



FOR IMMEDIATE RELEASE

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PIPEWORX LTD. ANNOUNCES ACQUISITION AND PARTNERSHIP WITH THE KELLAM GROUP OF COMPANIES

It is with great pleasure that Pipeworx Ltd., a leading pipeline and facility contractor based in Dawson Creek, British Columbia announces that in a merger of leading companies it has acquired 100% of the shares of Kellam Pipelines Ltd. and the assets of THL Equipment Rentals & Steaming Ltd. (collectively “Kellam” or the “Kellam group of companies”).

Pipeworx Ltd. was founded in 2004 as Horseman Energy Services in Dawson Creek, British Columbia. In September of 2007, Horseman rebranded under the Pipeworx banner.

Kellam is a Spruce Grove based facility and pipeline contractor operating across Western Canada but primarily focused in producing areas west of Edmonton and as far south as Rocky Mountain House. These are key areas that complement the existing geographic coverage of Pipeworx whose main areas of operations are in British Columbia and Grande Prairie.

Kellam will operate as a wholly owned subsidiary of Pipeworx, with Pipeworx providing strategic direction and management.

Together, the companies now have field offices or bases of operation in British Columbia (Dawson Creek), Alberta (Grande Prairie, Hinton and Spruce Grove) and provide small to mid-diameter pipeline construction and maintenance services to some of the largest E&P companies in Western Canada as well as some of the most dynamic juniors and royalty trusts. In addition, the company provides facility construction services.

“By partnering with Kellam,” said Kevin Kutschinski, Chairman of Pipeworx Ltd., “we are able to expand our geographic and service footprint and partner with Kelly Gillam, who we believe to be one of the top pipeline contractors in Western Canada. In addition to Mr. Gillam, the Kellam team is a highly talented complementary group to our existing management and operational team. Doing this merger at this time allows us to continue our strategy of growth through prudent acquisition and organic expansion secure in the knowledge that our main base of business is protected by one of the most talented teams in the patch.”

Kelly Gillam, newly appointed President and CEO of Pipeworx Ltd. and former owner of Kellam, said: “We are looking forward to being part of the Pipeworx team and continuing to grow our service base. As part of this new partnership we will be relocating our Head Office operations to Spruce Grove and I will be overseeing the building up of our management team out of that location. Stay tuned for new developments as we continue to grow our business.”

Chad Johannssen, General Manager for Pipeworx in Grande Prairie added: “As one of the earlier employees at Horseman (now Pipeworx), I am excited about this merger and welcome the opportunity to

learn more about the trade from an operator with the experience and track record of Kelly Gillam and look forward to working on some significant projects with his team.”

The combined company boasts in excess of 8 pipeline and facility spreads with the capacity to grow by an additional 2-3 during peak winter months.

Pipeworx and its subsidiary companies are dedicated to the highest standards of safety and quality and are fully licensed and qualified to operate in British Columbia, Alberta and Saskatchewan.

For more information, please contact Kelly Gillam, President and CEO at (780) 960-2730; or Stuart Parnell, CFA, Vice President Business Development at (403) 225-1791. Please visit our website at www.pipeworx.ca.