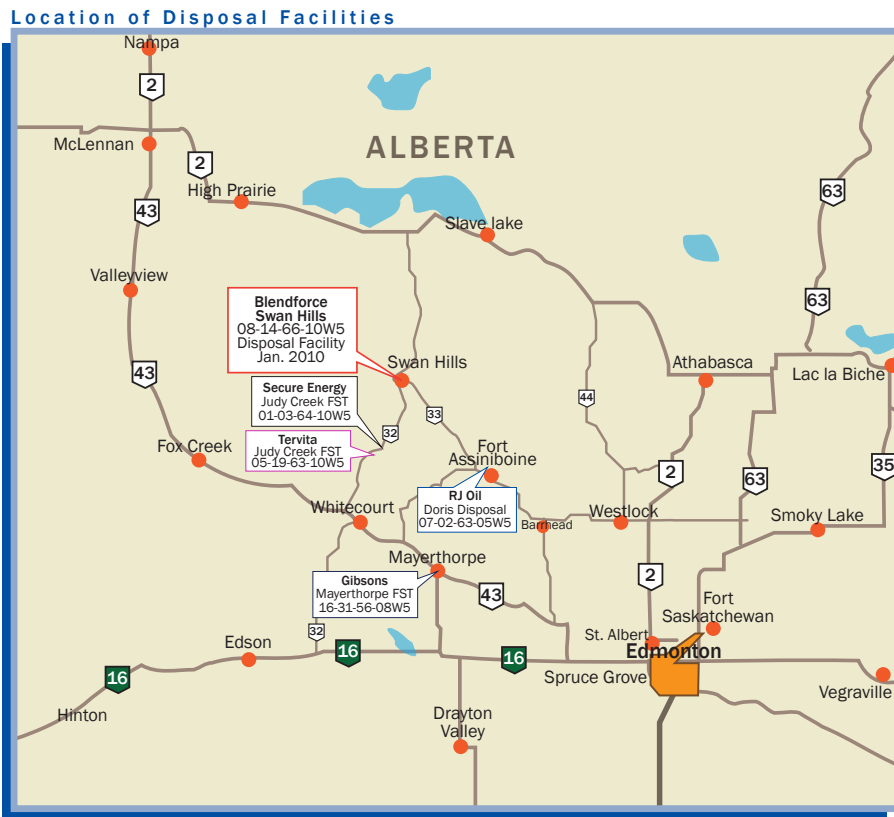




BlendForce Energy Services Inc. *Receivership Sale*

FTI Consulting Canada Inc. is the Court appointed receiver



**Acid Blending Facility and
Class 1b Disposal Well**
Bid Deadline: Phase 1: September 22, 2017
Phase 2: September 29, 2017

NRG Divestitures Inc.

A New Vision of Property and Corporate Acquisitions and Divestitures

Timing:

Review of Documents

August 22, 2017 to September 22, 2017

Bid Deadline:

Phase 1 September 22, 2017 5:00 p.m. MDT

Phase 2 September 29, 2017 5:00 p.m. MDT

For further information contact:

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Marketed By:

NRG Divestitures Inc.

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Disclaimer

The marketing materials presented herein, reflect what is thought to be the current and accurate data, provided by the vendor. In the event that an inaccuracy is found, FTI Consulting Canada Inc., BlendForce Energy Services Inc. or NRG Divestitures Inc. may not be held liable. Included in the marketing materials are statements based on interpretation and judgement. Anyone reviewing the marketing materials is encouraged to conduct their own investigations into the subject assets, in order to come to their own interpretations and conclusions, before proceeding. BlendForce Energy Services Inc. reserves the right at its sole discretion to accept or reject any or all offers, and may amend the offering at any time.

Executive Summary

FTI Consulting Canada Inc. is the court appointed receiver has retained **NRG Divestitures Inc.** to market the receivership sale of BlendForce Energy Services Inc.. In order to participate in the process you will need to sign a Non-Disclosure Agreement (NDA) and follow the Sale and Investment Solicitation Procedures (SISP) approved by the Court of Queen's Bench of Alberta on August 18, 2017. Both the SISP and the NDA are posted to FTI and NRG's web site.

In accordance with paragraph 12 of the SISP to become a Potential Bidder interested parties must deliver NRG and the Receiver a signed NDA and provide an indication of the anticipated sources of capital and/or credit to be used to fund a transaction. Potential Bidders will be provided access to an online data room which gives you information on BlendForce Energy Services Inc., the class 1B disposal well and a recent video of the site. There is a well file to review which is available at NRG's office by appointment only.

The first phase requests non-binding letters of intent to be submitted by September 22 2017 at 4pm (MST). Please review paragraph 16 of the SISP to fully understand the requirements of the Letter of Intent (LOI). You will be required to disclose how you intend to fund your bid for the asset.

If you have any questions please contact Arno Keller at 403-860-8692

Participation Requirements

Unless otherwise ordered by the Court, any person (including any Known Potential Bidders) who wishes to participate in this SISP must deliver the following to the Receiver:

- (a) an executed form of confidentiality agreement that is satisfactory to the Receiver, acting reasonably, and which shall enure to the benefit of any person who completes a transaction with the Receiver (the "Confidentiality Agreement"); and,
- (b) a specific indication of the anticipated sources of capital and / or credit for such person and satisfactory evidence of the availability of such capital and / or credit so as to demonstrate that such person has the financial capacity to complete a transaction pursuant to a Superior Offer.

Executive Summary/DESCRIPTION OF BUSINESS

BlendForce Energy Services Inc. - BlendForce was created and commenced operating October 1st, 2014 to coincide with the asset acquisition of an oilfield chemical blending facility and Class 1B disposal well located in Swan Hills from Arcan Resources Ltd. BlendForce was an independent blending and supply chain management services for HCL and chemical fluid products required by their clients, for use in the Oil and Gas industry. The Swan Hills facility is capable of handling and supplying the large acid frack applications to the smallest volume production optimization and well stimulation projects.

BlendForce has engaged NRG to sell the assets owned and operated by the company, consisting of an acid chemical blending facility and Class 1B disposal well located in Swan Hills.

The well 08-14-66-10W5/02 is located within their facility and is approved by the AER for Class 1b waste disposal (Approval No. 11905A). Preliminary engineering work has been completed to submit application as required under Directive 058 to construct and operate a Class 1b waste disposal facility.

This is an opportunity to acquire the disposal well and blending facility and build a waste management facility to utilize the disposal well asset, which is strategically located in a sustainable service area.

Benefit from the increased E&P capital spending activity in the area. The facility has easy access from Highway 32 & 33. Close proximity to active oil and gas operations in Swan Hills, Judy Creek, Virginia Hills, Deer Mountain, House Mountain, Nipisi and Slave Lake areas. Active operators in the area include:

- Aspenleaf Energy Ltd.
- Canadian Natural Resources Ltd.
- Apache Corp
- Crescent Point Energy Corp.
- Penn West Exploration Ltd.
- Ridgeback Resource Inc.
- ARC Resource Ltd.
- Summerland Energy

Grow the business in a low maintenance capital environment to optimize asset utilization and high return on capital investment. NRG sees a lot of value in adding a skimming operation and are available to assist with the final permitting and design to make this a fully operational disposal site.

The following capital over several different companies was spent to create this facility

a. Drill 08-14-066-10W5M	\$1,685,000.00
b. Abandon Beaver hill Zone and recomplete into Wabamun	\$ 420,000.00
c. Blended Facility and Site work	\$5,400,000.00
d. Yard and Access Road	\$2,230,000.00
Total	\$9,735,000.00

Swan Hills Facilities





Location of Disposal Facilities



BlendForce Energy Services Inc. has right, title, benefit and interest in the following assets located in the town of Swan Hills, Alberta.

Physical Street Address: 5276 Watson Street, Swan Hills AB. UWI: 02-14-066-10W5M.

Disposal Facility Opportunity

Producers are looking for solutions to optimize operating expense performance in today's low commodity price environment. The demand of lowering cost of fluid hauling to disposal is key and the BlendForce facility is a prime locale to provide this.

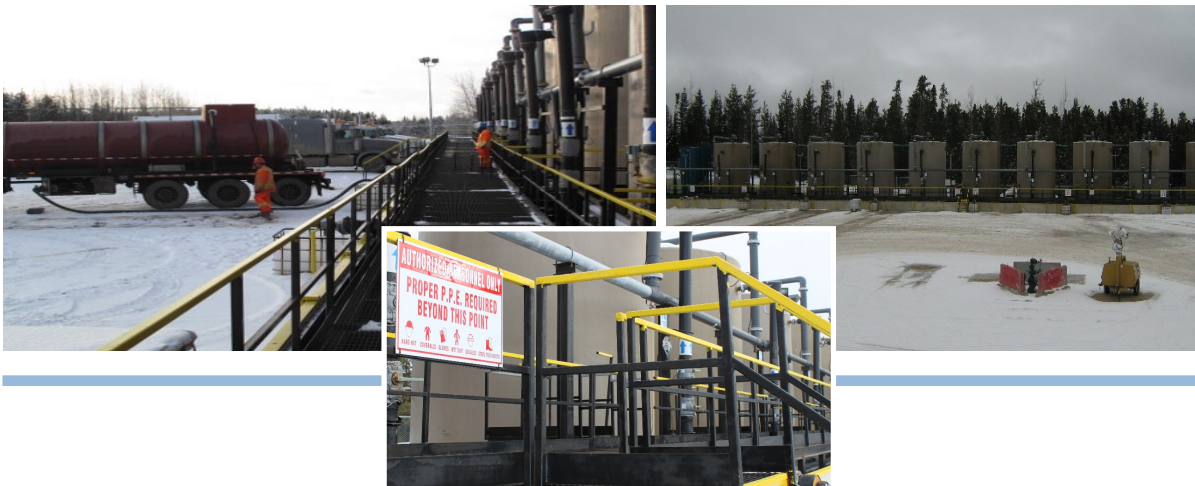
Preliminary engineering design basis was for the construction of waste processing facility capable of the receipt and processing of wastes for the purpose of hydrocarbon recovery, the physical separation of fluids and solids, as well as for the processing of residuals generated by the facility. Tank treatment (heat, gravity, and chemicals) would be used for phase separation and hydrocarbon recovery, with the following categories of waste fluid appropriate for disposal down a Class 1b well:

- Acid Solutions (unneutralized)
- Boiler Blowdown Water
- Caustic Solutions
- Corrosion Inhibitor/Oxygen Scavenger Solutions
- Filter Backwash Liquids (Gas Sweetening)
- Filter Backwash Liquids (Water Treatment)
- Glycol Solutions (No Heavy Metals)
- Hydrotest Fluids – Methanol
- Sweetening Agents (Liquids)
- Wash Fluids – Organic
- Wash Fluids – Water
- Water – Process (with Organic Chemicals)
- Water – Process (with Heavy Metals)
- Water – Produced
- Well Workover Fluid



Facility Warehouse & Office Building

- Warehouse & Office (50ft X 120ft) steel building with under flooring heating and air make up system.
- Separate transport loading dock.
- Blend room with pumps and vapor scrubber. Load cell system.
- 3 furnished offices with associated office equipment.
- Men's and Ladies washroom.
- Coffee room.
- Mechanical room.
- Blending control room.
- Indoor safety show.



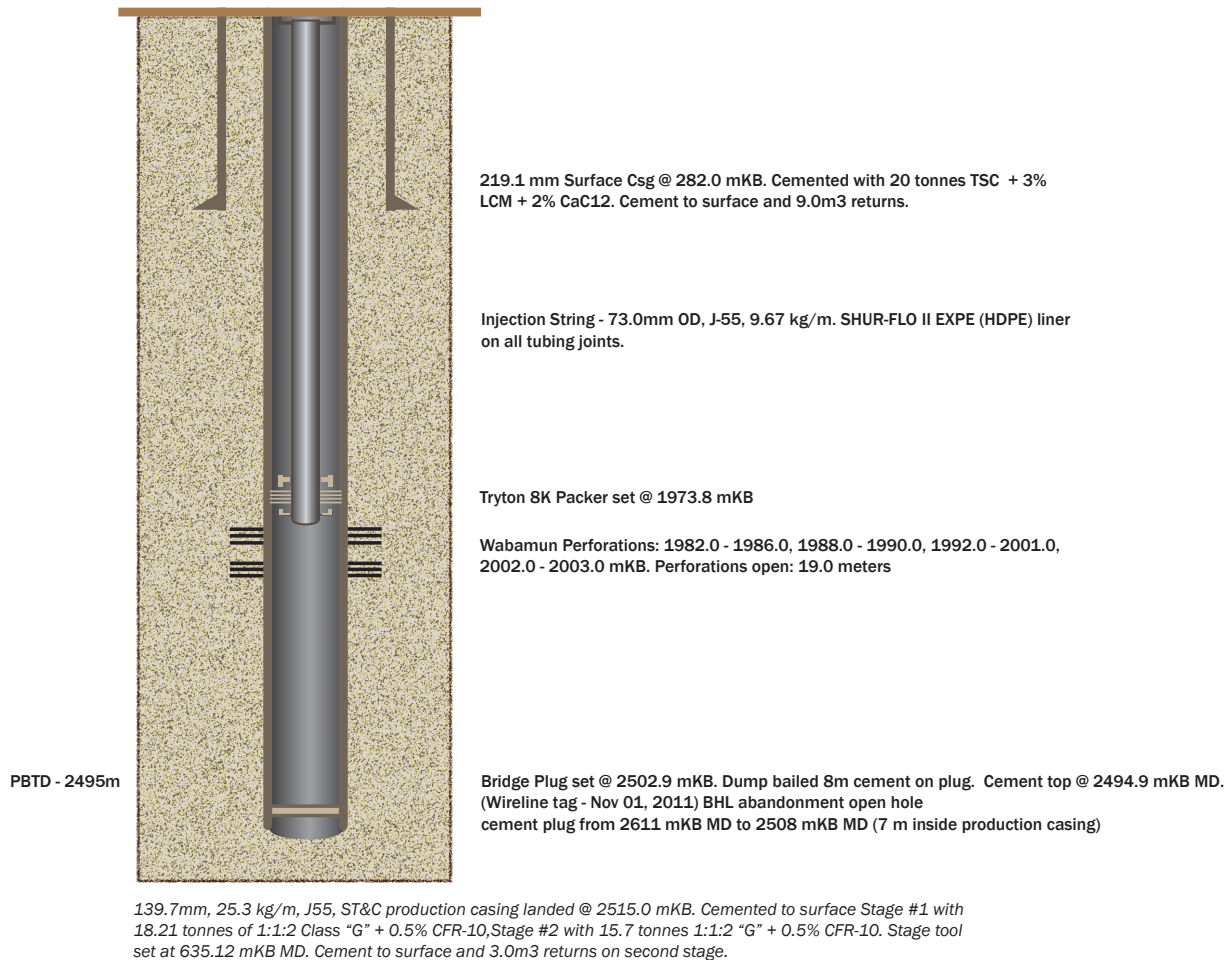
Tank Farms

- 11 - 750 bbl. fiberglass acid tanks and 1 - 400 bbl. steel internal coated tank within cement containment.
- All tank piping is on racks.
- Catwalk within containment with full lighting for night time operations.
- Seven self contained load boxes.
- PTMMA Compliant Tank Farm containment installed on site for disposal tanks. Containment designed to accommodate 1200 m³ of fluid storage.



Highly Attractive Disposal Well

- The Swan Hills 08-14-066-10 W5M well was originally drilled in March 2006 to a horizontal drill length of 3145.0 m, true vertical depth of 2609.2 m Drilling Cost \$1,685,000
- Well was initially completed as an open hole horizontal Beaverhill Lake oil producer. On Production May 4th, 2006. Produced until October 2011. Cum Production: Oil - 1224.0 m³, Gas - 163.0 10³M³, Water - 6655.7 m³.
- The Beaverhill Lake horizontal zone was abandoned in October 2011 and wellbore recompleted into the Wabamun as a disposal well. Recompletion Cost \$420,000
- AER approval under Directive 051 for Class 1b fluids disposal granted on September 24th, 2012. Approval No. 11905A. Mineral P&NG rights in SE1/4 Sec 14-Twp 66-Rge10W5M for the Wabamun formation only under Crown P&NG lease No. 0504090565. As required under Directive 006 – Licensee Liability program a cash security deposit of \$55,800 is in place with the AER.
- Wabamun interval is a high permeability carbonate formation with excellent injectivity capabilities. The 08-14 well has 19.0 m of injection interval. Wellhead is approved to a maximum injection pressure of 12,000 kPa. Well capable of 430 m³/d of fluid disposal on vacuum before pump pressure required. Injectivity test conducted February 2015 - fluid rate 850 liters/min @ 12,000 kPa (1,225 m³/d). Well shut in recovery time ISIP - 8.4 MPa, 5 minute SI - 3.5 MPa, 15 minute SI - 1.4 MPa, 30 minute SI - 500 kPa, on vacuum after 40 minutes.
- Preliminary engineering work has been completed to submit application as required under Directive 058 to construct and operate a Class 1b disposal facility.





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AND

DIVESTITURES



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