

Please answer the questions

They are your numbers, and they do not add.

Isn't there a site visit in Red Deer today?

Maybe investors can ask some real questions.

Question 1

You claim in May 2016 that Q1 2016 hydrovac capex was \$4m, and yet a year later you claim this \$4m capex was for "hydrovacs and related work in progress." What is this "and related work in progress?" How much "work in progress" was capitalized? Why has this number shot up from \$4m to \$15m in Q1 2017? You added 23 units in Q1 2017, so at \$350k per unit, shouldn't capex be \$8m? Wouldn't that make Q1 2017 EBITDA miss by a full \$15m instead of the \$8m miss you reported?

Question 2

What is your capex methodology, and why do you no longer disclose it? Why did it continually change before you just eliminated disclosure entirely? Has there been a change in capex methodology? Are you understating or capitalizing expenses to fatten margins?

Question 3

How old are your trucks, in reality? Has the "accounting age" or policy for determining "accounting age" changed? How many trucks will need to be replaced to keep the fleet at current size, and is that number increasing as your fleet ages? Is that why you stopped splitting out maintenance vs. growth capex? Does it make sense to pay management based on EBITDA when depreciation is a very real cost in this business? Does it make sense when free cash flow is negative and capex is high and trending higher?

Question 4

What was the Canada G&A expense for Q4 2015, \$273k? What was executive and director salaries in Canada for Q4 2015, \$262k, and doesn't that go in G&A? How can the balance of \$11k pay for everything else at the Calgary office and Red Deer facility? Are you understating or capitalizing expenses to fatten margins?

Question 5

Was Q4 2015 PP&E \$65m and \$250m in Canada and US, respectively, or \$106m and \$208m, respectively? You claimed the former in Mar 2016 and the latter only 5 months later.

Question 6

How does cross border movement of trucks affect transfer pricing, deferred tax benefit, and your bottom line? Who is providing your appraisals, just the "appraiser" who claims he does BAD "appraisals" in a coffee shop for a some hockey tickets without ever seeing the trucks? Can these appraisals be relied upon?

Question 7

What percentage of the fleet is idle? Why can't you give a real utilization metric instead of revenue per truck, which obviously depends on revenue recognition?

Question 8

What is the size of Benko sales included in "other revenue?" How much does it contribute in profit?

Question 9

How much of the "cash" listed on the balance sheet are actually outstanding loans? Who is borrowing this money from you and for what—is it customers, franchisees or someone else? How much in loans to Benko or other non oil and gas customers?

Question 10

Do you have any factoring arrangements or any other off balance sheet arrangements?

Blow the whistle!

- This presentation and more will be shared with Alberta Securities Commission
 - If you have information you would like to share please email whistleblower@turnoutthebadgerdaylight.com
 - All information will be kept confidential
 - Follow or comment on Twitter @AlderLaneeggs or @turnoutBADlight
- Join us to support free speech and free markets!

Disclaimer

Alder Lane Farm LLC publishes periodic, time sensitive, fact-based financial news and analysis to the public and its readers. Our reporting is designed to help the public interpret and understand publicly available information about the economic health of particular companies and their share value, and to understand the impact that a fuller disclosure of information may have on share prices. We publish when there are newsworthy items relevant to the companies analyzed.

We rely on public disclosures of the companies under review and other companies in the same or similar sectors. We also conduct interviews with former employees, officers, and others associated with the companies we analyze, when possible. We review national and international news services, internet reporting, and social media and may rely on reporting by others to prepare our report. We discuss the companies with other analysts who may have positive or negative information and opinions about the companies under review and then analyze the information and opinions received to determine whether the information and opinions are based on available factual information or disclosures. We also may obtain information from, and rely on, information from sources who wish to remain confidential and whose information, but not identity, may be included in this report.

We welcome comments from the companies we review, from other newspapers or analysts, and from the public. We will publish corrections or explanations submitted if those are found to be based in fact and are credible. We conduct most of our analysis without active participation by, or with limited input from, the subject companies and thus we recognize that those companies may disagree with our conclusions or may believe there are facts that were not available to us when we published our report. We make efforts to obtain accurate and complete information in preparing this report. However, we do not warrant that the information and analysis is correct.

Comments or requests for corrections are therefore welcomed.

Any requests for corrections to this report should be directed to the publisher at PO Box 578, Pengrove, CA 94951. The request for correction should identify the statements challenged and a demand that the statements be corrected. If someone believes that a statement in this report is libelous, and that person demands a correction, then that demand should be made within 20 days of knowledge of the publication.

You should consider this report along with all other information and analysis that is available, as well as your own research. We are not responsible for any trading losses you believe may have been caused by your reliance on this report. It is not investment advice or a recommendation or solicitation to buy any securities. We are not registered as an investment advisor in any jurisdiction.

We take investment positions consistent with our own opinions in the companies we cover. If the report contains an overall negative assessment, then that means we stand to profit if the company's stock declines. We may buy, sell, cover or otherwise change the form or substance of our position in the company and we do not publicly announce our investment decisions or changes in our investment positions.