



# Corporate Presentation

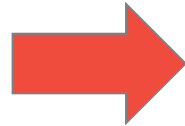
Dec 2017

TSXV: ZDC



- Certain information with respect to Zedcor Energy Inc. (the “Company”) in this presentation herein contain certain forward-looking statements and forward looking information which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. In some cases, words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur, are intended to identify forward-looking statements and forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information. In addition, this presentation may contain forward-looking statements and information attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward looking statements will not occur. Forward-looking statements and information in this presentation herein include, but are not limited to, statements with respect to; results of various projects of the Company, growth expectations within the Company, the performance and characteristics of the Company’s rental fleet, capital expenditure programs, and realization of the anticipated benefits of acquisitions and dispositions. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot can guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by the Company that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. Some of the risks and other factors, some of which are beyond the Company’s control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this presentation herein include, but are not limited to; general economic conditions in Canada, the United States and globally; failure to realize anticipated benefits of acquisitions, stock market volatility and market valuations, competition for, among other things, capital and skilled personnel, the availability of capital on acceptable terms, and the need to obtain required approvals from regulatory authorities. Readers are cautioned that the foregoing list of factors is not exhaustive.

# Restructured for the 'New Normal'



- ▶ The majority of CER's assets and customers identify with "Zedcor" as the operating company – Zedcor Energy Services Corp – has a strong reputation in the market for high quality assets and exceptional service.
- ▶ This new identity is led by the retooled management team and refocused operations team to solidify the Company as an industry leader in the energy equipment rental space and seek for growth opportunities.
- ▶ With a new lean operating structure, Zedcor is positioned to survive in a low commodity price/drilling activity environment while having tremendous upside potential when commodity prices and activity improve.



# Financial Snapshot



Trading Symbol TSX-V	ZDC <sup>(1)</sup>	Financial Highlights	
Shares outstanding (Basic)	51.3 mm	P/TBV	0.43x
Share price	\$0.20	NTBV/Shr	\$0.47
52 week high / low	\$0.30 / \$0.135		
Volume (30 day avg.)	47,192	Insider Ownership	
Market Capitalization	\$10.3 mm	Dean Swanberg	22%
Net Debt (Sep 30/17) <sup>(2)</sup>	\$20.4 mm		
Enterprise value (EV)	\$30.7 mm		

(1) Trading to under this new symbol commenced June 30<sup>th</sup>, 2017

(2) Net debt is calculated as senior debt + interest bearing obligations – restricted & free cash

## 2005

- Formed as Canadian Equipment Rental and Limited Partnership, a publicly traded trust company with two subsidiaries: 4-Way Equipment Rentals and Smart Way Disposal.

## February 2016

- Acquired Zedcor Oilfield Rentals – a premier oilfield rental business – for \$21MM.

## Summer 2016

- Sold various under utilized oilfield rental assets for > \$4MM.

## January 2017

- Sold 4-Way Equipment Rentals Corp. to Cooper Rentals Canada Inc. for \$8.5MM.

## Current

- The remaining assets of Zedcor are oilfield focused rentals, serving oil and gas development in the WCSB.



## 2011 - 2014

- Material acquisitions including MCL Waste, Trac, Empire Tool

## August 2014

- Acquired Winalta, a publically traded oilfield accommodation rentals business, for \$70.6MM.

## December 2016

- Sold MCL Waste (which included Smart Way) to GFL Environmental Inc. for \$12.0MM.

## April 2017

- Refinanced \$20.4 million of debt with Maynbridge Capital and secured \$1 million operating line with ATB.

- ▶ Zedcor has restructured its operations through the disposal of its underutilized assets and its general equipment rental division and environmental waste management division, to focus on its oilfield rental business.
- ▶ Proceeds from these dispositions were applied to reduce debt levels and allow for a asset-backed refinancing in April 2017 which is light on cash flow covenants and thus well suited for the current low commodity price environment.
- ▶ Zedcor's current operations provide a comprehensive rental fleet of surface equipment, wellsite accommodations, lighting and power generation assets for its customers.

# Restructuring Outcomes



- 1. Refocused on a Core Rental Business**

After successfully divesting of non-core and under utilized assets, Zedcor is well positioned to take advantage of a recovering oil and gas industry when it presents itself. The Company is an oilfield equipment rental business with a top tier fleet, focused on the most active operating areas, and with strong customers.
- 2. Lean Cost Structure**

Through the restructuring Zedcor removed approximately \$5 million from its cost structure (excluding divested subsidiaries) through headcount reductions of 40% and the consolidation of facilities while retaining a quality employee base that can support the full utilization of the rental fleet.
- 3. High Quality Rental Fleet**

Asset base with a full complement of accommodations and surface equipment to support drilling and completion programs. The modern rental fleet has a net book value of \$42.1 million, an average age of 5 years, and based on historic rental rates over the past 4 years, can deliver EBITDA between \$5 mm to \$20 mm annually.
- 4. Refinanced with an Asset-Backed Lender**

The new \$20.4 million asset-backed debt financing secured in April 2017 provides Zedcor with the flexibility needed to navigate through the current market volatility.
- 5. Growing Exposure to Midstream & Pipeline market**

Zedcor assets are well suited for rental into midstream industrial facility and pipeline construction projects. Revenue from these sources will provide diversity and improve utilization of assets throughout the year.

## Accommodations



The wellsite accommodations include:

- ▶ Engineer / Engineer
- ▶ Geologist Labs
- ▶ 3 & 4 Man Sleepers
- ▶ Command Centres
- ▶ Office Centres
- ▶ Integrated Wellsite System (IWS)

## Lighting & Power



The lighting & power fleet includes:

- ▶ Dual Generators
- ▶ Single Generators
- ▶ Light Towers
- ▶ Solar LED Hybrid
  - ▶ Surveillance ready

## Surface Rentals



The surface rentals fleet includes:

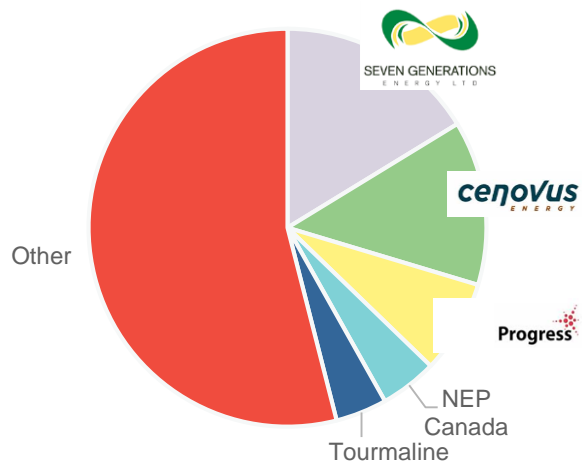
- ▶ Matting
- ▶ Tanks
  - ▶ Floc
  - ▶ 400 BBL
  - ▶ Shale
  - ▶ Premix
- ▶ Pipe Racks
- ▶ Pumps

# Revenue by Customer



- ▶ Zedcor works for most of the top tier E&P companies and benefits from its diverse customer base with no significant customer concentration.
- ▶ Although the Company has not relied heavily on any one customer, year over year, the top customers remain relatively consistent demonstrating the strong affinity for Zedcor's high quality equipment and service approach.
- ▶ Zedcor's top customers are active Montney producers with large capital budgets including Seven Generations, Tourmaline and Progress Energy.

## 2016 Revenue



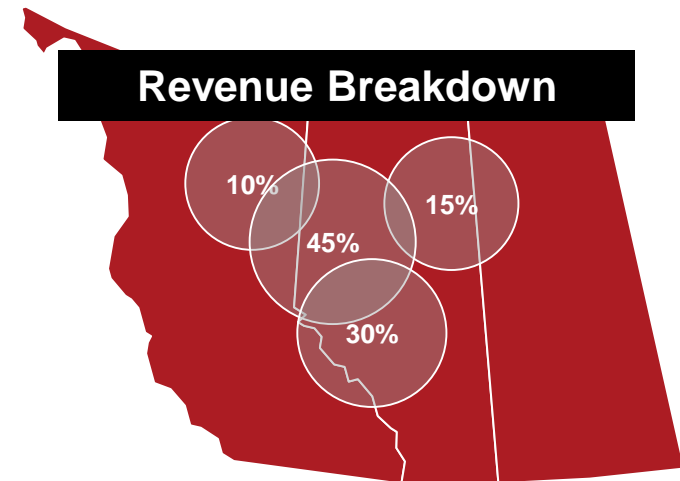
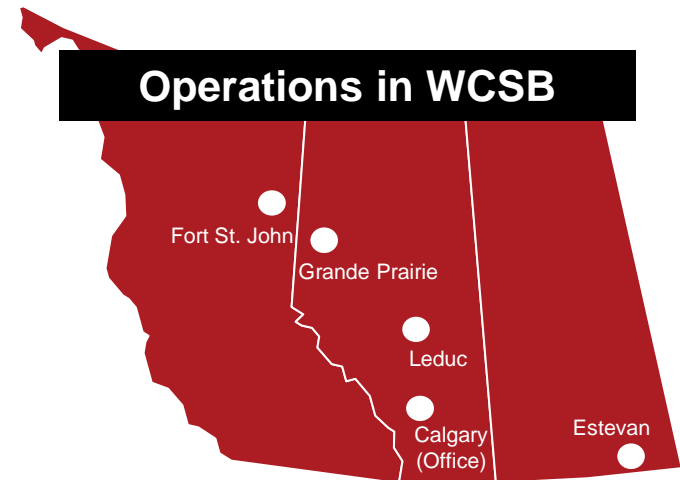
Top Montney Producers	2017 Montney Capital Budget (\$M)
Seven Generations Energy Ltd.	1,600
Tourmaline Oil Corp.	1,350
ARC Resources Ltd.	490
Encana Corporation	250
Advantage Oil & Gas Limited	200
Canadian Natural Resources Ltd.	180
Birchcliff Energy Ltd.	145
Murphy Oil Company Ltd.	n.d.
Progress Energy Canada Ltd.	n.d.
Shell Canada Ltd.	n.d.

Zedcor customers highlighted

Source: CIBC World Markets, EY Research



- ▶ Zedcor is strategically positioned across the Western Canadian Sedimentary Basin (“WCSB”) to take advantage of the multiple formations and areas of development.
- ▶ From its operations in Estevan, Zedcor is able to access Manitoba, taking advantage of opportunities around electrical transmission lines being constructed in the province.
- ▶ Zedcor’s strong presence in the Montney and Duvernay (representing 85% of total revenue) bode well for the Company as these formations are continually cited as the areas expected to experience the most significant growth in the WCSB and attract the bulk of capital spending given excellent full cycle economics – even at current commodity prices.



## ▶ **Solar Hybrid Lighting Systems**

- ▶ Dramatically reduces fuel costs and maintenance for customers.
- ▶ Significantly increased useful life (more than double the life of existing diesel light towers).
- ▶ CO2 and particulate output is reduced by 94% during the winter months resulting in a significantly smaller carbon footprint.
- ▶ Surveillance Package add-ons available for security monitoring activities
- ▶ These units generate strong cash flows with short pay back periods

## ▶ **Midstream & Infrastructure Projects**

- ▶ Zedcor has already begun to diversify its customer base away from E&P customers. Currently, non-E&P revenue accounts for 8-10% of the Company's total revenues.
- ▶ Pipeline construction projects with high security needs are a good fit for LED Solar Light with surveillance packages





# Management Team



**Ken Olson**  
Chief Financial Officer

Ken joined Zedcor in April 2016, bringing 24 years of finance and accounting experience, including 8 years in senior leadership positions within energy services businesses (High Arctic Energy Services & Sanjel Corporation).

Since joining Zedcor, Ken has built out the cash management, forecasting, and cost containment capabilities of the Company. He has been integral to the divestiture of MCL Waste and 4-Way, enabling Zedcor to deleverage and refocus on its oilfield rental assets. Mr. Olson presently serves as a director of a private energy technology company.

Ken is a Chartered Accountant, and obtained his BComm at the University of Alberta.



**Todd Ziniuk**  
Chief Operating Officer

Todd joined Zedcor through the acquisition of Zedcor Oilfield Rentals Ltd. in February of 2016. He brings a solid base of industry knowledge with over 15 years of direct experience in the oilfield rentals and logistics industry.

Previously, Todd was the General Manager and owner at Zedcor Oilfield Services. Formerly, he was the President and founder of both Oilpatch Rentals Ltd. and North American Tubulars Ltd. which were each sold in 2007 and 2012, respectively.



**Brad Munro**  
Chairman and Interim CEO

Brad was a contractor to GrowthWorks Capital WV Ltd. and its affiliates in the role of Vice President, Investments from May 2006 to August 2009. Prior thereto, Mr. Munro was an employee of Working Ventures Investment Services and its affiliates since September 1991.

Mr. Munro holds a Bachelor of Commerce degree from the University of Saskatchewan and has extensive experience in corporate finance and investment in the oil and natural gas and other industries. Mr. Munro presently serves as a director of two private companies and Secure Energy Services Inc. (TSX:SES).

Mr. Munro has served in aggregate on 15 public company and private company boards operating in the energy sector.

**Zedcor is run by a lean, high quality management team with significant industry experience.**

# Asset Detail

