

PES SUBSURFACE CANADA INC.
NOTICE AND STATEMENT OF RECEIVER
(Subsections 245(1) and 246(1) of the Act)

In the Matter of the Court Appointed Interim Receivership of the Property of
PES Subsurface Canada Inc. (the “Company”)

1. Please be advised that on Monday September 27, 2010 Ernst & Young Inc. was named Court Appointed Interim Receiver (the “Receiver”) in respect of the property of the Company, an insolvent person, that is described below:

Net Book Value (note 1)
as at August 31, 2010

Accounts receivable	\$ 2,011,879
Inter-company receivable	119,568
Other receivables	620,653
Inventory	3,890,892
Prepaid expenses	164,193
Fixed Assets	300,188
Intangible Assets	1,002,136
Goodwill	<u>1,621,393</u>
Total	<u>\$ 9,730,902</u>

Note:

1 – Net book value is based on unaudited books and records of the Company.

2. Ernst & Young Inc. became Receiver in respect of the property described above pursuant to an Order of the Court of Queen’s Bench of Alberta dated September 27, 2010.
3. The Receiver took possession and control of the property described above on September 28, 2010.
4. The following information relates to the receivership:

Principal line of business:

a) Principal address of the insolvent person:

2435 22nd Street NE
Calgary, AB T2E 8K8
Canada

b) Principal line of business:

Oil Field Services

c) Location of the business :

- Calgary, Alberta, Canada
- Lloydminster, Alberta, Canada

d) Amounts owed by the Company are as follows:

<u>Name</u>	<u>Claim Amount</u>
Secured creditors – see attached Appendix A	\$10,838,446
Statutory/Preferred creditors	Unknown
Unsecured creditors – see attached Appendix A	<u>\$1,446,530</u>
Total	<u>\$12,284,976</u>

e) The intended action plan of the Receiver is to realize on the remaining property of the Company through a sale of the property.

f) The Receiver contact is:
Ernst & Young Inc.
1000 Ernst & Young Tower
440 - 2nd Avenue SW
Calgary, AB T2P 5E9

Attention: Ms. Betty Trinh
Telephone: (403) 206-5116
Facsimile: (403) 206-5075

Dated at Calgary, Alberta this 6th day of October, 2010.

ERNST & YOUNG INC.
Court Appointed Interim Receiver of
PES Subsurface Canada Inc.

A handwritten signature in black ink, appearing to be 'Neil Narfason', written over a horizontal line.

Neil Narfason, CA•CIRP, CBV
Senior Vice President

PES Subsurface Canada Inc.
Creditors Listing
as at September 27, 2010

Secured Creditors	Amount (\$ CDN)
HSBC Bank Canada	4,773,636
Intergrated Production Services	2,000,000
Vengrowth (see note 1)	4,064,810
Total Secured Creditors	\$ 10,838,446
Unsecured Creditors	Amount (\$ CDN)
A Hyatt Ball Co, Ltd	29
A.R. Thomson Group	14,429
Academy Petroleum Industries	2,867
ACAT Metal Drilling	2,310
Acklands Grainger	17
Advanced International Service	93
AirTech Services Ltd	5,445
Alberta Basic Heat Treat	2,677
AM - PM Cleaners	368
Anglo Precision Machining	92,757
Argus Machine Co. Ltd.	40,555
Arsam Industry LTD	9,417
B & T Oilfield Products	538
B & T Oilfield Products	17,913
Bell Distribution	105
Bennett Jones LLP	8,843
Best Choice Oil & Gas Tools	121
BFI Canada - Calgary	166
Blackall Express Inc	20
Bolt Supply House Ltd.	15
BorTec GmbH	51,284
Braze-Tech Corp	7,332
Brazilian Canadian Coffee (Alb	545
BRIAN CARRIER	1,477
BSI Management Systems Canada	1,429
Business Solutions Alliance	1,286
Calgary Fasteners & Tools Ltd.	14,238
Can Am Industries	926
Capital Industrial Sales & Ser	168
Carbon Copy Digital	486
CDW Canada	1,810
CE Franklin Ltd.	5,879
Cintas Location #851	3,129
City Water International Inc.	478
Cole International Inc.	4,973
Concept Industries Ltd.	762
Consolidated monitor	378

APPENDIX A

Continental Alloys & Services	6,700
Core Telecom & Wiring Ltd.	104
Corporate Express	1,069
CSP Products	13,293
CSR Machine Inc	87,778
Dave Mankow	573
DHL Express (Canada) Ltd.	14
Direct Energy Regulated Servic	80
DNU SEE BCBEAE	2,381
Drew Hogan	205
Duro-Test Canada Co.	575
E. Brace Tool Inc.	6,867
Emery Stoesser	4,111
EMJ Earle M. Jorgensen Company	8,824
Engineered Spring Products	3,702
Enmax Corp	292
Epcor	256
Eurotex Industries Inc.	278,429
Exalta Transport	109
Executive Royal Inn	2,047
Expeditors Canada Inc.	309
FASOLI, CHRIS	536
Fast Labour Solutions Limited	21,430
Faulk Design Services	741
Federal Express Canada Ltd.	1,051
Fike Canada, Inc.	1,607
Fluidseal (AB) Inc.	930
Fountain Tire - Edmonton	2,285
Frank Henry Equipment	3,892
Freudenberg - NOK Inc.	357
G& B Trucking Ltd	867
Gambit Products Ltd	8,181
Great Northern Data Supply	1,210
Green Line Hose & Fittings (Al	8
Greyhound Courier Express	107
Hallite Seals Canada Ltd.	53
Hawk Machine Works	18,017
High Security Lock Company	525
Highland Lakes Quality Casting	7,135
Hi-Tech Seals Inc.	1,786
Hi-Way 9 Express Ltd	192
Hunting Energy Services (Canad	44,724
Impact Tools	197
Integral Property Services Ltd	1,040
Integrated Production Services	11,142
Iron Mountain Canada Corporati	718
Jet Label & Tape	696
K.C. Seals Inc.	936
Kindersley Transport Ltd.	1,438
Kondro Electric 1980 Ltd	144

APPENDIX A

Lowell Corporation	4,355
Luis Torres	816
Lyall and Associates	427
Manus Abrasive Systems Inc.	964
Marek, Griffin & Knaupp	36
Masco Steel Industries Ltd.	126
Mastercard - HSBC	7,606
MetTech	945
Millway Industries	74,417
Monarch Messenger	800
MVM Machining	22,105
Natayo Manufacturing Inc.	8,782
NeWest Express Ltd.	644
Northwest Equipment Ltd.	258
OEM Components	1,542
One Man and a Lady Bug Ltd	147
Overland Light Oilfield	1,217
Panalpina Inc.	700
Panalppina Inc.	1,516
Paul Aldridge	1,194
Pennock Acheson Nielsen Devane	4,900
Pentagon Freight Services - US	784
Perfect Performance Consulting	1,453
Pipeline News Lloydminster	513
Portable On Demand Storage	198
Praxair Distribution	14,448
Precise Castings Inc.	6,825
Procam Technology Ltd.	12,658
Promac Industries Ltd	132,359
Purolator Courier Ltd.	479
Rebco Oil Tools Inc.	2,842
Reimer Express Lines Ltd.	388
Reinhold Industries Ltd.	76,271
RGO Office Product Partnership	550
Robinson, Kerri	2,846
Rolled Alloys-Canada Inc.	13,930
Rosenau Transport Ltd.	2,585
Shell-Ryn Machining	33,628
Spolumbo's Fine Foods	462
Sprouse Fire & Safety	666
Steelhaus Technologies Inc.	19,861
Stor Office Furniture	231
STUCKEY'S SPECIALTY TOOLS	77
Sun Life Assurance	2,134
Sure Shot Hotshot & Pilot Serv	252
TechWest Inc.	284
Telus Communications Inc.	1,134
Tenaris Hydril	714
TeraGo Networks Inc.	3,386
The Minister of Finance	276

APPENDIX A

The VenGrowth Traditional Indu	3,462
The Waggoners Trucking	1,312
Titan Solutions Group Inc.	3,150
Top Gun Coatings Inc.	16,747
Total Transfer Services Ltd.	49
TP Communications Ltd.	975
Triad Fasteners & Industrial P	20
Troutman Sanders LLP	1,685
Ulmer Quick Lube	789
Ultimate Trucking Solutions Lt	189
Universal Air-Hydraulic Ltd.	307
UPS SCS Inc.	210
UPS Supply Chain Solutions Inc	135
Van Houtte Coffee Services Inc	29
VanGinkel & Associates Inc.	21,169
Vision Industries	3,503
Weatherford Canada Partnership	525
Wesmat Refractories (1994) Ltd	504
Western Crating International	93
Western Drilling Tools Inc.	60,135
Western Spring & Wire Ltd.	13,738
Wireline Solutions, LLC	1,142
Wisser Computer Services	220
Yard Worx	1,355
Zimco Gauge & Valves Ltd	755
ZVL-ZKL Bearings Corporation	3,674

Total Unsecured Creditors	\$ 1,446,530
Total Creditors	\$ 12,284,976

Note 1 - Amounts owing to Vengrowth relate to a syndicated loan from Vengrowth III Investment Fund Inc., VG Mezzanine I Limited Partnership, and The Vengrowth Traditional Industries Fund Inc.