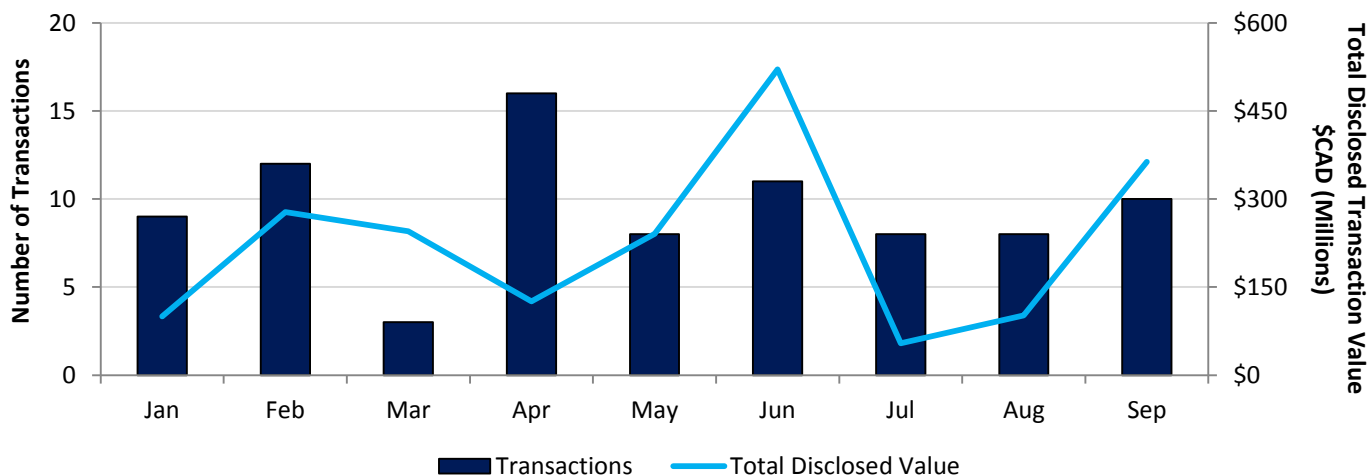


Quarterly Deal Statistics

YTD 2013 Western Canadian Energy and Industrial Services Transactions



In the third quarter of 2013, there were 26 publicly disclosed transactions involving Western Canadian based companies in the Energy Services, Construction, and Industrial Services markets. The disclosed transaction values totaled \$519 million, down from 35 transactions totaling \$887 million in the 2nd quarter.

Publicly disclosed transaction counts continue to lag 2012 on a year-over-year basis. That said, given the recent rally of North American Energy Services equities in the public markets, we are optimistic for the M&A outlook in late 2013 and into 2014. Recent capital raising activity and private equity investments in the space appear to validate this notion.

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

Select Transactions in the Quarter

Small-Cap Companies Look to Increase Shareholder Value

In the quarter, there were three announced transactions involving small-cap Energy Service businesses as targets:

Announced Date	Target	Buyer	Status	Implied Enterprise Value (\$CAD MM)
7/22/2013	Calmena Energy Services Inc. (TSX:CEZ), Canadian Drilling Assets	CanElson Drilling Inc. (TSX:CDI)	Closed	15.0
9/24/2013	Bonnett's Energy Corp. (TSX:BT)	BEC Acquisition Ltd.	Announced	117.0
9/25/2013	RMS Systems, Inc. (TSXV: RMS)	PHX Energy Services Corp.	Announced	31.5

Select Transactions in the Quarter

Recent transactions reinforce our view that there is significant unrecognized value in companies in the small-cap Energy Services sector. Many small-caps face difficulty accessing the markets for growth capital, experience low trading activity and decreased analyst following compared to their larger competitors. This creates the need to look to other solutions to capitalize on growth opportunities for the business and realize value for shareholders.

Announced Date	Target	Premium to 30-Day Weighted Average Share Price
7/22/2013	Calmena Energy Services Inc. (TSX:CEZ), Canadian Drilling Assets	N/A
9/24/2013	Bonnett's Energy Corp. (TSX:BT)	15%
9/25/2013	RMS Systems, Inc. (TSXV: RMS)	106%

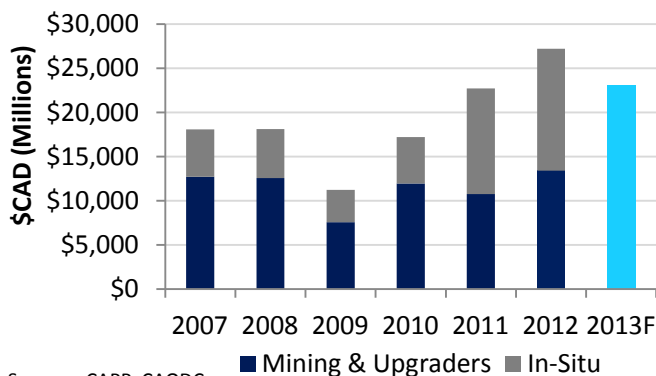
Calmena Energy Services' sale of their Canadian Drilling Assets represents the divestiture of a non-core division under a broader strategic options review the company initiated in January 2013. Trading at a significant discount to its book value and with limited access to capital to grow the division, Calmena's sale of the Canadian Drilling Assets to CanElsion Drilling unlocks value to shareholders and transfers the assets to a well-capitalized consolidator who can appropriately finance the growth of the enterprise.

Bonnett's Energy Corp. has entered into an agreement with BEC Acquisition Ltd., a wholly-owned subsidiary of Mill City Capital, L.P. , the lead sponsor of a syndicate of funds comprising an investor group, with participation by certain members of Bonnett's management. The agreement remains subject to shareholder approval.

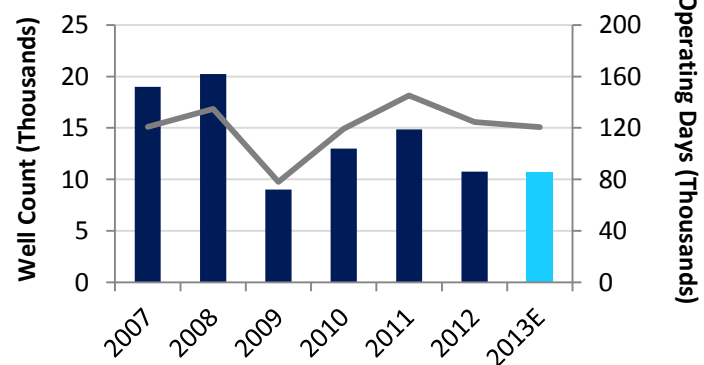
Also announced in the quarter was that RMS Systems is to be acquired by PHX Energy Services Corp. in an all stock deal. The RMS Systems transaction also remains subject to shareholder approval. In each case, equity markets have historically ascribed a significant discount to the intrinsic value of the business.

Industry Overview

Oil Sands Capital Spending

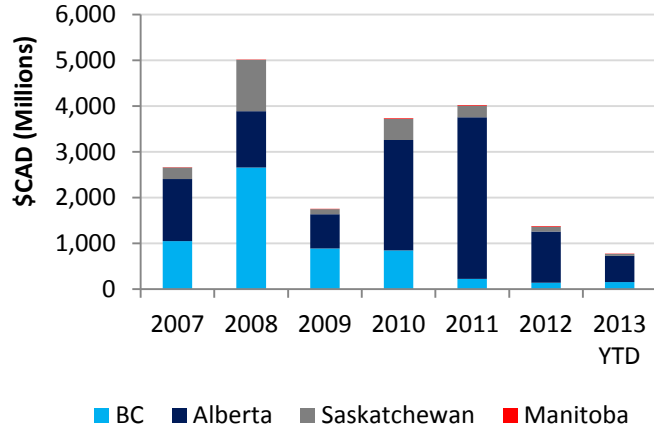


Western Canada Total Well Count

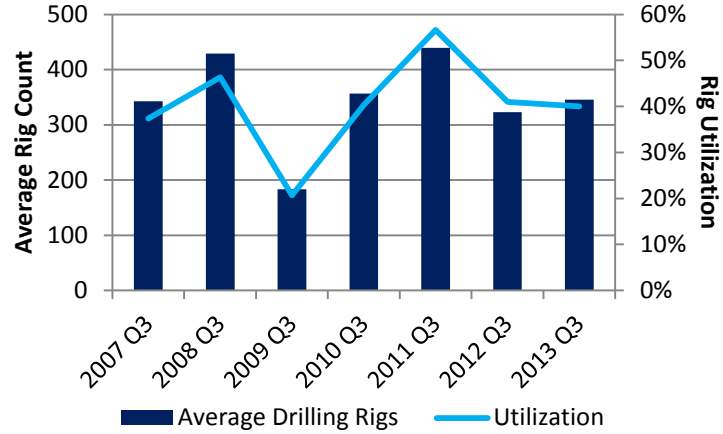


Industry Overview

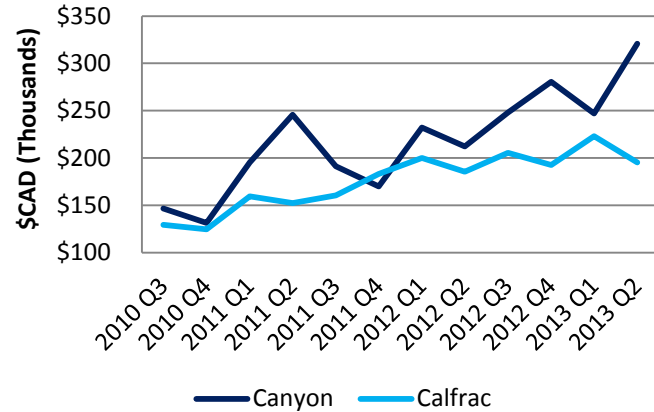
WCSB Land Sales



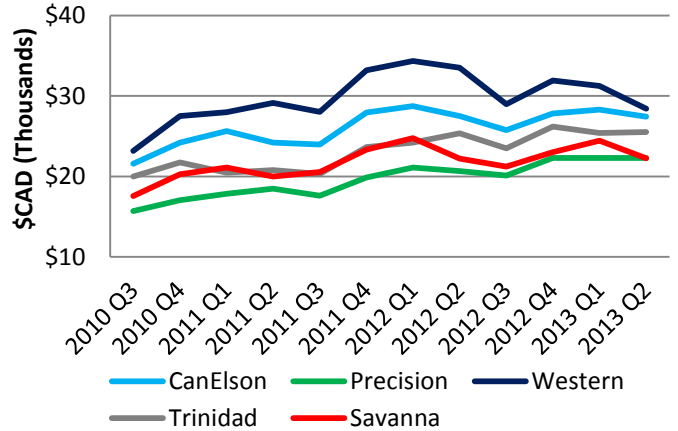
Western Canada Active Rig Count (Q3)



Average Revenue per Fracking Job

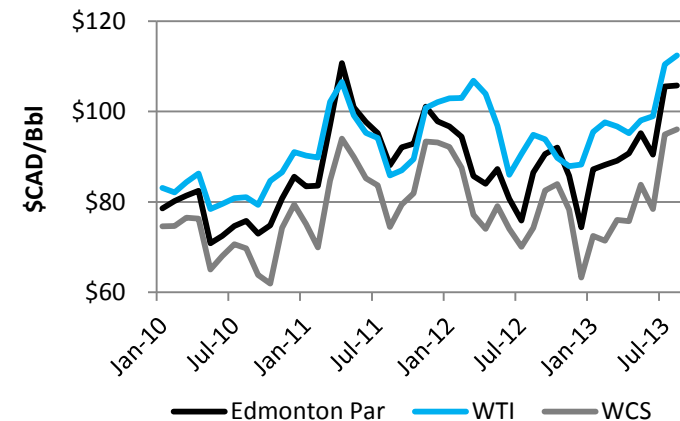


Drilling Rig Rates per Operating Day

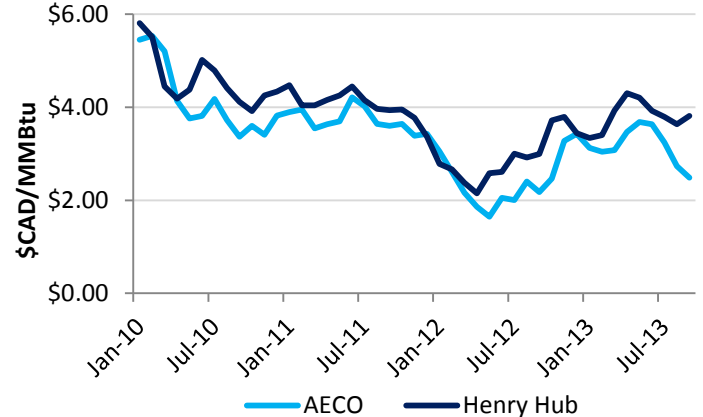


Commodity Price Overview

WTI, Edmonton Par , and WCS Prices



AECO and Henry Hub Prices



Select Companies Operating in the Canadian OFS Sector

As at October 4,
2013

Company	Ticker	Share Price	Dividend Yield	Market Cap	Enterprise Value	Revenue	TTM EBITDA	EBITDA Margin	EV/EBITDA			Price/Book	Net Debt/TTM EBITDA	
									TTM	2013E	2014E			
									(x)	(x)	(x)	(x)	(x)	
Drilling & Equipment														
CanElson Drilling Inc.	TSX:CDI	\$ 6.39	3.8%	529	546	243	83	34.0%	6.6x	5.9x	4.6x	1.6x	NM	
CWC Well Services Corp.	TSXV:CWC	\$ 0.72	9.2%	112	154	110	24	21.5%	6.5x	5.5x	4.6x	1.2x	1.8x	
Ensign Energy Services Inc.	TSX:ESI	\$17.60	2.5%	2,699	3,226	2,075	502	24.2%	6.4x	6.2x	5.4x	1.4x	1.0x	
Essential Energy Services Ltd.	TSX:ESN	\$ 2.77	4.4%	346	362	338	68	20.1%	5.3x	4.6x	3.9x	1.1x	0.2x	
High Arctic Energy Services Inc.	TSX:HWO	\$ 2.71	5.6%	130	110	152	38	25.2%	2.9x	2.8x	2.6x	1.3x	NM	
Hyduke Energy Services Inc.	TSX:HYD	\$ 0.36	-	9	18	79	(1)	NM	NM	NM	NM	0.3x	NM	
IROC Energy Services Corp.	TSXV:ISC	\$ 2.92	4.1%	148	174	101	30	29.3%	5.9x	NM	NM	1.7x	0.9x	
Leader Energy Services Ltd.	TSXV:LEA	\$ 0.15	-	4	28	23	0	0.6%	NM	6.0x	3.1x	1.9x	NM	
McCoy Corp.	TSX:MCB	\$ 7.11	2.9%	191	181	177	23	13.0%	7.9x	6.8x	5.4x	2.3x	NM	
Pason Systems Inc.	TSX:PSI	\$22.56	2.2%	1,853	1,657	379	154	40.6%	10.8x	9.5x	7.8x	5.3x	NM	
PHX Energy Services Corp.	TSX:PHX	\$11.16	6.5%	322	434	322	48	15.0%	9.0x	8.3x	6.3x	2.8x	2.3x	
Precision Drilling Corporation	TSX:PD	\$10.61	1.9%	2,937	4,089	1,993	437	21.9%	9.4x	6.1x	5.2x	1.3x	2.6x	
Savanna Energy Services Corp.	TSX:SVY	\$ 7.74	4.6%	676	908	661	134	20.3%	6.8x	5.9x	5.0x	0.8x	1.5x	
Total Energy Services Inc.	TSX:TOT	\$17.95	1.1%	558	592	316	78	24.8%	7.6x	6.5x	5.0x	1.7x	0.4x	
Trinidad Drilling Ltd.	TSX:TGD	\$10.01	2.0%	1,210	1,649	837	247	29.5%	6.7x	6.3x	5.5x	1.3x	1.8x	
Tuscany International Drilling Inc.	TSX:TID	\$ 0.14	-	53	311	296	50	16.8%	6.6x	5.4x	4.5x	0.2x	5.2x	
Western Energy Services Corp.	TSX:WRG	\$ 7.70	3.9%	565	787	302	97	32.2%	8.1x	6.5x	4.9x	1.0x	2.3x	
Xtreme Drilling and Coil Services Corp.	TSX:XDC	\$ 3.34	-	270	408	203	51	25.4%	7.9x	5.3x	4.6x	0.8x	2.5x	
Mean									23.2%	7.1x	6.1x	4.9x	1.6x	1.9x
Median									24.2%	6.7x	6.1x	5.0x	1.3x	1.8x
Production & Completion														
Bonnett's Energy Corp.	TSX:BT	\$ 7.02	4.0%	102	103	105	24	23.2%	4.2x	NM	NM	1.3x	0.0x	
Bri-Chem Corp.	TSX:BRY	\$ 1.90	-	33	87	154	9	5.8%	9.8x	6.7x	4.8x	0.7x	5.8x	
Calmena Energy Services Inc. ¹	TSX:CEZ	\$ 0.10	-	30	82	148	3	2.3%	23.8x	9.8x	4.8x	0.3x	15.0x	
Canadian Energy Services & Technology Corp.	TSX:CEU	\$17.37	4.3%	1,152	1,434	491	61	12.4%	23.6x	13.3x	9.4x	3.8x	4.6x	
Canadian Oilfield Solutions Corp. ¹	TSXV:OTS	\$ 0.17	-	11	12	19	1	3.0%	21.5x	NM	NM	1.6x	1.4x	
Cathedral Energy Services Ltd.	TSX:CET	\$ 5.29	5.6%	190	249	194	27	14.0%	9.2x	7.1x	5.2x	1.4x	2.2x	
Computer Modelling Group Ltd.	TSX:CMG	\$23.89	3.0%	927	864	70	37	52.8%	23.3x	NM	20.0x	17.3x	NM	
Enerflex Ltd.	TSX:EFX	\$13.57	2.1%	1,059	1,076	1,456	156	10.7%	6.9x	7.2x	6.4x	1.2x	0.1x	
Enseco Energy Services Corp.	TSXV:ENS	\$ 0.40	-	9	31	59	3	5.8%	9.1x	NM	NM	0.4x	6.5x	
Estrella International Energy Services Ltd	TSXV:EEN	\$ 0.02	-	4	52	70	(8)	NM	NM	NM	NM	0.1x	NM	
Genoil Inc.	TSXV:GNO	\$ 0.02	-	7	10	0	(2)	NM	NM	NM	NM	NM	NM	
Logan International Inc.	TSX:LII	\$ 7.75	-	259	332	202	46	22.6%	7.7x	6.0x	5.3x	1.3x	1.6x	
LoneStar West Inc. ¹	TSXV:LSI	\$ 3.70	-	95	106	28	4	13.5%	28.2x	NM	12.0x	6.3x	2.8x	
MatRRix Energy Technologies Inc.	TSXV:MXX	\$ 0.68	-	22	16	16	(0)	NM	NM	NM	3.0x	0.9x	NM	
Raise Production Inc	TSXV:RPC	\$ 0.71	-	42	41	0	(4)	NM	NM	NM	NM	12.9x	NM	
RMS Systems, Inc.	TSXV:RMS	\$ 0.40	-	32	31	7	(2)	NM	NM	NM	NM	3.5x	NM	
Strad Energy Services Ltd.	TSX:SDY	\$ 3.70	5.9%	138	195	187	39	20.6%	5.1x	4.7x	3.9x	1.1x	1.5x	
ZCL Composites Inc.	TSX:ZCL	\$ 6.50	1.9%	191	192	175	26	14.7%	7.5x	7.2x	6.2x	2.0x	0.0x	
Zedi Inc.	TSXV:ZED	\$ 0.75	-	73	84	105	11	10.1%	7.9x	4.8x	4.1x	1.2x	1.0x	
Mean									15.1%	10.4x	7.4x	7.1x	3.2x	3.3x
Median									12.9%	7.9x	7.1x	5.3x	1.3x	1.6x
Pressure Pumping														
Calfrac Well Services Ltd.	TSX:CFW	\$31.99	3.1%	1,473	1,947	1,497	193	12.9%	10.1x	9.2x	5.7x	1.9x	2.5x	
Canyon Services Group, Inc.	TSX:FRC	\$12.28	5.0%	768	745	294	54	18.4%	13.8x	14.3x	5.8x	2.4x	NM	
GASFRAC Energy Services, Inc.	TSX:GFS	\$ 1.52	-	97	153	150	9	6.3%	16.2x	12.4x	5.5x	0.5x	5.9x	
Trican Well Service Ltd.	TSX:TCW	\$14.07	2.2%	2,095	2,699	2,094	181	8.6%	14.9x	10.7x	6.0x	1.5x	3.3x	
Mean									11.6%	13.8x	11.7x	5.8x	1.6x	3.9x
Median									10.8%	14.3x	11.6x	5.8x	1.7x	3.3x
Exploration & Geophysical														
Divestco Inc.	TSXV:DVT	\$ 0.17	-	11	21	32	2	5.8%	11.5x	NM	NM	0.7x	5.5x	
Pulse Seismic Inc.	TSX:PSD	\$ 3.80	2.1%	227	245	68	58	85.6%	4.2x	7.7x	6.0x	2.9x	0.3x	
Tesla Exploration Ltd.	TSX:TXL	\$ 2.59	-	59	83	164	28	16.9%	3.0x	NM	NM	0.8x	0.9x	
Mean									36.1%	6.2x	7.7x	6.0x	1.5x	2.2x
Median									16.9%	4.2x	7.7x	6.0x	0.8x	0.9x

1) Outlier – TTM EV/EBITDA excluded from mean and median calculations

Select Companies Operating in the Canadian OFS Sector

As at October 4,
2013

Company	Ticker	Share Price	Dividend Yield	Market Cap	Enterprise		TTM EBITDA	EBITDA Margin	EV/EBITDA			Price/Book	Net Debt/TTM EBITDA
					Value	Revenue			TTM	2013E	2014E		
				(\$mm)	(\$mm)	(\$mm)	(\$mm)	(%)	(x)	(x)	(x)	(x)	(x)
Oilfield & Facility Construction													
Aecon Group Inc.	TSX:ARE	\$ 13.88	2.3%	775	1,278	3,077	150	4.9%	8.5x	7.0x	5.7x	1.4x	3.4x
Badger Daylighting Ltd.	TSX:BAD	\$ 68.15	1.6%	841	882	274	73	26.6%	12.1x	10.3x	8.6x	5.5x	0.6x
Bird Construction Inc.	TSX:BDT	\$ 12.62	6.0%	537	464	1,418	84	5.9%	5.5x	9.3x	6.1x	2.9x	NM
The Churchill Corporation	TSX:CUQ	\$ 8.90	5.6%	219	341	1,108	35	3.2%	9.7x	7.7x	6.0x	0.9x	3.4x
Cordy Oilfield Services Inc.	TSXV:CKK	\$ 0.17	-	15	33	116	5	4.1%	7.0x	NM	NM	0.4x	3.7x
Dalmac Energy Inc.	TSXV:DAL	\$ 0.36	-	8	22	41	4	9.8%	5.5x	NM	NM	0.6x	3.4x
Enterprise Group, Inc.	TSX:E	\$ 0.77	-	62	78	25	6	25.9%	12.2x	6.1x	3.5x	2.8x	2.6x
Finning International Inc.	TSX:FTT	\$ 23.70	2.5%	4,076	5,818	6,566	628	9.6%	9.3x	8.0x	7.4x	2.4x	2.8x
Gemini Corp.	TSXV:GKX	\$ 0.57	-	31	39	86	2	2.7%	16.9x	NM	NM	1.7x	3.4x
Macro Enterprises Inc.	TSXV:MCR	\$ 6.07	-	181	191	176	42	24.0%	4.5x	4.3x	3.6x	3.2x	0.1x
North American Energy Partners Inc.	NYSE:NOA	\$ 5.53	-	201	506	486	37	7.7%	13.6x	13.4x	8.8x	1.7x	8.4x
Petrowest Corporation	TSX:PRW	\$ 0.80	-	99	171	197	28	14.2%	6.1x	4.8x	3.8x	4.0x	2.6x
ShawCor Ltd.	TSX:SCL	\$ 44.05	1.1%	2,628	2,923	1,756	396	22.6%	7.4x	6.7x	7.9x	4.8x	0.7x
Toromont Industries Ltd.	TSX:TIH	\$ 22.70	2.3%	1,739	1,906	1,534	229	14.9%	8.3x	8.5x	7.8x	3.4x	0.7x
Mean								12.6%	9.0x	7.8x	6.3x	2.5x	2.8x
Median								9.7%	8.4x	7.7x	6.1x	2.6x	2.8x
Transportation & Logistics													
Aveda Transportation and Energy Services Inc.	TSXV:AVE	\$ 3.05	-	30	55	86	12	14.2%	4.5x	3.8x	3.3x	1.1x	2.0x
ENTREC Corporation	TSXV:ENT	\$ 1.38	-	160	252	181	43	23.9%	5.8x	4.0x	3.1x	0.9x	2.1x
Gibson Energy Inc.	TSX:GEI	\$ 24.52	4.5%	2,984	3,604	5,675	361	6.4%	10.0x	8.8x	8.7x	2.2x	1.7x
Mullen Group Ltd.	TSX:MTL	\$ 25.37	4.7%	2,293	2,659	1,377	285	20.7%	9.3x	8.9x	8.2x	2.6x	1.3x
TransForce Inc.	TSX:TFI	\$ 21.18	2.5%	1,953	2,793	3,082	366	11.9%	7.6x	7.7x	6.8x	2.5x	2.3x
Mean								15.4%	7.4x	6.6x	6.0x	1.9x	1.9x
Median								14.2%	7.8x	7.7x	6.8x	2.2x	2.0x
Environmental & Waste Management													
Canadian Oil Recovery & Remediation Enterprises Ltd.	TSXV:CVR	\$ 0.14	-	15	15	0	(2)	NM	NM	NM	NM	1.6x	NM
Formation Fluid Management Inc.	TSXV:FFM	\$ 0.17	-	7	7	0	(1)	NM	NM	NM	NM	2.5x	NM
New West Energy Services Inc.	TSXV:NWE	\$ 0.09	-	8	7	20	2	8.0%	4.5x	NM	NM	0.9x	NM
Newalta Corporation	TSX:NAL	\$ 15.65	2.8%	862	1,251	756	133	17.6%	9.4x	7.9x	6.4x	1.3x	2.9x
RDX Technologies Corporation	TSXV:RDX	\$ 0.16	-	26	49	36	(5)	NM	NM	NM	9.2x	0.5x	NM
Secure Energy Services Inc.	TSX:SES	\$ 13.51	1.1%	1,470	1,621	1,189	102	8.6%	15.9x	12.1x	8.5x	2.8x	1.5x
Mean								11.4%	9.9x	10.0x	8.0x	1.6x	2.2x
Median								8.6%	9.4x	10.0x	8.5x	1.4x	2.2x
Camps & Catering													
Black Diamond Group Limited	TSX:BDI	\$ 25.08	3.4%	1,054	1,190	305	125	40.9%	9.5x	8.1x	6.8x	2.8x	1.0x
Horizon North Logistics Inc.	TSX:HNL	\$ 7.58	3.3%	830	953	547	137	25.0%	7.0x	6.6x	5.7x	2.9x	0.9x
WesternOne Inc.	TSX:WEQ	\$ 7.61	7.9%	184	382	289	35	12.2%	10.8x	6.8x	6.0x	3.1x	5.5x
Winalta Inc.	TSXV:WTA	\$ 0.72	5.3%	29	42	17	7	43.4%	5.7x	4.6x	3.3x	1.2x	1.8x
Mean								30.4%	8.3x	6.5x	5.5x	2.5x	2.3x
Median								33.0%	8.2x	6.7x	5.9x	2.8x	1.4x
Large Cap NYSE Oilfield Majors													
Schlumberger Limited	NYSE:SLB	\$ 92.76	1.4%	122,738	129,097	46,107	12,081	26.2%	11.3x	10.1x	8.8x	3.2x	0.5x
Halliburton Company	NYSE:HAL	\$ 50.56	1.0%	46,190	49,580	30,237	5,881	19.4%	8.9x	7.6x	6.2x	2.9x	0.6x
National Oilwell Varco, Inc.	NYSE:NOV	\$ 81.97	1.3%	35,044	36,986	23,092	4,224	18.3%	9.2x	8.6x	7.5x	1.6x	0.4x
Baker Hughes Incorporated	NYSE:BHI	\$ 50.96	1.2%	22,578	26,685	22,549	3,735	16.6%	7.5x	6.6x	5.4x	1.3x	1.1x
Transocean Ltd.	NYSE:RIG	\$ 46.84	5.0%	16,881	24,532	9,855	2,910	29.5%	8.9x	6.8x	5.7x	1.0x	2.7x
Weatherford International Ltd.	NYSE:WFT	\$ 16.38	-	12,572	21,824	16,421	2,527	15.4%	9.1x	7.4x	6.0x	1.5x	3.7x
Enso plc	NYSE:ESV	\$ 57.01	3.7%	13,316	17,773	4,855	2,354	48.5%	8.0x	6.9x	6.1x	1.0x	1.9x
Cameron International Corporation	NYSE:CAM	\$ 63.40	-	15,604	16,638	9,537	1,467	15.4%	12.0x	10.2x	7.8x	2.3x	0.0x
Noble Corp.	NYSE:NE	\$ 39.88	2.6%	10,105	16,147	3,941	1,794	45.5%	9.5x	7.9x	5.7x	1.3x	3.0x
FMC Technologies, Inc.	NYSE:FTI	\$ 58.85	-	13,943	15,265	6,970	893	12.8%	18.0x	15.0x	11.5x	7.0x	1.5x
Diamond Offshore Drilling, Inc.	NYSE:DO	\$ 65.39	5.6%	9,091	9,376	3,056	1,434	46.9%	6.9x	6.9x	5.2x	1.9x	0.2x
Nabors Industries Ltd.	NYSE:NBR	\$ 17.98	0.9%	5,306	8,969	6,779	1,814	26.8%	5.2x	5.4x	4.7x	0.9x	2.0x
Helmerich & Payne, Inc.	NYSE:HP	\$ 75.95	2.8%	8,088	7,835	3,533	1,460	41.3%	5.7x	5.4x	5.3x	1.8x	NM
Mean								27.9%	9.2x	8.1x	6.6x	2.1x	1.5x
Median								26.2%	8.9x	7.4x	6.0x	1.6x	1.3x

About Us

Sequeira Partners offers Corporate Finance services to mid-market private and public Energy, Industrial and Resource based service companies. From our Western Canadian offices in Edmonton, Vancouver and Calgary, we deliver confidence and peace of mind to your significant business transactions.

Upcoming Events

Save the Date! Our annual **Energy Services Symposium** will be held on **Thursday, November 21st**, 7:00 – 10:15 am at the Delta South in Edmonton.

This breakfast event brings together business owners, CEO's, CFO's, lawyers, bankers, accountants and other decision makers in the Oilfield Services Industry.

Early registration is available at www.sequeirapartners.eventbrite.com.
Speaker details will be communicated as they are confirmed.



Sequeira Partners News

Sequeira Partners Inc. provided the fairness opinion to **Bonnett's Energy Corp.** in its recently proposed arrangement agreement with BEC Acquisition Ltd. In business for over forty years, Bonnett's Energy Corp. is a recognized leader in wireline, production and testing, as well as oilfield rental, fishing and pipe recovery services.

Our **Vancouver team** acted as the exclusive sell-side advisors to **HEALTHSERV (SASK)**, Saskatchewan's largest Occupational Health Services provider, in its recent sale to WellPoint Health Services Corp.

Visit our website for details on other recent transactions.



Our Team

Edmonton

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