

OILFIELD SERVICES SALES AND INVESTMENT SOLICITATION PROCESS (“SISP”) OPPORTUNITY



INTRODUCTION

MNP Ltd. in its capacity as Proposal Trustee (the “Proposal Trustee”) under a Notice of Intention to make a proposal for Vertex Downhole Ltd. (“Vertex” or the “Company”) was authorized by the Court of Queen’s Bench of Alberta under court Order dated March 4, 2022 (the “Order”) to conduct a sales and investment solicitation process (“SISP”), which may involve a person purchasing the assets or newly issued shares in Vertex, making an investment in Vertex or providing additional financing to Vertex. Interested parties are invited to review the SISP information summary on our webpage at: <https://mnpdebt.ca/en/corporate/corporate-engagements/vertex-downhole-ltd>

Key Highlights:

- Headquartered in Calgary, Alberta;
- International presence with operations in Canada, the United States and UAE;
- Oilfield technology manufacturing engaged in development of MWD guidance systems and tools used in all aspects of energy exploration and development;
- Patented technology registered in both Canada and the United States;
- Downhole tools currently deployed in over 10 countries
- Strong customer relation base.

In our capacity as Proposal Trustee, we are soliciting offers on behalf of the Company. Further information regarding what is including in the sale will be made available upon receipt of an executed confidentiality agreement and non-disclosure (“Confidentiality Agreement”) .

LIMITATIONS

To facilitate this process, we have prepared a Confidential Information Memorandum (“CIM”). All information in the CIM has been prepared solely for the convenience of prospective purchasers and has not been audited or otherwise verified by the Proposal Trustee. A copy of the CIM can be provided to you upon the Proposal Trustee’s receipt of an executed confidentiality and non-disclosure agreement.

The Proposal Trustee does not make any representations or warranties as to the accuracy or completeness of the CIM and shall have no liability for any representations (be they expressed or implied) or omissions contained herein nor in any other written or oral communications transmitted to prospective purchasers in the course of the evaluations of the assets. Furthermore, the information provided in the CIM may not contain all of the information a prospective purchaser may require and therefore, prospective purchasers should conduct their own investigations, analysis and due diligence and obtain their own professional advice relating to the Company’s business and assets and any of the information contained in the CIM.

CONTACTS: Jacqueline Shellon, CPA
Corporate Recovery and Restructuring
587-702-5959
Jacqueline.shellon@mnp.ca

OILFIELD SERVICES SALE AND INVESTMENT SOLICITATION PROCESS (“SISP”) OPPORTUNITY



TIMELINE

Milestones	
Issuance of a teaser and confidentiality and non-disclosure agreement	Beginning March 4, 2022
Publication of SISP	March 9, 2022
Issuance of a CIM upon receipt of a confidentiality and non-disclosure agreement	Beginning March 9, 2022
Phase 1 bid deadline	April 21, 2022
Due diligence period	April 21, 2022 to May 6, 2022
Phase 2 bid deadline and receipt of deposit	May 6, 2022
Selection of successful bid	May 7, 2022 to May 20, 2022
Closing of transaction (dependant on timing of required Court approval)	No later than June 23, 2022

SALES PROCESS

The Proposal Trustee has formulated specific transaction procedures that are included in the Terms and Conditions of Sale included in the CIM. However, the Proposal Trustee reserves the right to:

- Amend or terminate the sales procedures during the sales process, including the above milestones as provided under the Order;
- Accept an Offer to Purchase that may not necessarily be the highest bid;
- Negotiate with one or more prospective purchasers at any time;
- Set a minimum offer price for the assets;
- Enter into a definitive transaction agreement without prior notice to other prospective purchasers at any time during the transaction process; and
- Not accept any Offer to Purchase.

Please note that any offer the Proposal Trustee accepts is subject to the approval of the Court of Queen’s Bench of Alberta, and accordingly, is not binding on the Proposal Trustee until such Court approval has been obtained.

To receive a copy of the CIM and access to the electronic data room, please request a Confidentiality and Non-Disclosure Agreement from the Proposal Trustee through the contact listed below.

MNP Ltd. in its capacity as Proposal Trustee under the Notice of Intention to make a proposal for Vertex Downhole Ltd. and not in its personal or corporate capacity

Letter of Intent to be provided for the Phase 1 Deadline must be received by the Proposal Trustee no later than 5:00pm MDST on April 21, 2022.

CONTACT: Jacqueline Shellon, CPA
Corporate Recovery and Restructuring
587-702-5959
Jacqueline.shellon@mnp.ca