



GlobalFlow

Automation • Controls • Process Equipment

MESSAGE BOARD

June 2012

Integrated Energy Solutions

A NOTE FROM THE CEO

It has been some time since the last publication of the Message Board. During this time there have been a number of changes in our industry and company, as well.

Having recently completed a round of town hall meetings, I must say that I really enjoy getting out into the branches and meeting people, attending safety meetings, and having the opportunity to talk about the direction of GlobalFlow. Thanks to everyone for their hospitality.

Welcome to:

Dale Burch and everyone from Shaunavon Electric
Dana Krause, VP Strategy Development
Dean Olafson, VP Corporate Development
Elvira Hallady, Corporate Controller

There have been many significant changes in GlobalFlow in the last year. Some of these include:

- the sale of the Marcon Glycol Regeneration trailers, which was a great business that no longer fit into the GlobalFlow strategy.
- the sale of Southern Plains Energy, another great business that no longer fit into our strategy.
- selling GlobalEye and Well Test Express to Zed-I, in order to focus the Automation BU on traditional SCADA and Automation.
- opening a new Process Equipment fabrication facility in Redcliff in order to increase capacity and broaden the scope of equipment we can build.
- acquiring Shaunavon Electric, to bolster GlobalFlow's activity in a very robust area.
- moving the head office to Calgary, which allows for more growth and opportunity.

The most significant change over the last year, however, was the completion of a corporate re-structuring initiative that had started in 2009. The Maverick Group of Companies was amalgamated into a single company name – GlobalFlow – with three business units, Automation, Controls and Process Equipment. This was done for market and brand recognition, as well as being able to give a clear and concise message to all of our stakeholders: employees, clients, and vendors.

I had underestimated the positive impact that amalgamating under one company name would have on our business. It enables us to approach new and familiar clients from a perspective of one company with “Integrated Energy Solutions”, based on consistently delivering value to our clients. We are now experiencing tremendous success and growth because of this approach. From a market recognition perspective, it has had a major impact at a branch level, as well as corporate Calgary.

Industry Outlook

Drilling Activity - Oil vs. Gas - The WCSB is currently on track to finish 2012 with 8900 oil well completions and 4000 gas well completions. This represents a very significant shift towards oil exploration and away from natural gas, as illustrated below.

Previous Years' Well Completions (approximate)

	Oil	Gas
2008	6100	9500
2009	3400	5000
2010	7000	5100
2011	8400	4600

Prior to the recession, GlobalFlow derived the majority of its revenue from natural gas, shallow gas for the most part. Since 2008, GlobalFlow has done an excellent job of modifying its customer base, in order to adapt to the changing market.

Previous Years' Revenue Percentage Based on Oil vs. Gas (approximate)

	Oil	Gas
2008	10%	90%
2009	25%	75%
2010	45%	55%
2011	70%	30%

This shift away from natural gas focused drilling has proven to be very challenging for the GlobalFlow operations in BC and SE Alberta. The North American natural gas supply remains quite high and the much anticipated contraction on the supply side has not taken place. However, with the natural gas drilling rig count continuing to drop in the US, and increased natural gas consumption on base load electrical generation, we will begin to see a more balanced natural gas market sometime in the future. Although I don't believe there is anyone who would be bold enough to predict when that might happen.

However, oil activity continues to be very robust, and GlobalFlow continues to secure good opportunities in Saskatchewan, Manitoba, and now Central Alberta. With prices in excess of \$70/bbl, economics are quite good for producers today. Projections are that oil pricing will continue to be strong for the next 2 to 3 years. A widely held view by most economists regarding oil pricing is that oil will be trading in the \$80 to \$100 dollar range for some time.

In preparing my notes for this Message Board, I took some time to review the quotation that I had placed in the last edition.

“While it’s impossible for anyone to change the direction of the wind, it’s up to you to adjust your sails.”

Based on how this company is thriving today, and considering that the wind still hasn't changed direction in our industry with regards to natural gas, I can definitely say that everyone at GlobalFlow has done a great job of working as a team to adjust the sails.

I'd like to thank everyone for their hard work and dedication through some very challenging times. It is very much appreciated.

Please take some time this summer to enjoy holidays with friends and family, and please travel safely.

Cam Marshall



SALES

Who We Are

GlobalFlow – “Integrated Energy Solutions”

Formerly known as the Maverick Group of Companies, GlobalFlow was incorporated just about 10 years ago. In those 10 years we, at GlobalFlow, have gone through many changes. We started building fully automated metering skids for the shallow gas areas in Southern AB and SK, installing all of the electrical and instrumentation with our own field people.

As the oil and gas industry has changed dramatically, we have changed with it. Within the last year, we have consolidated all of our operating companies into GlobalFlow and its three business units, Automation-Controls-Process Equipment. We now specialize in offering “Integrated Energy Solutions”.

Through the Automation group, GlobalFlow offers project management, design and field installation with highly qualified SCADA Technicians. We offer commissioning, programming, integration and ongoing support. We also have a full panel construction shop dedicated to constructing with the highest value components and assembly techniques.

“The future comes one day at a time.”

GlobalFlow’s Controls division offers Electrical and Instrumentation maintenance and construction through locations across the Western Canadian Basin in BC, AB, SK and Manitoba. With a full lineup of highly qualified Electrician and Instrumentation Technicians, we are satisfying the current demands that the patch has to offer.

In the last year, GlobalFlow’s Process Equipment division has expanded its footprint into the market by adding 28,000 sq ft in a new facility. The addition of crane capacity, welding capacity and a 10 acre lot has certainly had a huge impact on our clients’ needs for vessels, separator packages and process equipment of all sorts.

By combining GlobalFlow’s expertise and offerings under one umbrella, we offer a synergistic value to producers that no one else does. We are able to send out equipment from our process facility that is “project completed.” This certainly has proven to save producers valuable time and money by using GlobalFlow’s “Integrated Energy Solutions.”

Bruce McKenna



FINANCE

“Change brings opportunity.”

The 6 month journey to relocate the Finance Department to Calgary is complete. The team has added some new faces to join the familiar. The GlobalFlow Finance Team now includes the following members.

Jennifer Ford moved to the Redcliff Process Equipment facility in February and took on the role of Senior Cost Accountant. Her focus will be cost/job accounting for the Process Equipment Facility, as well as assisting in the month end process for Finance.

Erin Schorr is still the billing agent of the Controls Business Unit and will remain in our Medicine Hat office. Her ability to handle the volume without any assistance is remarkable and a huge asset to the team and the Controls BU.

Lisa Leaver, our newest member, has taken on the role as Payroll/Benefits Administrator who will also be in our Medicine Hat office. Her first month with us has proven to be a smooth transition and we are happy to have her expertise in the department.

Leah-Anne Campbell has been in the role of Accounts Payable Coordinator for three months and is located in our Calgary Head Office. Now that the backlog has been managed, we are looking to work with the vendors in order to streamline payment terms.

Rochelle Redenbach is our new Accounts Receivable Coordinator, and is also in our Calgary Head Office. With her experience in this field we have improved our collections efforts tremendously and she has proven to be a great addition.

Shannon McDonald, who was one of the first new additions in the Calgary Head Office, has been a tremendous help in keeping the accounting functions on schedule. She has also taken on the role of the Calgary receptionist and assists as the HSE Administrator.

I want to take the time to thank all of you for being patient throughout this process. The goal of the finance team is to create a specialized department with experienced personnel in the fields in which they are trained. This has slowly proven to be successful. I am very pleased with the team and the efforts they have contributed to make it happen. I feel that the progress we have made has been very rewarding. We look forward to working with all you.

Elvira Halladay



CORPORATE DEVELOPMENT

Dean Olafson, P. Eng., MBA Joins Global Flow as VP Corporate Development

Dean brings extensive experience in the senior corporate management of companies that have been very successful in their segments, encompassing all three of Global Flow's business units. They include Ber-Mac Electrical & Instrumentation Ltd., Kvaerner Process Systems (a Process Equipment Designer and Fabricator), and Sceptre Projects Limited (an Oil & Gas Field Construction Contractor). Dean will play a key role in the execution of Global Flow's strategies, including leveraging the unique attributes of the business units into increased Customer Value through Integrated Energy Solutions. This methodology utilizes each division's capabilities to provide a continuum of services including production skid and control panel fabrication, electrical/instrumentation services and SCADA solutions.

As a member of Global Flow's Senior Management Team, Dean brings extensive oil and gas industry experience with core competencies in leadership, operations and projects, combined with a background of developing and implementing strategy, organizational development and operational processes. This will add a needed dimension and greater depth to the management team as Global Flow continues to grow and exceed our customers' expectations.

SAFETY

Global Flow is in the process of developing, implementing and obtaining another Alberta Boilers Safety Association (ABSA) "Certificate of Authorization Permit" for a Quality Management System. The Controls Business Unit is working towards obtaining and registering an Alberta Quality Program (AQP) to cover the field installation of tubing in order to expand its scope of Integrated Energy Solutions and comply with legislation. This important accreditation, like the AQP program in place at the Process Equipment facility, would be registered with ABSA, the Alberta Boilers Safety Association. Much appreciation and many thanks are extended to all of the technicians who have provided knowledge and guidance on this project. Charles expects that we should be ready for our Certification Audit by the end of July 2012. Dean Olafson, the interim HSE & Quality Assurance Manager, would also like to extend thanks to the Safety Coordinators in the various locations and business units of GlobalFlow.

They are;

Controls:

- Shaunavon/Swift Current – Kendra Ostrosky
- Medicine Hat – Curtis Marshall
- Calgary / Claresholm – Darcy Slettede
- Grande Prairie / Drayton Valley / Fort Nelson – Gary Rutberg

Automation:

- Calgary – Dean Olafson (Interim)

Process Equipment:

- Redcliff – Neal Mytton

While Dean searches for the right person to assume the HSE & QA Manager position, the safety coordinators continue to fulfill their roles and responsibilities diligently in order to keep the GlobalFlow community safe and healthy.

Management Retreat & Strategy Session

With the recent additions and changes to GlobalFlow's management structure, the need to gather all of the senior and area managers together became evident. As such, the managers gathered in Canmore on April 19th and 20th for a Management Retreat and strategy session. The future direction of GlobalFlow, consistency in strategy and vision and the development of current organizational charts provided much of the focus. It was very beneficial to ensure that everyone is on the same page and know that everyone is looking to the future with shared optimistic anticipation.

Some of the things covered included:

- A presentation by our CFO, Brian McGill, on Gross Margin, Break Even Point, Fixed and Variable Costs and how to measure and control them.
- Regan Davis of STEP Energy Services gave a presentation on "Alignment / High Performance Culture / Engaged Work Force."
- Presentation and discussion on new Organizational Charts.
- Dana Krause provided insight in to our strategy of "Integrated Energy Solutions."
- Elvira Halladay gave an overview of the Finance and Administration Group and the path ahead.
- Bruce McKenna provided an excellent case study on "Integrated Energy Solutions" and the value add to our customers and revenue growth possibilities for Global Flow using this strategy.

- A message from the Board of Directors was provided by Board Member, Paul Massel.
- Sharon Debler provided an update on the initiatives and programs the Global Flow Foundation is involved in.
- Bill Borger, President of the Borger Group of Companies, gave an inspirational talk on his climbing of Mount Everest and swimming of the English Channel, "Peak and Pond" (not on the same day).
- Last but not least, Cam Marshall wrapped things up with his vision for the future of GlobalFlow and the great opportunities in front of us.

Dean Olafson



AUTOMATION

With the start of our 2012 Fiscal year last October, the Automation Group saw major changes in our group following the sale of Global Eye.

As with all GlobalFlow business units, the down turn of the natural gas has also changed Automation's sales focus to oil and liquids measurement applications, resulting in building larger and more complex panels in the Calgary Panel Shop. Jason Galbraith has been spending a considerable amount of his time venturing into the world of custody transfer liquid measurement based on coriolis metering. Jason is also taking the lead in the Automation group in promoting and executing GlobalFlow's Integrated Energy Solution.

Since the sale of Global Eye, Zedi Inc. has been working with Global Eye clients in transitioning them to Zedi Access. Global Eye continues to be installed on the GlobalFlow corporate servers and accessed by Global Eye clients as Zedi finishes the software development they require on Zedi Access to be able to provide the functionality and unique solutions our Global Eye development team was providing to our clients. Zedi is expecting to have their project completed before the end of June.

We are seeing increased activity in SCADA integration opportunities. Much of this activity is the result of the reputation Lorie Travis has garnered in downtown Calgary and 'the patch' due to her indepth knowledge of ClearSCADA and other SCADA platforms, extremely high standards and attention to detail. Lorie is currently heading up the design team at Penn West for their corporate ClearSCADA host which Penn West is planning to be the backbone for automating in excess of 10,000 well sites and facilities over the next 4 - 5 years.

We have added two resources to work with Lorie. Dustin Symes has been with us for almost a year and is working closely with Lorie on ClearSCADA and SCADAPack programming projects. Dustin has quickly become a valuable member of our team, bringing experience and proficiency in Horner PLC's and Red Lion controllers, and allowing us to continue to provide unique solutions for our client base. Jeremy Sylvain recently joined our group and is working exclusively for Penn West as the Field Installation and Commissioning Coordinator for the above mentioned corporate SCADA project. Jeremy hardly got familiar with our office as Penn West has set him up with an office downtown and has him digging into the project details starting off with developing installation and commissioning procedures in preparation for automating the Leaf Land field in Central Alberta.

Buzz Brown

PROCESS EQUIPMENT

It has been just over a year since the Process Equipment Business Unit made the move to our new facility. The new facility has over 40 tons of crange, 28,000 sq.ft. of building space and is situated on 10 acres of land, just outside of Redcliff. This move has been a game changer for us and has allowed us to realize some significant growth and opportunity. However, as many of you know with growth comes some pretty hefty challenges and difficulties. Believe it or not our biggest challenge currently is the amount of work we have booked; don't get me wrong - it's a fantastic problem to have.

A quote that I always remember and would like to share with you all is as follows:

"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."

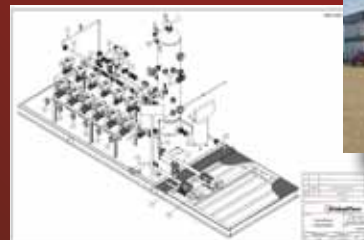
- Winston Churchill

I strongly believe that the entire team at the Process Equipment Business Unit thinks along these lines, as people generally surround themselves with like-minded people. It is this team that will make Global Flow Process Equipment successful.

We are often asked what it is we fabricate - at one point the answer would have been fairly straight forward. Nowadays though the answer isn't as simple as we have been branching out into Separators with much more automation than prior packages, we are underway fabricating our first FWKO, we have been quoting items from utility skids to MCC buildings and the list just keeps going.

I would like to thank everyone who has been involved in our successes to date and look forward to what the future has to bring for Global Flow.

Cory Earle, P.Tech (Eng.)



CONTROLS

As I sit here and contemplate the last year, I continue to return to one key element that has kept us going through all of the ups and downs...people. Innovation and Change and Flexibility and Creativity come to mind when I think of the transition of our company from primarily Natural Gas focused to a more balanced Gas/Oil service company. Each and every one of you has played an integral role in this transition and, therefore, continued success of our company. Thank you for your tireless efforts.

The Controls group is continuing to find growth opportunities in both construction and service & maintenance. We are really starting to see the benefits of our new business structure, Automation-Controls-Process Equipment. Our three business units have been able to leverage off of each other to open doors that would otherwise be much more difficult to open.

Most of you have heard our mantra 'Better is More', and it is obvious that it fits our culture perfectly. Please continue to hold yourselves to the high standard that you have set. I promise you that it will continue to create new and exciting opportunities for us all.

The adjacent pictures represent the various locations of Controls, although some of the guys were either camera shy or not available for the pictures. Regardless, I would like to acknowledge and express my appreciation for everyone in the Controls group.

Charles Kuntz



Calgary



Shaunovan



Medicine Hat



Drayton Valley



Grande Prairie



Projects



Claresholm

FOUNDATION

Our Foundation was created and intended to be able to “Give back to our Communities.” The GlobalFlow vision includes: “We will provide balance for our families and be proud contributors to our communities.” With this in mind, the employees have personal involvement in the charities to which the Foundation donates.

The Foundation Board consists of the following employees of GlobalFlow: Jenn Ford, Barb Dolter, Cam Marshall, Dean Yeast and Sharon Debler.

The employees of GlobalFlow determine which charities receive donations from the Foundation. GlobalFlow directs funds into the Foundation, which in turn donates to other Registered Charities.

The following guidelines have been set up to give direction to the employees about how to donate to the charities about which they are passionate and with which they have direct involvement:

1. The Foundation will match any monetary donation made by an individual employee and/or his immediate family to a Registered Charity, from a minimum of \$50, up to a maximum of \$200. The employee must submit to the Foundation a copy of the official charitable tax receipt that is issued by the organization to the individual. If the official receipt is unavailable, a formal letter may be acceptable.

2. The Foundation will match any monetary donation made by a group of employees to a Registered Charity as part of a team building activity, up to a maximum of \$1000.

3. The Foundation will make a donation to any Registered Charity to which a group of at least 4 employees volunteers their time to this charity. The donation will be an amount equal to \$12/hr for every hour of time donated, up to a maximum of \$1000.

At the time I write this, we are organizing a Charity BBQ for one of our employee’s at the Process Equipment shop. Josh Wells, his wife Echo and their three small children are moving to the Philippines to become Missionaries. Their passion is to help people in need, which led them to the Philippines. Both Josh and Echo have completed missionary work in the past and found their experiences to be life changing. In the Philippines, Josh will be primary caregiver to their three children and Echo will help women in childbirth. According to the World Health Organization, every minute at least one woman in five

dies from complications in child birth. Many of these deaths are preventable and Echo plans to make a difference. Josh will volunteer as much as he can while they are there for the duration of 31 months. They are in much need of funds to make this happen. If you wish to make a one-time donation or give on a monthly basis, please do not hesitate to contact Barb Dolter or Sharon Debler.

A recent event at the Process Equipment shop’s Employee Christmas Party this past year resulted in Medicine Hat’s Santa Claus fund receiving \$1085 donated by our employees. At that time, the Foundation was not in full function, so GlobalFlow matched the employee contribution amount of \$1085 to the same charity. Going forward, the Foundation will match these contributions up to a maximum of \$1000. Items for the raffle were donated by our Vendors, employees purchased raffle tickets and all proceeds were donated to the employees’ chosen charity, Santa Claus Fund. This event was an example of the #2 guideline, Team Building Activity. It resulted in great success and our hats are off to the organizers!

The Foundation is something of which we can be proud. To help others in need creates a rush of good feelings (warm and fuzzy ones). Our Foundation’s success is dependent on our employees, so please get involved! It would give me great pleasure to report an event that your TEAM organized in order to help others. It will be in the next edition of our newsletter, so keep them coming!

Sharon Debler



LOCATIONS

Head Office – Calgary

#2, 2315 – 30th Avenue NE

Ph: 403-219-7373

Fax: 403-230-0218

Medicine Hat Office

#8, 1771 – 30th Street SW

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Automation

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Process Equipment

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Redcliff, AB T0J 2P0

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Medicine Hat

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Drayton Valley

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Fax: 780-542-2730

Grande Prairie

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Fort Nelson

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Phone/Fax: 250-774-3070

Shaunavon

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Fax: 306-297-2198

Swift Current

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