

Energy

August 3, 2011

Industry Comment - Changes

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Oil & Gas Energy Services

Weekly Oilfield Bulletin: The Drilling Issue

We recently conducted a survey of North American drilling contractors with the goals of: (a) quantifying the magnitude of the current North American rig build; (b) placing the current build-out into an historical context; and (c) using this information to explain some relative performance between drilling contractors. We asked contractors how many rigs they were constructing, for which markets they were intended, and then evaluated this in the context of the size and locations of their current rig fleets.

Our survey includes eight (8) Canadian-domiciled drilling contractors and six (6) U.S.-based contractors. As at March 31, 2011, these 14 contractors operated fleets totaling 1,556 U.S. rigs and 667 Canadian rigs – 2,223 overall. Our best estimates are that our survey covered 82% of the Canadian rig fleet, approximately 53% of the U.S. rig fleet, and about 60% of the overall North American fleet. The results are summarized in Exhibit 1 of this report. The primary observations and conclusions are as follows:

- ◆ Our surveyed companies have current plans to add 165 rigs to their North American fleets – 125 are destined for the U.S. and 40 are earmarked for Canada. We estimate total North American rig construction at between 200 and 220 rigs.
- ◆ Planned fleet growth within the survey group is 7% overall. U.S. fleets are destined to grow slightly faster than Canadian fleets; 8% versus 6%. However, our sampled (and publicly traded) Canadian drilling contractors are building slightly faster than their U.S. counterparts.
- ◆ The overall planned rate of growth in the North American fleets is among the lower growth rates over the last several years. That said, we expect high and still-increasing dayrates will prompt more new build plans in the coming months.
- ◆ We are upgrading Precision Drilling to Outperform from Market Perform. Precision’s stock has pulled back 7% since its post-2Q report peak. We believe 6.2x 2012E EBITDA and 12.1x 2012E earnings is a reasonable entry point for a company that has foreshadowed additional organic growth beyond its currently slated 8% fleet growth.
- ◆ We are downgrading Western Energy Services to Outperform from Strong Buy in consideration of the convincing share price performance since mid-July. Western’s stock is up 24% over the last two weeks, while every other major drilling contractor lost ground and the S&P/TSX Composite lost 4%.

Company	Ticker	Aug-02-11 Price	Target Price (6-12 mths)	Dividend Yield	Total Return To Target	Rating	Old Target Price	Old Rating
Contract Drillers								
Ensign Energy Services	ESI-TSX	\$19.96	\$24.25	1.9%	23%	Outperform 2	\$24.25	Outperform 2
Precision Drilling Corporation	PD-TSX PDS-NYSE	\$15.67	\$18.25	0.0%	16%	Outperform 2	\$18.25	Market Perform 3
Savanna Energy Services	SVY-TSX	\$9.45	\$11.75	0.0%	24%	Outperform 2	\$11.75	Outperform 2
Trinidad Drilling Ltd.	TDG-TSX	\$9.61	\$12.50	2.1%	32%	Strong Buy 1	\$12.50	Strong Buy 1
Western Energy Services Corp.	WRG-TSXV	\$9.70	\$11.00	0.0%	13%	Outperform 2	\$11.00	Strong Buy 1
Pressure Pumpers								
Calfrac Well Services	CFW-TSX	\$36.15	\$48.00	0.4%	33%	Strong Buy 1	\$48.00	Strong Buy 1
Canyon Services Group Inc.	FRC-TSX	\$14.81	\$22.25	0.7%	51%	Strong Buy 1	\$22.25	Strong Buy 1
GasFrac Energy Services Ltd.	GFS-TSX	\$10.25	\$13.50	0.0%	32%	Outperform 2	\$13.50	Outperform 2
Trican Well Service	TCW-TSX	\$24.50	\$31.00	0.4%	27%	Strong Buy 1	\$31.00	Strong Buy 1
Completion Services								
Essential Energy Services Ltd.	ESN-TSX	\$2.15	\$3.10	0.0%	44%	Strong Buy 1	\$3.10	Strong Buy 1
Pure Energy Services Ltd.	PSV-TSX	\$8.17	\$11.00	0.0%	35%	Strong Buy 1	\$11.00	Strong Buy 1
Field Services								
Black Diamond Group Ltd.	BDI-TSX	\$32.10	\$34.00	3.6%	9%	Outperform 2	\$34.00	Outperform 2
Enerflex Ltd.	EFX-TSX	\$11.47	\$14.50	2.1%	29%	Outperform 2	\$14.50	Outperform 2
Mullen Group Ltd.	MTL-TSX	\$22.45	\$23.25	4.5%	8%	Market Perform 3	\$23.25	Market Perform 3
Secure Energy Services Inc.	SES-TSX	\$8.71	\$10.25	0.0%	18%	Market Perform 3	\$10.25	Market Perform 3
Strad Energy Services Ltd.	SDY-TSX	\$4.51	\$6.50	0.0%	44%	Strong Buy 1	\$6.50	Strong Buy 1

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Please read domestic and foreign disclosure/risk information beginning on page 21 and Analyst Certification on page 22.

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Putting the 2011/12 Rig Build-Out into Context

From the 14 companies surveyed, we counted 165 rigs in the construction queue, approximately 125 of which are destined for the US market and 40 for the Canadian market. This represents 8% planned growth in the U.S. fleets among these contractors and 6% in Canada. We'll make a simplifying assumption that these publicly traded, larger companies have 2-3x better access to financial capital than their smaller, private counterparts, and as such, their growth rates are roughly 2-3x that of the 40% of companies that we didn't survey. Based on this assumption, we'd estimate that there are approximately 200-220 rigs in the North American construction queue today. Most of these are 1,500-horsepower rigs, destined for the Permian Basin in West Texas, the Eagle Ford Shale in South Texas, and the Deep Basin/Montney in Canada. Some are smaller rigs designed for horizontal drilling in some of the shallower regions, like the Pembina area of Alberta, or even the US Bakken.

From a macro-industry point of view, is this a big number? No, not really – some context might help to see why. Firstly, these rigs will be delivered into their markets over a longer-than-one-year time period. Of the surveyed companies, those with the largest construction programs generally anticipated that half of their planned rigs would be completed by the end of 2011 and the other half *by the end of 2012*. We suspect there is some collective expectations-management at work here; so our own expectations are that most of these rigs will be completed by the end of 3Q12. But the implications are that these rigs will take more than a year to push into the market.

Secondly, 200-220 rigs is a relatively small build in the context of the modern oilpatch. According to National Oilwell Varco's 57th Annual Rig Census, there were at least 250 rigs constructed for the North American market in each of 2006, 2007, 2008, and 2009 (there were 301 new builds in 2006 and 435 in 2007). As such, the 2011/12 build-out is roughly consistent with a reasonably active oilpatch. Though in our view, it's not just broad-based, generic rig activity and demand that are driving new-builds today – though that was certainly the primary factor driving the US's ultra-high utilization 2004-2008 build-out. Today, we believe it's new play-types, more technical well designs, and the imperative to drive well-construction costs down through speed and innovation. These factors conspire to induce demand for high-performance rigs and also serve to reduce the marketability, and hence, market relevance of many legacy rigs.

Lastly, a relatively consistent mitigating factor to the new-build schedules over the last several years has been the combination of rigs removed from service and/or destroyed every year. This figure has ranged between 83 and 306 rigs since 2005.

The Canadian Contractors Are Just Slightly More Aggressive with Their Build Programs

Another observation from our analysis is that Canadian contractors are budgeting slightly more new-build growth than their U.S. counterparts. The difference isn't large – 8% average growth versus 7%, but it might help explain some of the recent relative performance of the Canadian drillers.

The Canadian-based contractors appear more aggressive in both the Canadian and U.S. markets. Canadian drillers have plans to expand their U.S. fleets by 10%, on average, and at the same time, they are budgeting 6% growth for their Canadian fleets. By contrast, U.S.-based contractors are planning on about 8% growth of their U.S. fleets, and 5% of their Canadian fleets (though this 5% figure is heavily influenced by our pro rata approach to allocating 8 of Nabors' 34 new-builds between its Canada and U.S. operations – our view is that Nabors has a strong presence in Canada, both in the Montney and in heavy oil drilling, and as such, a pro-rata approach seemed reasonable).

On average North American contractors have about 86% of their planned rig additions contracted with E&P companies. We estimate that 84% of Canadian contractors' new builds are contracted with E&P customers, while 88% of U.S. contractors' new builds have homes.

On the surface of it, it might seem unduly risky to build any rigs on spec (about 15% of the new-builds in our sample group are spec rigs). But over the last few years we have observed that drillers have mitigated their risks considerably before they begin to underwrite construction costs. Generally, they are already very close to contract terms with their more reliable customers before they order major components for spec rigs, such as engines, pumps, drawworks, pipe and major pipe handling equipment. But in the worst case, where no contract materializes and the drilling contractor gets stuck with rig components, it can usually use them in its own maintenance and upgrade program or find another E&P customer for a shorter-term contract. If this sounds risky, consider that several companies were constructing rigs through the 2009 downturn (which we'd argue was the worst in the last 20 years), and we aren't aware of any rigs that didn't go out to contract.

Despite Recent Weakness, Canadian Contractors Have Been Strong Performers in the Market

Between late June and late July the average drilling contractor in our coverage group gained 21%. Precision led the pack with a 15% gain followed by Ensign's 9% gain. It's almost as if the world woke up one morning and realized that Canadian drillers might actually be beneficiaries of the drive to drill more horizontal oil wells. As much as the Canadian group has outperformed their U.S. counterparts over this time period, we note that year-over-year stock performance is about flat.

- ◆ We are upgrading Precision to Outperform from Market Perform. Precision's stock has pulled back 7% since its post-2Q report peak. We have no change to our outlook since then, though we believe 6.2x 2012E EBITDA and 12.1x 2012E earnings is a reasonable entry point for a company that has foreshadowed additional organic growth beyond its currently slated 8% fleet growth.
- ◆ We are downgrading Western Energy Services to Outperform from Strong Buy in consideration of the convincing share price performance since mid-July. Western's stock is up 24% over the last two weeks, while every other major drilling contractor lost ground. Western is adding two (2) rigs to its 43-rig fleet, but we might see more upside due to the impact of future upgrades to the Stoneham drilling fleet.

Exhibit 1: Expected North American Rig Builds and Fleet Growth

CANADA	Rig Fleet at 1Q11			Rigs Under Construction (1)			New Rigs (1) Contracted	North Amer Fleet Growth		
	U.S.	CAN	N. Amer TOTAL	U.S.	CAN	N. Amer TOTAL		U.S.	CAN	N. Amer TOTAL
Drilling Contractors										
Akita Drilling	-	34	34	-	1	1	1	-	3%	3%
CanElson Drilling (2)	9	18	27	2	3	5	1	22%	17%	19%
Chinook Drilling (3)	-	14	14	-	1	1	?	-	7%	7%
Ensign Energy Services	85	128	213	11	10	21	18 (4)	13%	8%	10%
Precision Drilling	154	202	356	14	16	30	27	9%	8%	8%
Savanna Energy Services	22	77	99	2	-	2	2	9%	0%	2%
Trinidad Drilling	65	55	120	4	2	6	6	6%	4%	5%
Western Energy Services	2	41	43	-	2	2	2	0%	5%	5%
CANADA Contractor Total	337	569	906	33	35	68	57	10%	6%	8%

U.S.	Rig Fleet at 1Q11			Rigs Under Construction (1)			New Rigs (1) Contracted	North Amer Fleet Growth		
	U.S.	CAN	N. Amer TOTAL	U.S.	CAN	N. Amer TOTAL		U.S.	CAN	N. Amer TOTAL
Drilling Contractors										
Helmerich & Payne	237	-	237	26	-	26	26	11%	-	11%
Nabors Industries (5)	337	82	419	29	5	34	26	9%	6%	8%
Nomac Drilling (6)	117	-	117	5	-	5 (7)	5	4%	-	4%
Patterson UTI	344	16	360	22	-	22	18	6%	0%	6%
Pioneer Drilling	63	-	63	5	-	5	5	8%	-	8%
Unit Corp	121	-	121	5	-	5	5	4%	-	4%
U.S. Total	1,219	98	1,317	92	5	97	85	8%	5%	7%
CANADA + US Contractor Total	1,556	667	2,223	125	40	165	142	8%	6%	7%

Notes: (1) Per public disclosures. (2) We allocated four of CanElson's new build rigs between Canada and the US on a pro rata basis. (3) A division of Total Energy Services. (4) Raymond James Ltd. estimate. (5) We allocated eight of Nabor's new-build rigs between Canada and the US on a pro rata basis. (6) A division of Chesapeake Energy Corp. Includes Bronco Drilling acquisition. (7) Raymond James Ltd. estimate. Chesapeake has indicated that it will add rigs this year, but has not disclosed any specifics.

Source: Raymond James Ltd., Company Reports

Oilfield Activity Summary & Industry Forecasts

Equity Indices & Energy Prices

	Price/ Level	Percent Change (%)		
		W/W	M/M	Y/Y
TSX 300 Comp	12,752	-4.1	-4.1	+8.2
TSX Oilfield index	1,787	-5.4	+7.2	+53.5
OSX	264	-5.5	-2.3	+40.6
WTI (US\$/bbl)	93.79	-5.8	-1.2	+13.6
C Par @ Edm. (\$/bbl)	94.06	-2.0	-0.3	+25.8
NYMEX (US\$/mcf)	4.16	-4.9	-3.6	-10.4
AECO-C (\$/GJ)	3.34	-2.3	-5.1	-5.9
USD/CAD	1.04	-1.7	-0.2	+6.5

Industry & Commodity Forecasts

	2009	2010	2011E	2012E
Active Drilling Rig Count	214	328	377	396
Drilling Rig Utilization	28%	41%	47%	49%
Wells Completed	9,394	13,575	16,000	16,700
Service Rig Utilization	39%	55%	59%	60%
WTI (US\$/bbl)	62.09	79.61	96.07	105.00
NYMEX (US\$/mcf)	4.16	4.38	4.26	4.25
AECO (\$/mcf)	3.99	4.18	3.59	3.58
USD/CAD	0.88	0.97	1.02	1.02

Canadian Active Rig Counts

	This Wk	Last Wk	Last Yr	13-Wk
				M.A
Active Drilling Rig Count	494	428	387	306
Total Fleet	823	811	809	810
Utilization	60%	53%	48%	38%
Active Service Rig Count	523	520	477	430
Total Fleet	903	903	910	890
Utilization	58%	58%	52%	48%

Canadian Wells & Licenses

	Year to Date		13-Wk Total	
	2011	2010	2011	2010
Total Completions	8,140	5,816	2,568	2,202
%Oil	54	49	58	54
%Horizontal + Directional	74	66	86	79
%Vertical	26	34	14	21
Well Licenses	9,232	7,564	3,846	3,296
Total Meters Drilled (000s)	13,214	10,098	4,178	4,364
%Development	82	78	83	75
Avg. Well Depths (meters)	2,434	2,183	710	1,095

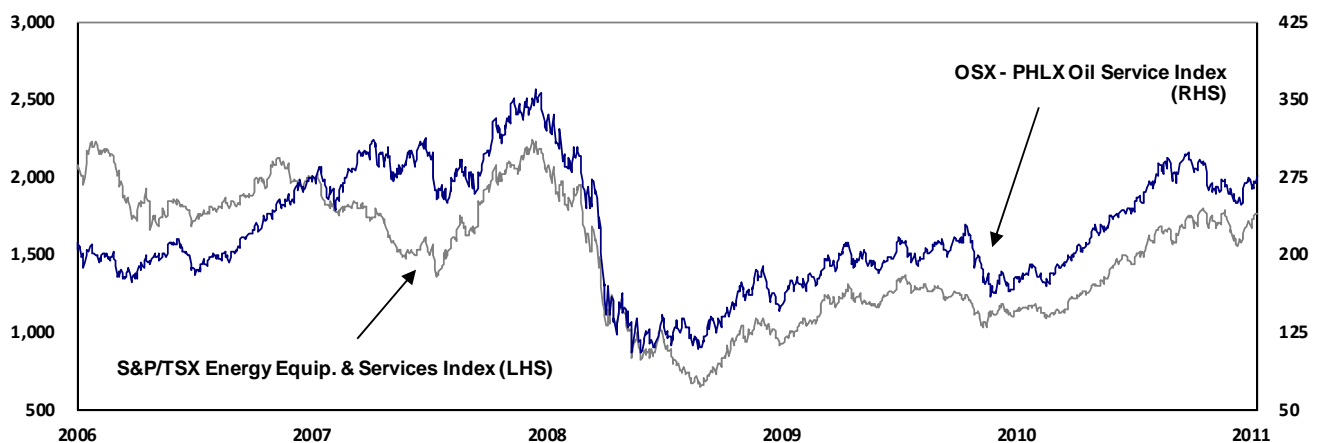
US Active Rig Count

	This Wk	Last Wk	Last Yr	13-Wk
				M.A
Total US Rig Count	1,908	1,916	1,586	1,869
%Oil	54	53	38	53
%Horizontal + Directional	69	70	68	70
%Vertical	31	30	32	30
Total Land	1,871	1,879	1,570	1,835
%Oil	54	54	39	53
Gulf of Mexico	37	37	16	34
%Oil	51	51	31	49

International Active Rig Count

	Jun-11	May-11	Apr-11	Mar-11
International Rig Count	1,158	1,151	1,129	1,147
%Oil / %Land	76 / 74	76 / 73	77 / 74	77 / 74
Australia	15	10	12	10
%Oil / %Land	60 / 53	30 / 30	33 / 42	40 / 50
South America	438	410	402	415
%Oil / %Land	87 / 80	87 / 80	88 / 81	88 / 81
Continental Europe	86	77	82	92
%Oil / %Land	47 / 69	47 / 66	52 / 68	54 / 68

S&P/TSX Energy Equipment & Services Index vs. OSX Phil. Oil Services Sector Index



All figures in C\$, unless otherwise noted.

Sources: Raymond James Ltd., Bloomberg, Nickle's Energy Group, Baker Hughes

Canadian Oilfield Activity Charts

a. Drilling Contractor Utilization – Weekly Observed and Actual Reported Rates

Drilling Contractor	Weekly Observed Utilization (%)				2009												2011
	This Week	Last Week	Last Year	13-Week M.Avg.	2008	2009					2010					2011	
						Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	
Akita Drilling	81	70	54	49	42	45	16	26	37	31	49	25	39	31	36	62	
Ensign Group	63	55	56	37	36	30	7	18	25	20	42	13	31	37	31	52	
Nabors Drilling	47	41	25	33	42	39	13	15	27	24	44	22	33	46	36	61	
Precision Drilling	58	54	50	35	38	33	11	20	28	23	50	19	37	47	38	61	
Savanna	54	40	46	41	42	31	5	19	31	22	54	18	40	47	40	64	
Trinidad Drilling	80	76	68	51	55	50	14	36	43	36	67	34	56	65	55	81	
Western (Horizon)	53	61	91	51	50	55	9	30	45	35	46	46	61	65	57	85	
INDUSTRY	60	53	48	38	42	36	11	21	32	25	53	20	41	49	41	67	

Historical utilization rates shown for Canadian drilling rig operations where available

Ensign Group includes: Big Sky Drilling, Ensign Drilling and Champion Drilling

Savanna includes: Lakota Drilling and Trailblazer Drilling

Prior to 1Q10, Western (Horizon) figures estimated using Nickle's utilization data

b. Drilling Contractor Utilization – Weekly Observed Rates by Depth Quartile

Depth Quartile		Rigs (% of fleet) Utilization	Ensign Group	Precision Drilling	Savanna	Trinidad Drilling	Western (Horizon)	INDUSTRY
Depth Range (m) / Average Depth (m)								
Q1	80 - 1,800m / 1,375 m		40 (33%) 38%	34 (17%) 29%	30 (42%) 17%	17 (31%) 71%	1 (3%) 0%	32%
Q2	1,900 - 3,000m / 2,519 m		33 (27%) 85%	69 (34%) 57%	9 (13%) 78%	5 (9%) 100%	3 (8%) 67%	69%
Q3	3,000 - 3,500m / 3,282 m		35 (29%) 74%	55 (27%) 71%	14 (19%) 71%	14 (26%) 93%	19 (53%) 42%	71%
Q4	3,500 - 6,100m / 4,168 m		13 (11%) 54%	45 (22%) 64%	19 (26%) 89%	18 (33%) 72%	13 (36%) 69%	68%
Total	80 - 6,100m / 2,817 m		121 63%	203 58%	72 54%	54 80%	36 53%	823 60%

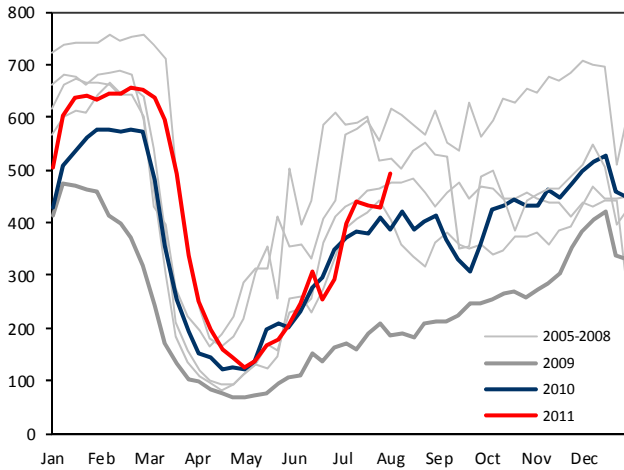
Ensign Group includes: Big Sky Drilling, Ensign Drilling and Champion Drilling

Savanna includes: Lakota Drilling and Trailblazer Drilling

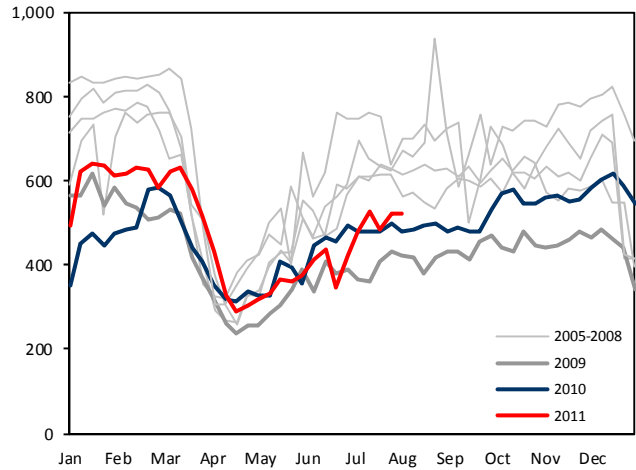
Sources: Nickle's Energy Group, Company reports, Raymond James Ltd.

Canadian Oilfield Activity Charts (continued)

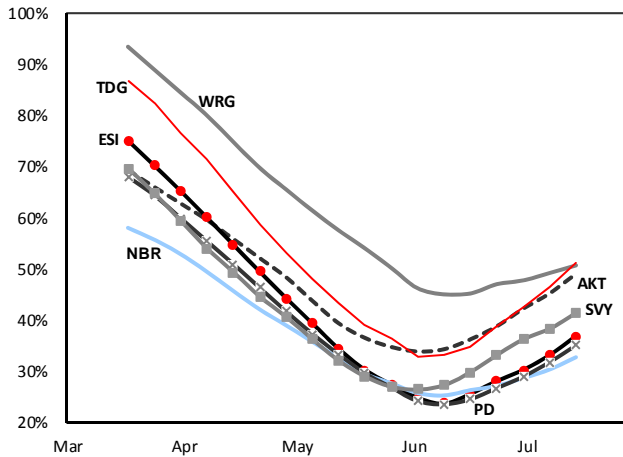
a. Weekly Rig Count



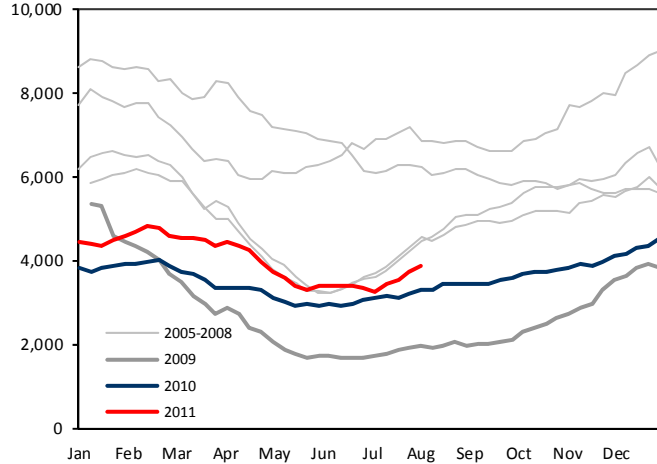
b. Weekly Service Rig Count



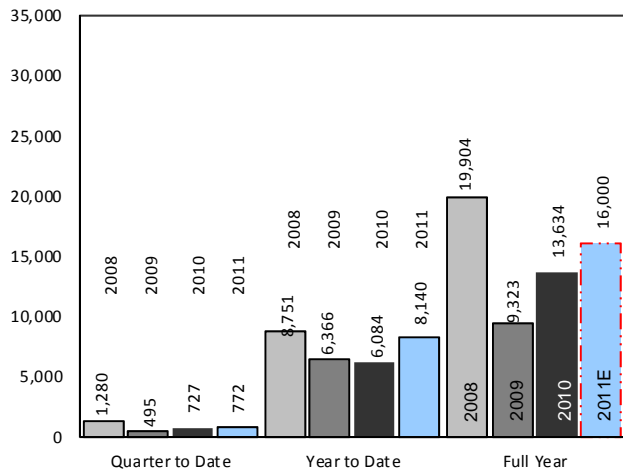
c. Contractor Utilization (13-Wk MA)



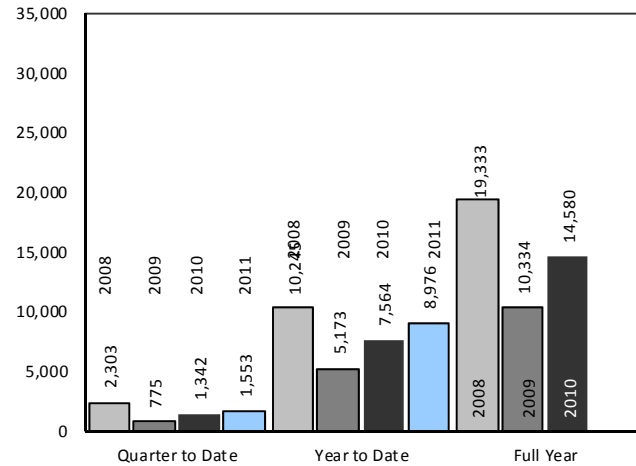
d. Well Licenses (13-Wk Total)



e. Well Completions



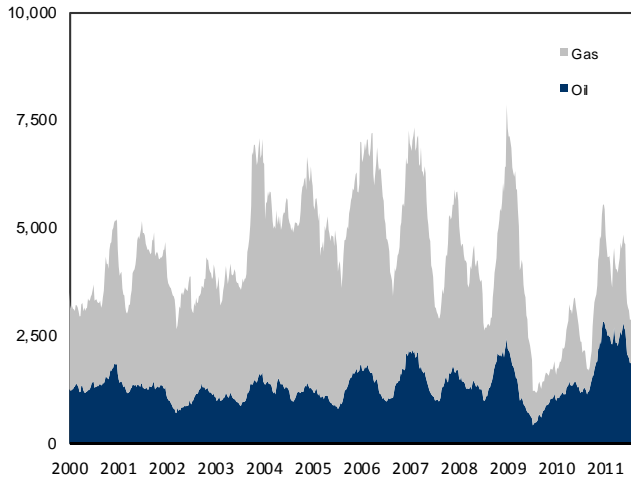
f. Well Licenses



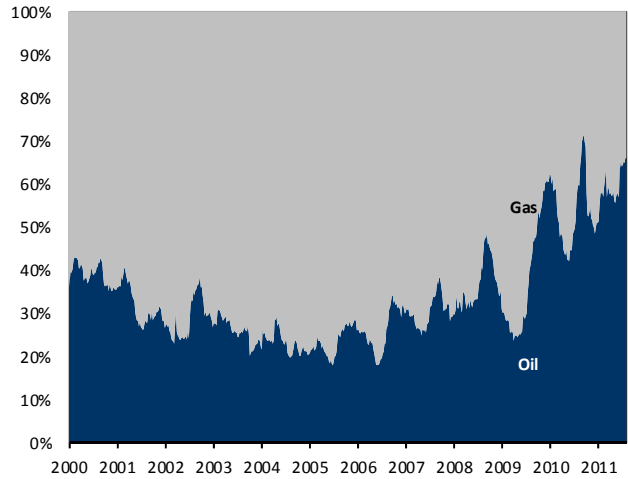
Sources: Nickle's Energy Group, CAODC, Raymond James Ltd.

Canadian & U.S. Oilfield Activity Charts

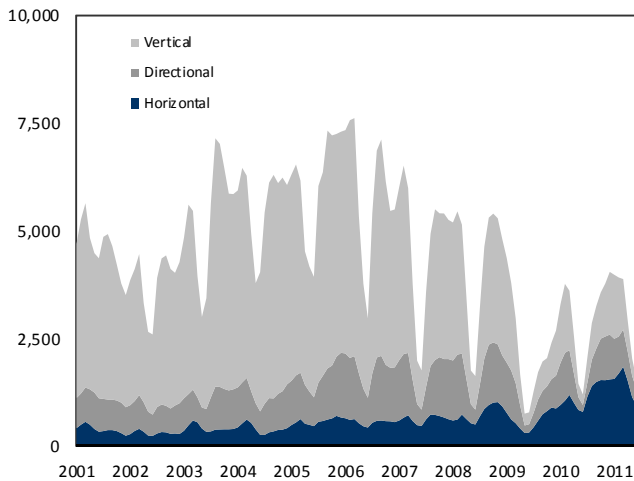
a. WCSB Well Completions (3-M RT)



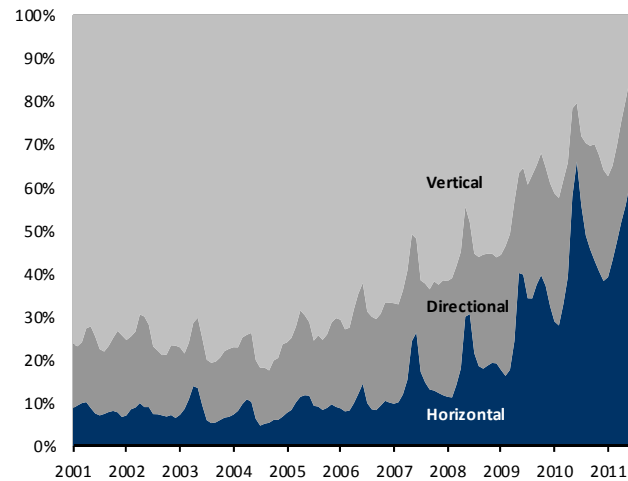
b. WCSB Well Completions (%)



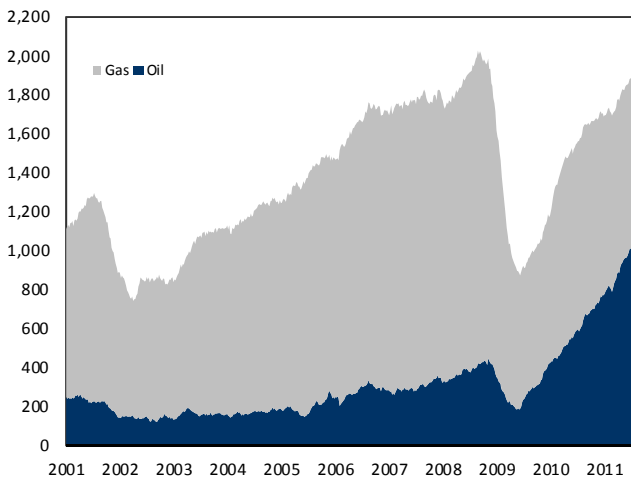
c. WCSB Well Completions by Type (3-M RT)



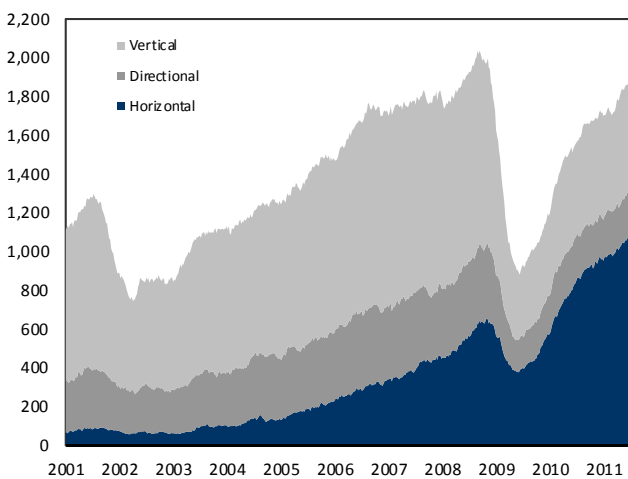
d. WCSB Well Completions by Type (%)



e. U.S. Active Rig Count



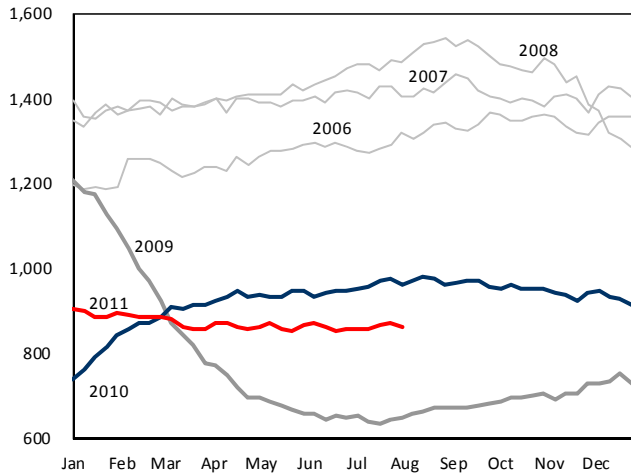
f. U.S. Active Rig Count by Well Type



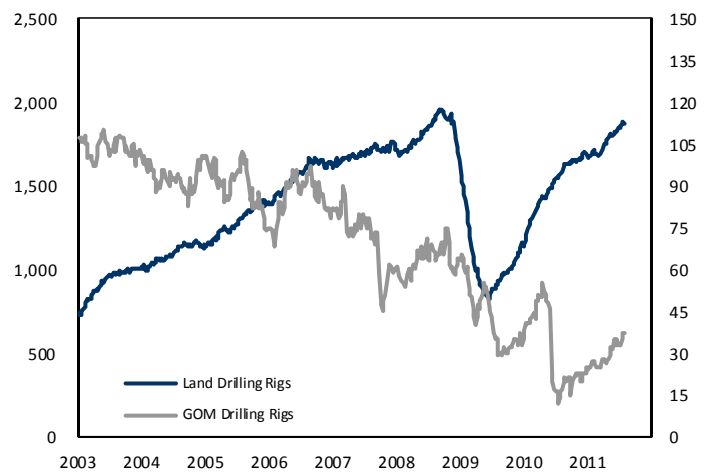
Sources: Nickle's Energy Group, Baker Hughes

U.S. & International Oilfield Activity Charts

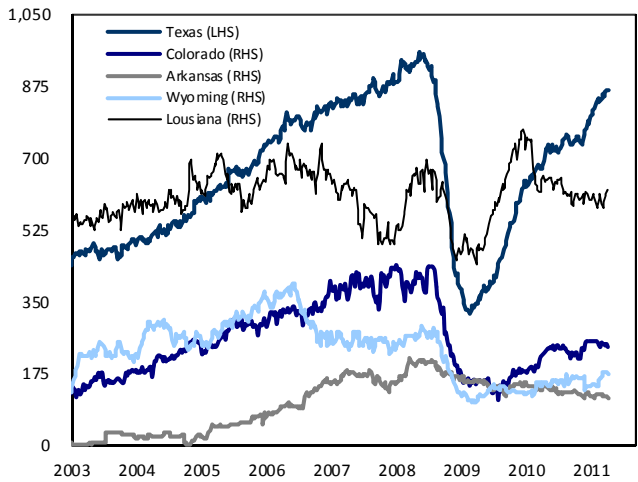
a. U.S. Active Land Rigs Targeting Gas



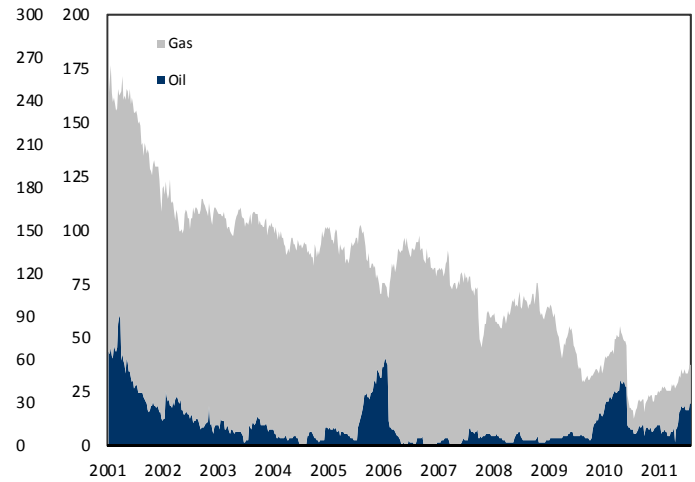
b. U.S. Active Land and GoM Rig Count



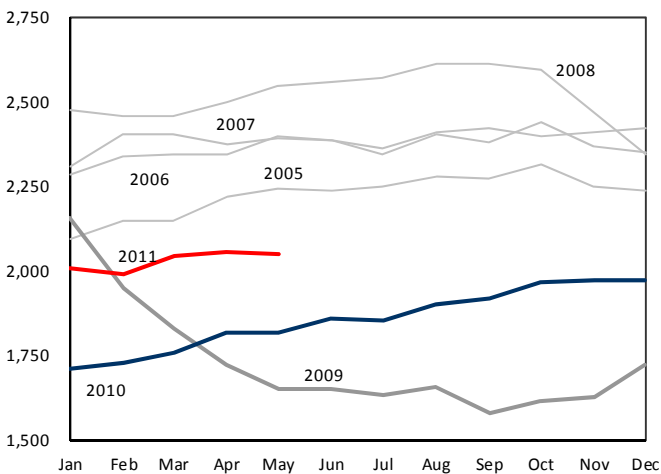
c. U.S. State Drilling Rig Counts



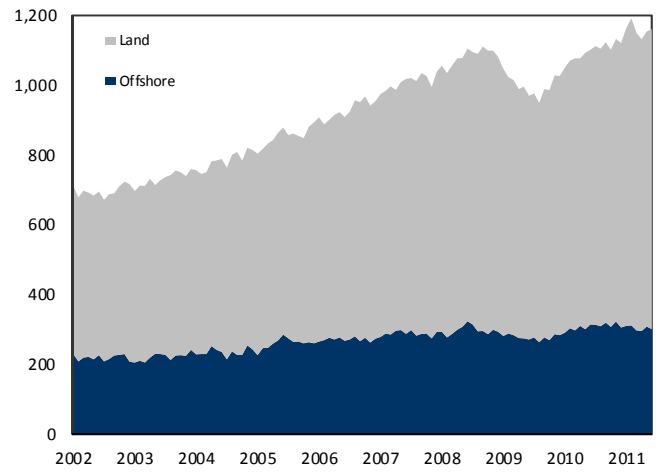
d. U.S. GoM Active Rig Count



e. U.S. Active Well Service Rig Count



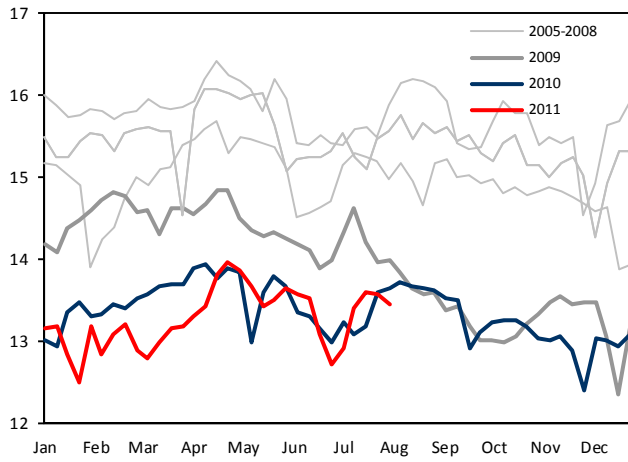
f. International Active Rig Count



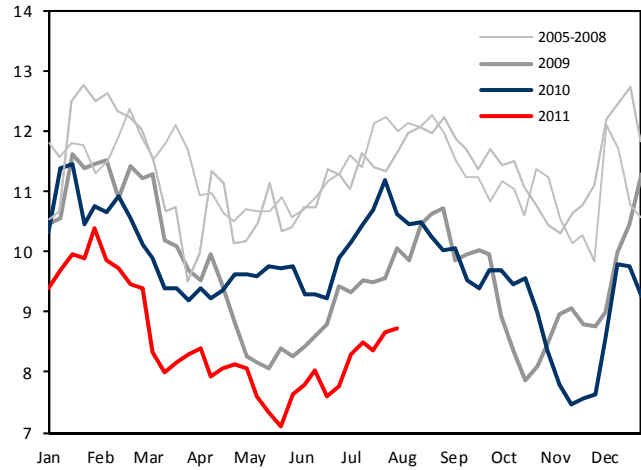
Sources: EIA, Baker Hughes, Raymond James Ltd.

Natural Gas Charts

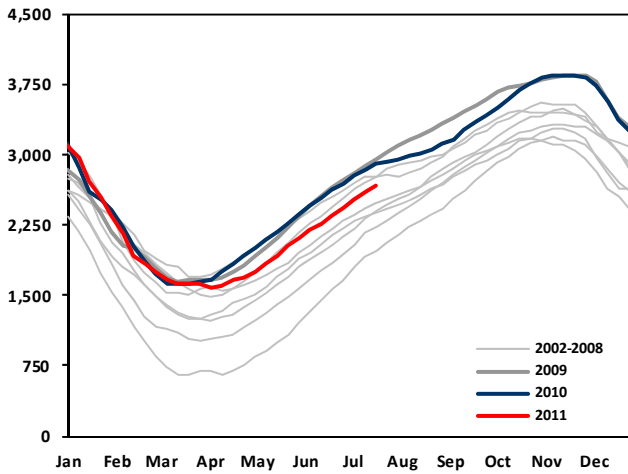
a. Cdn Natural Gas Production (Bcf/d)



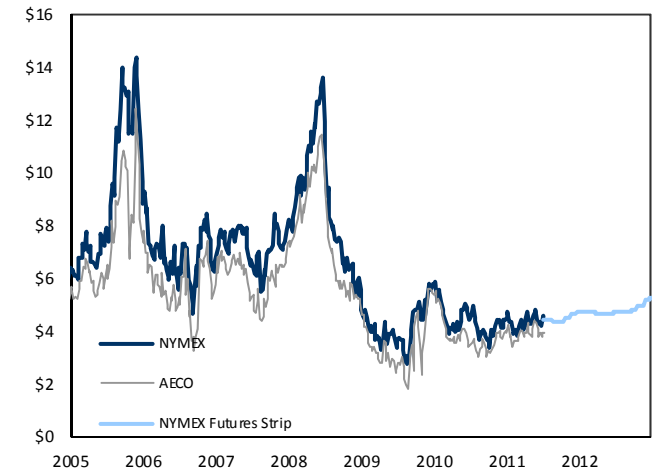
b. Cdn Natural Gas Exports to U.S. (Bcf/d)



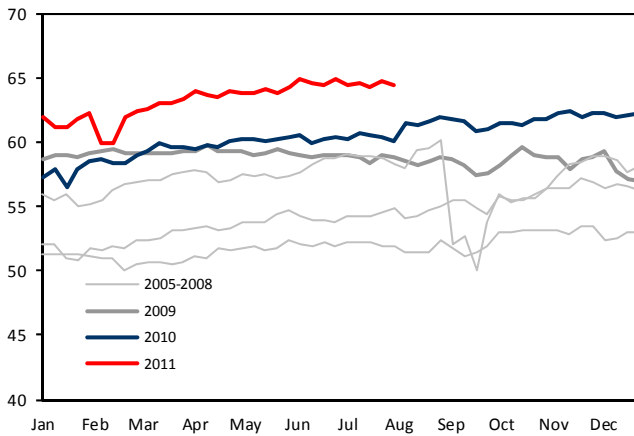
c. US Natural Gas Storage (Bcf)



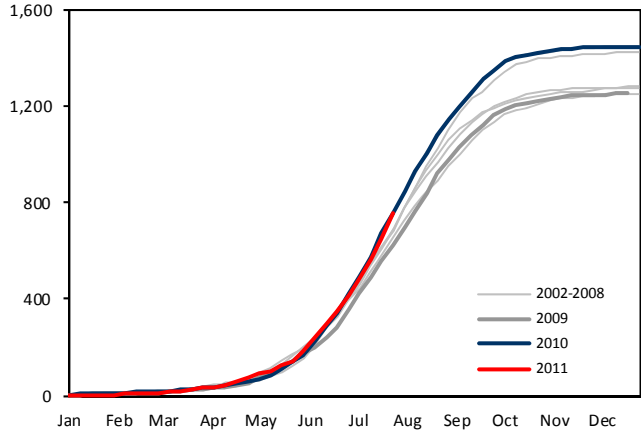
d. North American Gas Prices (US\$/mcf)



e. U.S. Natural Gas Production (Bcf/d)



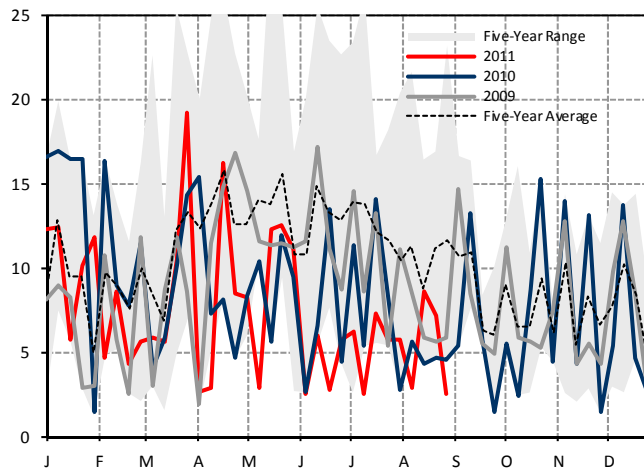
f. Cumulative Cooling Degree Days



Sources: Bloomberg, NOAA, Bentek Energy, Raymond James Ltd.

Natural Gas Charts (continued)

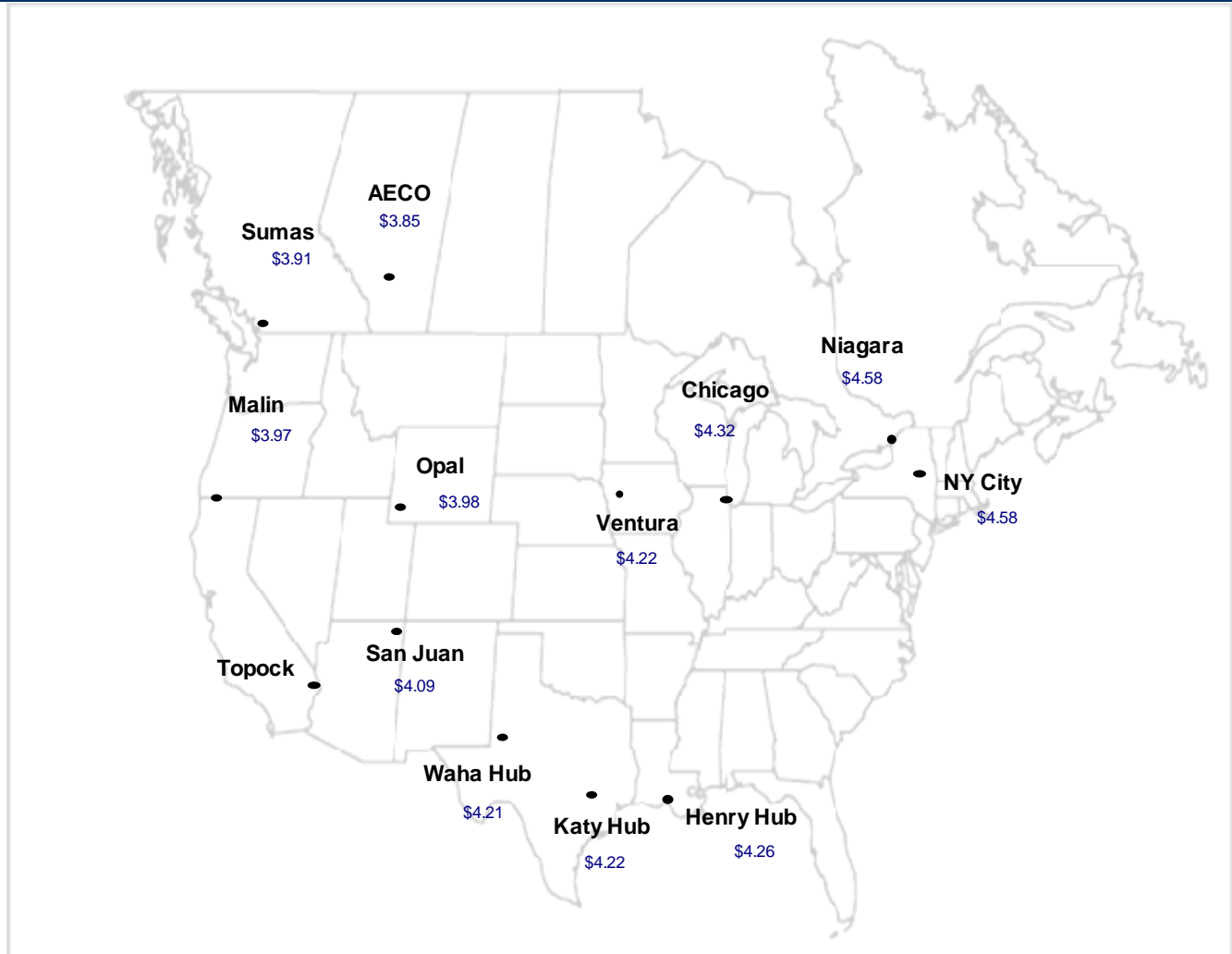
a. Weekly U.S. LNG Imports (Bcf)



b. LNG Netbacks - Landed (US\$/mcf)

Destination Port	May-11	Jun-11	Jul-11
Cove Point	\$4.40	\$4.40	\$4.39
Altamira	\$4.51	\$4.57	\$4.53
Lake Charles	\$3.87	\$3.93	\$3.89
Spain	\$9.55	\$9.15	\$9.18
Belgium	\$9.35	\$9.07	\$8.63
UK	\$9.25	\$8.99	\$8.39
India	\$11.80	\$12.00	\$13.73
Japan	\$12.25	\$13.10	\$14.47
Korea	\$12.25	\$13.10	\$14.38

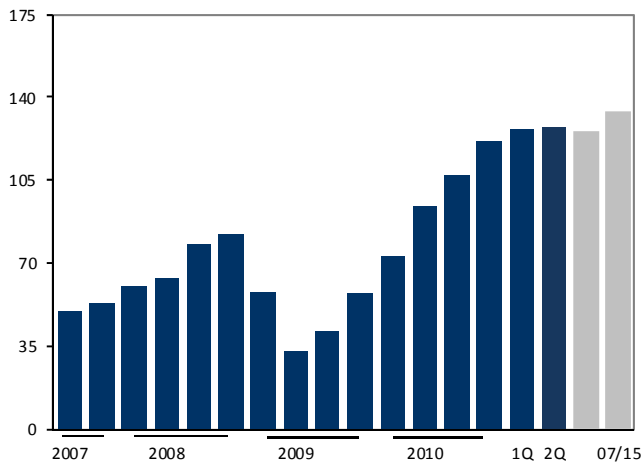
c. N.A. Gas Spot Prices (US\$/mcf)



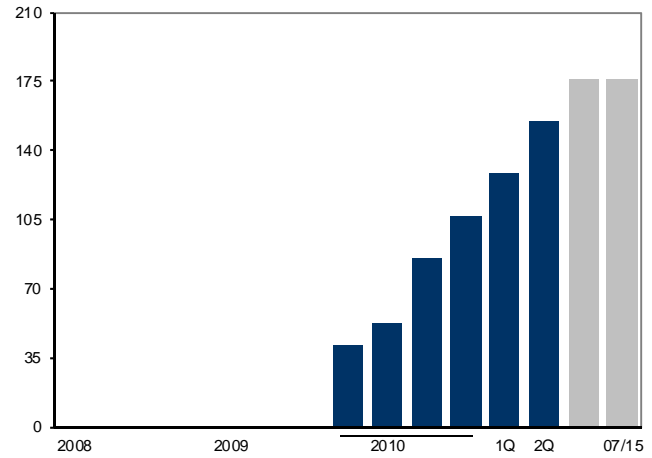
Sources: Bloomberg, Waterborne Energy, Raymond James Ltd.

U.S. Unconventional Rig Counts

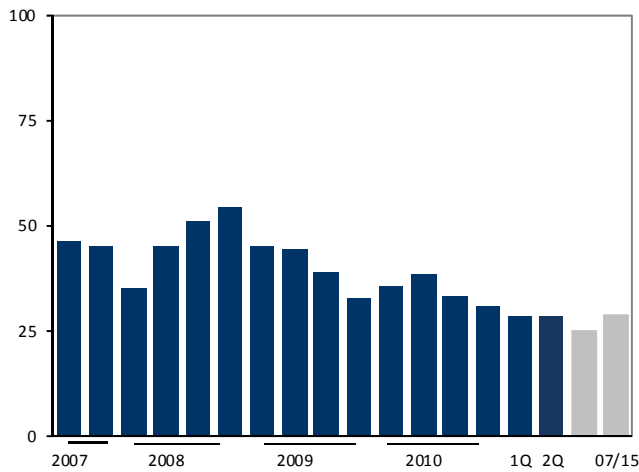
a. U.S. Bakken Shale Active Rigs



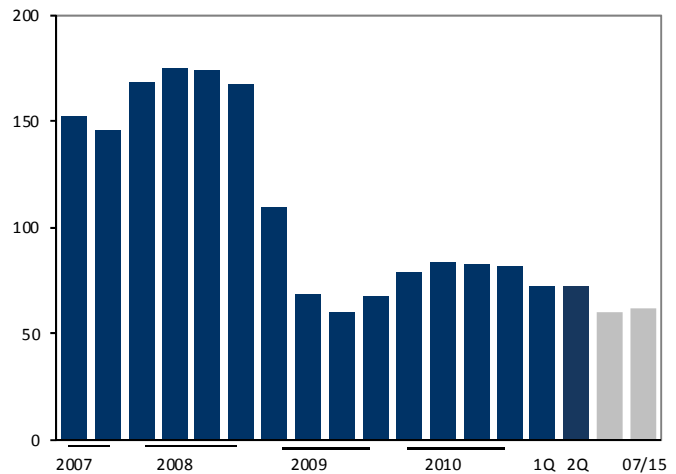
b. Eagle Ford Shale Active Rigs



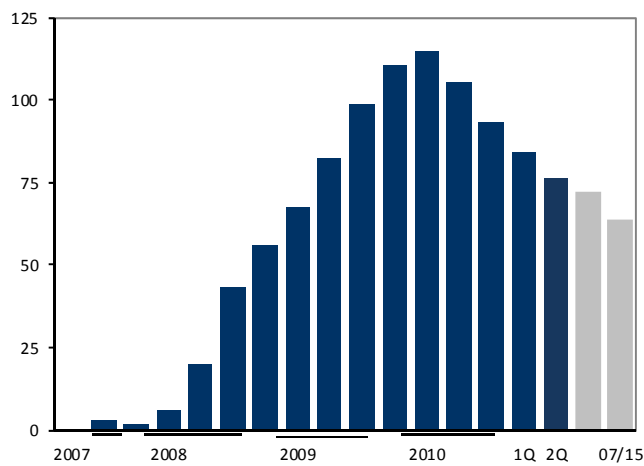
c. U.S. Fayetteville Shale Active Rigs



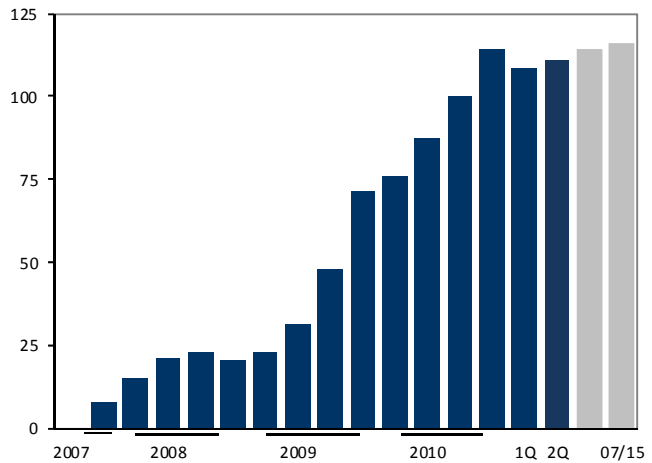
d. U.S. Barnett Shale Active Rigs



e. U.S. Haynesville (La.) Shale Active Rigs



f. U.S. Marcellus Shale Active Rigs



Sources: The Land Rig Newsletter

Energy Services

Company Name	Symbol	Closing Price	Target Price	Stock Rating	Target Return	Mkt Cap (\$m)	Dividends		EPS (¢)		P/E (x)		EV/EBITDA		ROIC		Analyst		
							\$/sh	Yield	11E	12E	11E	12E	11E	12E	11E	12E			
Contract Drillers																			
Ensign	ESI	\$19.96	\$24.25	OP 2	23.4%	\$3,053	\$0.38	1.9%	\$1.47	\$1.94	13.6x	10.3x	\$499	\$631	6.7x	5.6x	12.4%	13.8%	AB
Precision	PD	\$15.67	\$18.25	OP 2	16.5%	\$4,323	\$0.00	0.0%	\$0.94	\$1.29	16.7x	12.1x	\$682	\$840	7.4x	6.2x	11.7%	13.5%	AB
Savanna	SVY	\$9.45	\$11.75	OP 2	24.3%	\$781	\$0.00	0.0%	\$0.50	\$0.82	18.9x	11.5x	\$128	\$175	7.2x	5.5x	5.8%	8.1%	AB
Trinidad	TDG	\$9.61	\$12.50	SB 1	32.2%	\$1,161	\$0.20	2.1%	\$0.55	\$0.81	17.5x	11.8x	\$253	\$300	6.8x	5.4x	7.6%	9.7%	AB
Western	WRG	\$9.70	\$11.00	OP 2	13.4%	\$568	\$0.00	0.0%	\$0.89	\$0.87	10.9x	11.2x	\$87	\$112	7.0x	6.1x	13.1%	10.8%	AB
Pressure Pumpers																			
Calfrac	CFW	\$36.15	\$48.00	SB 1	33.2%	\$1,579	\$0.15	0.4%	\$2.74	\$3.62	13.2x	10.0x	\$320	\$417	6.0x	4.6x	15.9%	17.4%	AB
Canyon	FRC	\$14.81	\$22.25	SB 1	50.9%	\$899	\$0.10	0.7%	\$1.36	\$2.05	10.9x	7.2x	\$156	\$229	5.6x	3.7x	35.6%	37.8%	AB
GasFrac	GFS	\$10.25	\$13.50	OP 2	31.7%	\$826	\$0.00	0.0%	\$0.23	\$1.14	43.7x	9.0x	\$42	\$133	13.8x	4.5x	6.6%	23.4%	AB
Tritan	TCW	\$24.50	\$31.00	SB 1	26.9%	\$3,550	\$0.10	0.4%	\$1.81	\$1.94	13.6x	12.6x	\$572	\$672	6.4x	5.3x	20.8%	17.7%	AB
Completion Services																			
Essential	ESN	\$2.15	\$3.10	SB 1	44.2%	\$265	\$0.00	0.0%	\$0.25	\$0.34	8.5x	6.3x	\$65	\$94	4.1x	3.3x	10.8%	13.2%	AB
Pure	PSV	\$8.17	\$11.00	SB 1	34.6%	\$196	\$0.00	0.0%	\$0.78	\$1.16	10.5x	7.0x	\$45	\$63	4.9x	3.3x	13.7%	18.3%	AB
Field Services																			
Black Diamond	BDI	\$32.10	\$34.00	OP 2	9.5%	\$593	\$1.14	3.6%	\$2.00	\$2.28	16.0x	14.1x	\$85	\$96	7.6x	6.6x	12.6%	14.2%	AB
Enerflex	EFX	\$11.47	\$14.50	OP 2	28.5%	\$885	\$0.24	2.1%	\$0.64	\$0.88	17.9x	13.1x	\$125	\$140	8.2x	6.6x	5.4%	6.8%	AB
Mullen	MTL	\$22.45	\$23.25	MP 3	8.0%	\$1,795	\$1.00	4.5%	\$1.20	\$1.18	18.8x	19.1x	\$265	\$279	8.4x	7.9x	11.0%	10.6%	AB
Secure	SES	\$8.71	\$10.25	MP 3	17.7%	\$776	\$0.00	0.0%	\$0.45	\$0.63	19.4x	13.9x	\$68	\$100	10.0x	7.5x	12.6%	14.7%	AB
Sirad	SDY	\$4.51	\$6.50	SB 1	44.1%	\$168	\$0.00	0.0%	\$0.32	\$0.54	14.0x	8.4x	\$48	\$66	4.4x	3.3x	8.8%	12.7%	AB
Median					27.7%			0.2%	\$0.84	\$1.15	15.0x	11.4x	6.9x	5.4x			12.0%	13.6%	

Completion Services

Essential Energy Services Ltd. ESN-TSX

Rating: Strong Buy

Current Price(Aug-01-11)	C\$2.20	Target Price (6-12 mos)	C\$3.10
52-Week Range	C\$2.50 - C\$1.13	Total Return to Target	46%
Market Capitalization (mln)	C\$262	Dividend/Yield	C\$0.00/0.0%
Units Outstanding (mln, f.d.)	130.0	Current Net Debt (mln)	C\$54
Average Daily Volume (000s)	313	Enterprise Value (mln)	C\$316

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.05	C\$(0.07)	C\$0.02	C\$0.06	C\$0.07	C\$167	C\$28	24.1x	5.1x
Old 2011E	0.08A	(0.01)	0.07	0.10	0.25	282	57		
New 2011E	0.08A	(0.01)	0.07	0.10	0.25	282	57	8.5x	4.0x
Old 2012E	0.11	0.04	0.07	0.12	0.34	358	78		
New 2012E	0.11	0.04	0.07	0.12	0.34	358	78	6.2x	3.3x

	EBITDA	Capex	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(tangible)		
2010A	C\$29	C\$20	C\$2.29	0.0x	3.0%
Old 2011E	65	211	2.31	1.2x	11.8%
New 2011E	65	211	2.31	1.2x	11.8%
Old 2012E	94	12	2.68	0.2x	14.4%
New 2012E	94	12	2.68	0.2x	14.4%

Source: Raymond James Ltd., Thomson One

Pure Energy Services Ltd. PSV-TSX

Rating: Strong Buy

Current Price(Aug-01-11)	C\$8.15	Target Price (6-12 mos)	C\$11.00
52-Week Range	C\$8.60 - C\$2.85	Total Return to Target	38%
Market Capitalization (mln)	C\$192	Dividend/Yield	C\$0.00/0.0%
Shares Outstanding (mln, f.d.)	25.7	Current Net Debt (mln)	C\$20
Average Daily Volume (000s)	54	Enterprise Value (mln)	C\$212

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.10	C\$(0.16)	C\$0.11	C\$0.19	C\$0.24	C\$189	C\$26	33.2x	8.8x
Old 2011E	0.29A	(0.09)	0.24	0.34	0.78	227	44		
New 2011E	0.29A	(0.09)	0.24	0.34	0.78	227	44	10.3x	4.8x
Old 2012E	0.40	0.07	0.31	0.39	1.16	260	62		
New 2012E	0.40	0.07	0.31	0.39	1.16	260	62	6.9x	3.2x

	EBITDA	Capex	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(tangible)		
2010A	C\$24	C\$11	C\$4.94	0.8x	5.0%
Old 2011E	45	61	5.63	1.0x	16.0%
New 2011E	45	61	5.63	1.0x	16.0%
Old 2012E	63	5	6.88	0.0x	20.1%
New 2012E	63	5	6.88	0.0x	20.1%

Source: Raymond James Ltd., Thomson One

Contract Drillers

Ensign Energy Services Inc. ESI-TSX

Rating: **Outperform**

Current Price(Aug-01-11)	C\$20.58	Target Price (6-12 mos)	C\$24.25
52-Week Range	C\$21.51 - C\$11.38	Total Return to Target	20%
Market Capitalization (mln)	C\$3,137	Dividend/Yield	C\$0.38/1.9%
Shares Outstanding (mln, f.d.)	165.8	Current Net Debt (mln)	C\$670
Average Daily Volume (000s)	321	Enterprise Value (mln)	C\$3,808

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.25	C\$0.05	C\$0.15	C\$0.25	C\$0.71	C\$1,356	C\$297	29.1x	10.2x
Old 2011E	0.63A	0.16	0.33	0.46	1.47	1,817	459		
New 2011E	0.63A	0.16	0.33	0.46	1.47	1,817	459	13.9x	6.9x
Old 2012E	0.73	0.29	0.43	0.49	1.94	2,165	546		
New 2012E	0.73	0.29	0.43	0.49	1.94	2,165	546	10.5x	5.7x

	EBITDA	Capex	Dividend	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(mln)	(tangible)		
2010A	C\$311	C\$256	C\$55	C\$10.26	0.5x	7.2%
Old 2011E	499	832	58	11.12	1.3x	13.6%
New 2011E	499	832	58	11.12	1.3x	13.6%
Old 2012E	631	105	58	12.74	0.9x	16.7%
New 2012E	631	105	58	12.74	0.9x	16.7%

Source: Raymond James Ltd., Thomson One

Precision Drilling Corporation PD-TSX

Rating Old: Market Perform

Rating New: **Outperform**

Current Price(Aug-01-11)	C\$15.67	Target Price (6-12 mos)	C\$18.25
52-Week Range	C\$17.20 - C\$6.22	Total Return to Target	17%
Market Capitalization (mln)	C\$4,323	Dividend/Yield	C\$0.00/0.0%
Shares Outstanding (mln, f.d.)	297.2	Current Net Debt (mln)	C\$885
Average Daily Volume (000s)	1,336	Enterprise Value (mln)	C\$5,208

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.17	C\$(0.11)	C\$0.15	C\$0.31	C\$0.53	C\$1,430	C\$374	30.6x	11.1x
Old 2011E	0.30A	0.06A	0.26	0.31	0.94	1,885	602		
New 2011E	0.30A	0.06A	0.26	0.31	0.94	1,885	602	16.7x	7.4x
Old 2012E	0.44	0.14	0.33	0.38	1.29	2,139	710		
New 2012E	0.44	0.14	0.33	0.38	1.29	2,139	710	12.1x	6.2x

	EBITDA	Capex	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(tangible)		
2010A	C\$451	C\$164	C\$5.53	1.8x	5.8%
Old 2011E	682	870	6.09	1.5x	13.4%
New 2011E	682	870	6.09	1.5x	13.4%
Old 2012E	840	283	7.47	0.9x	16.1%
New 2012E	840	283	7.47	0.9x	16.1%

Source: Raymond James Ltd., Thomson One

Contract Drillers

Savanna Energy Services SVY-TSX

Rating: Outperform

Current Price(Aug-01-11)	C\$9.77	Target Price (6-12 mos)	C\$11.75
52-Week Range	C\$10.80 - C\$5.06	Total Return to Target	29%
Market Capitalization (mln)	C\$754	Dividend/Yield	C\$0.00/0.0%
Shares Outstanding (mln, f.d.)	87.7	Current Net Debt (mln)	C\$117
Average Daily Volume (000s)	167	Enterprise Value (mln)	C\$871

Adjusted EPS	1Q Mar	2Q Jun	3Q Sep	4Q Dec	Full Year	Revenue (mln)	Operating Cash Flow (mln)	P/E	EV/EBITDA
2010A	C\$0.12	C\$(0.10)	C\$0.02	C\$0.07	C\$0.11	C\$438	C\$82	86.8x	10.7x
Old 2011E	0.19A	(0.02)	0.10	0.21	0.50	604	121		
New 2011E	0.19A	(0.02)	0.10	0.21	0.50	604	121	18.3x	7.0x
Old 2012E	0.33	0.06	0.16	0.26	0.82	708	150		
New 2012E	0.33	0.06	0.16	0.26	0.82	708	150	11.1x	5.3x

	EBITDA (mln)	Capex (mln)	Dividend (mln)	BVPS (tangible)	Debt/EBITDA	ROE
2010A	C\$75	C\$95	C\$2	C\$9.84	1.7x	1.1%
Old 2011E	128	229	0	9.93	1.7x	5.2%
New 2011E	128	229	0	9.93	1.7x	5.2%
Old 2012E	175	54	0	10.37	0.9x	8.0%
New 2012E	175	54	0	10.37	0.9x	8.0%

Source: Raymond James Ltd., Thomson One

Trinidad Drilling Ltd. TDG-TSX

Rating: Strong Buy

Current Price(Aug-01-11)	C\$9.99	Target Price (6-12 mos)	C\$12.50
52-Week Range	C\$11.21 - C\$4.86	Total Return to Target	54%
Market Capitalization (mln)	C\$996	Dividend/Yield	C\$0.20/2.4%
Shares Outstanding (mln, f.d.)	126.9	Current Net Debt (mln)	C\$549
Average Daily Volume (000s)	482	Enterprise Value (mln)	C\$1,545

Adjusted EPS	1Q Mar	2Q Jun	3Q Sep	4Q Dec	Full Year	Revenue (mln)	Cash Flow (mln)	P/E	EV/EBITDA
2010A	C\$0.06	C\$(0.02)	C\$0.05	C\$0.14	C\$0.26	C\$647	C\$147	31.7x	8.0x
Old 2011E	0.14A	0.02	0.17	0.21	0.55	754	206		
New 2011E	0.14A	0.02	0.17	0.21	0.55	754	206	15.0x	6.2x
Old 2012E	0.24	0.11	0.21	0.25	0.81	841	240		
New 2012E	0.24	0.11	0.21	0.25	0.81	841	240	10.1x	4.9x

	EBITDA (mln)	Capex (mln)	Dividend (mln)	BVPS (tangible)	Debt/EBITDA	ROE
2010A	C\$198	C\$116	C\$24	C\$5.74	3.1x	-2.5%
Old 2011E	253	103	24	6.10	2.1x	8.3%
New 2011E	253	103	24	6.10	2.1x	8.3%
Old 2012E	300	67	24	6.75	1.5x	11.7%
New 2012E	300	67	24	6.75	1.5x	11.7%

Source: Raymond James Ltd., Thomson One

Contract Drillers

Western Energy Services Corp. WRG-TSXV				Rating Old: Strong Buy	Rating New: Outperform
Current Price(Aug-01-11)	C\$9.80			Target Price (6-12 mos)	C\$11.00
52-Week Range	C\$9.90 - C\$3.80			Total Return to Target	38%
Market Capitalization (mln)	C\$465			Dividend/Yield	C\$0.00/0.0%
Shares Outstanding (mln, f.d.)	63.1			Current Net Debt (mln)	C\$124
Average Daily Volume (000s)	110			Enterprise Value (mln)	C\$590

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.00	C\$0.00	C\$0.01	C\$0.01	C\$0.02	C\$68	C\$17	13.4x	10.6x
Old 2011E	0.27A	0.06	0.25	0.33	0.89	244	82		
New 2011E	0.27A	0.06	0.25	0.33	0.89	244	82	8.9x	5.9x
Old 2012E	0.34	0.11	0.19	0.23	0.87	321	106		
New 2012E	0.34	0.11	0.19	0.23	0.87	321	106	9.2x	5.1x

	EBITDA	Capex	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(tangible)		
2010A	C\$20	C\$56	C\$0.25	2.4x	10.8%
Old 2011E	87	211	6.76	1.7x	15.8%
New 2011E	87	211	6.76	1.7x	15.8%
Old 2012E	112	38	7.69	0.7x	12.6%
New 2012E	112	38	7.69	0.7x	12.6%

Source: Raymond James Ltd., Thomson One

Black Diamond Group Ltd. BDI-TSX				Rating: Outperform	
Current Price(Aug-01-11)	C\$31.90			Target Price (6-12 mos)	C\$34.00
52-Week Range	C\$32.25 - C\$16.29			Total Return to Target	14%
Market Capitalization (mln)	C\$567			Dividend/Yield	C\$1.14/3.7%
Shares Outstanding (mln, f.d.)	19.7			Current Net Debt (mln)	C\$56
Average Daily Volume (000s)	25			Enterprise Value (mln)	C\$623

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.30	C\$0.21	C\$0.26	C\$0.38	C\$1.16	C\$140	C\$47	26.5x	10.9x
Old 2011E	0.59A	0.45	0.47	0.50	2.00	211	77		
New 2011E	0.59A	0.45	0.47	0.50	2.00	211	77	15.3x	7.3x
Old 2012E	0.59	0.50	0.57	0.61	2.28	212	81		
New 2012E	0.59	0.50	0.57	0.61	2.28	212	81	13.5x	6.3x

	EBITDA	Capex	Dividend	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(mln)	(tangible)		
2010A	C\$50	C\$98	C\$17	C\$9.15	1.5x	9.6%
Old 2011E	85	80	20	11.66	0.8x	15.5%
New 2011E	85	80	20	11.66	0.8x	15.5%
Old 2012E	96	6	20	13.03	0.2x	16.0%
New 2012E	96	6	20	13.03	0.2x	16.0%

Source: Raymond James Ltd., Thomson One

Field Services

Enerflex Ltd. EFX-TSX

Rating: Outperform

Current Price(Aug-01-11)	C\$11.74	Target Price (6-12 mos)	C\$14.50
52-Week Range	C\$0.00 - C\$0.00	Total Return to Target	26%
Market Capitalization (mln)	C\$955	Dividend/Yield	C\$0.24/2.0%
Shares Outstanding (mln, f.d.)	78.2	Current Net Debt (mln)	C\$124
Average Daily Volume (000s)	0	Enterprise Value (mln)	C\$1,079

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenues	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	na	na	na	na	C\$0.21	C\$1,125	C\$35	59.7x	14.9x
Old 2011E	0.12A	0.16	0.17	0.20	0.64	1,401	88		
New 2011E	0.12A	0.16	0.17	0.20	0.64	1,401	88	18.3x	8.3x
Old 2012E	0.23	0.20	0.22	0.24	0.88	1,453	107		
New 2012E	0.23	0.20	0.22	0.24	0.88	1,453	107	13.4x	6.7x

	EBITDA	Dividend	Debt/EBITDA
	(mln)	(mln)	
2010A	C\$78	C\$0	2.8x
Old 2011E	125	9	1.0x
New 2011E	125	9	1.0x
Old 2012E	140	19	0.4x
New 2012E	140	19	0.4x

Source: Raymond James Ltd., Thomson One

Mullen Group Ltd. MTL-TSX

Rating: Market Perform

Current Price(Aug-01-11)	C\$22.25	Target Price (6-12 mos)	C\$23.25
52-Week Range	C\$23.23 - C\$13.77	Total Return to Target	8%
Market Capitalization (mln)	C\$1,798	Dividend/Yield	C\$1.00/4.4%
Shares Outstanding (mln, f.d.)	93.6	Current Net Debt (mln)	C\$477
Average Daily Volume (000s)	130	Enterprise Value (mln)	C\$2,275

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.24	C\$0.03	C\$0.23	C\$0.27	C\$0.78	C\$1,040	C\$150	28.6x	10.8x
Old 2011E	0.41A	0.19A	0.27	0.33	1.20	1,277	225		
New 2011E	0.41A	0.19A	0.27	0.33	1.20	1,277	225	18.8x	8.4x
Old 2012E	0.39	0.15	0.29	0.34	1.18	1,281	197		
New 2012E	0.39	0.15	0.29	0.34	1.18	1,281	197	19.1x	8.0x

	EBITDA	Capex	Dividend	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(mln)	(tangible)		
2010A	C\$204	C\$69	C\$40	C\$2.67	2.5x	6.8%
Old 2011E	265	133	80	4.11	1.9x	16.7%
New 2011E	265	133	80	4.11	1.9x	16.7%
Old 2012E	279	30	80	4.55	1.8x	14.5%
New 2012E	279	30	80	4.55	1.8x	14.5%

Source: Raymond James Ltd., Thomson One

Field Services

Secure Energy Services Inc. SES-TSX

Rating: Market Perform

Current Price(Aug-01-11)	C\$8.94	Target Price (6-12 mos)	C\$10.25
52-Week Range	C\$10.10 - C\$3.57	Total Return to Target	7%
Market Capitalization (mln)	C\$856	Dividend/Yield	C\$0.00/0.0%
Shares Out. (mln, f.d.)	96.1	Current Net Debt (mln)	C\$8
Average Daily Volume (000s)	212	Enterprise Value (mln)	C\$864

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenues	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.04	C\$0.00	C\$0.02	C\$0.04	C\$0.08	C\$73	C\$25	120.1x	20.8x
Old 2011E	0.07A	0.04	0.13	0.18	0.45	352	63		
New 2011E	0.07A	0.04	0.13	0.18	0.45	352	63	21.4x	11.0x
Old 2012E	0.21	0.03	0.15	0.22	0.63	454	90		
New 2012E	0.21	0.03	0.15	0.22	0.63	454	90	15.3x	8.2x

	EBITDA	Capex	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(tangible)		
2010A	C\$25	C\$64	C\$2.32	0.1x	3.8%
Old 2011E	68	91	2.89	0.1x	12.6%
New 2011E	68	91	2.89	0.1x	12.6%
Old 2012E	100	49	3.54	0.0x	14.7%
New 2012E	100	49	3.54	0.0x	14.7%

Source: Raymond James Ltd., Thomson One

Strad Energy Services Ltd. SDY-TSX

Rating: Strong Buy

Current Price(Aug-01-11)	C\$4.40	Target Price (6-12 mos)	C\$6.50
52-Week Range	C\$5.25 - C\$3.45	Total Return to Target	55%
Market Capitalization (mln)	C\$156	Dividend/Yield	C\$0.00/0.0%
Shares Outstanding (mln, f.d.)	39.4	Current Net Debt (mln)	C\$47
Average Daily Volume (000s)	45	Enterprise Value (mln)	C\$203

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenues	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.08	C\$0.05	C\$0.09	C\$0.09	C\$0.31	C\$154	C\$27	13.7x	4.5x
Old 2011E	0.05A	0.05	0.09	0.11	0.30	188	41		
New 2011E	0.05A	0.05	0.09	0.11	0.30	188	41	13.8x	4.3x
Old 2012E	0.15	0.07	0.12	0.15	0.50	217	53		
New 2012E	0.15	0.07	0.12	0.15	0.50	217	53	8.3x	3.2x

	EBITDA	Capex	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(tang)		
2010A	C\$29	C\$39	C\$2.81	0.4x	8.6%
Old 2011E	47	87	3.10	1.5x	8.5%
New 2011E	47	87	3.10	1.5x	8.5%
Old 2012E	63	4	3.65	0.4x	12.4%
New 2012E	63	4	3.65	0.4x	12.4%

Source: Raymond James Ltd., Thomson One

Pressure Pumpers

Calfrac Well Services CFW-TSX

Rating: Strong Buy

Current Price(Aug-01-11)	C\$36.31	Target Price (6-12 mos)	C\$48.00
52-Week Range	C\$38.65 - C\$21.02	Total Return to Target	47%
Market Capitalization (mln)	C\$1,428	Dividend/Yield	C\$0.15/0.5%
Shares Outstanding (mln, f.d.)	46.4	Current Net Debt (mln)	C\$318
Average Daily Volume (000s)	140	Enterprise Value (mln)	C\$1,747

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.29	C\$(0.20)	C\$0.69	C\$0.38	C\$1.19	C\$936	C\$161	28.7x	8.5x
Old 2011E	0.94A	0.03	0.74	1.01	2.74	1,340	278		
New 2011E	0.94A	0.03	0.74	1.01	2.74	1,340	278	11.9x	5.5x
Old 2012E	1.31	0.30	0.93	1.08	3.62	1,713	323		
New 2012E	1.31	0.30	0.93	1.08	3.62	1,713	323	9.0x	4.2x

	EBITDA	Capex	Dividend	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(mln)	(tangible)		
2010A	C\$192	C\$116	C\$5	C\$11.78	2.3x	11.6%
Old 2011E	320	408	7	14.39	1.4x	22.9%
New 2011E	320	408	7	14.39	1.4x	22.9%
Old 2012E	417	76	7	18.30	1.1x	23.8%
New 2012E	417	76	7	18.30	1.1x	23.8%

Source: Raymond James Ltd., Thomson One

Canyon Services Group Inc. FRC-TSX

Rating: Strong Buy

Current Price(Aug-01-11)	C\$15.08	Target Price (6-12 mos)	C\$22.25
52-Week Range	C\$16.26 - C\$4.81	Total Return to Target	61%
Market Capitalization (mln)	C\$843	Dividend/Yield	C\$0.10/0.7%
Shares Outstanding (mln, f.d.)	63.8	Current Net Debt (mln)	-C\$31
Average Daily Volume (000s)	465	Enterprise Value (mln)	C\$812

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.25	C\$0.01	C\$0.28	C\$0.41	C\$0.99	C\$216	C\$75	14.5x	8.4x
Old 2011E	0.48A	(0.11)	0.34	0.65	1.36	362	116		
New 2011E	0.48A	(0.11)	0.34	0.65	1.36	362	116	10.2x	5.2x
Old 2012E	0.67	(0.05)	0.54	0.90	2.05	522	177		
New 2012E	0.67	(0.05)	0.54	0.90	2.05	522	177	6.8x	3.5x

	EBITDA	Capex	Dividend	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(mln)	(tangible)		
2010A	C\$90	C\$80	C\$0	C\$3.68	0.0x	32.1%
Old 2011E	156	97	6	5.13	0.0x	34.6%
New 2011E	156	97	6	5.13	0.0x	34.6%
Old 2012E	229	100	6	7.34	0.0x	36.5%
New 2012E	229	100	6	7.34	0.0x	36.5%

Source: Raymond James Ltd., Thomson One

Pressure Pumpers

GasFrac Energy Services Ltd. GFS-TSX

Rating: Outperform

Current Price(Aug-01-11)	C\$10.46	Target Price (6-12 mos)	C\$13.50
52-Week Range	C\$14.62 - C\$4.48	Total Return to Target	27%
Market Capitalization (mln)	C\$649	Dividend/Yield	C\$0.00/0.0%
Shares Outstanding (mln, f.d.)	65.3	Current Net Debt (mln)	-C\$46
Average Daily Volume (000s)	248	Enterprise Value (mln)	C\$603

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenues	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.01	C\$(0.03)	C\$0.06	C\$0.03	C\$0.07	C\$97	C\$17	147.0x	22.4x
Old 2011E	(0.04)A	(0.06)	0.17	0.17	0.23	231	41		
New 2011E	(0.04)A	(0.06)	0.17	0.17	0.23	231	41	45.3x	14.3x
Old 2012E	0.32	0.16	0.33	0.33	1.14	493	132		
New 2012E	0.32	0.16	0.33	0.33	1.14	493	132	9.3x	4.6x

	EBITDA	Capex	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(tangible)		
2010A	C\$17	C\$83	C\$4.30	0.0x	2.7%
Old 2011E	42	176	4.55	1.3x	7.0%
New 2011E	42	176	4.55	1.3x	7.0%
Old 2012E	133	8	5.83	0.0x	24.1%
New 2012E	133	8	5.83	0.0x	24.1%

Source: Raymond James Ltd., Thomson One

Trican Well Service TCW-TSX

Rating: Strong Buy

Current Price(Aug-01-11)	C\$25.01	Target Price (6-12 mos)	C\$31.00
52-Week Range	C\$26.73 - C\$13.97	Total Return to Target	33%
Market Capitalization (mln)	C\$3,391	Dividend/Yield	C\$0.10/0.4%
Shares Outstanding (mln, f.d.)	152.7	Current Net Debt (mln)	C\$87
Average Daily Volume (000s)	513	Enterprise Value (mln)	C\$3,477

Adjusted EPS	1Q	2Q	3Q	4Q	Full	Revenue	Cash	P/E	EV/EBITDA
	Mar	Jun	Sep	Dec	Year	(mln)	Flow (mln)		
2010A	C\$0.26	C\$0.07	C\$0.36	C\$0.38	C\$1.09	C\$1,478	C\$332	21.4x	9.7x
Old 2011E	0.54A	0.12	0.49	0.65	1.81	2,091	538		
New 2011E	0.54A	0.12	0.49	0.65	1.81	2,091	538	13.0x	6.1x
Old 2012E	0.82	0.14	0.44	0.55	1.94	2,486	586		
New 2012E	0.82	0.14	0.44	0.55	1.94	2,486	586	12.0x	5.1x

	EBITDA	Capex	Dividend	BVPS	Debt/EBITDA	ROE
	(mln)	(mln)	(mln)	(tangible)		
2010A	C\$342	C\$284	C\$13	C\$5.69	0.3x	18.4%
Old 2011E	572	568	14	8.33	0.7x	24.1%
New 2011E	572	568	14	8.33	0.7x	24.1%
Old 2012E	672	190	14	10.39	0.6x	21.0%
New 2012E	672	190	14	10.39	0.6x	21.0%

Source: Raymond James Ltd., Thomson One

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	Coverage Universe Rating Distribution		Investment Banking Distribution	
	RJL	RJA	RJL	RJA
Strong Buy and Outperform (Buy)	75%	56%	59%	15%
Market Perform (Hold)	23%	39%	35%	5%
Underperform (Sell)	2%	5%	0%	2%

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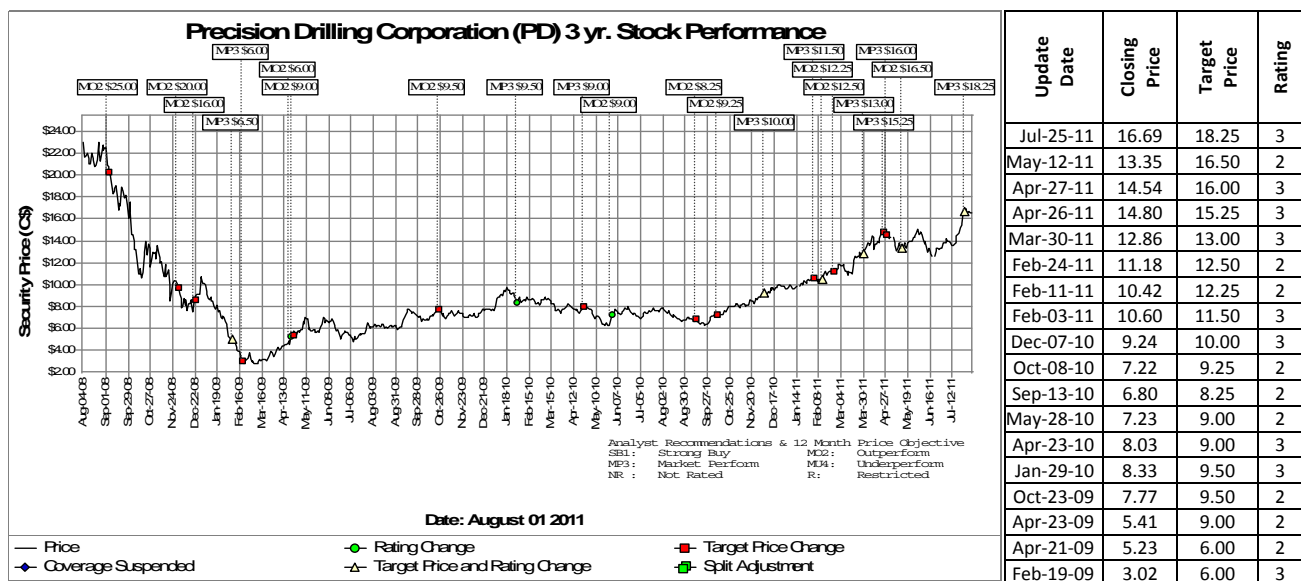
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Company Name	Disclosure
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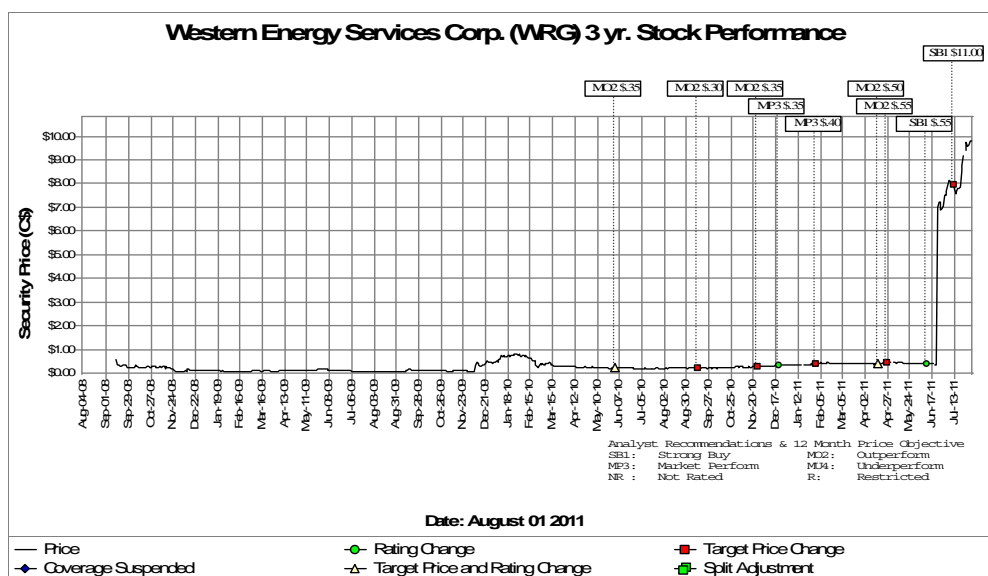
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Target Prices: The information below indicates target price and rating changes for the subject companies included in this research.



Valuation Methodology: We value Precision on a comparative basis to historical EV / EBITDA multiples and take into account growth potential, financial leverage and market liquidity.



Update Date	Closing Price	Target Price	Rating
Jul-12-11	7.95	11.00	1
Jun-14-11	0.39	0.55	1
Apr-27-11	0.45	0.55	2
Apr-15-11	0.40	0.50	2
Feb-01-11	0.40	0.40	3
Dec-21-10	0.37	0.35	3
Nov-24-10	0.31	0.35	2
Sep-13-10	0.22	0.30	2
Jun-01-10	0.23	0.35	2

Valuation Methodology: We value Western on a comparative basis to historical EV / EBITDA multiples and take into account growth potential, financial leverage and market liquidity.

Risk Factors

General Risk Factors: Following are some general risk factors that pertain to the projected target prices included on Raymond James research: (1) Industry fundamentals with respect to customer demand or product / service pricing could change and adversely impact expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes toward the sector or this stock; (3) Unforeseen developments with respect to the management, financial condition or accounting policies or practices could alter the prospective valuation; or (4) External factors that affect the U.S. economy, interest rates, the U.S. dollar or major segments of the economy could alter investor confidence and investment prospects. International investments involve additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability.

Risks - Precision Drilling Corporation

Some of the specific risk factors that pertain to the projected 6 to 12 month stock price target for Precision are as follows: i) Precision is highly susceptible to activity levels that are largely determined by volatile oil and natural gas prices. ii) New entrants and increased competition from existing competitors can have an adverse impact on the pricing and utilization of Precision's services. iii) Oilfield operations are inherently dangerous. Precision's equipment can be damaged during operations.

Risks - Western Energy Services Corp.

i) The level of oilfield services activity provided to the oil and natural gas industry is affected by fluctuating oil and natural gas prices, which affect the exploration and development budgets of Western's customers. ii) The Company's success will depend on the ability of Western's customers to select and acquire suitable producing properties or undeveloped exploration prospects. iii) Hazards such as unusual or unexpected geological formations, pressures, blow-outs, fires or other conditions may be encountered in drilling and operating wells. iv) The drilling and well servicing industries are characterized by intense competition and Western competes directly with other companies that have greater resources and access to capital.

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