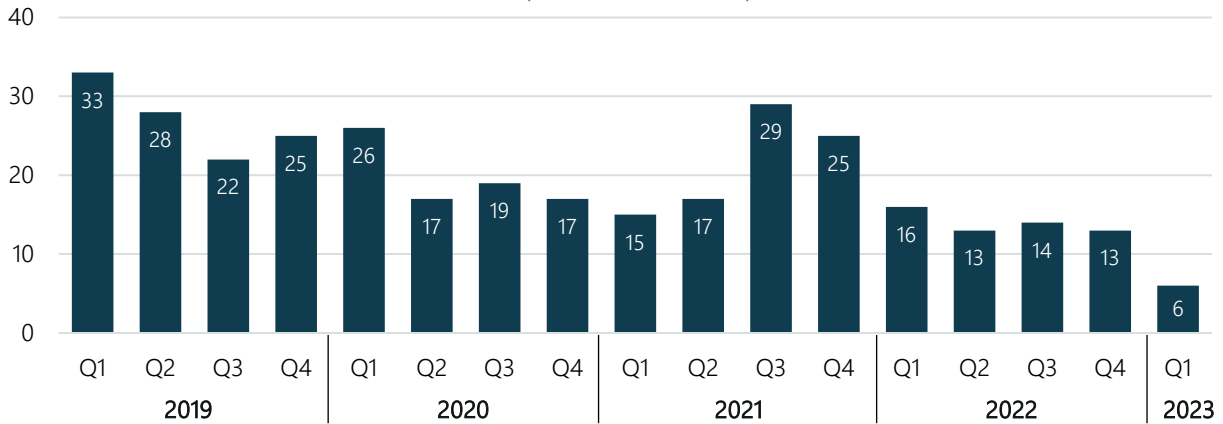


Oilfield Services

Quarterly Update | Q1 2023



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

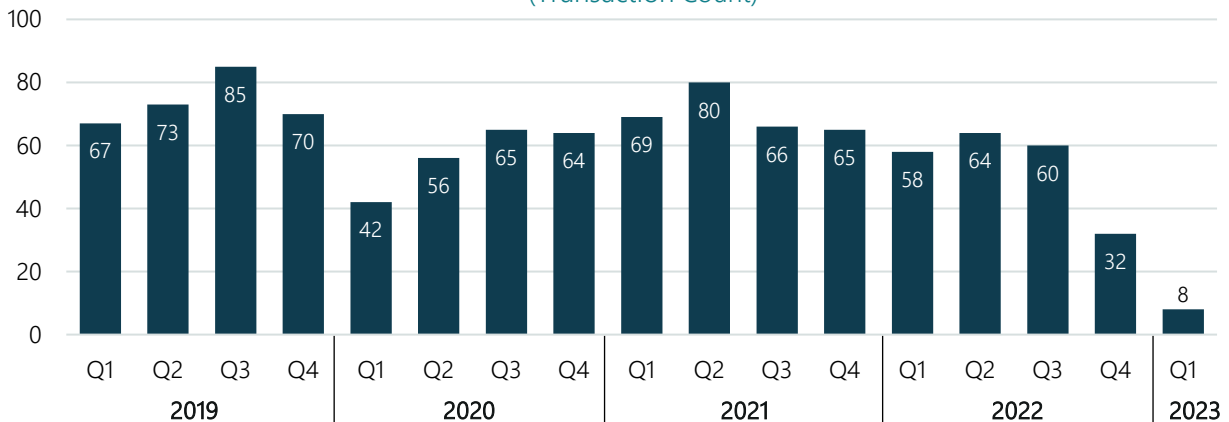


Source: Capital IQ. Data as of March 31, 2023.

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

Oilfield services merger and acquisition activity in Q1 2023 exceeded \$450 million in disclosed transaction value across six deals in the United States. The average deal size among disclosed transactions was \$152.5 million, an increase from \$102.4 million in Q4 2022. No deals were disclosed in Canada in the quarter.

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



Source: Capital IQ. Data as of March 31, 2023.

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

Oil and gas exploration and production merger and acquisition activity in Q1 2023 exceeded \$550 million in disclosed transaction value across eight deals in Canada and the United States. The average deal size among disclosed transactions was \$140.2 million, an increase from \$106.2 million in Q4 2022. Canada and the United States each accounted for four disclosed deals in the quarter.

'Feels pretty good': Oil and gas investment in Canada to hit \$40 billion in 2023, CAPP says¹

March 2, 2023: The Canadian Association of Petroleum Producers (CAPP) announced investment in the Canadian oil and gas production is expected to hit \$40 billion in 2023, surpassing pre-pandemic levels. Conventional oil and natural gas investment is forecasted to reach \$28.5 billion while oilsands investment is forecasted to reach \$11.5 billion in the year.

These expected investment levels are nearly double that of 2020, where Canada saw oil and gas investment reduced to \$22 billion in the year, hampered by COVID-19 restrictions. The spike in 2022 oil and gas prices allowed Canadian corporations to reach record profits, contributing to reinvestment in the industry.

Oil delivers big for Alberta's budget, but what does it say about the road ahead for energy?²

March 2, 2023: Alberta's 2023 budget is unveiled – 26% of revenue is forecasted to come from oil and gas, down from 36% in the year prior.

In 2022, non-renewable resource revenue totalled a record high of \$27.5 billion. 2023 projections estimate non-renewable resource revenue to be \$18.4 billion – the second-highest annual revenue figure in history if realized.

Driven by increased production, the Alberta government is aiming to increase global oil contribution to 3.7% by 2024, up from 3.3% in 2021.

Budget 2023 plans for benchmark WTI oil prices to hover at \$79 (USD) per barrel, with a forecasted decrease to \$73.50 over the next three years. Total natural resource revenue is expected to decrease in 2023 and 2024 by a forecasted \$9 billion.

Enbridge bets there's a future for oil and gas with \$3.3 billion worth of new projects³

March 1, 2023: Enbridge Inc. announced \$3.3 billion in new projects at its annual investor event. Included in the announced projects are a \$240 million (USD) oil terminal in Texas, a \$335 million (USD) investment in gas storage in the Gulf Coast, and a \$80 million (USD) investment in U.S. biogas company, Divert Inc.

The company plans to spend \$2.4 billion on modernizing gas transmission and utilities through its secured capital program. The company has also stated it has begun assessment on an Ontario-based decarbonization project.

Enbridge's strategy will allow for increased Canadian crude exports through the U.S. Gulf Coast, supported by updated transmission and storage in the area.

Source 1: Financial Post - 'Feels pretty good': Oil and gas investment in Canada to hit \$40 billion in 2023, CAPP says

Source 2: CBC – Oil delivers big for Alberta's budget, but what does it say about the road ahead for energy?

Source 3: Financial Post - Enbridge bets there's a future for oil and gas with \$3.3 billion worth of new projects.

Market Update

Select Recent M&A Transactions



has acquired



Closed	Mar 3, 2023
Transaction Value	\$516MM
TEV/EBITDA	Not disclosed
Location	Calgary, AB

- **Saturn Oil & Gas Inc. (TSXV:SOIL)**, is an oil and gas producer with drilling operations in Alberta and Saskatchewan. The company focuses on both organic growth and acquisitions.
- **Ridgeback Resources Inc.**, is a privately-held oil and gas producer with a focus on light oil production in Alberta and Saskatchewan.



has completed a business combination with



To form

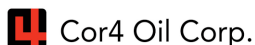


Closed	Feb 23, 2023
Transaction Value	\$238.2MM
TEV/EBITDA	3.14x
Location	Calgary, AB

- **Hammerhead Resources Inc. (TSX, Nasdaq: HHRS)**, is a Canadian oil and gas exploration and production company with a 107,000-acre resource base within the Alberta Montney Formation.
- **Decarbonization Plus Acquisition Corporation IV (DCRD) (NASDAQ: DCRD)**, is a blank check company.
- **Hammerhead Energy Inc.**, is expected to be listed under the same ticker used by Hammerhead Resources Inc. (TSX, Nasdaq: HHRS). The company plans to utilize this business combination as a platform to pursue its competitive growth model.



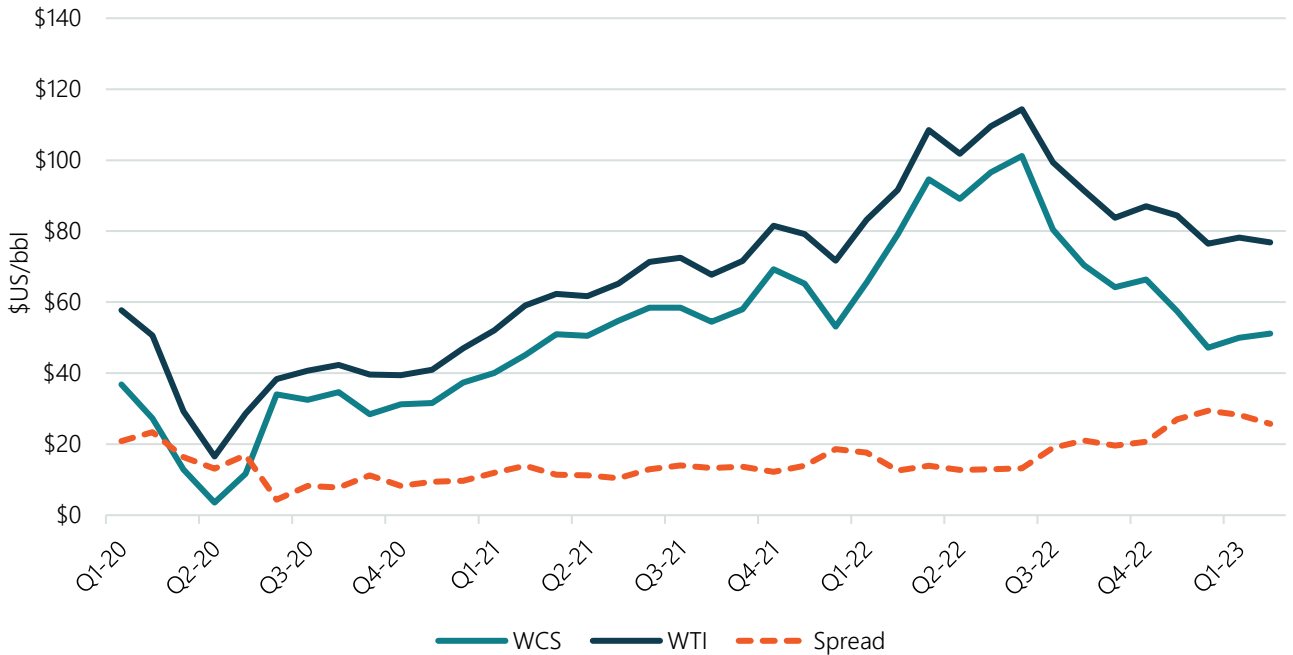
has acquired



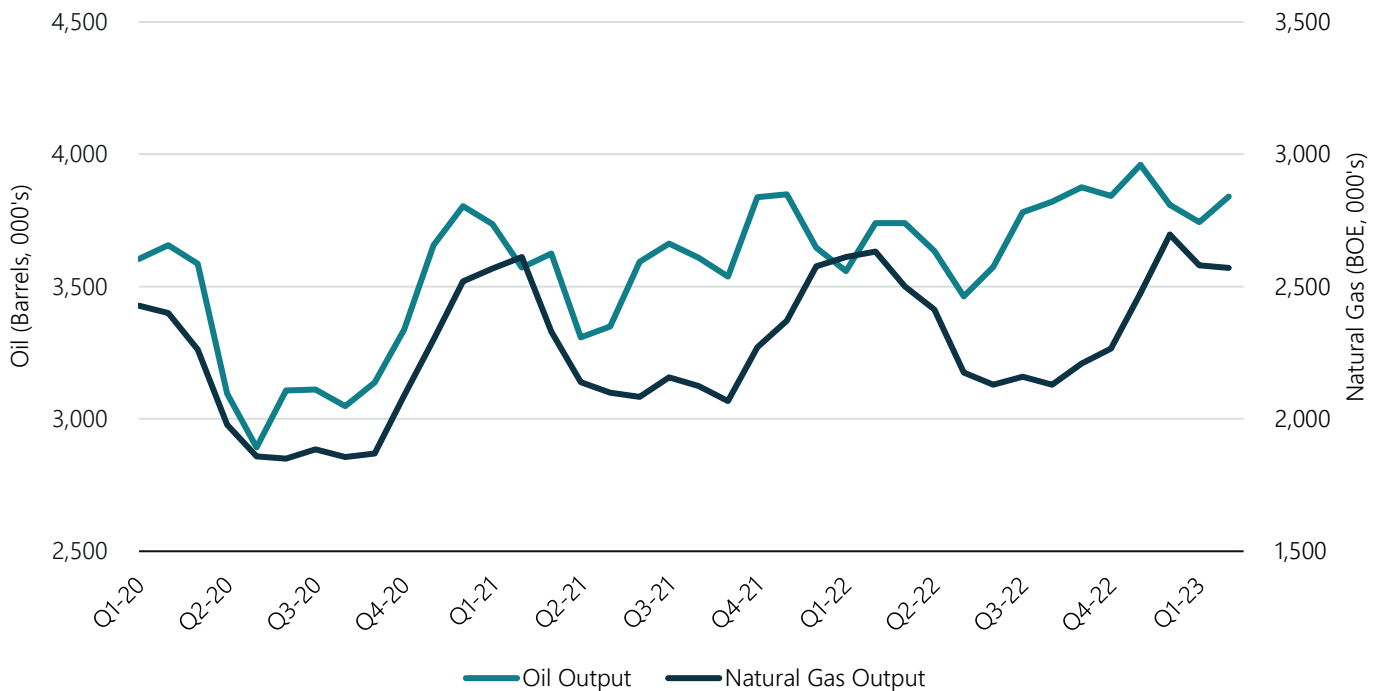
Announced	Feb 6, 2023
Transaction Value	\$84MM
TEV/EBITDA	Not disclosed
Location	Calgary, AB

- **International Petroleum Corporation (TSX, Nasdaq Stockholm: IPCO)**, is an international oil and gas exploration and production company with locations in Canada, Malaysia, and France.
- **Cor4 Oil Corp.**, is a developer of oil assets with a high concentration of oil-weighted assets east of Brooks, Alberta.

WTI Versus WCS

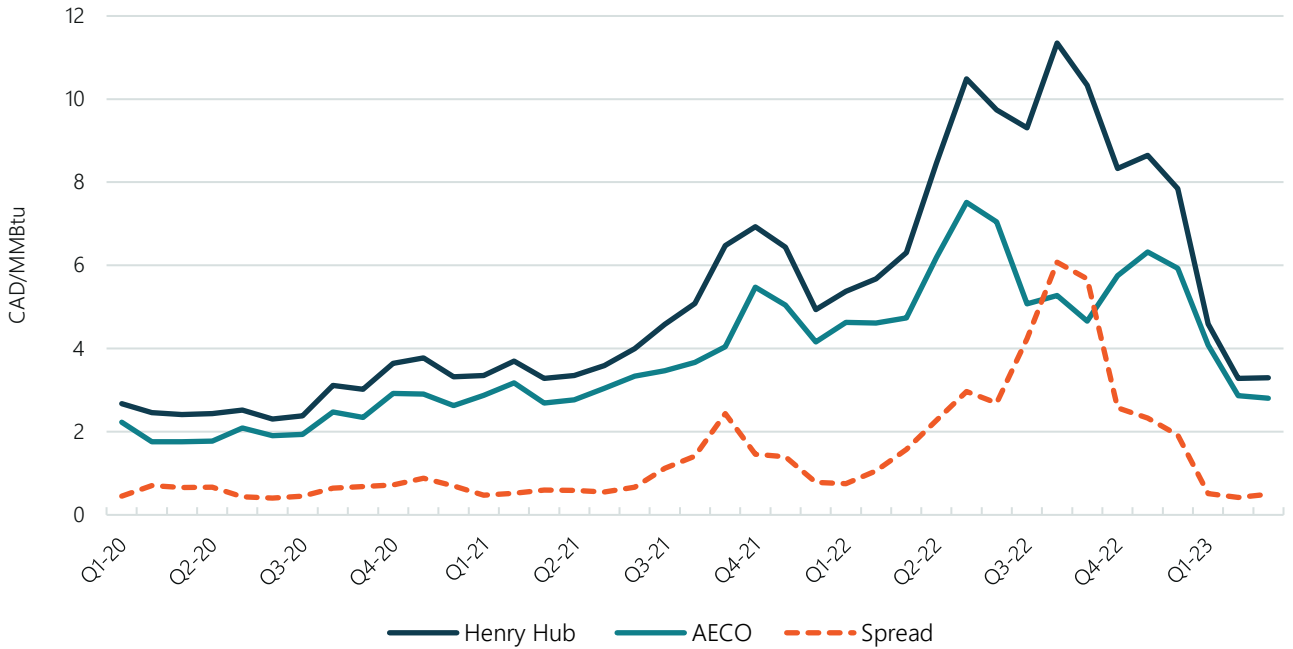


Average Barrels and BOE¹ of Production Per Day in Alberta

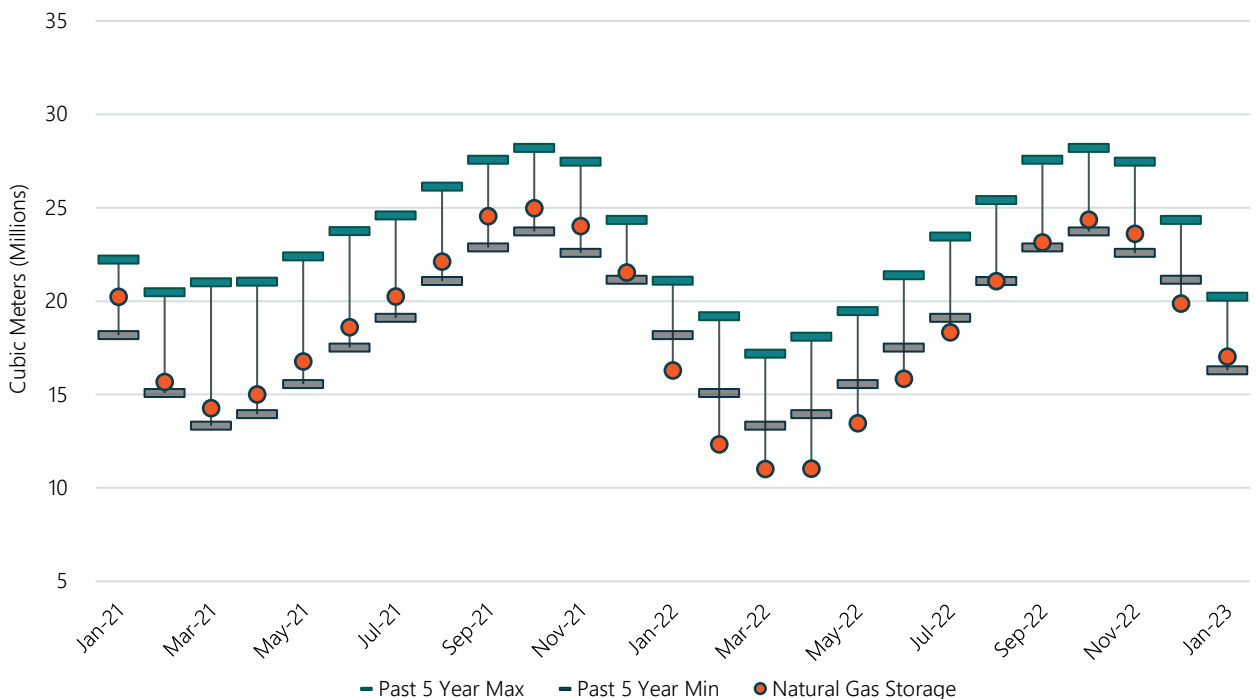


Note 1: Barrel of oil equivalent (BOE) summarizes the amount of energy of natural gas equivalent to that contained in a barrel of oil.
 Source: Alberta Government <https://economicdashboard.alberta.ca/dashboard/wcs-oil-price/>,
 Alberta Energy Regulator <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st3>

Natural Gas Prices: Henry Hub vs. AECO

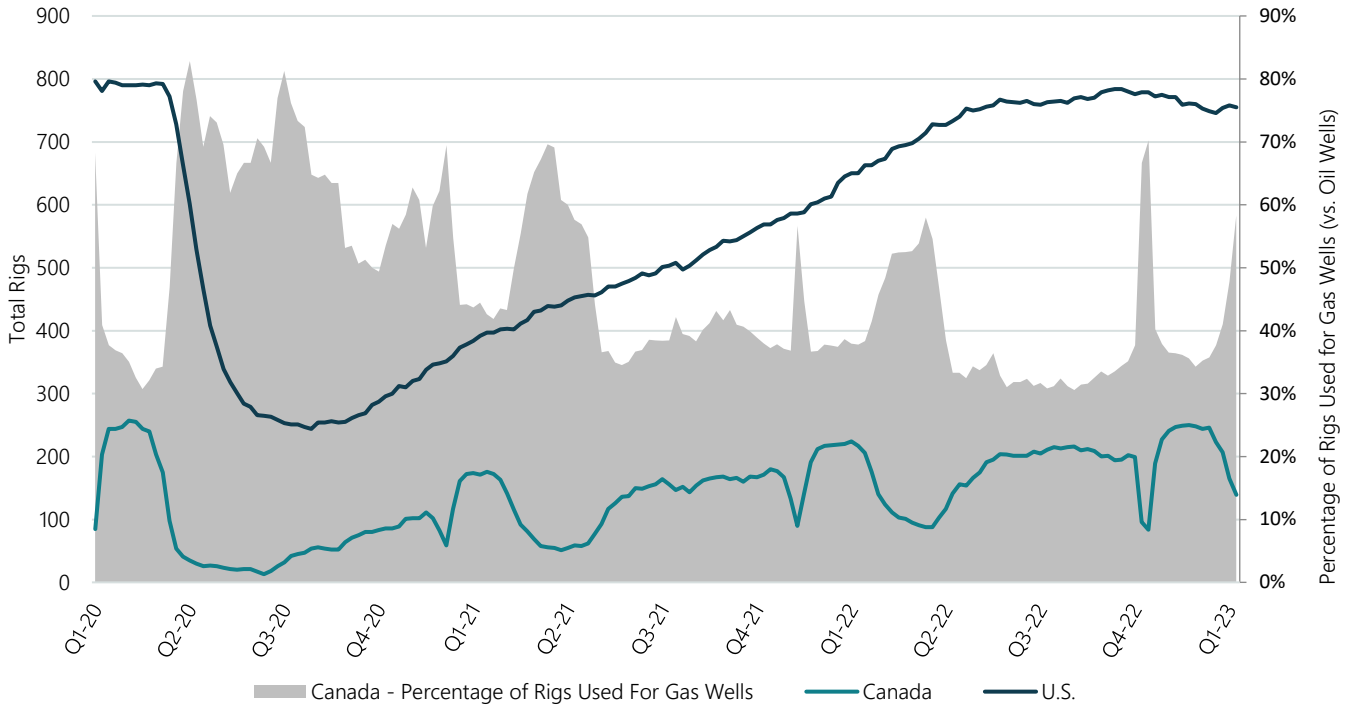


Canadian Natural Gas Storage

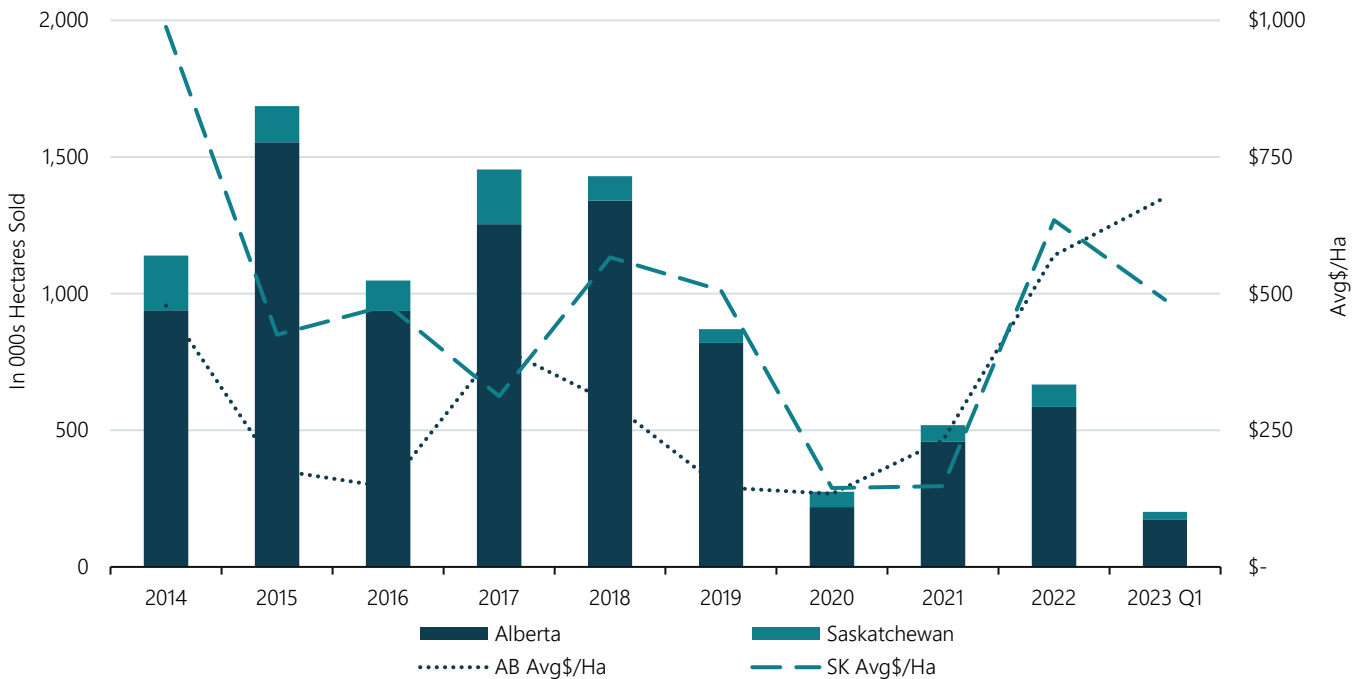


Sources: GLJ Petroleum Consultants Commodity Price Forecasts as at March 31, 2023.
 Statistics Canada – Canadian Natural Gas Storage as at March 31, 2023.

Total Rig Count: Canada Vs. United States



Oil & Gas Land Sales - AB and SK

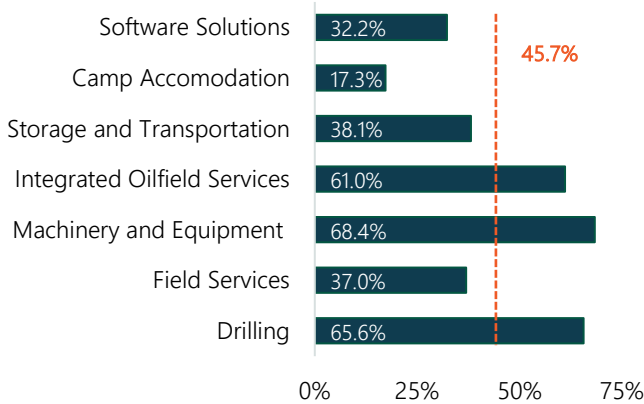


Sources: Government of Alberta and Saskatchewan; Data as of March 31, 2023.
Baker Hughes rig count report as of March 31, 2023

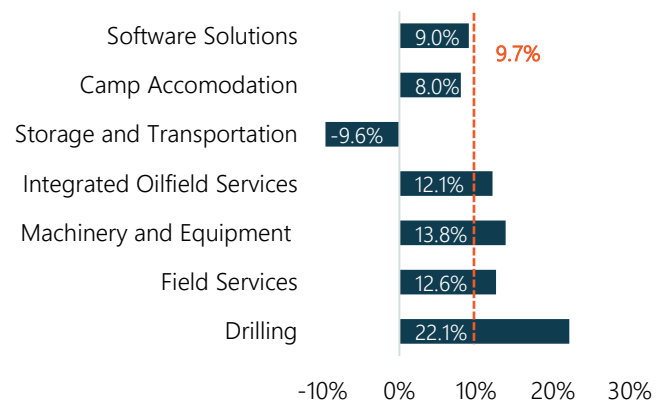
Public Comparable Analysis

Growth, Margins & Multiples

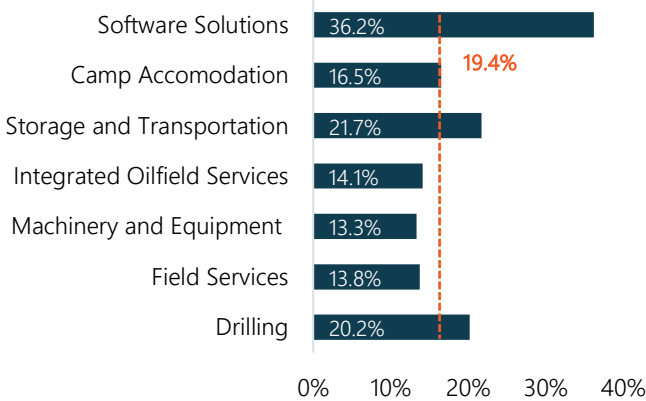
LTM Median Revenue Growth



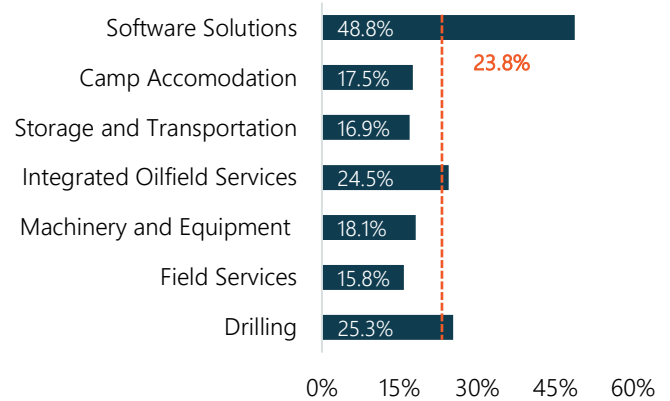
NTM Revenue Growth



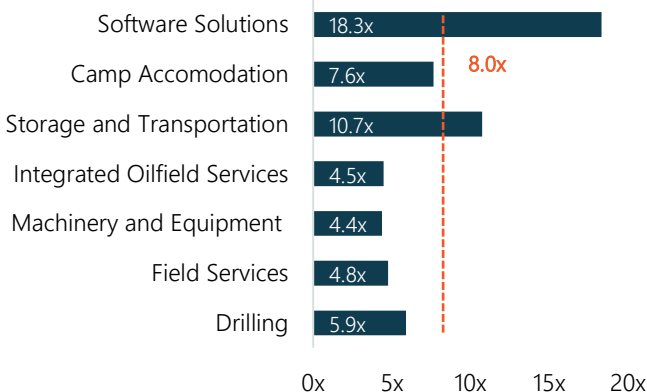
LTM Median EBITDA Margin



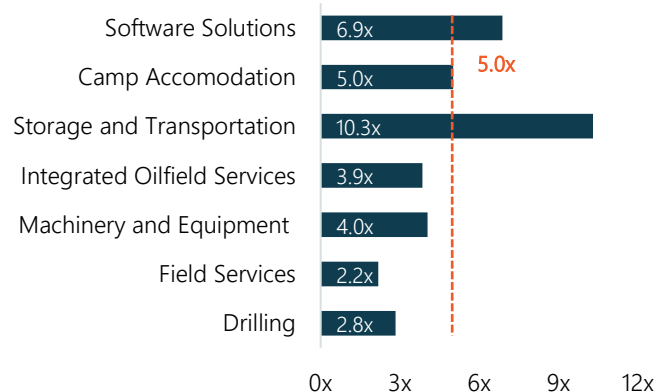
NTM EBITDA Margin



LTM Median EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of March 31, 2023.

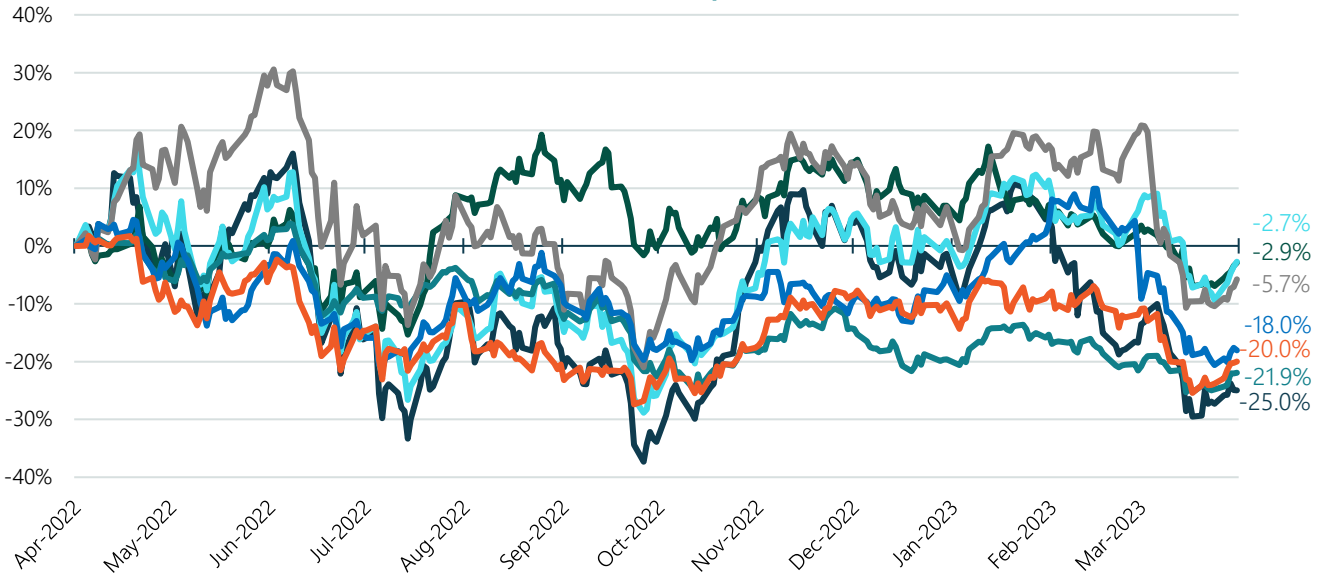
Above noted oilfield service peer groups are market capitalization weighted indexes.

LTM refers to last twelve months. NTM refers to next twelve months. Figures above are based on median peer group metrics.

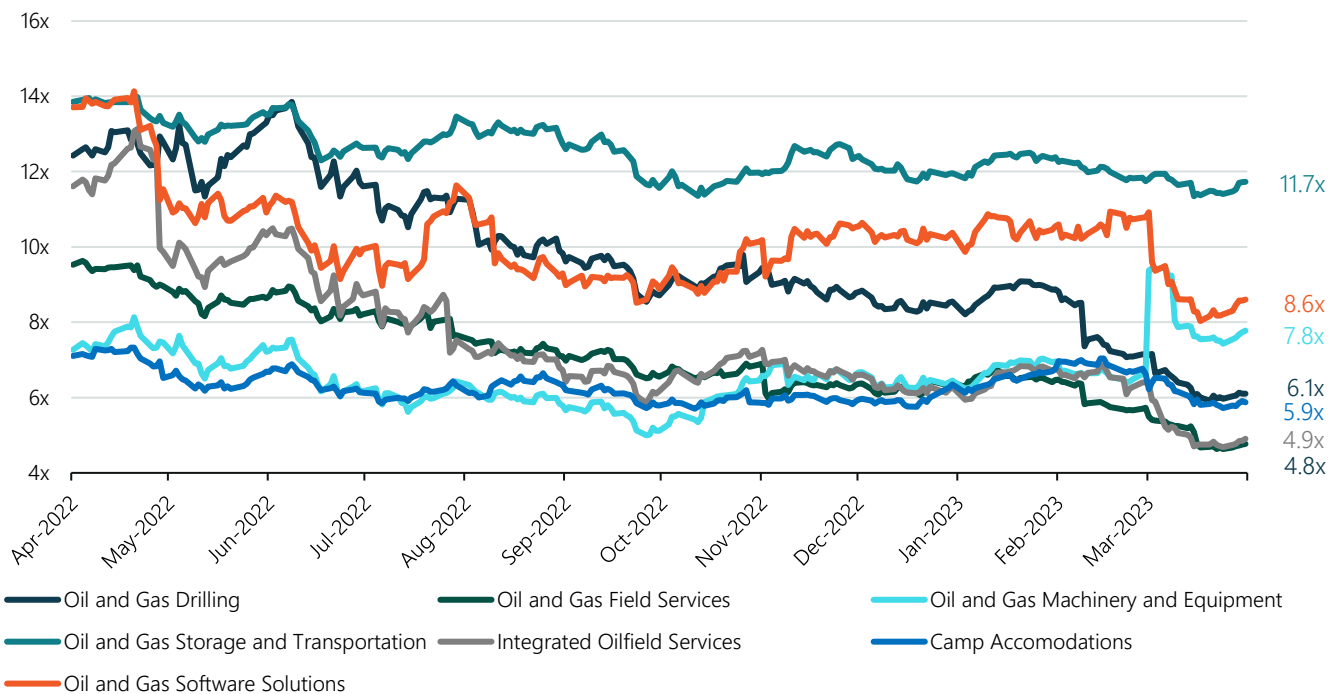
Public Comparable Analysis

Performance Analysis

Oilfield Service Group Share Prices



Oilfield Service Group EBITDA Multiples



Source: Capital IQ. Data as of March 31, 2023.

Above noted oilfield service peer groups are market capitalization weighted indexes.

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	\$956	\$2,089	\$1,824	65.6%	\$474	26.0%	12.2%	32.9%	3.1x	6.8x	1.3x
Ensign Energy Services Inc.	\$559	\$1,966	\$1,577	58.4%	\$354	22.4%	22.1%	27.2%	3.6x	5.6x	1.2x
PHX Energy Services Corp.	\$347	\$391	\$536	57.6%	\$72	13.5%	22.1%	20.4%	2.7x	5.4x	0.7x
Western Energy Services Corp.	\$99	\$223	\$229	57.8%	\$46	20.0%	21.2%	20.9%	3.8x	5.9x	1.1x
AKITA Drilling Ltd.	\$60	\$142	\$201	82.6%	\$41	20.2%	23.9%	25.3%	2.1x	3.5x	0.7x
Stampede Drilling Inc.	\$57	\$84	\$67	107.9%	\$14	21.3%	55.4%	26.7%	2.8x	5.9x	1.3x
Cathedral Energy Services Ltd.	\$222	\$322	\$298	377.3%	\$54	18.0%	78.5%	23.4%	2.4x	11.2x	1.7x
Median	\$222	\$322	\$298	65.6%	\$54	20.2%	22.1%	25.3%	2.8x	5.9x	1.2x
Mean	\$329	\$745	\$676	115.3%	\$151	20.2%	33.6%	25.3%	2.9x	6.3x	1.1x
Oil and Gas Field Services											
Mullen Group Ltd.	\$1,362	\$2,065	\$2,040	24.1%	\$355	17.4%	(3.0%)	15.6%	6.8x	6.1x	1.0x
Calfrac Well Services Ltd.	\$329	\$675	\$1,499	70.3%	\$206	13.8%	23.2%	17.2%	2.1x	3.3x	0.5x
STEP Energy Services Ltd.	\$241	\$407	\$989	84.4%	\$178	18.0%	2.3%	18.7%	1.8x	2.3x	0.4x
Wolverine Energy and Infrastructure Inc.	\$10	\$107	\$61	(23.6%)	(\$0)	(0.7%)	N/A	N/A	N/A	NM	1.8x
Essential Energy Services Ltd.	\$44	\$52	\$150	23.8%	\$14	9.1%	12.6%	12.4%	2.2x	3.9x	0.3x
Vertex Resource Group Ltd.	\$46	\$180	\$218	37.0%	\$32	14.6%	21.5%	15.8%	4.3x	5.7x	0.8x
Flint Corp.	\$4	\$356	\$605	55.3%	\$23	3.8%	N/A	N/A	N/A	15.6x	0.6x
Median	\$46	\$356	\$605	37.0%	\$32	13.8%	12.6%	15.8%	2.2x	4.8x	0.6x
Mean	\$291	\$549	\$795	38.8%	\$115	10.8%	11.3%	15.9%	3.4x	6.1x	0.8x
Oil and Gas Machinery and Equipment											
Enerflex Ltd.	\$996	\$2,226	\$1,778	85.2%	\$129	7.3%	60.6%	18.1%	4.3x	17.2x	1.3x
CES Energy Solutions Corp.	\$682	\$1,234	\$1,922	60.7%	\$239	12.4%	13.8%	13.6%	4.0x	5.2x	0.6x
Total Energy Services Inc.	\$343	\$444	\$760	76.1%	\$130	17.1%	12.3%	18.3%	2.7x	3.4x	0.6x
McCoy Global Inc.	\$38	\$27	\$52	59.9%	\$7	14.3%	N/A	N/A	N/A	3.6x	0.5x
Median	\$513	\$839	\$1,269	68.4%	\$130	13.3%	13.8%	18.1%	4.0x	4.4x	0.6x
Mean	\$515	\$982	\$1,128	70.4%	\$126	12.8%	28.9%	16.7%	3.7x	7.3x	0.7x
Integrated Oilfield Services											
Trican Well Service Ltd.	\$684	\$668	\$866	54.0%	\$190	21.9%	12.1%	24.5%	2.8x	3.5x	0.8x
Secure Energy Services Inc.	\$1,906	\$2,925	\$8,159	68.1%	\$561	6.9%	N/A	N/A	5.0x	5.4x	0.4x
CWC Energy Services Corp.	\$114	\$157	\$222	88.6%	\$47	21.3%	N/A	N/A	N/A	3.5x	0.8x
High Arctic Energy Services Inc.	\$62	\$48	\$80	4.7%	\$1	1.3%	N/A	N/A	N/A	48.0x	0.6x
Median	\$399	\$413	\$544	61.0%	\$119	14.1%	12.1%	24.5%	3.9x	4.5x	0.7x
Mean	\$692	\$950	\$2,332	53.8%	\$200	12.8%	12.1%	24.5%	3.9x	15.1x	0.6x
Oil and Gas Storage and Transportation											
Enbridge Inc.	\$104,345	\$194,957	\$53,309	13.3%	\$15,990	30.0%	(0.7%)	30.8%	12.0x	12.2x	3.7x
TC Energy Corporation	\$53,763	\$113,969	\$14,977	11.9%	\$9,872	65.9%	N/A	N/A	11.0x	11.5x	7.6x
Pembina Pipeline Corporation	\$24,095	\$37,528	\$11,611	34.6%	\$3,294	28.4%	(14.6%)	37.0%	10.2x	11.4x	3.2x
Keyera Corp.	\$6,781	\$10,685	\$7,060	41.6%	\$1,060	15.0%	(13.4%)	16.9%	10.4x	10.1x	1.5x
Gibson Energy Inc.	\$3,081	\$4,716	\$11,035	53.0%	\$500	4.5%	(9.6%)	5.2%	9.1x	9.4x	0.4x
Tidewater Midstream and Infrastructure Ltd.	\$382	\$1,110	\$2,875	69.3%	\$248	8.6%	(3.9%)	9.9%	4.2x	4.5x	0.4x
Median	\$15,438	\$24,106	\$11,323	38.1%	\$2,177	21.7%	(9.6%)	16.9%	10.3x	10.7x	2.4x
Mean	\$32,075	\$60,494	\$16,811	37.3%	\$5,160	25.4%	(8.5%)	19.9%	9.5x	9.9x	2.8x
Camp Accommodations											
Dexterra Group Inc.	\$323	\$445	\$972	32.5%	\$49	5.1%	8.0%	8.4%	5.0x	9.0x	0.5x
Civeo Corporation	\$422	\$615	\$943	17.3%	\$156	16.5%	N/A	N/A	5.0x	4.0x	0.7x
Black Diamond Group Limited	\$362	\$607	\$325	(4.4%)	\$79	24.5%	8.0%	26.6%	6.4x	7.6x	1.9x
Median	\$362	\$607	\$943	17.3%	\$79	16.5%	8.0%	17.5%	5.0x	7.6x	0.7x
Mean	\$369	\$556	\$746	15.1%	\$95	15.3%	8.0%	17.5%	5.5x	6.9x	1.0x
Oil and Gas Software Solutions											
Pason Systems Inc.	\$987	\$815	\$335	62.1%	\$143	42.7%	9.0%	48.8%	4.5x	5.7x	2.4x
Computer Modelling Group Ltd.	\$585	\$564	\$72	12.7%	\$31	42.6%	6.7%	47.0%	15.5x	18.3x	7.8x
Dawson Geophysical Company	\$50	\$37	\$51	51.8%	(\$18)	(34.6%)	N/A	N/A	N/A	NM	0.7x
Pulse Seismic Inc.	\$91	\$85	\$10	(80.5%)	\$3	29.8%	107.7%	62.5%	6.9x	30.0x	8.9x
Median	\$338	\$325	\$62	32.2%	\$17	36.2%	9.0%	48.8%	6.9x	18.3x	5.1x
Mean	\$428	\$375	\$117	11.5%	\$40	20.1%	41.2%	52.8%	9.0x	18.0x	5.0x

Source: Capital IQ. Data as of March 31, 2023.

LTM refers to last twelve months. NTM refers to next twelve months.

In order to derive more accurate valuation multiples, MNP Corporate Finance Inc. has eliminated results which skew the averages excessively.

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.

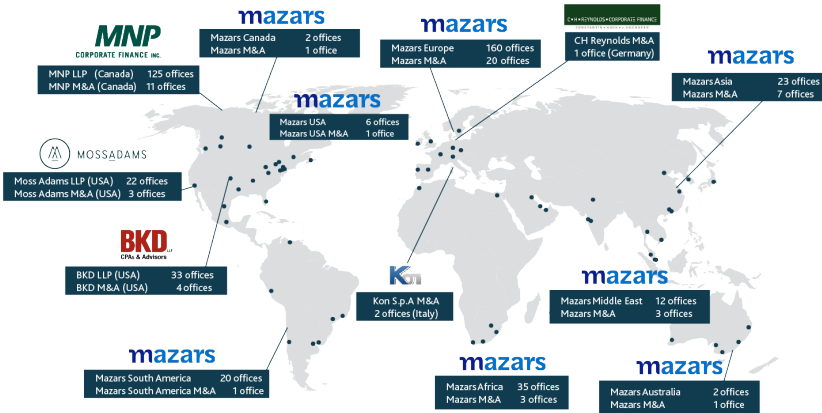
Our typical transactions range in value between \$3 million and \$300 million.

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)

MNP Corporate Finance Inc. acted as exclusive financial advisor to Prairie Gold Produce Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided due diligence services to York Analytical Laboratories Inc.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Enviro-Works Inc. in structuring and negotiating this transaction.

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

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

MNP Corporate Finance Inc. acted as exclusive financial advisor to Kost Fire Equipment Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Les Quais Bertrand Inc. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Esteem Medical Esthetics in structuring and negotiating this transaction.

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

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

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
- Health Care
- 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)




MNP
CORPORATE FINANCE INC.

has acquired select industrial waste and oil recycling facilities from




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



MNP
CORPORATE FINANCE INC.

has acquired




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



MNP
CORPORATE FINANCE INC.

has acquired



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



MNP
CORPORATE FINANCE INC.

has acquired



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



MNP
CORPORATE FINANCE INC.

has acquired



MNP Corporate Finance Inc. provided financial due diligence services to Krystal Growth Partners Ltd.



MNP
CORPORATE FINANCE INC.

has acquired



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



MNP
CORPORATE FINANCE INC.

has invested in



MNP Corporate Finance Inc. acted as exclusive financial advisor to Scarlet Security & Risk Group (SSRG) in facilitating this transaction.



MNP
CORPORATE FINANCE INC.

has acquired




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



MNP
CORPORATE FINANCE INC.

has acquired



MNP Corporate Finance Inc. provided vendor due diligence services to LineStar Utility Supply Inc.



MNP
CORPORATE FINANCE INC.

has acquired

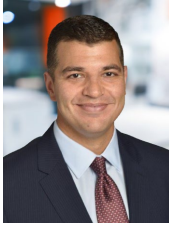


MNP Corporate Finance Inc. provided financial and tax due diligence services to SupremeX Inc.

Transaction Leadership



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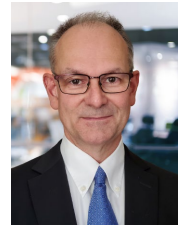
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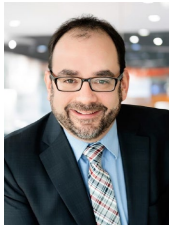
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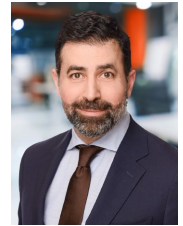
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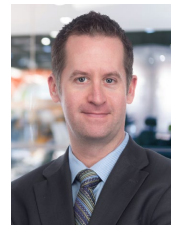


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