



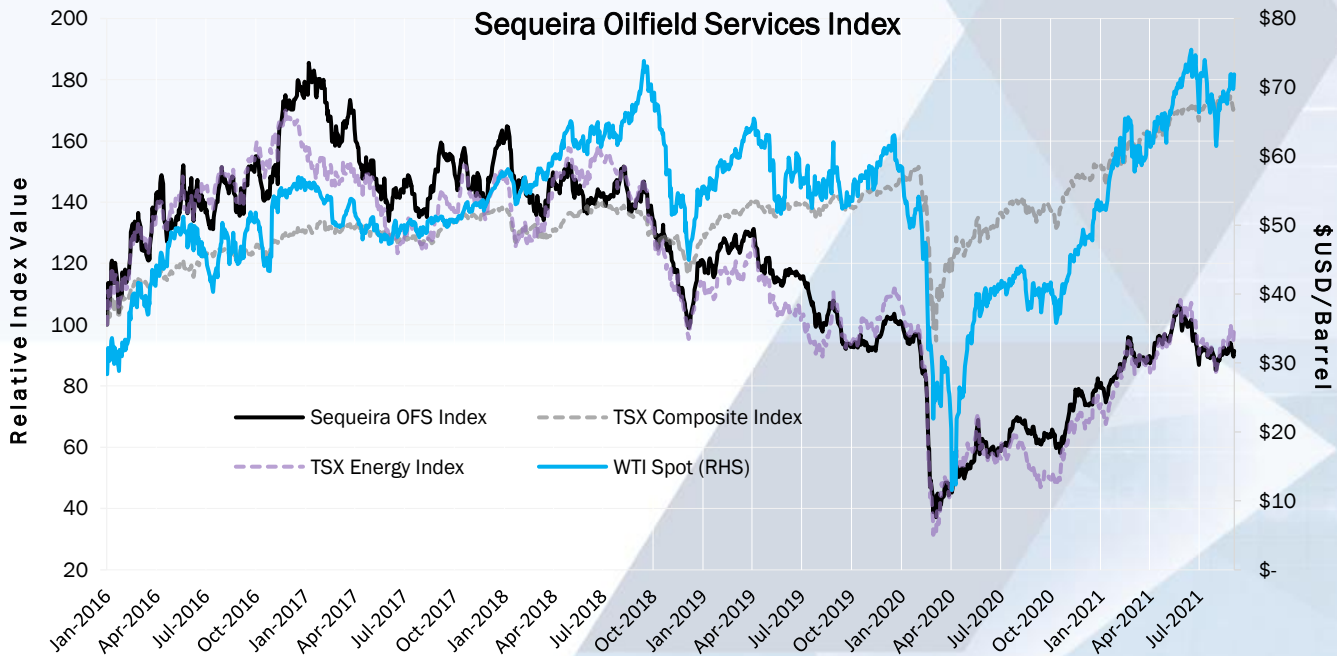
THE SEQUEIRA SYNOPSIS

Oilfield Services and Equipment Overview
2021 | August Report

August 2021 | Overview

Crude prices over the course of August demonstrated quite a bit of flux as concerns over the spread of the delta variant hampered optimism in the markets and drove WTI prices down to ~\$62/bbl. The market has since rebounded as hurricane season took a significant amount of offshore production offline in North America and decreasing inventory levels came back into the fold. As a result, pricing has increased since mid August and continues to be strong into September.

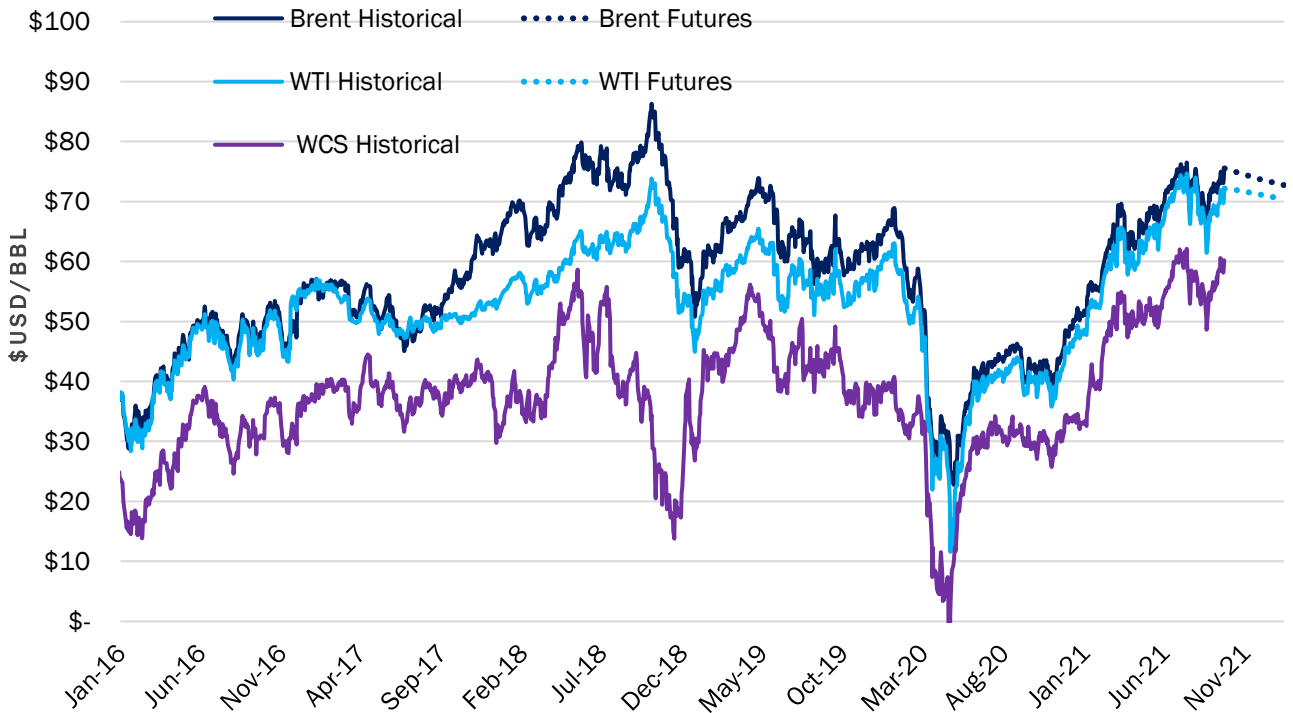
Mirroring the volatility experienced in commodity prices, the Sequeira OFS index and TSX energy index declined to start August followed by a recovery to end the month.



Commodity Pricing and Analyst Forecasts

To start the month, concerns around the spread of the Delta variant put downward pressure on oil prices due to fears that possible lockdowns would hamper demand for commodities. However, prices have since resumed their upward momentum due to widespread production outages in the U.S. Gulf as a result of hurricane season. While the offshore shutdowns are a temporary event, it's drawn greater attention to significant inventory draws across North America.

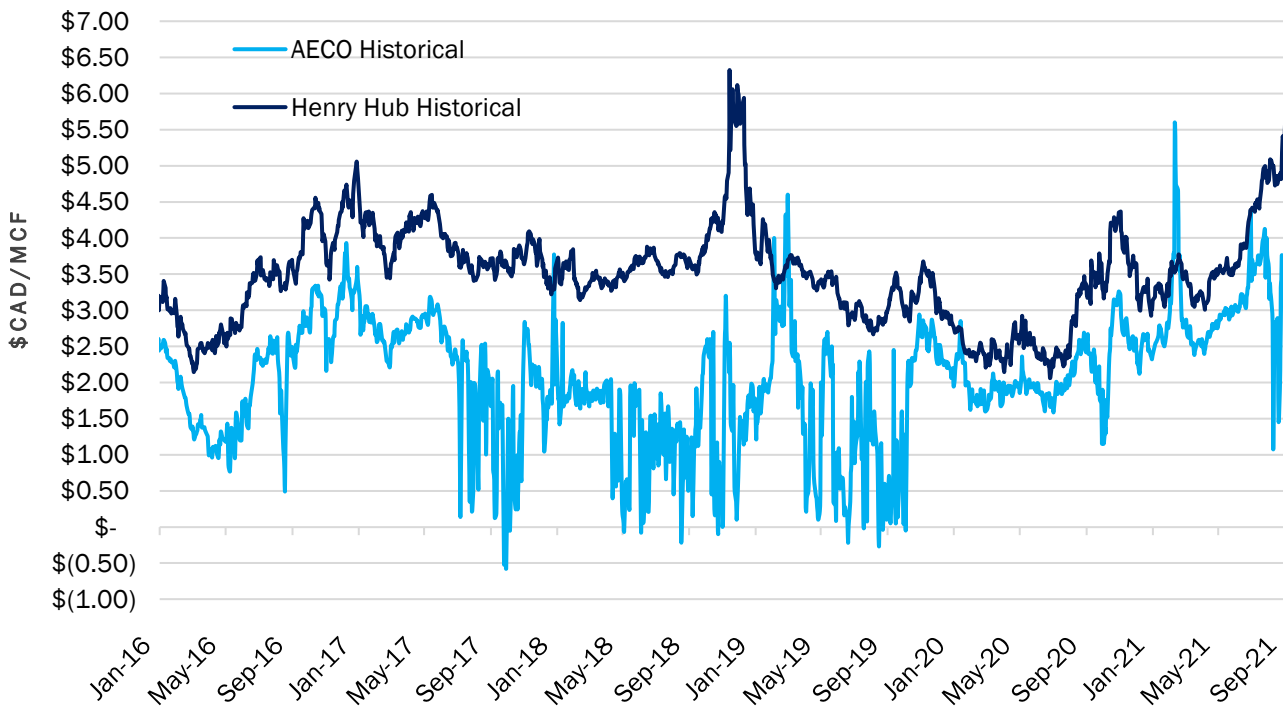
Analyst expectations are that crude demand will surpass pre-pandemic levels in 2022. As inventory levels are already drawing down, new wells will need to be drilled and completed to meet this increasing demand. While we've seen operators work through their inventory of DUCs (drilled but uncompleted wells), rigs will need to be put back to work both in North America and Internationally throughout 2022. This should bode well for the OFS sector and provide an opportunity for price increases as operators have been generating meaningful cash flows with the strength in pricing and prior operating cost cuts.



Commodity Pricing and Analyst Forecasts

Natural gas prices have remained strong in both markets with AECO and Henry Hub showing strong momentum throughout the summer and heading into the fall. That said, AECO pricing did experience some pricing volatility over the month of August due to maintenance being performed on TC Energy's Nova gas transmission line. A series of bullish events allowed U.S. gas operators to realize the highest average monthly Henry Hub pricing they've seen in 10 years. Events of note included the above average hot summer weather, record U.S. exports of LNG, and production shut-ins in the gulf coast.

Longer-term the outlook for natural gas is notably bullish as we've seen lower than expected storage injections of late with inventories in Canada and the U.S. below their 5-year averages. As the industry heads towards the winter withdrawal season, expectations are that pricing will remain at elevated levels until more production comes to market. Again, this should bode well for the OFS sector.



Sequeira Partners Expands Leadership

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Erica McGuinness



Scott Acheson



Kira Gregson

It was an exciting August for the team as Sequeira Partners announced the appointment of **Scott Acheson** (Edmonton), **Kira Gregson** (Edmonton), and **Erica McGuinness** (Vancouver) to the Partnership. Scott, Kira, and Erica previously served as Vice Presidents and bring their respected reputations and cross-industry experience to the company's core competencies of M&A, Valuations and Advisory.

About Us

Sequeira Partners is Western Canada's leading sell-side transaction advisor to private and public industrial, energy and diversified businesses. From our offices in Vancouver, Edmonton and Calgary, the team at Sequeira Partners has completed more than 200 mid-market transactions in Canada, the United States, and countries around the world. www.sequeirapartners.com.

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Appendix A

Sequeira Oilfield Services Index – Sector Drilldown

As at September 23, 2021

Source: Capital IQ

Company	Ticker	Share Price	Dividend Yield	Market Cap	Enterprise Value	Revenue	TTM EBITDA	EBITDA Margin	EV/EBITDA TTM	2021E	2022E	Price/Book
			(%)	(\$mm)	(\$mm)	(\$mm)	(\$mm)	(%)	(x)	(x)	(x)	(x)
Drilling & Equipment												
AKITA Drilling Ltd.	TSX:AKT.A	\$ 1.05	-	44	114	86	8	8.9%	15.0x	6.9x	4.2x	0.3x
Cathedral Energy Services Ltd.	TSX:CET	\$ 0.43	-	34	54	31	(9)	NM	NM	NM	2.7x	0.8x
CWC Energy Services Corp.	TSX:CWC	\$ 0.13	-	66	87	72	4	5.5%	22.2x	32.0x	NM	0.4x
Ensign Energy Services Inc.	TSX:ESI	\$ 1.75	-	279	1,610	789	161	20.4%	10.0x	7.1x	5.4x	0.2x
Essential Energy Services Ltd.	TSX:ESN	\$ 0.33	-	47	47	96	4	4.0%	12.2x	5.8x	1.8x	0.4x
High Arctic Energy Services Inc	TSX:HWO	\$ 1.33	-	63	50	69	5	6.7%	10.8x	6.0x	3.3x	0.4x
McCoy Global Inc.	TSX:MCB	\$ 0.76	-	21	22	30	(1)	NM	NM	24.5x	NM	0.6x
Pason Systems Inc.	TSX:PSI	\$ 8.17	2.5%	651	522	142	21	14.5%	25.4x	17.6x	5.9x	2.2x
PHX Energy Services Corp.	TSX:PHX	\$ 4.47	4.5%	221	237	236	26	11.2%	9.0x	8.9x	3.4x	1.7x
Precision Drilling Corporation	TSX:PD	\$ 43.80	-	587	1,728	804	142	17.7%	12.2x	7.1x	5.5x	0.5x
Total Energy Services Inc.	TSX:TOT	\$ 4.42	-	200	388	339	38	11.3%	10.1x	7.8x	4.7x	0.4x
Western Energy Services Corp.	TSX:WRG	\$ 0.33	-	27	254	98	17	16.8%	15.3x	12.8x	6.9x	0.1x
Mean								11.7%	14.2x	12.4x	4.4x	0.7x
Median								11.3%	12.2x	7.8x	4.4x	0.4x
Production & Completion												
Bri-Chem Corp.	TSX:BRY	\$ 0.16	-	4	19	42	(2)	NM	NM	NM	NM	0.4x
CEC Energy Solutions Corp.	TSX:CEU	\$ 1.52	4.4%	375	678	893	55	6.2%	12.3x	12.8x	4.3x	0.8x
Computer Modelling Group Ltd.	TSX:CMG	\$ 4.69	4.3%	370	356	65	27	41.2%	13.3x	10.6x	12.5x	8.5x
Enerflex Ltd.	TSX:EFX	\$ 8.58	1.0%	747	1,046	972	144	14.8%	7.3x	5.7x	5.2x	0.5x
Source Energy Services Ltd.	TSX:SHLE	\$ 1.30	-	19	205	292	16	5.6%	12.5x	15.9x	3.9x	0.9x
Wolverine Energy and Infrastructure Inc.	TSXV:WEII	\$ 0.22	-	23	120	121	(10)	NM	NM	7.5x	8.7x	0.3x
Mean								16.9%	11.4x	10.5x	6.9x	1.9x
Median								10.5%	12.4x	10.6x	5.2x	0.7x
Oilfield & Facility Construction												
Badger Infrastructure Solutions Ltd.	TSX:BDGI	\$ 36.00	1.8%	1,242	1,379	532	59	11.2%	23.3x	13.8x	9.0x	4.3x
ClearStream Energy Services Inc.	TSX:CSM	\$ 0.06	-	7	304	364	(1)	NM	NM	NM	NM	NM
Enterprise Group, Inc.	TSX:E	\$ 0.26	-	12	23	15	6	36.8%	4.0x	4.7x	NM	0.4x
Macro Enterprises Inc.	TSXV:MCR	\$ 2.75	-	87	76	332	43	13.1%	1.7x	2.7x	1.8x	0.8x
North American Construction Group Ltd.	NYSE:NOA	\$ 18.32	-	512	921	539	148	27.5%	6.2x	5.8x	3.9x	0.0x
Shawcor Ltd.	TSX:SCL	\$ 5.25	-	361	646	1,179	66	5.6%	9.7x	25.0x	4.8x	0.5x
Mean								18.8%	9.0x	10.4x	4.9x	1.2x
Median								13.1%	6.2x	5.8x	4.4x	0.5x
Pressure Pumping												
Calfrac Well Services Ltd.	TSX:CFW	\$ 3.25	-	122	468	757	34	4.5%	13.7x	NM	3.3x	0.3x
STEP Energy Services Ltd.	TSX:STEP	\$ 1.46	-	94	301	378	8	2.2%	NM	36.8x	3.2x	0.5x
Trican Well Service Ltd.	TSX:TCW	\$ 2.80	-	684	637	418	55	13.1%	11.6x	26.3x	4.8x	1.4x
Mean								6.6%	12.7x	31.5x	3.8x	0.8x
Median								4.5%	12.7x	31.5x	3.3x	0.5x
Transportation & Logistics												
Gibson Energy Inc.	TSX:GEI	\$ 23.26	6.0%	3,399	4,962	5,969	344	5.8%	14.4x	13.1x	10.1x	5.2x
Mullen Group Ltd.	TSX:MTL	\$ 13.24	3.7%	1,255	1,967	1,192	210	17.6%	9.4x	9.5x	7.4x	1.4x
Mean								11.7%	11.9x	11.3x	8.7x	3.3x
Median								11.7%	11.9x	11.3x	8.7x	3.3x
Environmental & Geophysical												
Pulse Seismic Inc.	TSX:PSD	\$ 1.81	-	96	108	31	26	83.7%	4.1x	15.2x	6.9x	2.7x
Secure Energy Services Inc.	TSX:SES	\$ 4.28	0.7%	1,279	1,880	2,100	90	4.3%	20.8x	22.1x	4.2x	1.0x
Vertex Resource Group Ltd.	TSXV:VTX	\$ 0.40	-	37	135	140	18	12.7%	7.6x	6.8x	4.9x	0.8x
Mean								33.6%	10.8x	14.7x	5.3x	1.5x
Median								12.7%	7.6x	15.2x	4.9x	1.0x
Camps & Catering												
Black Diamond Group Limited	TSX:BDI	\$ 3.37	-	203	406	232	37	15.8%	11.1x	13.9x	6.0x	0.9x
Civeo Corporation	NYSE:CVEO	\$ 29.08	-	415	804	689	118	17.2%	6.8x	6.8x	5.8x	1.1x
Dexterra Group Inc.	TSX:DXT	\$ 8.22	4.3%	530	629	664	82	12.3%	7.7x	9.8x	7.3x	1.7x
Mean								16.5%	8.9x	10.3x	5.9x	1.0x
Median								16.5%	8.9x	10.3x	5.9x	1.0x