



FTI Consulting Canada Inc., in its capacity as Receiver

Receivership Sale | Information Memorandum

**Balanced Energy Oilfield Services Inc.,
Balanced Energy Oilfield Services (USA) Inc. and
Balanced Energy Holdings Inc.**

Overview & Contemplated Transaction

Transaction Process

Current Situation

- On March 7, 2022, FTI Consulting Canada Inc. was appointed receiver and manager (the “**Receiver**”) of the current and future assets, properties, and undertakings (the “**Assets**”) of Balanced Energy Oilfield Services Inc. (“**BCAN**”), Balanced Energy Oilfield Services (USA) Inc. (“**BUSA**”), Balanced Energy Holdings Inc. (“**BEH**”, and collectively with BCAN and BUSA, the “**Company**”) pursuant to an order of the Court of Queen’s Bench of Alberta (the “**Receivership Order**”).
 - A copy of the Receivership Order can be found on the Receiver’s website: <http://cfcanada.fticonsulting.com/balancedenergy>.
- The Receiver is requesting the Court’s approval of the sale solicitation process (the “**Sales Process**”) at a court application on March 30, 2022.
- The Receiver executed a binding term sheet (the “**Stalking Horse Term Sheet**”) with XDI Energy Solutions Inc. (the “**Stalking Horse Bidder**”).
- Pursuant to the Sales Process the Receiver is seeking a ‘Superior Offer’, meaning a third party offer which, at a minimum, includes a payment in cash of the Purchase Price under Stalking Horse Term Sheet plus one Minimum Incremental Overbid as at the closing of such transaction.
- The Receiver’s preference is to conclude the sale of the Assets en bloc.

Timelines

- A non-disclosure agreement (“**NDA**”) is available to prospective parties on the Receiver's website identified above or contacting the Receiver directly. Parties that execute an NDA will have access to confidential information via an online data room (the “**Data Room**”).
- Parties that have executed the NDA will be provided detailed bidding instructions, including a submission guideline for proposals.
- Bid Deadline 4:00pm April 27, 2022.
- Interested parties should contact the Receiver with respect to signing an NDA and/or access to the Data Room and for any other inquiries related to the Sales Process.

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Overview of Assets

Equipment

- The Company owns and operates a fleet of five coil tubing units and various other complimentary equipment, including:
 - 4 High Capacity Reel Trailers;
 - 3 Nitrogen Pumpers and 3 Nitrogen Bulkers;
 - 6 Crane Trucks; and
 - Fleet of light vehicles, ancillary equipment (injectors, reels, BOPs, pressure control equipment and trailers) and inventory (tubing and parts).
- Upon executing an NDA Qualified Bidders will be provided access to the Data Room.
- The aggregate Purchase Price of any Superior Bid must include, at minimum:
 - \$11,250,00 in cash;
 - Amount required to repay Laurentian Bank (~\$900,000);
 - Amount equal to the Damaged Unit Repair Costs (~\$250,000);
 - Amount equal to the Pre-Closing Inventory Amount (~\$150,000);
 - The Pre-Closing Expense Amount (~\$650,000);
 - The Break Fee (\$250,000); and
 - The Minimum Incremental Overbid (\$250,000).
 (Aggregate of \$13,700,000)
- A Final Bid must be received on or before the Bid Deadline on April 27, 2022 and be in a form of a fully executed purchase and sale agreement.
- Please contact Brett Wilson or Hailey Liu of FTI Consulting for further inquiries and access to the Data Room.





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