250 transactions worth over \$4.5 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Healthcare
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

Recently Closed Deals (National)




has acquired



MNP Corporate Finance Inc. provided financial due diligence services to Lift Auto Group Ltd.



has acquired




MNP Corporate Finance Inc. provided financial and tax due diligence services to EFL Cobalt LLC.




has acquired



MNP Corporate Finance Inc. provided financial due diligence services to Environmental 360 Solutions Ltd.



has acquired



MNP Corporate Finance Inc. provided financial and tax due diligence services to Lab One Capital Corp.



has acquired




MNP Corporate Finance Inc. acted as exclusive financial advisor to IFR Workwear Inc. in structuring and negotiating this transaction.




has acquired



MNP Corporate Finance Inc. acted as exclusive financial advisor to Case Furniture Ltd. in structuring and negotiating this transaction.



has acquired the assets of



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



An individual purchaser

has acquired

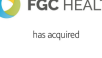



ROSE INTEGRATION
Resilient. Quality. Healthy.


a subsidiary of



MNP Corporate Finance Inc. acted as exclusive financial advisor to Rose Integration 2015 Limited, a subsidiary of Tomlinson Group in structuring and negotiating this transaction.



has acquired



MNP Corporate Finance Inc. acted as exclusive financial advisor to Shipping Ventures Ltd. (RNN Medical Division) in structuring and negotiating this transaction.



has acquired



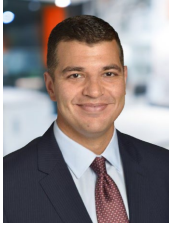
MNP Corporate Finance Inc. provided financial and tax due diligence services to TerraNova Partners LLP.

Leadership Team

Transaction Leadership



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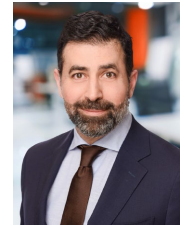
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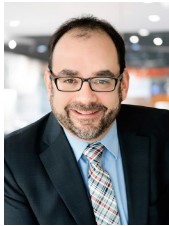
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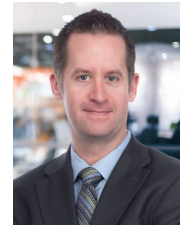
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