

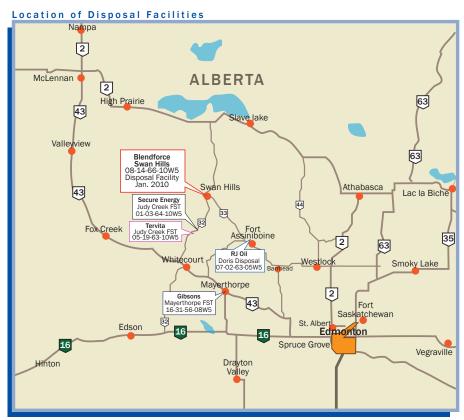
A New Vision of Property and Corporate Acquisitions and Divestitures





BlendForce Energy Services Inc. Receivership Sale

FTI Consulting Canada Inc. is the Court appointed receiver





Acid Blending Facility and Class 1b Disposal Well

Bid Deadline: Phase 1: September 22, 2017 Phase 2: September 29, 2017

NRG Divestitures Inc.

A New Vision of Property and Corporate Acquisitions and Divestitures

Timing:

Review of Documents

Bid Deadline:

August 22, 2017 to September 22, 2017

Phase 1 September 22, 2017 5:00 p.m. MDT

Phase 2 September 29, 2017 5:00 p.m. MDT

For further information contact:

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Marketed By:

NRG Divestitures Inc.

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Disclaimer

The marketing materials presented herein, reflect what is thought to be the current and accurate data, provided by the vendor. In the event that an inaccuracy is found, FTI Consulting Canada Inc., BlendForce Energy Services Inc. or NRG Divestitures Inc. may not be held liable. Included in the marketing materials are statements based on interpretation and judgement. Anyone reviewing the marketing materials is encouraged to conduct their own investigations into the subject assets, in order to come to their own interpretations and conclusions, before proceeding. BlendForce Energy Services Inc. reserves the right at it's sole discretion to accept or reject any or all offers, and may amend the offering at any time.

Executive Summary

FTI Consulting Canada Inc. is the court appointed receiver has retained NRG Divestitures Inc. to market the receivership sale of BlendForce Energy Services Inc.. In order to participate in the process you will need to sign a Non-Disclosure Agreement (NDA) and follow the Sale and Investment Solicitation Procedures (SISP) approved by the Court of Queen's Bench of Alberta on August 18, 2017. Both the SISP and the NDA are posted to FTI and NRG's web site.

In accordance with paragraph 12 of the SISP to become a Potential Bidder interested parties must deliver NRG and the Receiver a signed NDA and provide an indication of the anticipated sources of capital and/or credit to be used to fund a transaction. Potential Bidders will be provided access to an online data room which gives you information on BlendForce Energy Services Inc., the class 1B disposal well and a recent video of the site. There is a well file to review which is available at NRG's office by appointment only.

The first phase requests non-binding letters of intent to be submitted by September 22 2017 at 4pm (MST). Please review paragraph 16 of the SISP to fully understand the requirements of the Letter of Intent (LOI). You will be required to disclose how you intend to fund your bid for the asset.

If you have any questions please contact Arno Keller at 403-860-8692

Participation Requirements

Unless otherwise ordered by the Court, any person (including any Known Potential Bidders) who wishes to participate in this SISP must deliver the following to the Receiver:

- (a) an executed form of confidentiality agreement that is satisfactory to the Receiver, acting reasonably, and which shall enure to the benefit of any person who completes a transaction with the Receiver (the "Confidentiality Agreement"); and,
- (b) a specific indication of the anticipated sources of capital and / or credit for such person and satisfactory evidence of the availability of such capital and / or credit so as to demonstrate that such person has the financial capacity to complete a transaction pursuant to a Superior Offer.

Executive Summary/DESCRIPTION OF BUSINESS

BlendForce Energy Services Inc. - BlendForce was created and commenced operating October 1st, 2014 to coincide with the asset acquisition of an oilfield chemical blending facility and Class 1B disposal well located in Swan Hills from Arcan Resources Ltd. BlendForce was an independent blending and supply chain management services for HCL and chemical fluid products required by their clients, for use in the Oil and Gas industry. The Swan Hills facility is capable of handling and supplying the large acid frack applications to the smallest volume production optimization and well stimulation projects.

BlendForce has engaged NRG to sell the assets owned and operated by the company, consisting of an acid chemical blending facility and Class 1B disposal well located in Swan Hills.

The well 08-14-66-10W5/02 is located within their facility and is approved by the AER for Class 1b waste disposal (Approval No. 11905A). Preliminary engineering work has been completed to submit application as required under Directive 058 to construct and operate a Class 1b waste disposal facility.

This is an opportunity to acquire the disposal well and blending facility and build a waste management facility to utilize the disposal well asset, which is strategically located in a sustainable service area.

Benefit from the increased E&P capital spending activity in the area. The facility has easy access from Highway 32 & 33. Close proximity to active oil and gas operations in Swan Hills, Judy Creek, Virginia Hills, Deer Mountain, House Mountain, Nipisi and Slave Lake areas. Active operators in the area include:

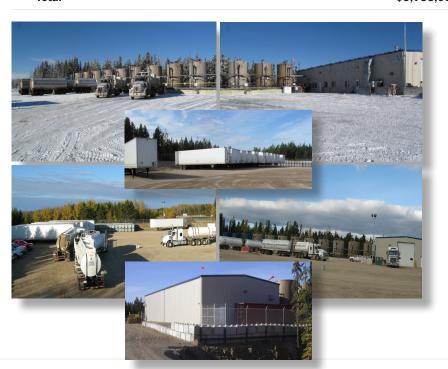
- · Aspenleaf Energy Ltd.
- Canadian Natural Resources Ltd.
- Apache Corp
- · Crescent Point Energy Corp.
- Penn West Exploration Ltd.
- · Ridgeback Resource Inc.
- · ARC Resource Ltd.
- · Summerland Energy

Grow the business in a low maintenance capital environment to optimize asset utilization and high return on capital investment. NRG sees a lot of value in adding a skimming operation and are available to assist with the final permitting and design to make this a fully operational disposal site.

The following capital over several different companies was spent to create this facility

Total	\$9.735.000.00
d. Yard and Access Road	\$2,230,000.00
c. Blended Facility and Site work	\$5,400,000.00
b. Abandon Beaver hill Zone and recomplete into Wabamun	\$ 420,000.00
a. Drill 08-14-066-10W5M	\$1,685,000.00

Swan Hills Facilities





BlendForce Energy Services Inc. has right, title, benefit and interest in the following assets located in the town of Swan Hills, Alberta.

Physical Street Address: 5276 Watson Street, Swan Hills AB. UWI: 02-14-066-10W5M.

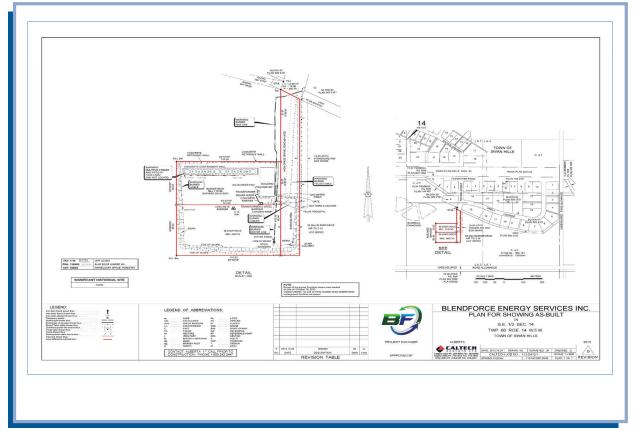
Disposal Facility Opportunity

Producers are looking for solutions to optimize operating expense performance in today's low commodity price environment. The demand of lowering cost of fluid hauling to disposal is key and the BlendForce facility is a prime locale to provide this.

Preliminary engineering design basis was for the construction of waste processing facility capable of the receipt and processing of wastes for the purpose of hydrocarbon recovery, the physical separation of fluids and solids, as well as for the processing of residuals generated by the facility. Tank treatment (heat, gravity, and chemicals) would be used for phase separation and hydrocarbon recovery, with the following categories of waste fluid appropriate for disposal down a Class 1b well:

- Acid Solutions (unneutralized)
- Boiler Blowdown Water
- Caustic Solutions
- Corrosion Inhibitor/Oxygen Scavenger Solutions
- Filter Backwash Liquids (Gas Sweetening)
- Filter Backwash Liquids (Water Treatment)
- Glycol Solutions (No Heavy Metals)
- Hydrotest Fluids Methanol
- Sweetening Agents (Liquids)
- Wash Fluids Organic
- Wash Fluids Water
- · Water Process (with Organic Chemicals)
- Water Process (with Heavy Metals)
- · Water Produced
- Well Workover Fluid

BlendForce Facility Layout Plan



Facility Site and Equipment Assets

The facility was designed and constructed by Arcan Resources Ltd. Arcan commenced with construction of the acid blending facility in January 2012 and was put into service February 2012, owned and operated by StimSol Canada. StimSol was a wholly subsidiary that Arcan acquired in September 2011. The primary business drivers for Arcan to purchase StimSol was to acquire the rights to a proprietary 28% HCl acid blend and to have StimSol own and operate the acid blending facility strategically located in Swan Hills to support Arcans aggressive development of their "Beaver Hill" land base and production in the area. Blending facility was designed to blend large volumes of 28% HCL product to meet supply required for Arcan development plan.

The facility was taken out of service in July 2012 to complete recommended site and access road upgrades to handle heavy use with 50 to 100 transport loads per day. Total cost for site and access road upgrades \$2,230,000. Facility brought back into service October 2012 with a blending capacity of 1100 m³/day. This daily blend volume is based on blended product being delivered concurrently from plant to wellsite. Total cost to construct blend facility and site \$5,400,000.

The facility is situated on crown land. The disposal well is located within the facility site. Alberta Environment and Parks (AEP) surface leases:

- Crown Surface Lease No. MSL 060710, dated February 23, 2006, covering SE 14-66-10W5M containing 0.715 ha (1.788 acres) pertaining to wellsite area for 100/08-14-066-10W5M.
- Crown Surface Lease No. LOC 060533, dated February 23rd, 2006, covering SE 14-66-10W5M containing 0.411 ha (1.028 acres) pertaining to access road into blending and disposal facility.
- Crown Surface Lease No. MLL 110189, dated December 8th, 2011, covering SE 14-66-10W5M containing 0.605 ha (1.513 acres) pertaining to blending facility.



Facility Warehouse & Office Building

- Warehouse & Office (50ft X 120ft) steel building with under flooring heating and air make up system.
- Separate transport loading dock.
- Blend room with pumps and vapor scrubber. Load cell system.
- 3 furnished offices with associated office equipment.
- · Men's and Ladies washroom.
- · Coffee room.
- · Mechanical room.
- · Blending control room.
- Indoor safety show.



Tank Farms

- 11 750 bbl. fiberglass acid tanks and 1 400 bbl. steel internal coated tank within cement containment.
- · All tank piping is on racks.
- Catwalk within containment with full lighting for night time operations.
- · Seven self contained load boxes.
- PTMMA Compliant Tank Farm containment installed on site for disposal tanks. Containment designed to accommodate 1200 m³ of fluid storage.



Highly Attractive Disposal Well

- The Swan Hills 08-14-066-10 W5M well was originally drilled in March 2006 to a horizontal drill length of 3145.0 m, true vertical depth of 2609.2 m Drilling Cost \$1,685,000
- Well was initially completed as an open hole horizontal Beaverhill Lake oil producer. On Production May 4th, 2006. Produced until October 2011. Cum Production: Oil - 1224.0 m³, Gas - 163.0 10³M³, Water - 6655.7 m³.
- The Beaverhill Lake horizontal zone was abandoned in October 2011 and wellbore recompleted into the Wabamun as a disposal well. Recompletion Cost \$420,000
- AER approval under Directive 051 for Class 1b fluids disposal granted on September 24th, 2012. Approval
 No. 11905A. Mineral P&NG rights in SE1/4 Sec 14-Twp 66-Rge10W5M for the Wabamun formation only
 under Crown P&NG lease No. 0504090565. As required under Directive 006 Licensee Liability program a
 cash security deposit of \$55,800 is in place with the AER.
- Wabamun interval is a high permeability carbonate formation with excellent injectivity capabilities. The 08-14 well has 19.0 m of injection interval. Wellhead is approved to a maximum injection pressure of 12,000 kPa. Well capable of 430 m³/d of fluid disposal on vacuum before pump pressure required. Injectivity test conducted February 2015 fluid rate 850 liters/min @ 12,000 kPa (1,225 m³/d). Well shut in recovery time ISIP 8.4 MPa, 5 minute SI 3.5 MPa, 15 minute SI 1.4 MPa, 30 minute SI 500 kPa, on vacuum after 40 minutes.
- Preliminary engineering work has been completed to submit application as required under Directive 058 to construct and operate a Class 1b disposal facility.



219.1 mm Surface Csg @ 282.0 mKB. Cemented with 20 tonnes TSC $\,+\,3\%$ LCM $\,+\,2\%$ CaC12. Cement to surface and 9.0m3 returns.

Injection String - 73.0mm OD, J-55, 9.67 kg/m. SHUR-FLO II EXPE (HDPE) liner on all tubing joints.

Tryton 8K Packer set @ 1973.8 mKB

Wabamun Perforations: 1982.0 - 1986.0, 1988.0 - 1990.0, 1992.0 - 2001.0, 2002.0 - 2003.0 mKB. Perforations open: 19.0 meters

PBTD - 2495m

Bridge Plug set @ 2502.9 mKB. Dump bailed 8m cement on plug. Cement top @ 2494.9 mKB MD. (Wireline tag - Nov 01, 2011) BHL abandonment open hole cement plug from 2611 mKB MD to 2508 mKB MD (7 m inside production casing)

139.7mm, 25.3 kg/m, J55, ST&C production casing landed @ 2515.0 mKB. Cemented to surface Stage #1 with 18.21 tonnes of 1:1:2 Class "G" + 0.5% CFR-10, Stage #2 with 15.7 tonnes 1:1:2 "G" + 0.5% CFR-10. Stage tool set at 635.12 mKB MD. Cement to surface and 3.0m3 returns on second stage.





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