



**FRACTION**  
Division of Green Energy Services

OUR YEAR OF  
**GROWTH**

WE ROSE TO THE CHALLENGE

2021



# OUR YEAR OF GROWTH

## Stronger relationships, connected communities & more creative solutions for clients

What a journey Fraction Energy Services has been. In the 10 years since inception, this little water management company has become one of the “best-in-class” energy service companies in Canada. When we started Fraction in 2011, we had no idea that we would one day sell, just to buy it back six years later - however, what a blessing it was. ESG is a prime focus on a daily basis. We are not perfect at it, but we are trying to be the most responsible corporate citizens we can be in an ever-changing environment. I am very proud of the differences we have made in the communities where we live and work, and where our children are raised. Today, we are responsible for 175 families. We do not take that for granted. Thank you to all the employees who trust us to be stewards of your future. Born and raised in Fort St. John, I am personally proud of our partnership with the Doig River First Nation. We are a much better company today with you as our partners. You have helped us realize the importance of working together in a respectful manner - we have proven industry and communities can work together. I would like to thank Wayne Rothlisberger from Úújo for believing in our team. Your effort will not be forgotten. Terravest Industries is now our largest shareholder and we are excited to have Dustin Haw and Charles Pellerin on our team.

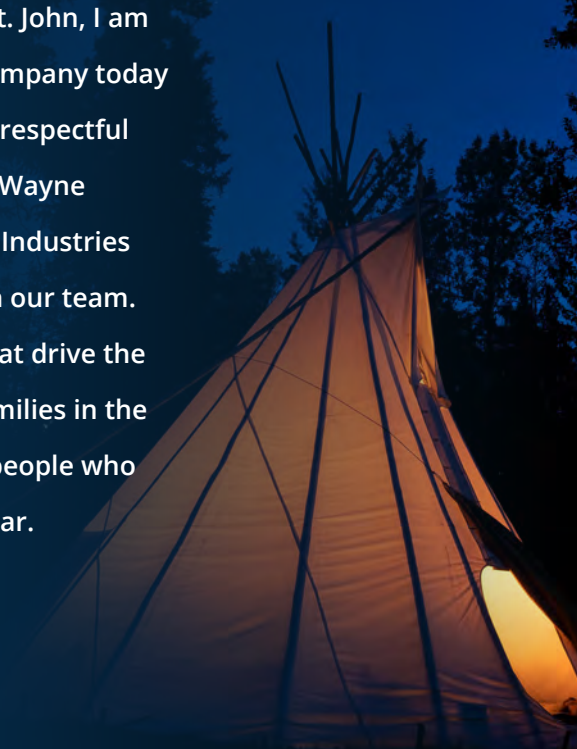
They will be a catalyst for growth. Lastly, I would like to thank my partners that drive the growth of the business on a daily basis. You will meet them and their families in the book. I may be the most blessed CEO in the business because of the people who drive this boat. You guys are rock stars. 2022 is going to be a great year.



A handwritten signature in white ink, appearing to read 'Ken Wagner', with a long, sweeping horizontal line extending to the right.

Ken Wagner

President and Chief Executive Officer, Fraction Energy Services





## **Kema — a pure place in nature, is a good place**

This camp scene shows different types of shelters Dane-zaa people use for camping and hunting. It represents the fusion of camping shelters past, present and future.

- Garry Oker, Councilor of Culture - Doig River First Nation





# About Fraction Energy Services

Founded in 2011, Fraction celebrated a decade of operations in March 2021. We have strong ties to local and Indigenous communities and offer a diverse portfolio of energy services. Across Western Canada, Fraction is well-known for our creative water management solutions.





**4** Office locations  
in Western Canada

Calgary, AB  
Fort St. John, BC  
Grande Prairie, AB  
Whitecourt, AB

**4** Working  
Indigenous  
Relationships

Doig River First Nation  
Halfway River First Nation  
Sturgeon Lake Cree Nation  
Prophet River First Nation

**<1** TRIFF  
Achievement

2021 was a  
tremendous year  
for our H&S efforts



### **Water Transfer**

We specialize in high-volume, high-rate water transfer services through a variety of mobile piping systems - environmentally safe to support hydraulic fracturing. Our inventory of pumps, pipe, lay flat hose, and manifolds are specifically designed to operate in any climate or terrain.



### **Production Services**

Our fleet of tank trucks, stainless and fibreglass sour sealed tri-quads, super-Bs and acid units offer customers alternatives for the transport of virtually any fluid. Our 24/7 dispatch is available to arrange hauling to deliver timely, safe, and cost-competitive service.



### **Heating**

Our diverse line of safe, fuel efficient and environmentally friendly superheaters and boilers, allows our clients to tie into and burn their own field gas. We regulate pressures and remove all liquids and impurities to use natural gas by-product to its full potential.



### **Rentals**

We offer a variety of surface equipment rentals and containment for energy projects. Our equipment is utilized on drilling rigs, completions locations, construction sites and abandonment/workover projects.



# The Fraction team celebrated many milestones in 2021 — a year to be proud of

We added  
new companies,  
shareholders,  
systems and shops.

It was a year of  
integration and  
embracing new culture.

Innovation has and  
will continue to play  
a pivotal role in our  
successes.

Community is at the root  
of everything we do.



10-year anniversary  
of Fraction Energy Services  
Incorporation



Purchased and trialled  
electric pumps for a client  
wanting to go 100% electric

March 2021

May 1, 2021

*Stratty*  
**ENTERPRISES**

June 1, 2021



Acquisition closing of Stratty  
Enterprises increased our  
fleet with bi-fuel heaters and  
electric pumps, enhancing our  
ESG corporate strategies

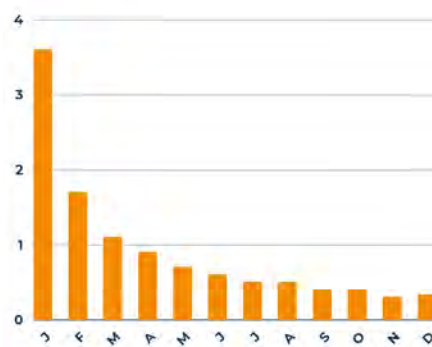




First NENAS Water Technician  
Student Graduate Tyler Bertrand  
Fort Nelson First Nation

June 15, 2021

TRIFF below 1 and trending  
down - a proud Safety Moment



September 2021



Partnered with ThinkTank in rental,  
set-up and tear downs of Minion Tanks,  
complimenting our suite of  
containment offerings

November 1, 2021

September 1, 2021

MOU Signed with Sturgeon Lake  
Cree Nation with Chief Clyde  
GoodSwimmer - the beginning of a  
promising working relationship



September 11, 2021



Industry Ranch Party at  
W4 Ranch - brought together a  
collection of E&P companies,  
service providers and our  
First Nation partners for  
meaningful conversations on  
how to strengthen relationships

December 31, 2021

Pumped 4,000,000 m<sup>3</sup> of water  
for one customer - spill-free  
and on budget







## **Ken Wagner**    President and Chief Executive Officer

**Hometown:** Fort St. John, British Columbia

**Where you will find me on the weekends:**  
At the ranch in Turner Valley

**Who will win the 2022 Stanley Cup?** Washington capitals

Ken was born and raised in Fort St. John, BC, and his entrepreneurial spirit has deep roots. His first company, Cascade Steaming, was formed in 1997 with a single truck and a sole operator - himself. The business soon evolved into a dynamic production services company that was eventually purchased by the Mullen Group in 2008. Ken co-founded Fraction Energy Services in 2011, which was sold to Canyon Technical Services in 2014. In January 2020, Ken, together with a small group, purchased Fraction once again from Trican Well Services under the banner Green Energy Services (Fraction's parent company). Ken is also a partner of Red Boot Entertainment - a music promotions business bringing leading music acts to Canada. He was an owner of the Nanaimo Clippers in the BCHL. He is married to Jody and has two children, Brendan and Jada. Jody and Ken spend most of their free time at their ranch in Turner Valley and love the simple lifestyle it represents. "There is always a project on the go," he admits, "and it is incredibly rewarding seeing them through."



## **Rob Baker**    Chief Operating Officer

**Hometown:** Calgary, Alberta

**Where you will find me on the weekends:** Spending time with my family

**Who will win the 2022 Stanley Cup?** Las Vegas Knights

Rob Baker has 26 years of management experience with a background in supply chain and logistics. After attending Simon Fraser University, Rob assumed the role of General Manager for a family-owned trucking business in Northern British Columbia. Rob completed a CITT logistics designation in 2000 and eventually progressed to become the Manager of North American Logistics for Talisman Energy. With his entrepreneurial passion, Rob was one of the original investors and employees of Fraction. In 2013, Rob partnered with Fraction to start Green Energy Services (Fraction's parent company) with the purpose of developing the necessary processes to recycle the liner material from the c-rings, reducing the waste going to the landfill. Over the past seven years, Green Energy has integrated several businesses, including Fraction, to become one of Western Canada's largest fluid management companies.





## **Marc Krauss, CPA**    Chief Financial Officer

**Hometown:** Grande Prairie, Alberta

**Where you will find me on the weekends:** Hockey rink and the golf course

**Who will win the 2022 Stanley Cup?** Logically – Colorado;  
*(Bias infused – Edmonton Oilers)*

Born and raised in Peace Country, Marc has a deep understanding and appreciation for the oil and gas service industry. After nearly a decade of energy-specific business advisory and accounting experience, Marc joined Fraction in the spring of 2020. Marc has developed financial communication between shareholders, institutional lenders and management and is also directly involved with the financial compliance, M&A and business management segments of our business. Marc is a graduate from the Okanagan School of Business, where he completed a bachelor of business administration with a specialty in accounting. He became a chartered Professional Accountant in 2016 during his tenure with one of Canada's largest public accounting, tax and business consulting firms. Since 2017, Marc has sat as a board member and treasurer for the Grande Prairie Storm Jr. A Hockey Club. During his tenure, the board has vastly improved the long-term sustainability of the organization and is fostering a breeding ground for JR aged players to grow and prosper.



## **Chris Kestell**    Senior VP, Operations

**Hometown:** Grande Prairie, Alberta

**Where you will find me on the weekends:**  
At the rink coaching or spending time with my family

**Who will win the 2022 Stanley Cup?** Carolina Hurricanes

Chris Kestell is a graduate of State University of New York at Geneseo, where he played NCAA Division 3 hockey, majored in Computer Science, and completed a minor in Mathematics. A family man, Chris enjoys spending time with his wife and five children. Chris was introduced into the oil and gas industry in 2010 where he started in Information Technologies with Cascade Energy Services, then transitioning to Business analyst for the Mullen Group. Continuing to evolve, Chris left Mullen and accepted a position at Fraction in its infancy. He helped build and grow both his career as well as the company, transitioning from Fixed Operations Manager to General Manager before leaving to accept another position and ownership opportunity with Fraction. Chris is currently working with both our operations and accounting teams to bridge the gap between the two, finding efficiencies in systems and processes and helping the company operate in a safe and efficient manner.



## **Glynn Bates, P.Eng.** VP, Engineering & Technical Sales

**Hometown:** Victoria, British Columbia

**Where you will find me on the weekends:**  
Hanging out with the family somewhere

**Who will win the 2022 Stanley Cup?** Colorado Avalanche

Glynn left his hometown in 1997 to seek new adventures. After spending his first year away from home as a ranch hand in Big Valley, Alberta, he was lured to the oilpatch and has never looked back. Glynn hired on as a Leasehand with Kinnell Drilling Ltd. where within a few years was running his own drilling crew. In 2002, it was again time for a change. Glynn enrolled in the Petroleum Engineering Technology program at the Southern Alberta Institute of Technology and after graduation, transferred to the University of Regina where he obtained his Bachelor of Applied Science Degree in Petroleum Systems Engineering. Glynn has held the roles of Completions Engineer with Quicksilver Resources Inc. and Water Management Coordinator with Progress Energy Ltd. (PETRONAS Canada). Glynn joined Fraction in 2016 as General Manager and has evolved to become our VP, Engineering. Today, Glynn creates and executes operational strategies in water design. He works closely with clients and project managers to ensure project success.



## **Chantal MacKenzie** VP, Corporate Development

**Hometown:** Calgary, Alberta

**Where you will find me on the weekends:**  
Exploring the mountains, in Canmore, with my family

**Who will win the 2022 Stanley Cup?** Calgary Flames!

Chantal MacKenzie is a graduate from the University of Victoria, where she completed a Bachelor of Arts, majoring in Economics. With over 13 years of direct B2B oil and gas sales experience, she has a deep understanding of the energy sector and its nuances. Chantal was a partner at Blackstone Drilling Fluids for eight years and has found it a complimentary transition into fluid management. Chantal acts as the direct liaison between Fraction and our First Nations' communities in the areas we operate. She works diligently to learn and understand each communities needs and identify ways to connect and support. Along with our partners, she helps establish our ESG goals and commitments. She connects well with forward thinkers of the industry, and is excited to be part of the positive change.



# Sean Selmser, M.Sc.

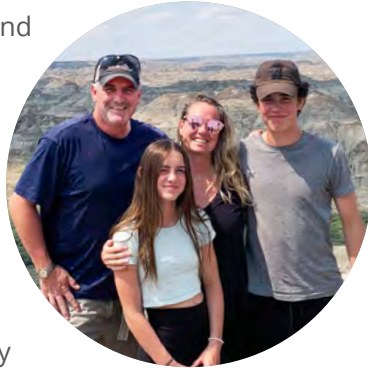
VP, Sales & Marketing

**Hometown:** High River, Alberta

**Where you will find me on the weekends:**  
Watching my kids play sports

**Who will win the 2022 Stanley Cup?** Florida Panthers

Sean Selmser joined the oil and gas community in Calgary after a professional hockey career that spanned 17 years and 4 countries. He joined Fraction in March of 2021, transitioning with the Stratty Enterprise acquisition. Sean is an industry connector and prides himself on strong relationships while showcasing Fraction in an integrable light. He has obtained a Master of Science degree in Business Management from the University of Coventry. He is very excited to be a part of an experienced, dynamic, and comprehensive group at Fraction and invites the inevitable successes that this group both strives for and welcomes. Sean leads and directs the sales and marketing team, and has been an integral part in the cohesiveness of the Stratty/Fraction acquisition. He brings consistency and competency to the team and clients alike.



**"The culture of a company is the sum of all the behaviours of all its people."**



# WATER TRANSFER

Fraction's comprehensive inventory of water management equipment is ideal for any project size, at any location, in any weather condition. From small dewatering jobs to high-volume fluid transfers on hydraulic fracs, we take care of everything from the initial scouting and permitting process to logistics and job execution.

Having Glynn, our in-house engineer, allows our field and operations team to have 24/365 support for ongoing projects. Glynn provides an effective bridge between the Sales & Operations team for bidding, project planning and client relations. His unique experience of coming from the E&P side to the service side provides valuable insight.

- Mitch Ternan, VP, Operations

I've known Marcus McGrath, Project Manager, since our days at Fusion in 2008. He truly is one of the good ones. Never have I met someone with higher standards. He leads by example and his loyalty to Fraction is shadowed by the loyalty of our team towards him. A true passionate leader.

- Dean Handley, Project Manager



## 2021 was a year of change and growth

We started the year working for 2-3 clients and evolved to simultaneously managing work for 7-8 clients.

We saw the integration of electric HPS (Horizontal Pumping Systems) pumps capable of up to 1000 PSI.

Electric pumps powered by natural gas generators evolved to increase fuel efficiency and reduce GHG emissions.





## Mitch Ternan

VP, Operations

**Hometown:** Barrhead, Alberta

**Where you will find me on the weekends:**  
Hanging out with family, skating, skiing & camping

**Who will win the 2022 Stanley Cup?** Colorado Avalanche

Mitch started Stratty in 2010. Founded with two people, they grew the company to over 100 personnel before selling to Fraction in 2021. Stratty started as a telecommunications rental company, however the owners saw opportunities to make rental decisions more streamlined. Mitch began adding service lines and in 2013 made a shift to water management with a focus on cost-saving technology. Stratty soon became the industry leader in high efficiency heaters with a focus on natural gas. Mitch manages the strategic operations of our Water Transfer division, incorporating safety and technical efficiencies from his holistic overview.

## Lightspeed™ Technology

LightSpeed™ technology can be applied to all water management systems from long line and lease pumping systems to buffer tanks, c-rings and filter pots. When paired with experienced supervisors and well trained crews, every water transfer project is executed safely, reliably, and efficiently.

In 2021, we ordered our first Pioneer 8x6c21 Electric Pumps to support infrastructure projects and expand our electric pump inventory. These pumps will be used to drastically reduce diesel usage by using either line power, or natural gas generators to provide the power to the pumps. They will have the ability to be run full autonomously with Lightspeed™.



LightSpeed™ technology software

## **May 5, 2021: Strategic expansion & welcomed growth for our team**

2021 was a year of integration. We added new companies, shareholders, systems, and shops. "We are excited to add the Stratty team members to the Fraction family. Stratty's cutting edge equipment will allow us to further develop our ESG policies and meet robust environmental goals. Stratty has proven peak operational and safety performance - we are confident Fraction's standard of excellence will be maintained and provided to all clients."

- Ken Wagner, President & CEO



**We are extremely excited  
to join forces with Fraction.  
At Stratty, our focus has  
always been to increase  
efficiency through  
innovation & technology.  
Blending with Fraction  
means stronger Indigenous  
partnerships, a steadfast  
commitment to ESG and  
our community.**

- Mitch Ternan, VP Operations,  
post acquisition - May 5, 2021







## **Dean Handley**     Project Manager

**Hometown:** Fort St. John, British Columbia

**Where you will find me on the weekends:**  
Tending to cattle or boating on the Pine River

**Who will win the 2022 Stanley Cup?** Calgary Flames

Dean Handley was born, raised and still resides in Northeastern British Columbia. A true local to Fort St. John, BC, he has worked in the fracing industry for over 17 years and involved in the oil patch for nearly four decades. Dean is proud to be a founding member of the Fraction team, joining in 2012, and continuously strives to install ethics, honesty and a family atmosphere within our operation. As Project Manager, Dean oversees day-to-day operations, connecting the right people, equipment and technology to each project. A family man and outdoorsman to the core, he loves the North for all it has to offer: hunting (and processing) wild game, fishing, camping, as well as educational geological studies of mountain formations and volcanic Calderas.



## **PJ Stratton**     Dot Connector... (Project Manager)

**Hometown:** Whitecourt, Alberta

**Where you will find me on the weekends:** With family on the rink or on the river

**Who will win the 2022 Stanley Cup?** Alberta's only hockey team - The Oil!

Raised in Whitecourt, AB, PJ grew up playing hockey and racing motocross. At just 17 years old, he started working on service rigs in the oil patch during the winter months, while pursuing a professional motocross career throughout the summer. Throughout his career, PJ gained diverse hands-on experience in the oilfield while rigging. In 2007, he started a surface rental company - Stratty Enterprises - with two office trailers and a couple communication towers. With a fast growing customer base, PJ and his business partner (Mitch Ternan) strived to be better. Early in 2014, Stratty entered the fluid transfer game and later was sold to Fraction in 2021. His entrepreneurial spirit ensures clients are always getting the service they want and deserve, and it is with this attitude he helps grow the Fraction success story. He thanks his wife (Chelsie), parents and business partners along the way - without them we wouldn't be where we are today.



# PRODUCTION SERVICES

Our 24/7 dispatch is headquartered in Fort St. John, BC, and available to arrange hauling across Northwestern BC & AB. We deliver timely, safe and cost-competitive service with four unit styles:

- Stainless and fibreglass sour sealed tri-quads
- Straight cans
- Super-Bs
- Acid units



Julie Voyer- Trucking Division







## **Sam Carstairs**

**Production Services Manager**

**Hometown:** Perth, Western Australia

**Where you will find me on the weekends:** Enjoying time with his family.

**Who will win the 2022 Stanley Cup?** Calgary Flames

Sam moved to Canada in 2002 and spent his first three years living in Kugluktuk, Nunavut. In 2006, he moved to northern Alberta and graduated in 2009 from GPCS in Grande Prairie, where he was a multi-athlete. Sam started at Fraction in the water transfer division in 2013. Eventually obtaining his class 1 license, Sam became our tank truck driver. Fast forward to today, Sam has evolved to become our Production Services Manager - though he still enjoys driving the truck with his crew. Sam strives to ensure Fraction's clients receive the highest quality of service possible.

**1,200,000+**  
**KMs Driven**

**Journey management is an industry standard; however, not all companies use a third-party company, like Fraction does, to diligently monitor personnel on the roads.**

**550,000+**  
**M<sup>3</sup> Transported Fluid**

**Fraction utilizes electronic log books and GPS devices in all of our highway trucks to monitor speeds, driving behaviours, identify coaching opportunities and address potentially unsafe behaviours/rewards safe driving habits. We also invested in dash cameras for highway trucks to verify incidents or potential complaints.**

**0**  
**Reportable Spills**

# HEATING

Fraction operates one of the most modern heater fleets in Canada. We stand above our competition and offer natural gas conditioning units with our heaters, allowing clients to tie into and burn their own field gas. We regulate pressures and remove all liquids and impurities so the natural gas by-product can be used to its full potential. This is the most efficient, environmentally friendly and affordable way to heat fluids.

## Canada's Modern Fleet

- 25MM and 27MM BTU Bi-Fuel and Tri-Fuel units are the industries most efficient Frac Water Superheaters
- Skidded 40MM BTU Superheaters are perfect for inline (Slipstream) heating applications
- 44 Million BTU heater is the industry's largest high efficiency heater. Its unconventional design and large coils allow for unmatched flow rates and heat exchange



### Mike Forster

**VP, Business Development**

**Hometown:** Edmonton, Alberta

**Where you will find me on the weekends:**

**Typically I'm working, watching my boy play hockey, or hanging with family.**

**Who will win the 2022 Stanley Cup?** Carolina Hurricanes

Born in Edmonton, Mike's family moved to Grande Prairie when he was three years old. Still a Grande Prairie resident, Mike entered the pressure pumping business at only 18 years old as a greenhand. In 2013, his career path shifted into business development and sales, following his passion for entrepreneurship and a unique ability to build relationships. Four years later, Mike began building Superheaters, which became a raving success and later led to a business merger with Stratty Enterprises. He became business partners with Mitch Ternan and PJ Stratton before selling to Fraction in 2021. Today, Mike can be found problem-solving in the field with his hands-on approach. He is a solutions based thinker, which bodes well for project success.





Our diverse line of equipment is the best in the business - safe, fuel-efficient and environmentally friendly



# RENTAL FLEET

Fraction offers a variety of surface equipment rentals for oil and gas projects. Our equipment is utilized on drilling rigs, completions locations, construction sites and abandonment/workover projects.



## Modular Tanks

Fraction leads the industry in design and deliverability. Our unique bulkhead design allows our crews to complete set-ups and tear-downs safely and at a reduced cost to customers. With four sizes, our tanks are suitable for various lease sizes and frac spread layouts.

Modular Tank Sizes:

1,300m<sup>3</sup> | 3,000m<sup>3</sup> | 4,500m<sup>3</sup> | 6,600m<sup>3</sup>



## Minion® Tanks

Fraction is proud to partner with ThinkTank to supply the Minion® tank which saves time and money on consumable costs, liner disposal and recycling with a re-useable bladder. The Minion® tank has the largest volume to area storage capacity, saving much needed space on your project.

Minion® Tank Sizes:

1,033m<sup>3</sup> | 1,590m<sup>3</sup> | 3,180m<sup>3</sup>



## Buffer Tanks

Fraction's buffer tanks are available in two sizes, the Shark Tank (190m<sup>3</sup>), and the Whale Tank (230m<sup>3</sup>) - both are innovative solutions to frac fluid management redundancies and inefficiencies. Engineered for practicality in the field, these dual-purpose frac tanks are delivered as a single legal load, complete with manifold, monitoring and safety equipment built right in.





## **Damian Akhurst**    General Manager

**Hometown:** Cowichan Valley, Vancouver Island, British Columbia

**Where you will find me on the weekends:**  
Working on or riding my Harley

**Who will win the 2022 Stanley Cup?** Not Edmonton.

Damian is a self-motivated leader and Power Engineer with over 14 years of management and operational experience in the oilfield services industry. With a diverse background, from the Canadian armed forces to Regional Manager, he has gained a reputation for his tireless work ethic, determination and bringing a unique perspective to every project. Throughout his career, Damian has executed large-scale, multi-million-dollar projects and start-ups. As Fraction's General Manager, Damian has effectively ensured day-to-day activities run smoothly, ensuring world-class quality, streamlining operations, cutting costs, and increasing profitability. A father of four boys, with three granddaughters, Damian's passions are family, Harleys, and Hawaii!



## **Engineered & Certified**

All of Fraction's c-rings have been engineered and certified to ensure they have the strength and reliability to store fresh and produced water. They meet both the British Columbia Oil and Gas Commission and Alberta Energy Regulator guidelines for use in oil and gas storage applications.



# ENVIRONMENT

Technology driven, we understand the impact our environmental efficiencies can create both short and long term and we strive for constant improvement. We believe that our Indigenous partners provide a unique perspective through their traditional knowledge and connection to the land and water. We take this perspective to open our minds and find ways to become better environment stewards.





**1.42M lbs**  
Recycled Liner



**13.6 Million L**

Diesel displaced by  
natural gas heaters



**89,053 L**

Fuel saved by  
using electric pumps



**Together, we are  
making an impact  
on our environment**

In 2021, Fraction made substantial steps forward tracking ESG analytics. We are now communicating accurate numbers to clients and helping them to track *their* ESG data (ie. First Nations spend, diesel displacement, liner recycling numbers, etc.)

**20%**

Decreased fuel usage  
with automation



**100%**

Reduction in tank spills with  
tank overflow alarms



**>1,000,000m<sup>3</sup>**

Water recycled

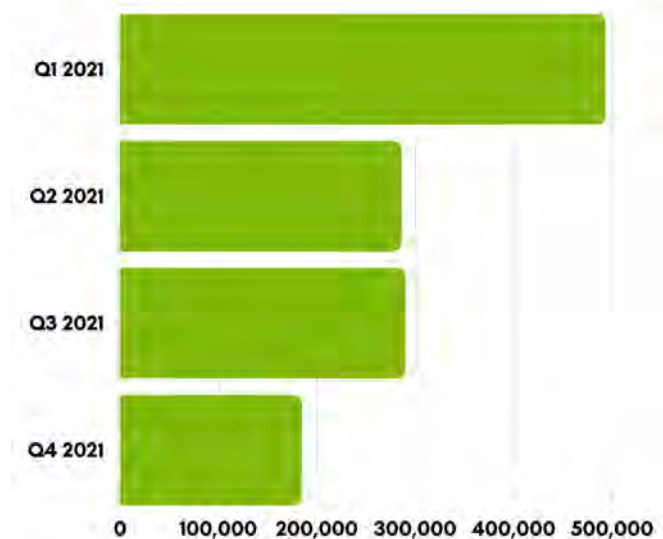


# Impact of Linear Recycling

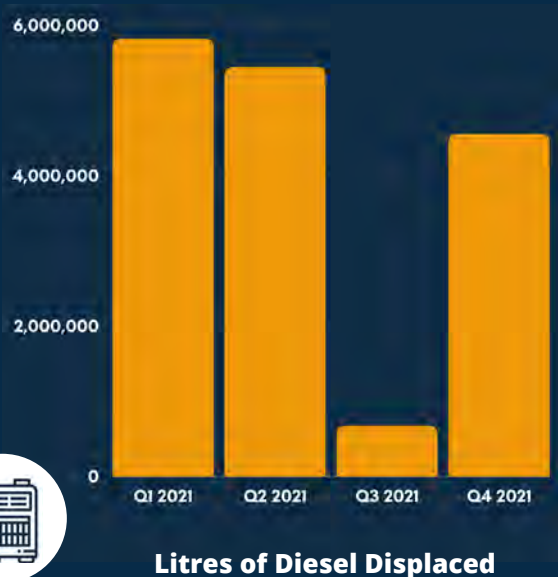
Working with our recycling partners, we domestically shred, grind and wash LLDPE liners, reclaiming the LLDPE resin in a 100% environmentally friendly process. Staying cost competitive, we make it an economical decision for our customers to keep plastic (which takes 1000 years to biodegrade) out of landfills. We will be educators and advocates in this space and our goal is to recycle all applicable C-ring liners Canada-wide.



Pounds of Recycled Liner



# Impact of Displacement of Diesel for Cleaner Burning Natural Gas



Fraction super heaters are industry leading in efficiency. Both bi and tri-fueled, they allow for diesel displacement to cheaper, cleaner burning fuel. We will continue strategic acquisitions and R&D to strive for technological efficiencies that will help us meet our robust environmental goals.





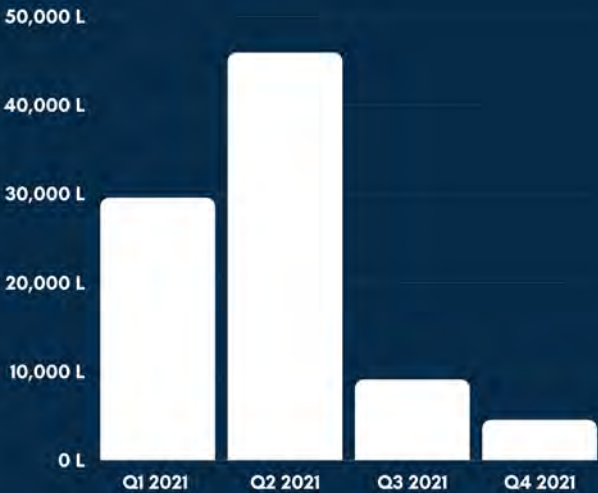
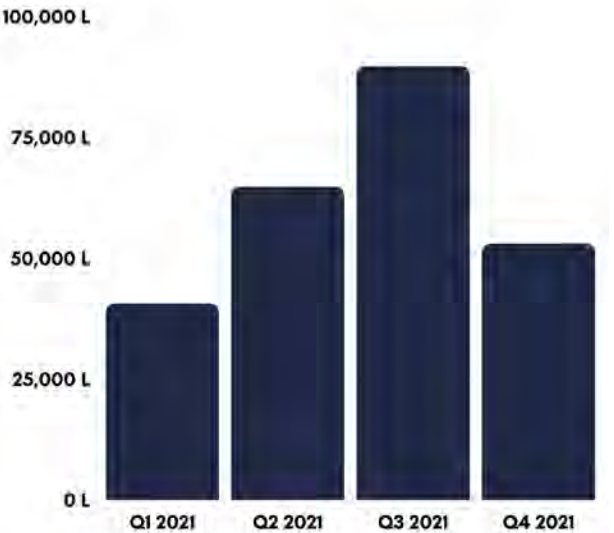
# Impact of Electric Pumps & Automation Technology

Our pumps are monitored by LightSpeed™ automated technology. Providing remote telemetry and level control monitoring, efficiencies increase and fuel usages are decreased by >20%.

Electric pumps were a new addition to our 2021 pumping fleet. Both highly efficient and fueled by natural gas generators, fuel usage is lowered further.



Litres of fuel savings with LightSpeed™ pumps



Litres of fuel savings with electric pumps





# **SOCIAL**

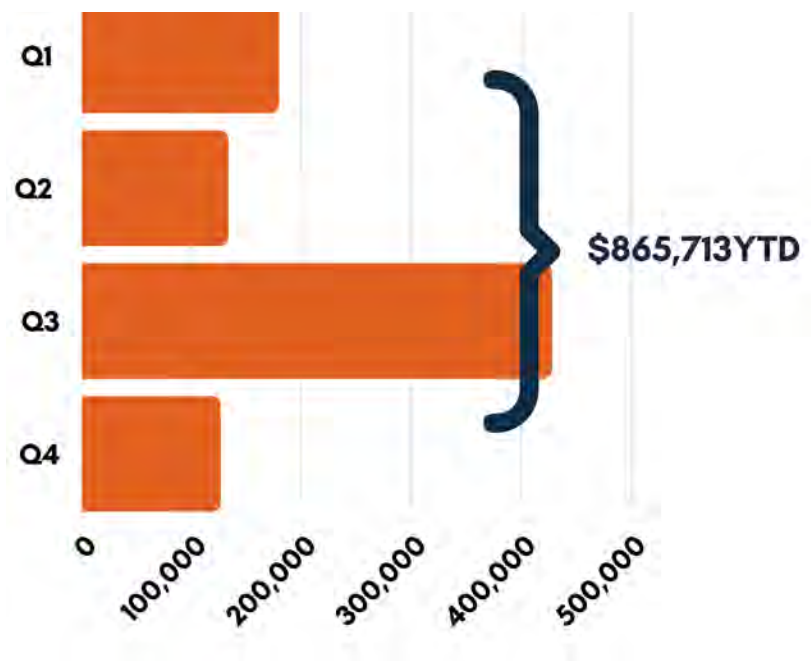
**In 2021, we cultivated deeper relationships,  
and are grateful for connecting with our  
partners and communities**



# INDIGENOUS ENGAGEMENT

Fraction commits to engage and work with Indigenous communities and organizations to identify and collaborate in areas of mutual interest, develop opportunities for growth, and form meaningful business relationships. Establishing meaningful partnerships with Indigenous communities, provides sustainable benefits to the areas where we operate and directly contributes to our values and goals.

First Nation Benefit Spend



“Contributing towards the realization of Indigenous inclusion and cultivating an economic environment that provides opportunity for Indigenous participation is just good business practice. These actions not only create space to collaboratively approach economic growth, it contributes to the Canadian economy as a whole and an attractive country to invest in.

- Mindy Henryu, Fraction Special Board Advisor





Úújo Developments Limited Partnership (“Úújo”) was created by the Doig River First Nation (“DFRN” or the “Nation”) with a vision to produce economic benefit in balance with the Nation’s traditional practices and culture along with environmental stewardship. Fraction’s focus on ESG has driven great conversation with the Nation, coming up with strategies with clients in the area to give environmental issues the attentions they deserve.

Úújo and Fraction worked together, with local community, to find alternative water sources for an upcoming completion. The original water source was of cultural significance. Through a community hall gathering, and multiple conversations, voices were heard and together an alternative solution was presented and followed through on. This is true partnership.



Doig River First Nation Chief and Council with Úújo staff members

John Pajor Jr., a Doig River member, whom has worked with Fraction since January 2018, has been instrumental in the skill development of Fraction’s up and coming employees. Starting in 2018 as a Water Technician, he now acts as a mentor during training programs.



He is the epitome of what we wish to portray with our working relationship. A dedicated worker and community member, he shows positive results of a collaborative relationship.



Chantal MacKenzie & Dean Handley at Rose Prairie community hall.

Úújo is focused on protecting the values and interests of DRFN as it develops strategic partnerships with industry to maximize the scale and influence. Úújo found a trusted partner in Fraction. A relationship based on opportunity creation; where together we foster community support, skills development and drive industry understanding on reconciliation.

- Wayne Rothlisberger VP Business Development, Úújo Developments LP



# Moving forward & meaningful conversations

Fraction participated in several events throughout 2021, together with E&P companies, First Nations' communities, and service providers we openly discussed concerns and growth strategies for mutual development.



Sturgeon Lake Powwow



Halfway River Rodeo



Halfway River Rodeo



Industry Ranch Party





Councilors Garry Oker, Brittany Brinkworth,  
Starr Acko and Chief Trevor Makadahay

We are so proud of the meaningful, respectful relationship we have built with Fraction and we are honoured to work with a company that supports our community and cultural values. We look forward to the future growth and ongoing success of our partnership through economic opportunities for our Nation.

- Chief Trevor Makadahay and Council, Doig River First Nation

The Halfway River Group (HRG) values the efforts of Fraction as they seek innovative mechanisms to include Halfway River First Nation in their projects. Through the support of industry, HRG has been able to create positive and sustainable change for the Nation and looks forward to continuing to build relationships with companies such as Fraction to bolster our mutual success.

- Brad Bonner, President & CEO, Halfway River Group of Companies

# 10,450

## First Nations' employment hours proudly worked on Fraction projects, tracked by Aimsio



**Doig River First Nation**

Northern BC



**Prophet River First Nation**

Northern BC



**Halfway River First Nation**

Northern BC



**Blueberry River First Nations**

Northern BC



# Water Technician & Training Program

Fraction Energy Services, in partnership with NENAS - Indigenous Skills & Employment Training Centre, launched a Water Technician school in 2021 to give inexperienced individuals an opportunity for career placement & advancement.

Over 28 days, mentees receive pre-employment training, safety training, and in-field mentorship program to ensure confidence and competency. Successful candidates are offered a full-time position with Fraction. This has been a rewarding experience for both our mentors, mentees and clients where the students were placed. NENAS was a fantastic partner in this program, and we look forward to creating more opportunities for mutual growth.

## MEET KAYLA

### Successful Candidate of Water Technician School



Kayla is from the West Moberly First Nation and started her mentorship with Fraction in November. She trained at Pink Mountain, working closely with three mentors on two different projects. By the end of December, she successfully completed the program and started full-time work with Fraction. "This is a new exciting opportunity for me," said Kayla. "The diversity and stability of the work is so rewarding."



## EMPLOYEE SPOTLIGHT

**Dustyn Hordos, Pumping Project Manager, was so helpful in the implementation of our NENAS water tech mentorship program. He set up each student with a fantastic mentor, tracked their progress and helped guarantee success. He is also going to Northern Lights College to talk about Fraction and recruit even more Indigenous students.**



- Chantal MacKenzie  
VP, Corporate Development

# BUILDING COMMUNITY

One of the best things about my role at Fraction is watching the development of young folks and their career progression. This is why I continue to be involved with companies from the start up stage. Knowing I can help people advance and my local communities progress is worth the time and effort.

- Ken Wagner, President and Chief Executive Officer



Dwayne Truax - Pumping Division - awarded employee of the month



Jeff Willms, Kyle Leahy and Councilor Brittany Brinkworth present a cheque to the Women's Resource Centre



Damian Akhurst and Mike Lillico, presenting a cheque to the Odyssey House (Grande Prairie)





**Fraction has offices in  
four locations:**

**Fort St. John, British Columbia  
Grande Prairie, Alberta  
Whitecourt, Alberta  
Calgary, Alberta (Head Office)**

**\$10M**  
**local business  
spending**

**\$25,000**  
**local sponsorships**

**Since 2011, Fraction has  
developed deep roots in the  
North. We actively support our  
communities and believe in  
providing local opportunities.  
When our community grows and  
thrives, so does our team.**

2021 was a year of welcoming new team members - everyone has contributed to make the overall team stronger and better positioned to continue to grow the company in 2022.

- Glynn Bates, VP, Engineering & Technical Sales





# GOVERNANCE

**This year, we sold the majority of  
our shares to a public company,  
positioning us for strategic growth**





## Equality, Diversity & Management

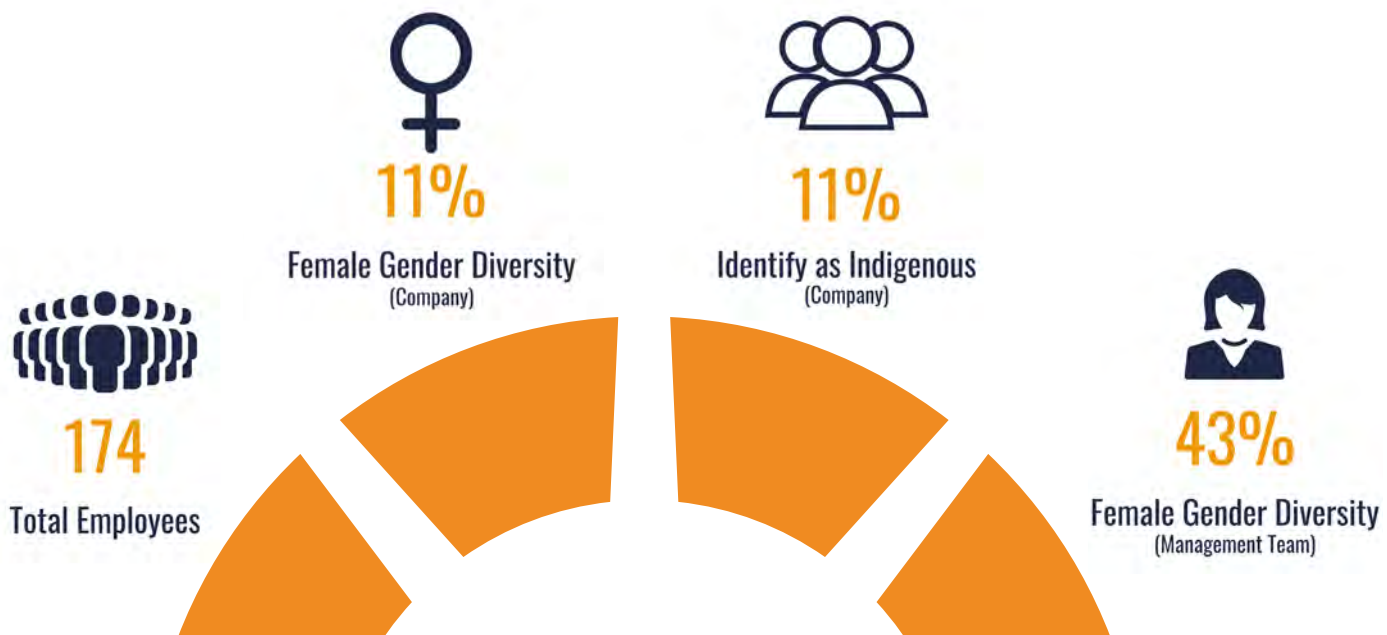
The strength of our company lies in our people. This is something we do not take lightly and strive for equality and diversity at all levels. We will demonstrate accountability to our employees, contractors, suppliers, clients and Indigenous and community partners. We do this by having weekly management meetings, quarterly board meetings and enhancing our financial reporting with new software and systems.



Amanda Ozmun has a unique ability to communicate with the team and drive the most out of us.

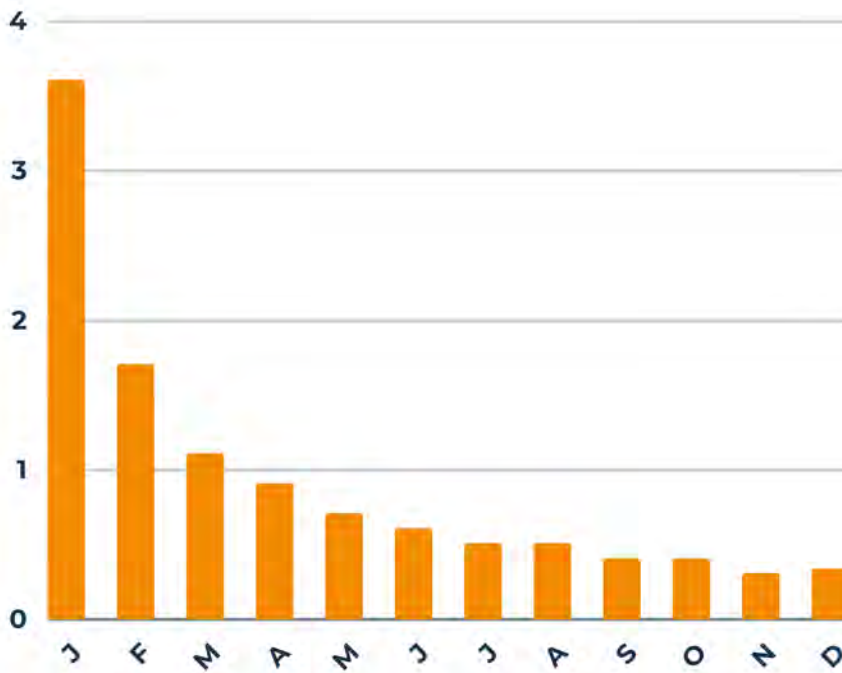
**In 2021, the division of roles and responsibilities increased our productivity. Placing team members in core areas that fit their skillset has allowed for more professional growth and achieving maximum efficiency.**

- Marc Krauss, Chief Financial Officer



# HEALTH & SAFETY

Fraction firmly believes that safety shapes our decisions every day and at every level of our operations, whether we are working in an office or on a project site. We are dedicated to operating and maintaining projects in a safe manner and providing a safe work environment for our employees, contractors, and communities in which we operate. Executives, senior managers, supervisors and workers continuously demonstrate support and commitment by leading the HSE improvement process. Our employees are provided with effective training in order to identify and mitigate hazards and to prevent injuries to themselves and others who may be affected by their actions.



## THE DRIVE TO ZERO: TOTAL RECORDABLE INJURY FREQUENCY

Striving for Zero recordable incidents means empowering team members to identify hazardous conditions and reduce risk in our daily activities. It is through cooperation, respect and teamwork that everyone goes home safely today - and everyday.





## Mental Health Awareness

A psychologically healthy workplace is one of respect and productivity. Fraction is proudly implementing the resources and educational campaigns to reduce the stigma surrounding mental health. Through educational materials, daily mental health checks and extended Employee Assistance Programs, the employees at Fraction have the resources available to them to ensure that they are able to face each day mentally, emotionally and physically fit for duty.

## COVID Management

Throughout the COVID-19 pandemic, Fraction has been proactive in their efforts to reduce the spread of COVID-19 both within the workplace, as well as within the communities we operate. Fraction acted early to secure rapid testing kits that were available to all employees. It was through the cooperation of our employees that Fraction was able to reduce the spread of COVID-19 and did not face a single company outbreak.

## Employee Development & Training Pathways

A career development pathways program provides employees with an outline to progress in their individual careers. Continued job training and education allows employees to develop and grow while ensuring that they are able to meet the standards of the company. The employee pathways program helps make the workforce more knowledgeable and effective, as well as drives employee satisfaction.



ENERGY



**Fraction is committed to cultivating a culture where everyone within the organization knows that their voice matters; we all strive to constantly improve and everyone is seeking opportunities to elevate our work environment and our personal skill sets.**

**We recognize one of the most important aspects of high performing teams is great leadership. We are committed to coaching, training, mentoring and challenging everyone from the frontline worker to the executive team member to become stronger leaders - in safety, quality, environmental stewardship and beyond.**

**- Dennis Boos, VP, Health & Safety (joined Fraction in 2022)**

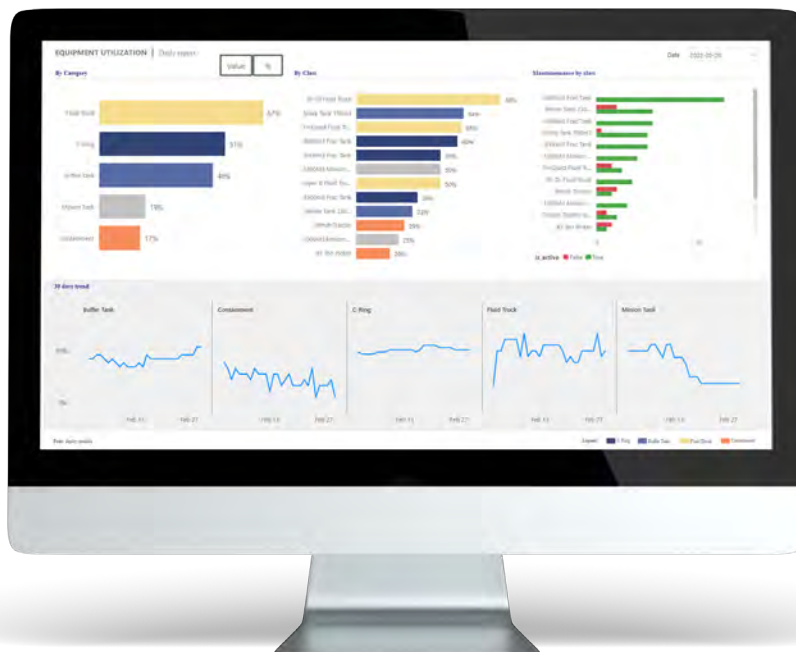
# LOOKING FORWARD

Our outlook on 2022 and beyond is promising. We will continue to grow together as a team and invest in significant technological advancements. Focusing on even greater ESG development, we will maintain our stewardship and continue to lead industry to make deeper connections and cultivate better working relationships with local and Indigenous communities.

## Game Changing Technology

**Aimsio is an all-in-one field management software. Since it's implementation, we receive real-time info on job costs, revenue, utilization, and equipment tracking. This allows us to make educated financial and strategic operational decisions allowing us to get rid of the guesswork and streamline our entire business operation.**

- Chris Kestell, Senior VP, Operations



Aimsio has brought clearer visibility in asset usage and social impact data. It will help employees across all divisions understand our data and help us create efficiencies. Aimsio has empowered us to more accurately monitor trends between clients and divisions - it is going to be a game changer.





## **Meet Dennis Boos**

### **Fraction's new VP, Health & Safety**

**Hometown:** Manning, Alberta

**Where you will find me on the weekends:**

**Golfing, hiking, playing in the mountains, skiing, bow hunting, camping**

**Who will win the 2022 Stanley Cup? The Blue Jays**

We are dedicated to creating a bright workplace culture, and so, have brought on Dennis Boos. Dennis was born and raised in Manning, Alberta. He joined the military when he was 18 and served four years in the 2<sup>nd</sup> Royal Canadian Infantry Regiment, based in Gagetown, NB. In 1992, he was part of Operation Cavalier, in the former Yugoslavia. After leaving the military, Dennis spent several years working on drilling rigs, before finding his true passion in the health and safety field. With a strong focus on leadership development, cultural improvement, and operational excellence, Dennis has helped teams meet and exceed safety and operational objectives. He has experience working with major oil and gas companies, D&C operations, and industrial construction. This level of expertise, brings great communication skill and understanding, to both our clients and the growing Fraction family.

# **We anticipate strategic acquisitions and further fleet expansion.**





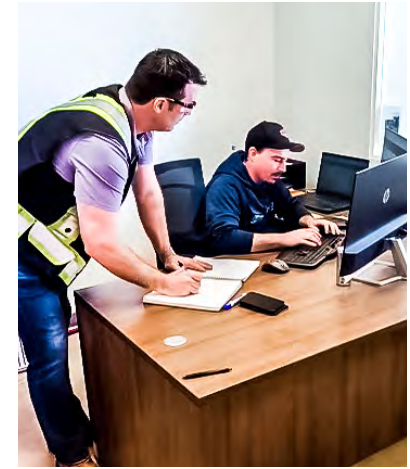
Continuing to expand into electrification will help our clients reach their ESG objectives & reduce costs



Greater E&P involvement in our First Nation Community/Cultural events like Tse'k'wa - Rock House



Lead the way in higher efficiency pumps & heaters - continually investing in proven new technologies



Develop even more processes to mitigate inherent risks while improving efficiencies

## Automation & Optimization

We continue to meet with automation companies to elevate the efficiency of our Lightspeed™ automation system. With Lightspeed™, we will realize a reduction in manpower, improve operational efficiency, use less fuel and create a safer work environment.

Everyone on the team is eager to fast-track our automation efforts so we can fulfill and improve our environmental goals and those of our clients and partners.





## Meeting Increased Fluid Demands

With the changes in completion design we are actively developing equipment and processes to better support increased demands for fluid. This includes larger diameter hose, high volume pumps for moving water to support multiple frac spreads, and high pressure pumps to support increased produced water supply requirements with permanent infrastructure. We are working to optimize how this equipment is managed and powered by using natural gas/electric drives to reduce emissions and costs.

In 2022, our team will attend Beaver Camp at the Doig River First Nation. The goal of the week is to create real relationships, based on a better understanding of DRFN culture, people and land. Spending quality time together, we will share conversations, experiences and goals - today and in the future.

[www.kemaexperiences.com](http://www.kemaexperiences.com)



**With the increase in commodity prices and post-pandemic requirements, recruiting and retaining quality employees may be a challenge. Despite this, Fraction will continue to build the rental line by increasing our employee engagement through both personal and professional development. 2022 brings us a new opportunity, with new challenges. I am looking forward to a successful year brought forth by a successful team.**

- Damian Akhurst, General Manager





Containment setup crew south of Grande Prairie

**In 2021, I most valued the personal and professional relationships I am working to develop with our staff. Without the hard work of our dedicated staff at all levels, we would not be successful. Our employees are our most valuable assets and are what sets us apart from our competitors.**

**- Rob Baker, Chief Operating Officer**



# Together, we moved forward despite a year of uncertainty

Reflecting on 2021, it was a year of COVID pandemic hurdles, evolution and teamwork; we are so grateful for the efforts of our team and the loyalty of our clients. Without you, growth would not have been possible. Thank you for your resilience.



In regards to technology, I believe we have only scratched the surface. The impact that we have on environment, the logistics, and costs are all set to benefit from increased use of technology and automation.

- Mitch Ternan, VP, Operations



**Thank you to the entire team for a rewarding year.**



**FRACTION**  
Division of Green Energy Services

[www.FractionEnergyServices.com](http://www.FractionEnergyServices.com)