

## Acquisition Opportunity

### Conductor Hole & Surface Drilling Co. Rocky Mountain Region

Fortune 1000 Customer Base

Superior People, Equipment & Capabilities

Capital Needed to Support Rapid Growth

## Niche Oil & Gas Service Company Looking for Equity Partner

If your equity fund is looking for a **high margin platform opportunity** in the rapidly growing oil & gas services space, or if you are seeking an add-on acquisition to broaden the service offerings of an existing platform company in that space, please read on. This is an opportunity to acquire a true **“regional leader”**, a company that specializes in “rat hole” (i.e. conductor hole) surface and intermediate drilling, a drilling industry niche that prepares a site for deep drilling activities by the company’s energy clients. The company’s specialized services are critical to efficient drill pad preparation and drilling permit compliance. The company benefits from an experienced **management team** and ownership that is looking to grow the company to the next level. The company has grown by consistently delivering **superior customer service** and **high level execution** in the field, traits not universal among its competitors. This superior execution has resulted in a growing customer portfolio and consistent marketshare growth. Competition is limited by knowhow, access to capital, and demanding energy customer requirements.

This opportunity is all about growth and robust operating margins. **Master Service Agreements** have been signed with new **Fortune 100 clients** as recently as March 2011, and new drilling rigs will be deployed in 2011 to support the current sales pipeline. The company has grown thus far with limited access to capital, relying on ownership’s personal resources and the company’s relationship with a very small regional bank. Given the company’s growth and current size, that capitalization method has now reached its limit – hence this recapitalization opportunity. Ownership believes the company could achieve results far in excess of the pro forma presented below, estimating an annual run-rate in excess of **\$50 million** (with corresponding annual EBITDA estimated at **\$16.5 million**) in less than 5 years with the support of a financially stout partner. The people, systems and know how are all in place. This is a turn-key growth opportunity!

**Our client is looking to move quickly, the time to capture additional marketshare is now. Demand for domestic, on-shore oil and gas continues to grow – this company is right in the middle of the action!**

### Financial Highlights

Fiscal Years ending December 31 (\$000)

	Actual 2009	Actual 2010	Pro Forma				
			2011	2012	2013	2014	2015
Revenue	12,845	15,876	17,500	21,000	25,200	30,240	36,288
Growth %	na	24%	10%	20%	20%	20%	20%
COGS	7,133	9,566	10,500	12,600	15,120	18,144	21,773
Op Ex	1,908	2,203	2,275	2,625	3,024	3,478	3,992
EBITDA*	3,804	4,107	4,725	5,775	7,056	8,618	10,524
EBITDA %	29.6%	25.9%	27.0%	27.5%	28.0%	28.5%	29.0%

\* Earnings Before Interest, Taxes, Depreciation and Amortization (adjusted)

### UNIQUE CAPABILITES & COMPETITIVE ADVANTAGES

- Unique, customized drilling equipment
- Highly mobile, flexible and efficient operation
- Management depth at all levels of the operation
- Superior customer service / highly professional
- Geographically diverse operating footprint
- Fortune 1000 Customer Base
- Broad services with various rigs & technology
- Conductor hole, surface and intermediate drilling
- Operations in TX, ND, WY and CO (more coming)
- Growth focused ownership and management team

Client # 36212