

Available for Acquisition

Recurring Revenue From Consumable Replacement Equipment

Manufacturer, Repair, Service and Rebuilder of Drilling Rig Equipment

2013 Revenue: \$56,723,000

2013 EBITDA: \$12,215,000

- **Consumable Products/Recurring Revenue:** Rig components exist, by definition, in a harsh environment. Furthermore, they are, and will continue to be, mechanical in nature with many moving parts. These factors create demand for replacement components and equipment. The vast majority of the Company's sales are replacement components on existing rigs.
- **Mission Critical Product Line:** The oil industry needs the products manufactured, rebuilt and serviced by this Company – all the time and everywhere. Oil cannot be extracted without these products and service line. The increase and emphasis on domestic US drilling ensures the Company's robust future, even though the Company's products have international reach. New and rebuilt products include but are NOT limited to:

<ul style="list-style-type: none">▪ Drawworks▪ Derricks▪ Substructures▪ Entire Rig Packages▪ Automated Pipe Handling Systems	<ul style="list-style-type: none">▪ Kelly/ Pipe Spinners▪ Wireline Machines▪ Mud Agitators▪ Iron Roughnecks▪ Much More!!!
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- **Adaptive Technology:** New directional drilling technologies require longer drilling bores. New and/or re-fit drilling rigs need larger Drawworks units to meet the demand of long-lateral horizontal drilling. Historically, a sub 1,000 horsepower Drawworks unit was able to meet the needs of vertical drilling. Today's market is shifting to 1,000 to 2,000 (60% to 65% of active rig count) horsepower Drawworks units to drill effectively for long-lateral wells. *The Company is able to spot changing technology in the market, adapt and capitalize on those trends.*
- **Branded Products:** The broad array of branded products offered by the Company has set the foundation for years to come for service in the field, complete drilling rig equipment components and

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support. The Company has created brand equity in their name. New business, such as derrick refurbishment, comes their way from their brand recognition. *Their phone keeps ringing.*

- **Leveragable Assets:** The Company has leveragable assets and a net asset value that will result in favorable financial modeling for borrowing to acquire this Company.
- **Product Line Diversity:** The one-stop offering and broad array of products manufactured and re-sold by the Company have created an 80-90% repeat business rate. Furthermore, a diverse product offering insulates the Company from dependence on any one product line.
- **Billable Service and ReFurb Products:** The Company manufactures a complete line of rig related equipment and replacement components for existing rigs AND re-furbishes equipment for re-sale as well as providing on-site billable repairs. This capability diversifies and augments the Company's revenue stream as well as opening markets and customers.
- **Self Sufficient:** Management has built out the Company's manufacturing equipment base to include a complete CAD design and a full array of CNC production capabilities so comprehensive that they not only manufacture their own parts but they can manufacture competitor's parts as well. *This enables the Company to service anyone's equipment, anywhere on any drilling rig.* Furthermore, the Company manufactures 98% of the parts used in their new or rebuilt components and equipment.
- **Employee Base and Management Team:** The Company has an experienced team in place that is accustomed to meeting and exceeding customer quality and delivery date expectations. The 130 person non-union employee base plus the complete and self sufficient management team are experienced and in tune with ownership's expectations. There are *no key employees and no owner dependence.*
- **Diverse Customer Base:** The customer base is diverse and there's no customer concentration or dependence on any one customer. Customer business spread is dynamic every year demonstrating a broad market appeal as well as ensuring a bright future for the Company.

For further information regarding **Client # 36160**
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