



Energy Services Inc.

Presentation to the Annual General Meeting
April 23, 2019



Forward Looking Statements

- From time to time ESI Energy Services Inc. ("ESI" or the "Company") makes written and verbal forward looking statements. These forward looking statements include, but are not limited to, comments with respect to our objectives and strategies, financial condition, the results of our operations and business, our outlook for the industry and our risk management analysis. Forward looking statements are typically identified with words such as "believe", "expect", "forecast", "anticipate", "intend", "estimate", "plan", and "project" and similar expressions of future or conditional events such as "will", "may", "should", "could", or "would".
- By their nature, these forward looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward looking statements will not be achieved. We caution readers of this document not to place undue reliance on these forward looking statements as a number of important factors could cause future results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements.
- Forward looking statements may be influenced by the following factors: the level of oil and gas exploration activity in North America, world crude oil prices and North American natural gas prices, new pipeline construction activity in North America, weather, access to capital markets, the state of global capital markets, government legislation and policies, as well as environmental concerns and issues. We caution that the foregoing list of factors is not exhaustive and when relying on forward looking statements to make decisions with respect to ESI, investors and others should carefully consider these foregoing factors as well as other uncertainties and events.



The Business of the Company

- ESI is a pipeline equipment rental and sales company with principal operations in Leduc, Alberta and Phoenix, Arizona.
- Ozzie's currently operates in western Canada as well as in the United States. The Company, through its operating subsidiaries ESI and ESIPSI, supplies (rents and sells) Padding Machines.
- Ozzie's Padding Machines are used all over the world by mainline pipeline contractors.
- Ozzie's invented the Padding Machine.

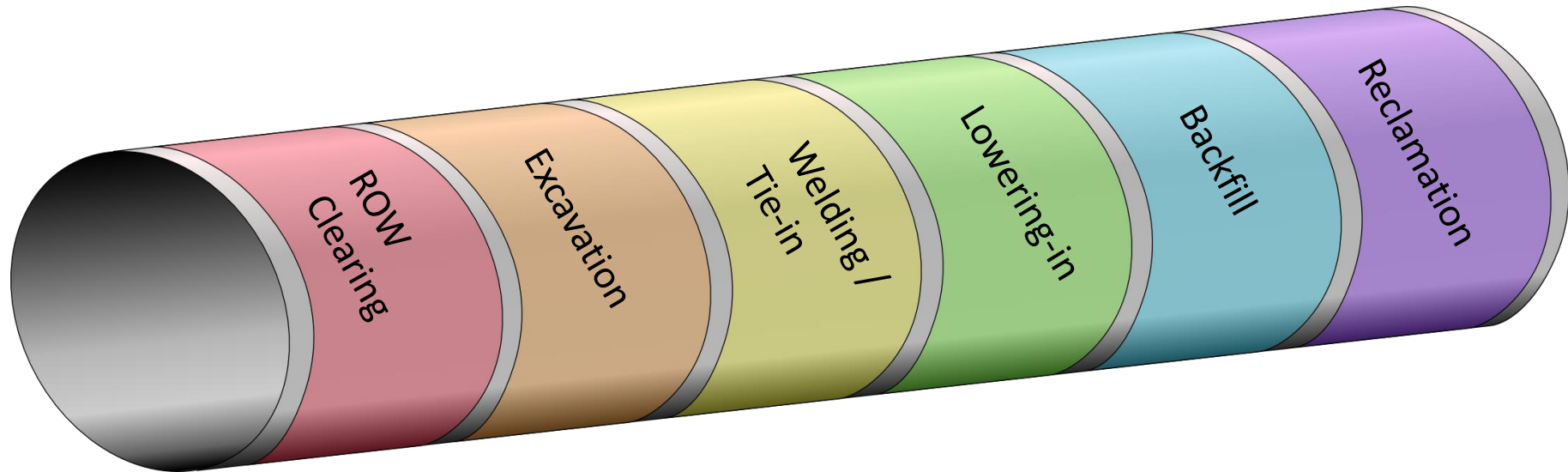


The Business of the Company

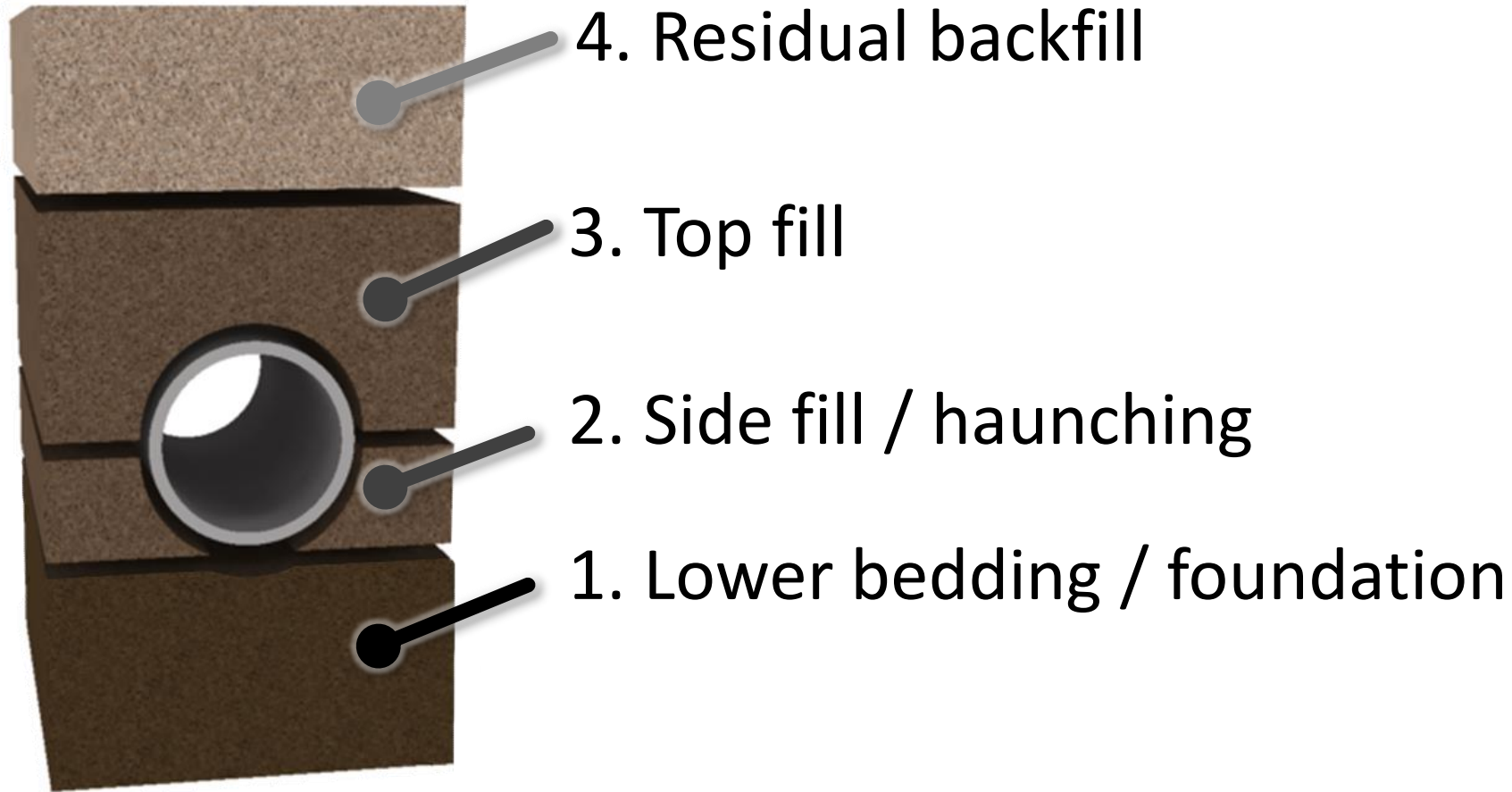
- Padding Machines are used by mainline pipeline contractors and utility contractors for backfilling pipeline and utility trenches.
- Mainline pipeline is essentially transmission pipeline that is larger than 18 Inches in diameter.
- It is used for the transmission of petroleum products as well as water.
- Padding Machines are also used in renewables construction for backfilling electrical cables that are used to transmit power from solar panels and wind turbines to the power grid.



Pipeline Construction Process



Benefits of Padding



Padding Machines

OZZIE'S OPP-300

Our largest, most productive cross-country padding machine. For the toughest, large-scale mainline pipeline projects.



OZZIE'S OPP-200

Mid-sized, mainline cross-country padding machine. Engineered to easily handle medium sized mainline pipeline projects.



OZZIE'S MINI-PADDER

Our compact Mini-padding machine. Ideal for small to medium inch pipeline and distribution, as well as backfilling wind and solar farm underground cable.



OZZIE'S MICRO-PADDER

Our newest, smallest, most compact padding machine. Ideal for backfilling small diameter pipelines, cable for solar and/or wind farms as well as any other form of underground cable or conduit.



Financial Highlights

\$Thousands except per share amounts	Years ended December 31		
	2018	2017	2016
Revenue	14,557	13,685	8,101
EBITDA	5,073	5,799	631
Funds flow from operations	5,156	5,804	529
Net Income	1,776	1,194	(5,124)
Income (loss) per share-basic	0.04	0.03	(0.11)
Income (loss) per share-diluted	0.04	0.03	(0.11)
Working capital	13,601	12,081	8,109
Long-term debt	2,072	2,348	3,268
Total assets	49,914	36,392	38,297



Revenue Analysis

\$Thousands	Twelve month period December 31			
	2018		2017	
	\$	%	\$	%
Large Padder	10,810	74	9,588	74
OPP-300	7,502	52	4,732	36
OPP-200	3,308	22	4,856	38
Small Padders	1,022	7	2,628	20
Mini-padders	876	6	2,400	18
Micro-padders	147	1	228	2
Oilfield Services	174	1	271	2
Other	1,841	13	550	4
Total	14,557	100	13,037	100



Cash at December 31, 2018

\$Thousands except per share amounts	
Cash and short term investments	
Cash	10,657
Short term investments	505
Total	11,162
Outstanding shares	51,667,459
Cash per share	\$0.22



Working Capital at December 31, 2018

\$Thousands except per share amounts	
Working capital	
Current assets	16,179
Current liabilities	(2,578)
	13,601
Outstanding shares	51,667,459
Working capital per share	\$0.26



Book Value at December 31, 2018

\$Thousands except per share amounts	
Total shareholders' equity	49,914
Outstanding shares	51,667
Book value per share	\$0.97



Long-term Debt at December 31, 2018

\$Thousands except per share amounts	
Total long-term debt	2,457
Less:	
Current portion	385
Net long-term debt	2,072



ESI VALUATION

\$Thousands except per share amounts	December 31, 2018	December 31, 2017	December 31, 2016
Working capital less long-term debt	11,529	9,733	4,841
EBITDA	5,073	5,799	631
Multiple	4.5	4.5	4.5
EBITDA Value	22,829	26,096	2,840
Total value	34,358	\$35,828	\$7,681
Outstanding shares	51,667	45,001	45,001
Share value	\$0.66	\$0.80	\$0.17



The Rental Fleet

Machine Model	Screening Capacity per Hour	Number of Machines
OPP-300	778 yd ³ (595 m ³)	18
OPP-200	444 yd ³ (339 m ³)	13
OMP (Mini-padder)	130 yd ³ (99 m ³)	13
OPM (Micro-padder)	80 yd ³ (61 m ³)	5
Buckets	Varies	6



Operating Highlights-Production Months

Revenue months	Twelve month period December 31		
	2018 Actual	2017 Actual	% Change
Large Padders	161	151	7
OPP-300	105	69	52
OPP-200	56	82	(32)
Small Padders	42	86	(51)
Mini-padders	33	74	(55)
Micro-padders	9	12	(25)

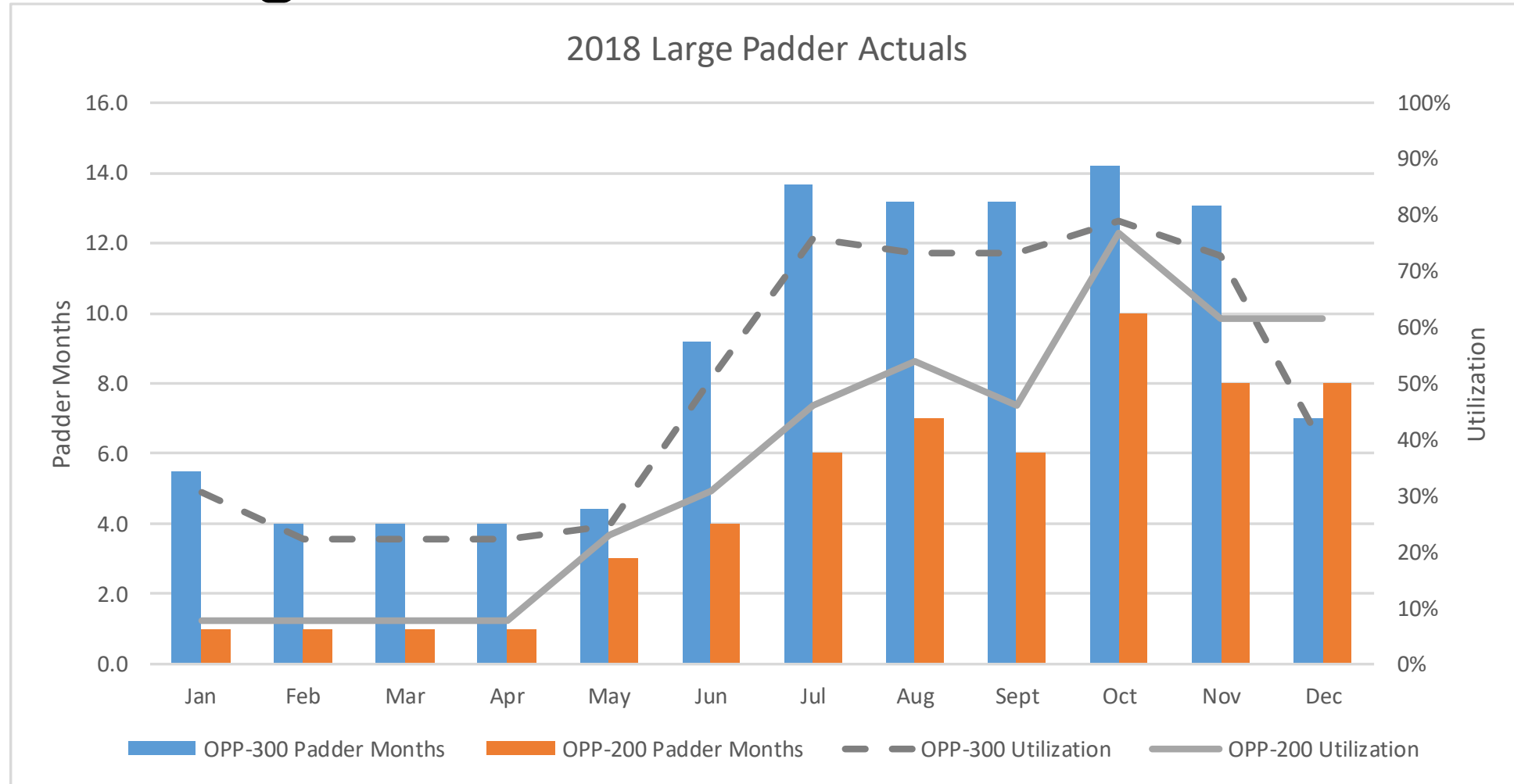


Operating Highlights-Utilization

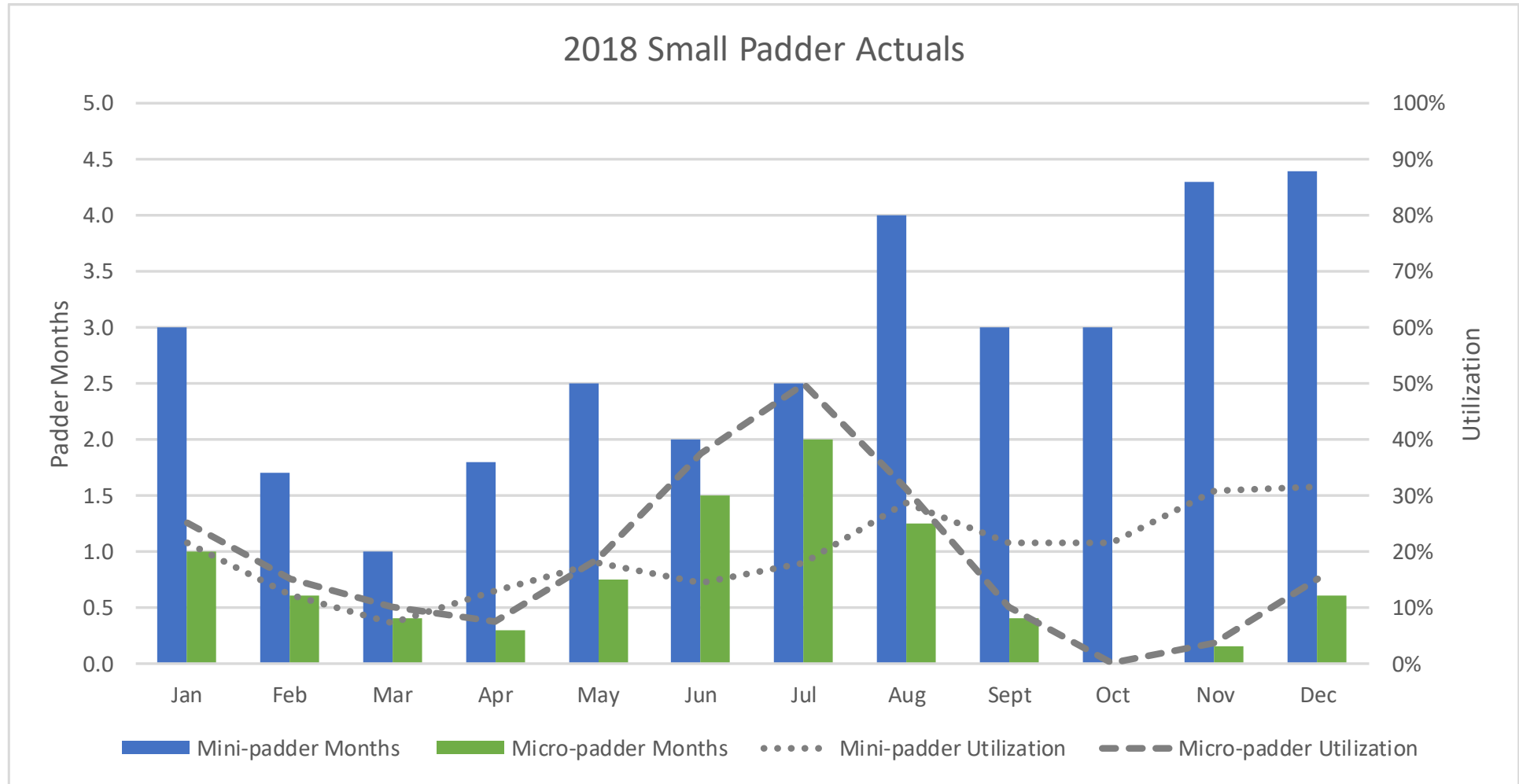
Fleet Utilization %	Twelve month period December 31		
	2018 Actual	2017 Actual	% Change
Large Padders	43	42	2
OPP-300	49	34	44
OPP-200	36	53	(32)
Small Padders	19	44	(57)
Mini-padders	19	44	(57)
Micro-padders	19	40	(53)



2018 Large Padder Months and Utilization



2018 Small Padder Months and Utilization



Upside Potential

- Ozzie's business model is changing from primarily rental to rental and sales.
- The greatest potential for sales is Mini-padder and Micro-padder heads.
- We have hired a full-time inside sales person to handle on-line sales of our Mini-padder and Micro-padder heads and machines.



Upside Potential

- Management believes that the market for Mini and Micro Padding Machine sales is substantially larger than for large Padding Machines.
- Mini-padder and Micro-padder heads offer substantially more applications and provide access to more markets than large padders.
- This translates to more opportunities for sales.



Upside Potential

- The market for Mini-padders and Micro-padders is global.
- We are selling Mini-padding and Micro-padding machines primarily in the United States.
- However, we have been getting enquiries for them from all over the world, including;
 - Canada
 - Australia
 - Chile and
 - Europe



Upside Potential

- We are continuously looking for new opportunities relating to:
 - Upgrading and improving our existing padding applications.
 - Identifying opportunities and/or products that are complimentary and related to padding.
 - Identifying strategic acquisitions and/or alliances with other companies.



Upside Potential

- We have temporarily lost a major competitor who has had to change suppliers.

