



THE SEQUEIRA SYNOPSIS

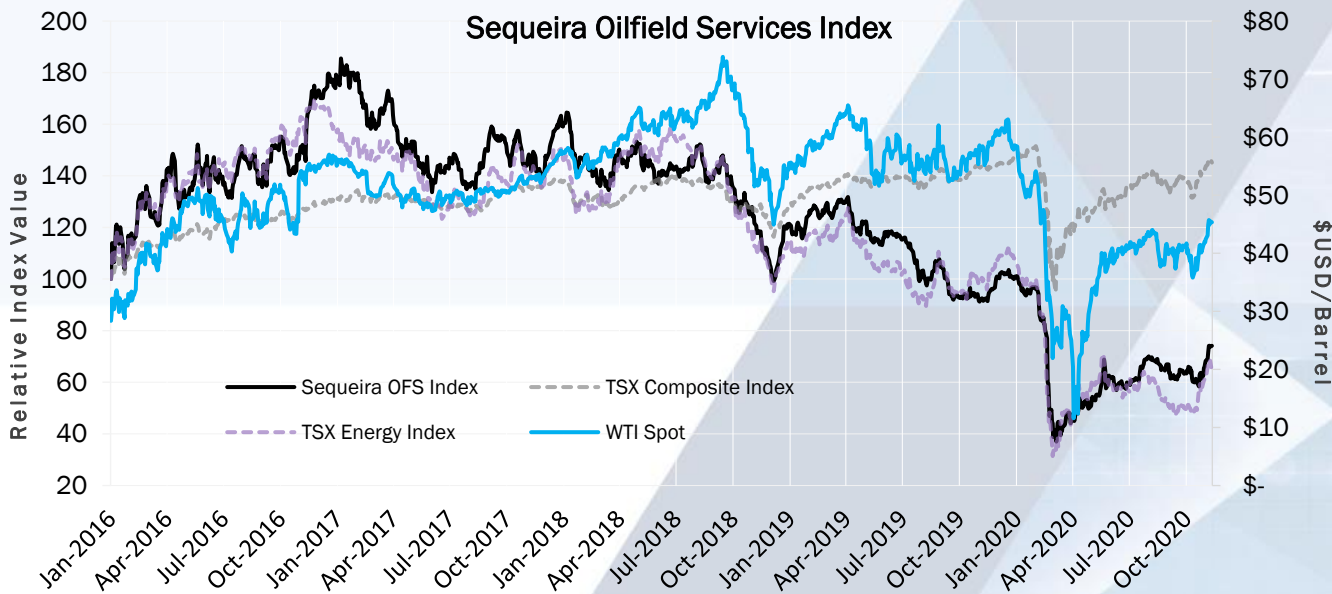
Oilfield Services and Equipment Overview
2020 | November Report

November 2020 | Overview

We finally received the news we've been waiting for with the successful development and trials of several vaccines that are now being distributed across the globe. The news comes at a time when a surge in COVID cases in much of the Western World has forced governments into various lockdown measures. While oil prices declined early in the month with concerns that renewed lockdowns would hamper demand, pricing has surged since the news of the vaccines.

In addition, OPEC+ came to a new agreement in the month that will see earlier production cuts of 7.7 million bbls/day move to 7.2 million bbls/day beginning in January. While a lot of idle capacity from OPEC+ will need to find its way back into the market at some point, for now OPEC+ seems to be taking a balanced approach in determine when to bring that capacity back online.

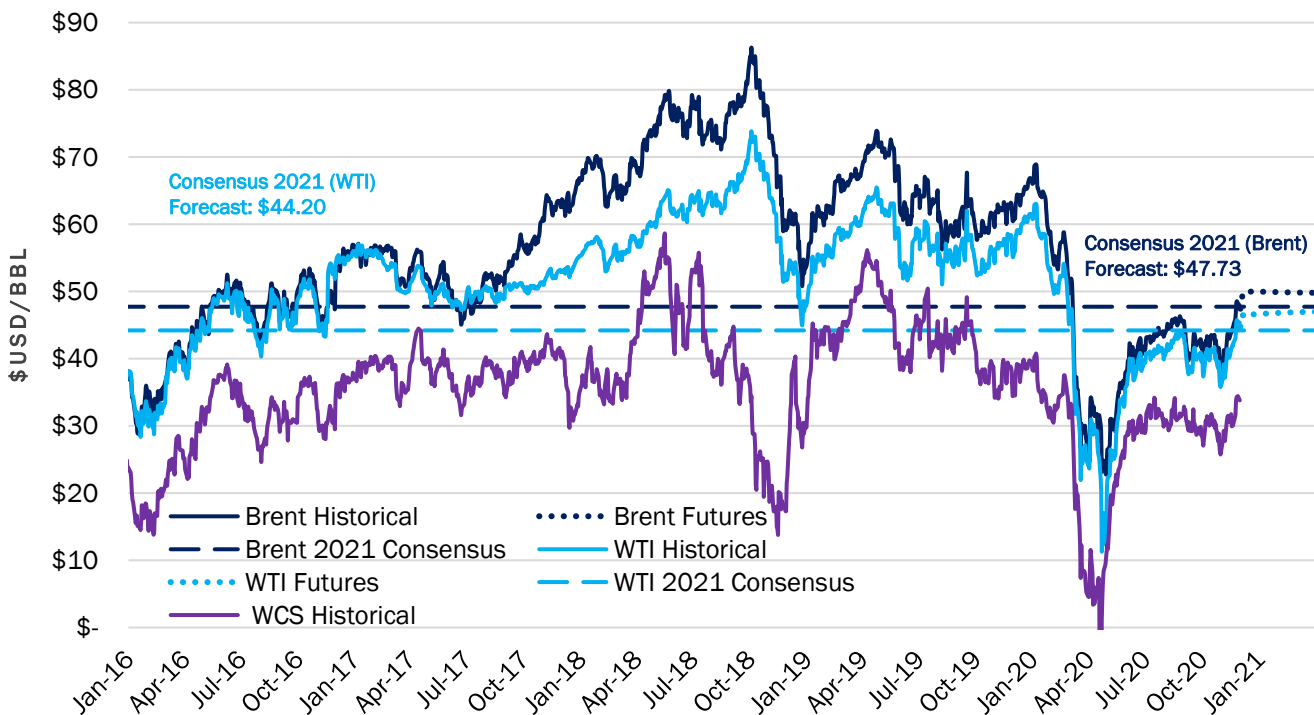
Both the TSX Energy Index and the Sequeira OFS Index ended the month up 10% and 23% respectively from the prior month. The OPEC+ announcement and promising vaccine results have spurred optimism back into the energy markets, but with renewed lockdowns across the globe, there will be continued pressure on the global economy.



Commodity Pricing and Analyst Forecasts

The beginning of Q4 saw oil prices decline as rising COVID-19 numbers in Europe and America created uncertainty over short term demand. Despite the uncertainty WTI, Brent, and WCS ended the month of November up significantly by 27%, 26% and 31% respectively. The increase in pricing being brought on by the light at the end of the tunnel regarding COVID-19 and the rollout of vaccines worldwide. Along with the OPEC+ announcement which was largely seen as being supportive of crude markets.

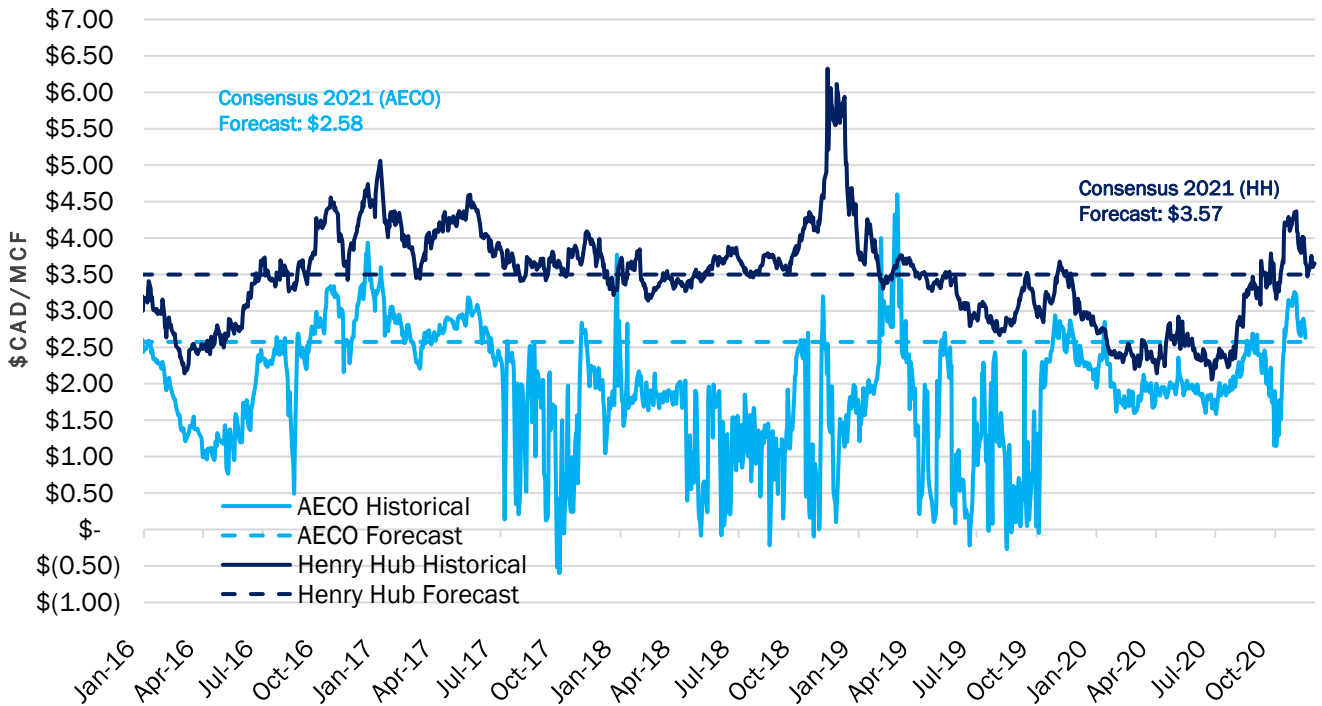
In Canada, the key WCS benchmark saw a similar increase through the month of November on related news. Some additional good news was received with the announcement that Enbridge's Line 3 replacement project is pushing ahead after receiving all the necessary approvals and permits and construction of the US portion will now begin.



Commodity Pricing and Analyst Forecasts

TC Energy's modified tariffs on the NOVA Gas Transmission Ltd. Pipeline network successfully provided pricing stability throughout the generally volatile summer months as producers had increased access to storage during outages. AECO pricing also experienced strong improvements through October as colder weather increased demand for natural gas before tapering off through November.

As expected, Henry Hub pricing also experienced an increase in October as we head into the winter months. Record declines in natural gas production and rebounding demand has led to the expectation that pricing for Henry Hub will remain strong through the remainder of 2020 and into 2021.



Our Team

Aron Sequeira, FCA, FCBV, ICD.D
asequeira@sequeirapartners.com
780.784.0114

Mark McRae, CA, CBV
mmcrae@sequeirapartners.com
780.784.0115

Julie Afanasiff, CA, CBV
jafanasiff@sequeirapartners.com
780.784.0116

Ken Tarry, MBA
ktarry@sequeirapartners.com
604.687.5300 ext. 201

Kellie Manchester, CFA
kmanchester@sequeirapartners.com
604.687.5300 ext. 202

Jordan Martel, CBV, ASA, MBA
jmartel@sequeirapartners.com
587.352.2500 ext. 302

Scott Acheson, CA, CBV, CFA
sacheson@sequeirapartners.com
780.784.0124

Erica McGuinness, CA, CBV
emcguinness@sequeirapartners.com
604.687.5300 ext. 203

Kira Gregson, CA, CBV
kgregson@sequeirapartners.com
780.784.0125

Ryan Turpin, CPA, CBV
rturpin@sequeirapartners.com
780.784.0121

Wenlei Tang, CA, CBV
wtang@sequeirapartners.com
587.352.2500 ext. 306

Tannie Lam, CA
tlam@sequeirapartners.com
604.687.5300 ext. 207

David Cameron, CPA
dcameron@sequeirapartners.com
780.784.0127

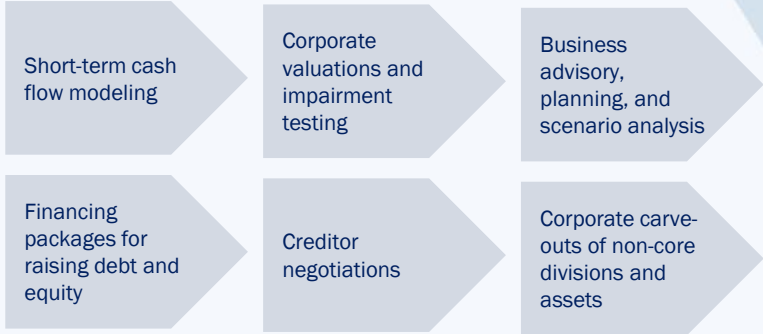
Griffin Steele, CPA
gsteele@sequeirapartners.com
604.687.5300 ext. 207

John Scott, CPA
jscott@sequeirapartners.com
780.784.0128

About Us

With offices in Edmonton, Calgary, and Vancouver, Sequeira Partners is a professional finance advisory firm focused on mergers and acquisitions, corporate carve-outs and recapitalizations. We've become known for providing boutique advisory services with big experience. Collectively, our professionals have over 100 years of industry experience and have completed more than 200 transactions. We possess in-depth industry experience and the highest accreditations available for professionals in our respective disciplines.

If you need assistance navigating these turbulent times, we're happy to help. Services provided to help clients overcome these challenging times include:



Recent Transactions

Advisor to

IPAC
SERVICES CORP.

on the sale to

STRAIT

Sales Agent to

ENTREC
CORPORATION

on the sale of its USA subsidiary,
ENTREC Cranes & Heavy Haul Inc.
to

PR **PROLIFT**
RIGGING CO

Advisor to

ECHO
NDE

on the sale to

ROCKWOOD

400, 520 – 5TH Avenue SW
Calgary, AB T2P 3R7
587-352-2500

2250, 10088 102 Avenue NW
Edmonton, AB T5J 2Z1
780-633-5200

1790, 999 West Hastings Street
Vancouver, BC V6C 2W2
604-687-5300

Appendix A

Sequeira Oilfield Services Index – Sector Drilldown

As at November 30, 2020

Source: Capital IQ

Company	Ticker	Share Price	Dividend Yield	Market Cap	Enterprise Value	TTM Revenue	TTM EBITDA	EBITDA Margin	EV/EBITDA TTM	EV/EBITDA 2020E	EV/EBITDA 2021E	Price/Book	Net Debt/EBITDA	Book Value
			(%)	(\$mm)	(\$mm)	(\$mm)	(\$mm)	(%)	(x)	(x)	(x)	(x)	(x)	(x)
Drilling & Equipment														
AKITA Drilling Ltd.	TSX:AKT.A	\$ 0.35	-	15	86	141	15	10.5%	5.8x	4.6x	7.1x	0.1x	3.7x	180
Cathedral Energy Services Ltd.	TSX:CET	\$ 0.17	-	8	27	52	(11)	NM	NM	NM	9.2x	0.2x	NM	48
CWC Energy Services Corp.	TSX:CWC	\$ 0.14	-	70	99	78	4	4.5%	28.2x	NM	NM	0.4x	ND	159
Ensign Energy Services Inc.	TSX:ESI	\$ 0.87	-	141	1,579	1,112	273	24.6%	5.8x	7.1x	8.4x	0.1x	6.4x	1,412
Essential Energy Services Ltd.	TSX:ESN	\$ 0.20	-	28	36	99	3	2.7%	13.2x	3.3x	3.1x	0.2x	0.6x	138
High Arctic Energy Services Inc	TSX:HWO	\$ 1.10	-	55	41	117	9	7.6%	4.6x	5.5x	9.2x	0.3x	NM	193
McCoy Global Inc.	TSX:MCB	\$ 0.47	-	13	18	41	2	5.7%	7.5x	NM	NM	0.3x	ND	39
Pason Systems Inc.	TSX:PSI	\$ 7.19	2.8%	598	435	192	46	23.9%	9.5x	13.7x	16.7x	1.9x	NM	316
PHX Energy Services Corp.	TSX:PHX	\$ 1.93	-	98	119	283	35	12.4%	3.4x	4.0x	4.8x	0.7x	0.6x	135
Precision Drilling Corporation	TSX:PD	\$ 25.11	-	345	1,590	1,106	298	26.9%	5.3x	6.1x	7.9x	0.2x	4.7x	1,462
Total Energy Services Inc.	TSX:TOT	\$ 3.09	-	139	376	434	75	17.4%	5.0x	5.9x	7.1x	0.3x	3.4x	517
Western Energy Services Corp.	TSX:WRG	\$ 0.33	-	30	255	122	19	15.2%	13.8x	13.8x	19.3x	0.1x	12.4x	234
Mean								13.8%	9.3x	7.1x	9.3x	0.4x	4.5x	
Median								12.4%	5.8x	5.9x	8.2x	0.3x	3.7x	
Production & Completion														
Bri-Chem Corp.	TSX:BRY	\$ 0.07	-	2	14	57	(1)	NM	NM	NM	NM	0.1x	ND	13
CES Energy Solutions Corp.	TSX:CEU	\$ 1.13	-	294	586	991	76	7.6%	7.8x	6.9x	6.9x	0.7x	3.3x	443
Computer Modelling Group Ltd.	TSX:CMG	\$ 5.30	3.8%	426	423	72	33	45.5%	12.9x	NM	12.2x	10.4x	NM	41
Enerflex Ltd.	TSX:EFX	\$ 6.88	1.2%	617	1,004	1,393	224	16.1%	4.5x	5.8x	7.2x	0.4x	2.2x	1,418
Source Energy Services Ltd.	TSX:SHLE	\$ 0.10	-	6	225	260	(16)	NM	NM	10.4x	13.5x	1.1x	9.5x	(0)
Wolverine Energy and Infrastructure Inc.	TSXV:WEII	\$ 0.20	-	21	147	205	12	5.8%	12.4x	NM	6.2x	0.3x	6.3x	74
Mean								18.7%	9.4x	7.7x	9.2x	2.2x	5.3x	
Median								11.9%	10.1x	6.9x	7.2x	0.6x	4.8x	
Oilfield & Facility Construction														
Badger Daylighting Ltd.	TSX:BAD	\$ 38.74	1.5%	1,350	1,498	591	117	19.8%	12.8x	11.3x	9.4x	3.9x	1.1x	346
ClearStream Energy Services Inc.	TSX:CSM	\$ 0.03	-	3	316	446	1	0.1%	NM	NM	NM	NM	ND	(22)
Enterprise Group, Inc.	TSX:E	\$ 0.21	-	10	21	17	2	12.2%	10.0x	NM	NM	0.3x	ND	37
Macro Enterprises Inc.	TSXV:MCR	\$ 2.41	-	76	91	265	24	9.1%	3.8x	2.6x	2.5x	0.6x	0.4x	133
North American Construction Group Ltd.	NYSE:NOA	\$ 13.29	-	387	826	553	165	29.8%	5.0x	5.0x	4.5x	0.0x	2.7x	238
Shawcor Ltd.	TSX:SCL	\$ 3.22	-	227	641	1,187	14	1.2%	NM	17.2x	7.0x	0.3x	10.3x	685
Mean								12.0%	7.9x	9.0x	5.8x	1.0x	3.6x	
Median								10.6%	7.5x	8.1x	5.7x	0.3x	1.9x	
Pressure Pumping														
Calfrac Well Services Ltd.	TSX:CFW	\$ 0.29	-	42	917	842	(19)	NM	NM	NM	15.6x	NM	NM	(81)
STEP Energy Services Ltd.	TSX:STEP	\$ 0.63	-	43	261	424	19	4.5%	13.6x	7.9x	8.9x	0.2x	6.4x	230
Trican Well Service Ltd.	TSX:TCW	\$ 1.32	-	344	357	458	12	2.5%	NM	21.5x	10.9x	0.7x	0.7x	520
Mean								3.5%	13.6x	14.7x	11.8x	0.4x	3.6x	
Median								3.5%	13.6x	14.7x	10.9x	0.4x	3.6x	
Transportation & Logistics														
Gibson Energy Inc.	TSX:GEI	\$ 20.86	6.5%	3,052	4,456	5,284	416	7.9%	10.7x	10.1x	9.8x	4.1x	3.0x	740
Mullen Group Ltd.	TSX:MTL	\$ 10.06	3.6%	975	1,492	1,181	203	17.2%	7.3x	7.5x	7.6x	1.1x	2.4x	895
Mean								12.5%	9.0x	8.8x	8.7x	2.6x	2.7x	
Median								12.5%	9.0x	8.8x	8.7x	2.6x	2.7x	
Environmental & Geophysical														
Pulse Seismic Inc.	TSX:PSD	\$ 0.91	-	49	79	11	7	59.2%	11.6x	8.7x	4.8x	2.0x	3.0x	25
Secure Energy Services Inc.	TSX:SES	\$ 2.17	1.4%	344	834	2,121	100	4.7%	8.3x	7.3x	6.8x	0.5x	3.6x	758
Tervita Corporation	TSX:TEV	\$ 2.04	-	231	1,058	1,627	155	9.5%	6.8x	5.9x	6.0x	1.1x	4.1x	209
Vertex Resource Group Ltd.	TSXV:VTX	\$ 0.23	-	21	103	139	17	12.5%	5.9x	4.3x	4.4x	0.4x	3.3x	49
Mean								21.5%	8.2x	6.5x	5.5x	1.0x	3.5x	
Median								11.0%	7.6x	6.6x	5.4x	0.8x	3.4x	
Camps & Catering														
Black Diamond Group Limited	TSX:BDI	\$ 1.76	-	99	236	171	29	16.9%	8.2x	7.3x	5.2x	0.4x	3.5x	218
Civeo Corporation	NYSE:CVEO	\$ 20.72	-	295	738	726	136	18.8%	5.4x	5.6x	6.0x	0.8x	2.7x	471
Dexterra Group Inc.	TSX:DXT	\$ 5.95	5.0%	386	520	371	52	14.1%	10.0x	7.2x	8.0x	1.3x	1.8x	306
Mean								17.8%	6.8x	6.5x	5.6x	0.6x	3.1x	
Median								17.8%	6.8x	6.5x	5.6x	0.6x	3.1x	