



April 4, 2016

To all Sanjel, Suretech and Terracor Employees,

Since late 2014 the energy industry has weathered unprecedented reductions in drilling and completions activity. E&P companies have placed tremendous pressure on the service sector to continually reduce the cost of services to a point of breakeven or below. Despite Sanjel's proactive approach to expense management and aligning our operations to current levels of market activity, it has become increasingly difficult for us to maintain a strong balance sheet.

To address our financial position, Sanjel has accepted two separate sales agreements that will provide a foundation for our business continuance in the North American energy industry. Sanjel's Canadian pressure pumping business will be acquired by STEP Energy Services Ltd. Concurrently, Sanjel's US pressure pumping business will be acquired by Liberty Oilfield Services Holdings LLC. We are actively seeking buyers for our subsidiary companies Suretech Completions and Terracor Group.

To facilitate the closing of these two sales agreements, Sanjel Corporation (including Suretech Completions and Terracor Group) initiated a Court-supervised restructuring process. On April 4, 2016, Sanjel obtained a Court Order from the Court of Queen's Bench of Alberta under the Companies' Creditors Arrangement Act (CCAA) in Canada. Sanjel also applied for recognition of the Initial Order under Chapter 15 of the US Bankruptcy Code. PricewaterhouseCoopers Inc. has been appointed Monitor of Sanjel during this process. It is our intent to provide uninterrupted service to our clients throughout the restructuring process.

Paul Crilly has been appointed to the role of Chief Restructuring Officer. Paul will oversee the Sanjel portion of the restructuring process and work closely with PricewaterhouseCoopers to close the transactions and complete the CCAA/Chapter 15 process.

While I expect that this message will cause uneasiness, details regarding the transition plan will be broadly communicated once the transaction details have been finalized. It is anticipated that completion of the two transactions will occur within the next 30 to 60 days. No changes are anticipated to employee benefit programs during the restructuring process.

Your ongoing commitment and ability to remain focused during this restructuring process will increase our ability to successfully close the pending transactions and position them to move forward in the energy service industry for the long-term. I am optimistic that many of you will have the opportunity to continue to build your career with one of the new entities, each of whom will be creating their own transition plans including employee requirements.

Further to the messages above, I also want to announce my resignation as President and Chief Executive Officer. This company and the people in it have been a huge part of my life and my family's for over 34 years. I am incredibly humbled to have had the opportunity to work with such an amazing team. While this is not necessarily how I envisioned the future to unfold, I want to personally thank all members of team Sanjel past and present for their dedication, hard work and overall commitment to 'Pride by Performance.'

Sincerely,

Darin MacDonald
President & Chief Executive Officer