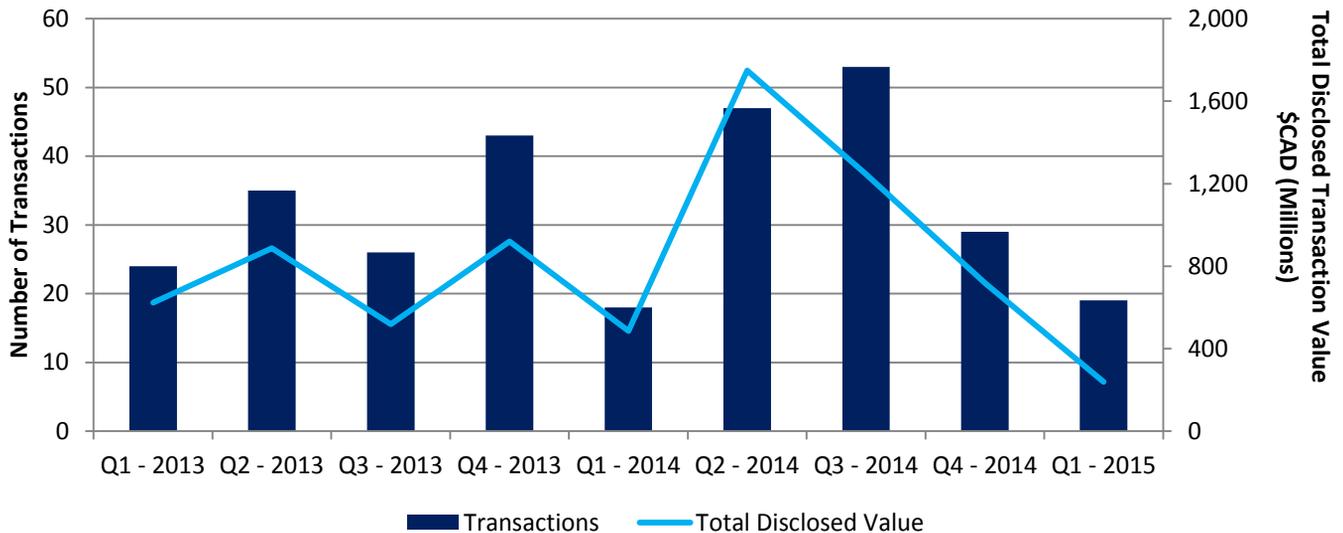


### Quarterly Deal Statistics

#### Western Canadian Energy and Industrial Services Transactions



With deterioration in crude prices beginning in the fall of 2014, deal activity has trended downward in recent quarters. In Q1 2015, WTI prices averaged \$48.50 versus an average of \$98.58 in Q1 2014, a 51% decrease.

Q1 2015 saw 19 publicly disclosed energy and industrial services transactions involving Western Canadian based companies with an aggregate disclosed value of approximately \$239 million. Although volume is slightly higher, disclosed valuations are lower than Q1 2014 (18 publicly disclosed transactions with an aggregate disclosed value of approximately \$485 million).

We would be happy to discuss specific details on the transactions in the last quarter. Contact information for our team is included on the last page of this newsletter.

### Market Commentary and Select Transactions

#### *A Necessary Convergence of Expectations*

In the current market environment, we are beginning to see well-capitalized companies with strong balance sheets return to looking at acquisition opportunities; a significant progression from attitudes only a couple of months prior.

For instance, **Schlumberger** has made some notable acquisitions in the last year. During Q1 2015, **Pacesetter Directional Drilling**, a directional drilling company, was acquired by Schlumberger. Schlumberger, previously in Q2 2014, had acquired **Kudu**, a Calgary based manufacturer of progressive cavity pumps used for artificial lift, in a transaction valued at \$260 MM CAD.

## Market Commentary and Select Transactions

**PCM S.A.**, a French based manufacture and seller of pumps and fluid handling solutions for various end markets, had acquired 100% ownership interest in Kudu via a shareholder buyout weeks before it sold the business to **Schlumberger**. PCM has continued to show interest in maintaining a presence in the Canadian landscape acquiring **Amik Oilfield Equipment and Rentals**, a pump manufacturer and rental solution provider, in February 2015.

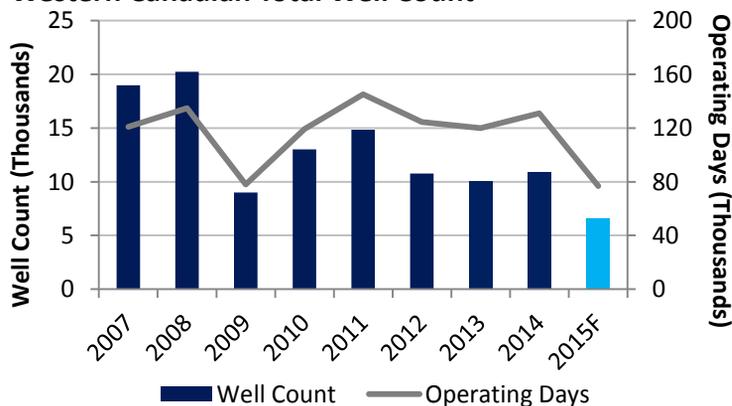
Given the current market environment, our expectation is that distressed situations will accelerate as activity in the basin continues to be soft and troubled balance sheets become exposed. An example being **STEP Energy Services**, a coiled tubing service provider, acquisition of **GASFRAC Energy Services'** operating assets. The acquisition provided an attractive entry point for **STEP** to enter the fracturing services space at a depressed valuation.

Beginning in Q4 2014 and continuing in Q1 2015, we saw lower transaction activity due to the divergence of seller expectations and buyer appetite. In recent months, we have seen this 'expectation gap' begin to narrow as seller expectations reset and both buyers and sellers adapt to volatile markets using more creative deal structures. With commodity prices seemingly establishing a floor, we believe that the back half of 2015 will be a busy deal environment.

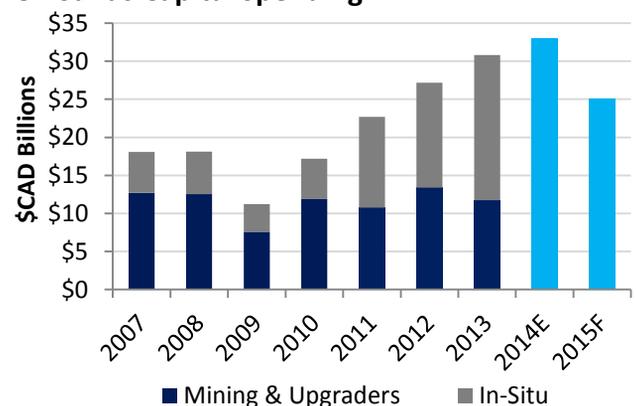
Being Western Canada's leading mid-market corporate finance advisors, we have lived through and worked with many businesses during similar downturns. We understand the anxiety, opportunities and challenges currently being faced by business owners and would be happy to chat and explore how we can help you best weather the storm and come out on top.

## Industry Overview

Western Canadian Total Well Count

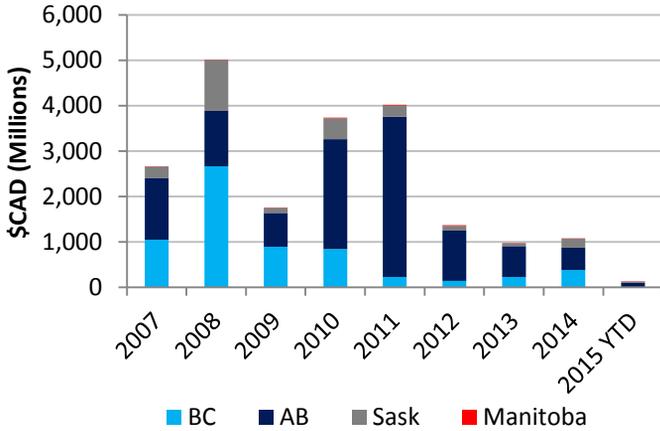


Oil Sands Capital Spending

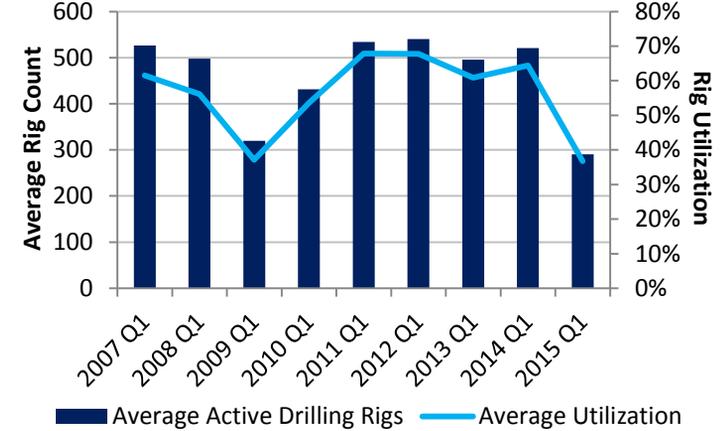


## Industry Overview

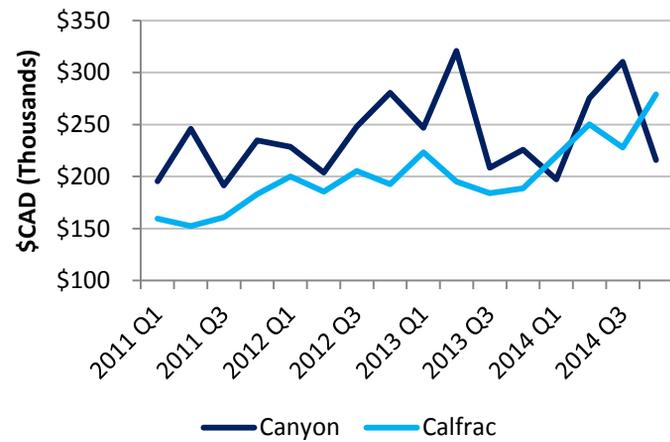
**WCSB Land Sales**



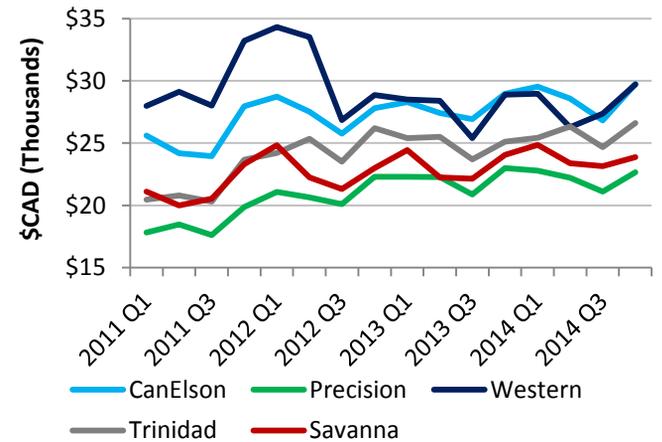
**Western Canada Active Rig Count (Q1)**



**Average Revenue per Fracking Job**

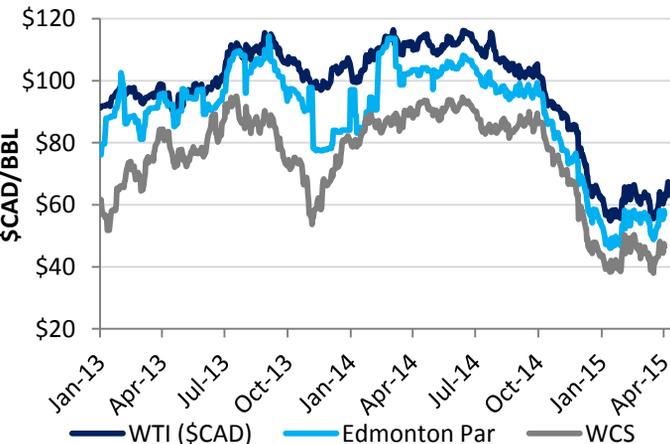


**Drilling Rig Rates per Operating Day**

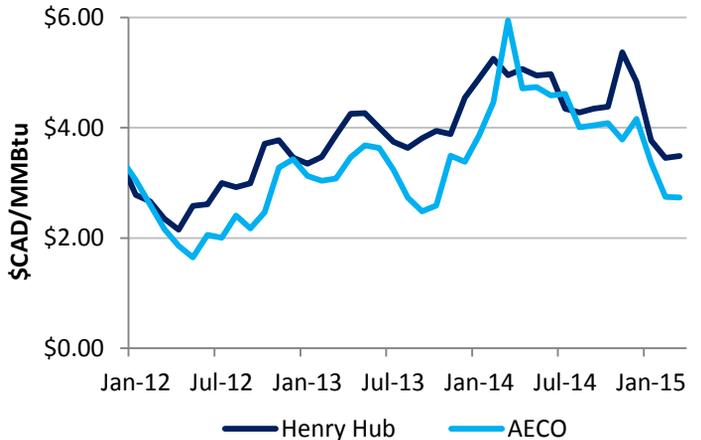


## Commodity Price Overview

**WTI, WCS, and Edmonton Par Prices**



**AECO and Henry Hub Prices**



## Select Companies Operating in the Canadian OFS Sector

As at Apr 28, 2015

	Ticker	Share Price	Dividend Yield (%)	Market Cap (\$mm)	Enterprise Value (\$mm)	Revenue (\$mm)	TTM EBITDA (\$mm)	EBITDA Margin (%)	EV/EBITDA TTM	EV/EBITDA 2015E	EV/EBITDA 2016E	Price/Book	Net Debt/TTM EBITDA	
<b>Drilling &amp; Equipment</b>														
	CanElson Drilling Inc.	TSX:CDI	\$ 4.40	2.8%	409	480	340	103	30.3%	4.7x	10.2x	6.3x	0.9x	0.5x
	CWC Energy Services Corp.	TSX:CWC	\$ 0.34	6.1%	95	160	144	33	22.8%	4.9x	8.2x	5.9x	0.5x	2.0x
	Ensign Energy Services Inc.	TSX:ESI	\$ 9.62	4.8%	1,472	2,205	2,322	551	23.7%	4.0x	7.5x	6.0x	0.7x	1.3x
	Essential Energy Services Ltd.	TSX:ESN	\$ 1.08	11.2%	136	192	351	65	18.6%	2.9x	6.7x	3.7x	0.5x	0.9x
	High Arctic Energy Services Inc	TSX:HWO	\$ 4.04	5.0%	233	186	172	48	27.9%	3.9x	3.5x	2.9x	1.4x	NM
	Hydruke Energy Services Inc.	TSX:HYD	\$ 0.52	-	16	20	48	0	0.5%	NM	NM	4.7x	0.7x	16.6x
	Leader Energy Services Ltd.	TSX:LEA	\$ 0.02	-	0	22	22	1	6.7%	NM	NM	NM	NM	14.8x
	McCoy Global Inc.	TSX:MCB	\$ 4.10	4.9%	114	84	121	20	16.5%	4.2x	7.0x	5.1x	1.1x	NM
	Pason Systems Inc.	TSX:PSI	\$ 20.54	3.2%	1,716	1,571	499	237	47.4%	6.6x	12.9x	8.3x	3.5x	NM
	PHX Energy Services Corp.	TSX:PHX	\$ 6.64	6.2%	235	342	521	80	15.4%	4.3x	9.2x	6.1x	1.2x	1.3x
	Precision Drilling Corporation	TSX:PD	\$ 8.36	3.4%	2,448	4,009	2,190	557	25.4%	7.2x	8.3x	6.7x	1.0x	2.8x
	Savanna Energy Services Corp.	TSX:SVY	\$ 1.94	6.1%	175	541	792	159	20.0%	3.4x	7.7x	5.0x	0.3x	2.1x
	Total Energy Services Inc.	TSX:TOT	\$ 14.43	1.7%	447	512	428	100	23.3%	5.1x	8.7x	6.6x	1.2x	0.6x
	Trinidad Drilling Ltd.	TSX:TDG	\$ 4.88	4.0%	651	1,108	941	250	26.5%	4.4x	7.6x	5.7x	0.6x	1.8x
	Western Energy Services Corp.	TSX:WRG	\$ 6.90	4.4%	515	719	508	173	34.1%	4.2x	7.9x	5.8x	0.9x	1.2x
	Xtreme Drilling and Coil Services Corp.	TSX:XDC	\$ 2.06	-	170	285	267	72	26.8%	4.0x	5.3x	3.9x	0.5x	1.6x
<b>Mean</b>									<b>22.9%</b>	<b>4.6x</b>	<b>7.9x</b>	<b>5.5x</b>	<b>1.0x</b>	<b>3.7x</b>
<b>Median</b>									<b>23.5%</b>	<b>4.2x</b>	<b>7.8x</b>	<b>5.8x</b>	<b>0.9x</b>	<b>1.6x</b>
<b>Production &amp; Completion</b>														
	Bri-Chem Corp.	TSX:BRY	\$ 0.52	-	12	73	185	13	7.2%	5.5x	10.1x	6.7x	0.3x	4.6x
	Canadian Energy Services & Technology Corp.	TSX:CEU	\$ 5.71	5.5%	1,231	1,607	973	156	16.0%	10.3x	12.4x	9.5x	2.3x	2.4x
	Cathedral Energy Services Ltd.	TSX:CET	\$ 2.25	6.8%	82	135	275	35	12.7%	3.8x	10.8x	6.3x	0.6x	1.5x
	Computer Modelling Group Ltd.	TSX:CMG	\$ 13.41	3.1%	1,052	986	84	44	52.3%	22.3x	21.6x	21.4x	17.0x	NM
	Enerflex Ltd.	TSX:EFX	\$ 15.82	2.2%	1,245	1,596	1,781	182	10.2%	8.8x	6.8x	6.2x	1.2x	1.9x
	Enseco Energy Services Corp.	TSXV:ENS	\$ 0.07	-	1	29	79	5	5.8%	6.3x	NM	NM	0.1x	6.0x
	Estrella International Energy Services Ltd	TSXV:EEN	\$ 0.50	-	1	205	269	31	11.6%	7.3x	NM	NM	0.1x	2.1x
	Great Prairie Energy Services Inc.	TSXV:GPE	\$ 0.13	-	15	30	22	0	NM	NM	3.6x	2.4x	0.9x	0.0x
	Logan International Inc.	TSX:LII	\$ 3.76	-	126	179	198	38	19.4%	5.4x	9.4x	NM	0.6x	1.4x
	LoneStar West Inc	TSXV:LSI	\$ 2.14	-	62	77	46	6	12.6%	13.4x	6.4x	4.7x	1.4x	2.6x
	MatRRix Energy Technologies Inc.	TSXV:MXX	\$ 0.42	-	14	11	35	4	12.0%	2.6x	10.0x	3.8x	0.5x	NM
	Raise Production Inc	TSXV:RPC	\$ 1.22	-	105	101	0	(2)	NM	NM	NM	NM	14.6x	NM
	Strad Energy Services Ltd.	TSX:SDY	\$ 2.86	10.0%	107	145	220	58	26.5%	2.5x	5.0x	3.5x	0.7x	0.7x
	ZCL Composites Inc.	TSX:ZCL	\$ 7.41	2.4%	225	199	171	25	14.7%	7.9x	6.8x	6.3x	1.8x	NM
<b>Mean</b>									<b>16.8%</b>	<b>8.0x</b>	<b>9.4x</b>	<b>7.1x</b>	<b>3.0x</b>	<b>2.3x</b>
<b>Median</b>									<b>12.6%</b>	<b>6.8x</b>	<b>9.4x</b>	<b>6.2x</b>	<b>0.8x</b>	<b>2.0x</b>
<b>Oilfield &amp; Facility Construction</b>														
	Aecon Group Inc.	TSX:ARE	\$ 13.26	2.7%	744	1,050	2,614	104	4.0%	10.1x	5.3x	5.1x	1.1x	2.9x
	Badger Daylighting Ltd.	TSX:BAD	\$ 28.60	1.3%	1,060	1,165	422	118	27.9%	9.9x	9.4x	8.3x	4.7x	0.9x
	Bird Construction Inc.	TSX:BDT	\$ 10.87	7.0%	462	313	1,364	61	4.5%	5.1x	5.6x	6.0x	2.5x	NM
	Cordy Oilfield Services Inc.	TSXV:CKK	\$ 0.02	-	1	16	93	(7)	NM	NM	NM	NM	0.0x	NM
	Dalmac Energy Inc.	TSXV:DAL	\$ 0.21	-	5	17	35	6	16.2%	3.0x	3.7x	2.8x	0.4x	2.1x
	Enterprise Group, Inc.	TSX:E	\$ 0.28	-	41	85	80	19	23.6%	4.5x	4.3x	3.7x	0.5x	2.3x
	Finning International Inc.	TSX:FTT	\$ 23.99	3.0%	4,135	5,130	6,918	718	10.4%	7.1x	7.4x	6.8x	1.9x	1.4x
	Gemini Corp.	TSXV:GKX	\$ 0.34	-	26	21	144	6	4.2%	3.5x	3.6x	2.7x	0.8x	NM
	Macro Enterprises Inc.	TSXV:MCR	\$ 2.47	-	75	83	200	20	9.9%	4.2x	2.7x	2.2x	0.9x	0.2x
	North American Energy Partners Inc.	NYSE:NOA	\$ 3.52	2.3%	117	251	472	61	12.9%	4.1x	4.8x	4.3x	0.6x	2.1x
	Petrowest Corporation	TSX:PRW	\$ 0.35	-	62	143	269	34	12.4%	4.3x	4.8x	4.0x	0.8x	2.4x
	ShawCor Ltd.	TSX:SCL	\$ 40.63	1.5%	2,621	2,936	1,890	335	17.7%	8.8x	10.5x	8.6x	2.7x	0.9x
	Toromont Industries Ltd.	TSX:TIH	\$ 32.23	2.1%	2,498	2,586	1,689	255	15.1%	10.2x	9.8x	9.1x	3.7x	0.3x
<b>Mean</b>									<b>13.2%</b>	<b>6.2x</b>	<b>6.0x</b>	<b>5.3x</b>	<b>1.6x</b>	<b>1.6x</b>
<b>Median</b>									<b>12.7%</b>	<b>4.8x</b>	<b>5.1x</b>	<b>4.7x</b>	<b>0.9x</b>	<b>1.7x</b>

# Select Companies Operating in the Canadian OFS Sector

As at Apr 28, 2015

Ticker	Share Price	Dividend Yield (%)	Market Cap (\$mm)	Enterprise Value (\$mm)	Revenue (\$mm)	TTM EBITDA (\$mm)	EBITDA Margin (%)	EV/EBITDA TTM (x)	EV/EBITDA 2015E (x)	EV/EBITDA 2016E (x)	Price/Book (x)	Net Debt/TTM EBITDA (x)	
<b>Pressure Pumping</b>													
Calfrac Well Services Ltd.	TSX:CFW	\$ 9.65	5.1%	922	1,578	2,497	357	14.3%	4.4x	14.1x	6.2x	1.1x	1.8x
Canyon Services Group, Inc.	TSX:FRC	\$ 8.03	7.4%	553	583	591	118	20.0%	4.9x	17.4x	6.7x	1.3x	0.3x
Trican Well Service Ltd.	TSX:TCW	\$ 4.93	6.1%	734	1,441	2,704	262	9.7%	5.5x	40.3x	7.6x	0.6x	2.7x
<b>Mean</b>								<b>14.7%</b>	<b>5.0x</b>	<b>23.9x</b>	<b>6.9x</b>	<b>1.0x</b>	<b>1.6x</b>
<b>Median</b>								<b>14.3%</b>	<b>4.9x</b>	<b>17.4x</b>	<b>6.7x</b>	<b>1.1x</b>	<b>1.8x</b>
<b>Transportation &amp; Logistics</b>													
Aveda Transportation and Energy Services Inc.	TSXV:AVE	\$ 2.26	-	43	92	156	23	15.1%	3.9x	4.8x	4.0x	0.6x	2.1x
Gibson Energy Inc.	TSX:GEI	\$ 28.82	4.4%	7,188	8,221	8,574	424	4.9%	19.4x	18.7x	16.6x	2.5x	2.4x
Mullen Group Ltd.	TSX:MTL	\$ 20.57	5.7%	1,885	2,491	1,353	258	19.1%	9.6x	11.2x	9.1x	2.1x	2.3x
TransForce Inc.	TSX:TFI	\$ 27.45	2.5%	2,812	4,494	3,976	457	11.5%	9.8x	8.3x	7.7x	2.7x	3.7x
<b>Mean</b>								<b>12.6%</b>	<b>10.7x</b>	<b>10.8x</b>	<b>9.3x</b>	<b>2.0x</b>	<b>2.6x</b>
<b>Median</b>								<b>13.3%</b>	<b>9.7x</b>	<b>9.8x</b>	<b>8.4x</b>	<b>2.3x</b>	<b>2.4x</b>
<b>Environmental &amp; Waste Management</b>													
Canadian Oil Recovery & Remediation Enterprises Ltd.	TSXV:CVR	\$ 0.05	-	8	9	0	(2)	NM	NM	NM	NM	3.6x	NM
Formation Fluid Management Inc.	TSXV:FFM	\$ 0.16	-	8	7	2	(0)	NM	NM	NM	NM	1.4x	NM
New West Energy Services Inc.	TSXV:NWE	\$ 0.03	-	2	10	26	1	4.0%	9.4x	NM	NM	0.3x	7.1x
Newalta Corporation	TSX:NAL	\$ 15.87	3.2%	892	1,342	495	122	24.7%	11.0x	11.5x	8.1x	1.7x	3.7x
RDX Technologies Corporation	TSXV:RDX	\$ 0.11	-	4	35	19	(13)	NM	NM	NM	NM	0.1x	NM
Secure Energy Services Inc.	TSX:SES	\$ 16.45	1.4%	2,224	2,639	2,272	197	8.7%	13.4x	14.6x	10.8x	2.6x	2.1x
<b>Mean</b>								<b>12.5%</b>	<b>11.2x</b>	<b>13.0x</b>	<b>9.4x</b>	<b>1.6x</b>	<b>4.3x</b>
<b>Median</b>								<b>8.7%</b>	<b>11.0x</b>	<b>13.0x</b>	<b>9.4x</b>	<b>1.5x</b>	<b>3.7x</b>
<b>Exploration &amp; Geophysical</b>													
Divestco Inc.	TSXV:DVT	\$ 0.08	-	5	16	28	3	9.5%	6.0x	NM	NM	0.5x	4.1x
Pulse Seismic Inc.	TSX:PSD	\$ 2.78	2.9%	158	163	36	28	79.0%	5.8x	12.5x	6.3x	2.7x	0.2x
Tesla Exploration Ltd.	TSX:TXL	\$ 0.97	-	22	62	132	11	8.1%	5.8x	NM	NM	0.4x	3.8x
<b>Mean</b>								<b>32.2%</b>	<b>5.9x</b>	<b>12.5x</b>	<b>6.3x</b>	<b>1.2x</b>	<b>2.7x</b>
<b>Median</b>								<b>9.5%</b>	<b>5.8x</b>	<b>12.5x</b>	<b>6.3x</b>	<b>0.5x</b>	<b>3.8x</b>
<b>Camps &amp; Catering</b>													
Black Diamond Group Limited	TSX:BDI	\$ 16.16	5.9%	664	845	387	134	34.8%	6.3x	8.4x	7.5x	1.8x	1.3x
CERF Incorporated	TSXV:CFL	\$ 1.88	12.8%	68	101	58	11	18.4%	9.5x	5.5x	4.4x	0.7x	3.1x
Civeo Corporation	NYSE:CVEO	\$ 4.60	15.0%	494	1,112	1,092	383	35.1%	2.9x	6.9x	8.1x	0.5x	1.5x
Horizon North Logistics Inc.	TSX:HNL	\$ 2.99	10.5%	330	484	476	91	19.1%	5.3x	6.8x	5.8x	1.2x	1.7x
WesternOne Inc.	TSX:WEQ	\$ 1.13	52.2%	45	225	374	44	11.7%	5.1x	6.0x	5.7x	0.4x	4.1x
<b>Mean</b>								<b>23.8%</b>	<b>5.8x</b>	<b>6.7x</b>	<b>6.3x</b>	<b>0.9x</b>	<b>2.3x</b>
<b>Median</b>								<b>19.1%</b>	<b>5.3x</b>	<b>6.8x</b>	<b>5.8x</b>	<b>0.7x</b>	<b>1.7x</b>
<b>Large Cap NYSE Oilfield Majors (Sorted by EV)</b>													
Schlumberger Limited	NYSE:SLB	\$ 111.56	2.2%	141,651	149,107	60,258	16,824	27.9%	8.9x	9.0x	11.7x	3.1x	0.5x
Halliburton Company	NYSE:HAL	\$ 58.50	1.5%	49,777	56,420	41,243	8,570	20.8%	6.6x	6.7x	8.9x	2.6x	0.8x
Baker Hughes Incorporated	NYSE:BHI	\$ 82.39	1.0%	35,812	38,882	29,647	5,248	17.7%	7.4x	6.7x	11.1x	1.7x	0.6x
National Oilwell Varco, Inc.	NYSE:NOV	\$ 62.52	3.4%	24,658	26,230	27,060	5,401	20.0%	4.9x	7.2x	8.2x	1.1x	0.3x
Weatherford International plc	NYSE:WFT	\$ 17.23	-	13,347	22,243	17,865	2,997	16.8%	7.4x	10.5x	8.5x	1.7x	3.1x
Transocean Ltd.	NYSE:RIG	\$ 19.85	18.3%	7,214	16,574	10,367	4,396	42.4%	3.8x	6.0x	8.6x	0.4x	2.0x
Cameron International Corporation	NYSE:CAM	\$ 64.10	-	12,269	14,585	13,074	2,150	16.4%	6.8x	8.8x	9.7x	2.4x	0.6x
Enasco plc	NYSE:ESV	\$ 29.23	2.5%	6,852	12,277	5,286	2,719	51.4%	4.5x	5.3x	6.1x	0.7x	1.9x
FMC Technologies, Inc.	NYSE:FTI	\$ 49.40	-	11,433	12,207	9,893	1,632	16.5%	7.5x	9.3x	10.1x	3.9x	0.5x
Noble Corporation plc	NYSE:NE	\$ 19.03	9.6%	4,606	11,255	3,645	1,805	49.5%	6.2x	6.0x	7.1x	0.6x	3.1x
Nabors Industries Ltd.	NYSE:NBR	\$ 18.90	1.6%	5,496	9,365	8,394	2,194	26.1%	4.3x	6.9x	6.7x	0.9x	1.8x
Helmerich & Payne, Inc.	NYSE:HP	\$ 91.92	3.6%	9,932	9,708	4,909	2,082	42.4%	4.7x	7.0x	9.6x	1.6x	NM
Diamond Offshore Drilling, Inc.	NYSE:DO	\$ 36.11	-	4,952	7,354	3,170	1,312	41.4%	5.6x	6.2x	7.9x	0.9x	1.8x
<b>Mean</b>								<b>27.8%</b>	<b>6.2x</b>	<b>7.5x</b>	<b>8.8x</b>	<b>1.7x</b>	<b>1.4x</b>
<b>Median</b>								<b>20.8%</b>	<b>6.6x</b>	<b>6.9x</b>	<b>8.6x</b>	<b>1.7x</b>	<b>0.8x</b>

## Recent Transactions

Sequeira Partners acted as financial advisor for the following transaction that closed in the quarter:



Since 2005, Canuck Completions has been providing open hole multi-stage completion solutions and technologically driven down-hole tools. The Company has been successful at providing completion solutions to match the needs of clients' unique and challenging well conditions in order to optimize production potential.



Headquartered in Moscow, TMK is a publicly traded company on the London Stock Exchange and is a leading global manufacturer and supplier of tubular products for the energy industry. With numerous production facilities around the world, TMK has the largest market share of oil country tubular goods.

## About Us

With offices in Edmonton and Vancouver, Sequeira Partners is focused on M&A and capital raising services to mid-market energy and industrial service companies.

We welcome your thoughts or comments on the newsletter or any inquiries as to how we could assist you or your business with its transaction needs.

### Our Team

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