



## **Investor Update**

**Thomas M. Alford, President and CEO  
IROC Energy Services Corp.**

Toronto, Ontario – June 8-9, 2011

# Forward Looking Statement

Certain information contained in this Presentation, including, but not limited to, information related to the Corporation's level of service rig utilization, expected revenues, expected EBITDAS, timing of release of 2011 first quarter financial results, future capital expenditures, anticipated equipment counts and information or statements that contain words such as "forecasts", "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "likely", "estimate", "predict", "potential", "continue", "maintain", "retain", "grow", and similar expressions and statements relating to matters that are not historical facts, and / or are under columns labelled "guidance", constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. This information or these statements are based on certain assumptions and analysis made by the Corporation in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, and the statements contained in this news release speak only as of the date hereof.

Whether actual results, performance or achievements will conform to the Corporation's expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from the Corporation's expectations. Such risks and uncertainties include, but are not limited to: fluctuations in the price and demand for oil and natural gas; fluctuations in the level of oil and natural gas exploration and development activities; fluctuations in the demand for well servicing and ancillary oilfield services; capital market liquidity available to fund oil and gas exploration and development programs; the effects of seasonal and weather conditions on operations and facilities; the highly competitive operating environment inherent in well servicing and ancillary oilfield services; general economic, market or business conditions; changes in laws or regulations; the availability of qualified operational and management personnel; currency exchange and interest rate fluctuations; uncertainties associated with regulatory approvals; uncertainty of government policy changes; uncertainties associated with credit facilities and counterparty credit risk; changes in income tax laws or changes in tax laws, crown royalty rates and incentive programs relating to the oil and gas industry; risks associated with government regulations and environmental health and safety matters; differences between Canadian GAPP and IFRS; and other unforeseen conditions which could impact the use of equipment and services supplied by IROC.

Consequently, all of the forward-looking information and statements made in this Presentation are qualified by this cautionary statement and there can be no assurance that the actual results will be realized. Except as may be required by law, the Corporation assumes no obligation to update publicly any such forward-looking information and statements, whether as a result of new information, future events, or otherwise.

# Corporate Profile

- TSXV:ISC – 50 million shares outstanding
- Market Capitalization of \$92 million (June 6, 2011)
- Total Debt of ~\$18.9mm and Net Debt of ~\$9.7mm (December 31, 2010), now significantly reduced with the treasury issue completed early 2Q2011
- Banking Facility renewed May 26<sup>th</sup>, 2011, with \$35mm borrowing facility and additional \$20mm available as an acquisition line through existing banking syndicate
- Operating primarily in Western Canada with International exposure through our technology business
- IROC's Drilling and Production Services include:
  - 36 Well Servicing Rigs and equipment – **Eagle Well Servicing**
  - Oilfield Rental Services – **AERO Rental Services**
  - Coiled Tubing Units – **Helix Coil Services**
- IROC's Technology Services include:
  - Manufacture, distribution and installation of down hole pressure and temperature measurement tools – **Canada Tech**



- Presently operating 37 newly built service rigs in Western Canada with most recent rigs deployed in Q1 2011
  - Operations centered in Red Deer, Lloydminster, Estevan and GP
  - Growth opportunities remain as we strive to achieve optimum operating levels in each of our bases
  - First rigs built in late 2004 with controlled internal growth providing Eagle with the newest fleet of service rig equipment in the public markets
  - New replacement cost of assets ~ \$90mm based on 37 rigs
  - Five new builds in progress with delivery in June, July, September, October and November including our first 250K hook load double and two slant rigs bringing total to 42 by yearend
  - Represents 71% of IROC revenues during 2010
- Competitive Advantages
  - New equipment adapted to meet the changing needs of our customers in the WCSB
  - All 37 rigs crewed driving utilization percentage higher relative to our peers
  - Trained, competent field personnel managing each of our rigs
  - Cost efficiencies achieved from new fleet
  - Utilization of new technology provide superior product for customer



- AERO Rental Services provides surface pressure control assets, tubulars, power swivels and handling equipment
- Fastest growing portion of our business – 12% of sales in 2010 – 17.8% of sales 1Q2011 – 10.9% of sales 1Q2010
- Replacement cost of assets \$14mm end of 2010, \$17mm currently and \$21mm by YE2011
- Experienced team of pressure control professionals
- Quality Equipment Fleet with new or refurbished assets
- Recent acquisition of Trust Energy Services expands scope of our equipment inventory, taking advantage of fracturing activity
- Internal growth potential is obvious as HZ and SAGD activity increases and additional equipment required
- Currently dealing with increasing demand from drilling, well servicing and coil tubing sectors



# Canada Tech

- A highly specialized technology company that develops, manufactures, distributes and installs a wide range of memory gauges and permanent monitoring systems for use in harsh operating environments around the world
- Continuing development of new products
- Focus on pushing limits of existing technology to set continuous monitoring as the standard in the industry
- Domestic and international expansion opportunities as demand for information increases
- 52% of CT revenues outside of Canada in 2010
- Represented 17% of total revenues in IROC in 2010
- Capital spending increasing as we exit downturn and technology is applied to mainstream applications



- New venture intended to address the growing demand for coil services
- Two truck mounted units and one trailer unit have been ordered
- Each has 2" capacity which addresses the widest range of customer needs currently
- Delivery of first unit has been completed and it is expected to be deployed to the field as moving restrictions are removed
- Complementary service to our service rig operation with extensive horizontal applications
- Production work will be our primary focus for the initial units deployed to the field
- Total capital expected to be deployed is \$5.6mm in 2011



# IROC ENERGY SERVICES 2010 Highlights

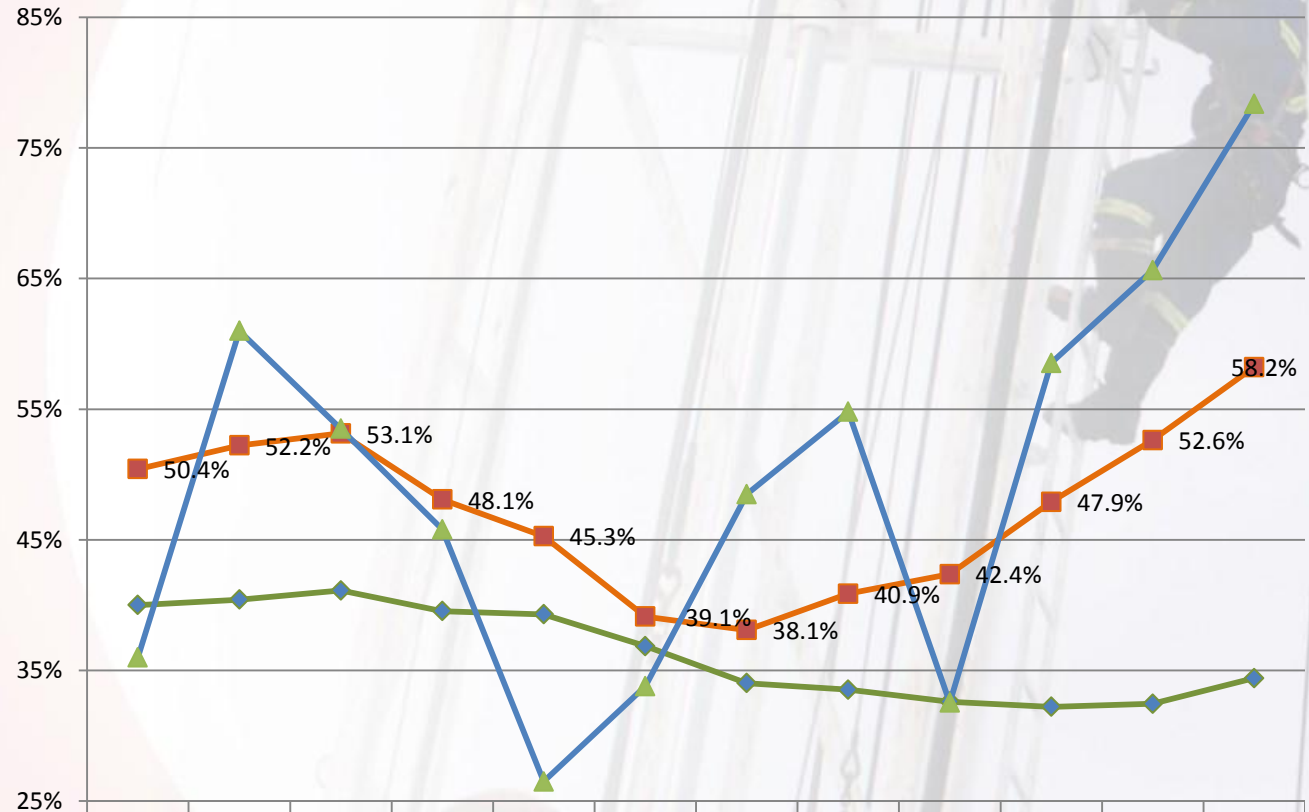


*...we're ready*

# 2010 – Renewed Activity

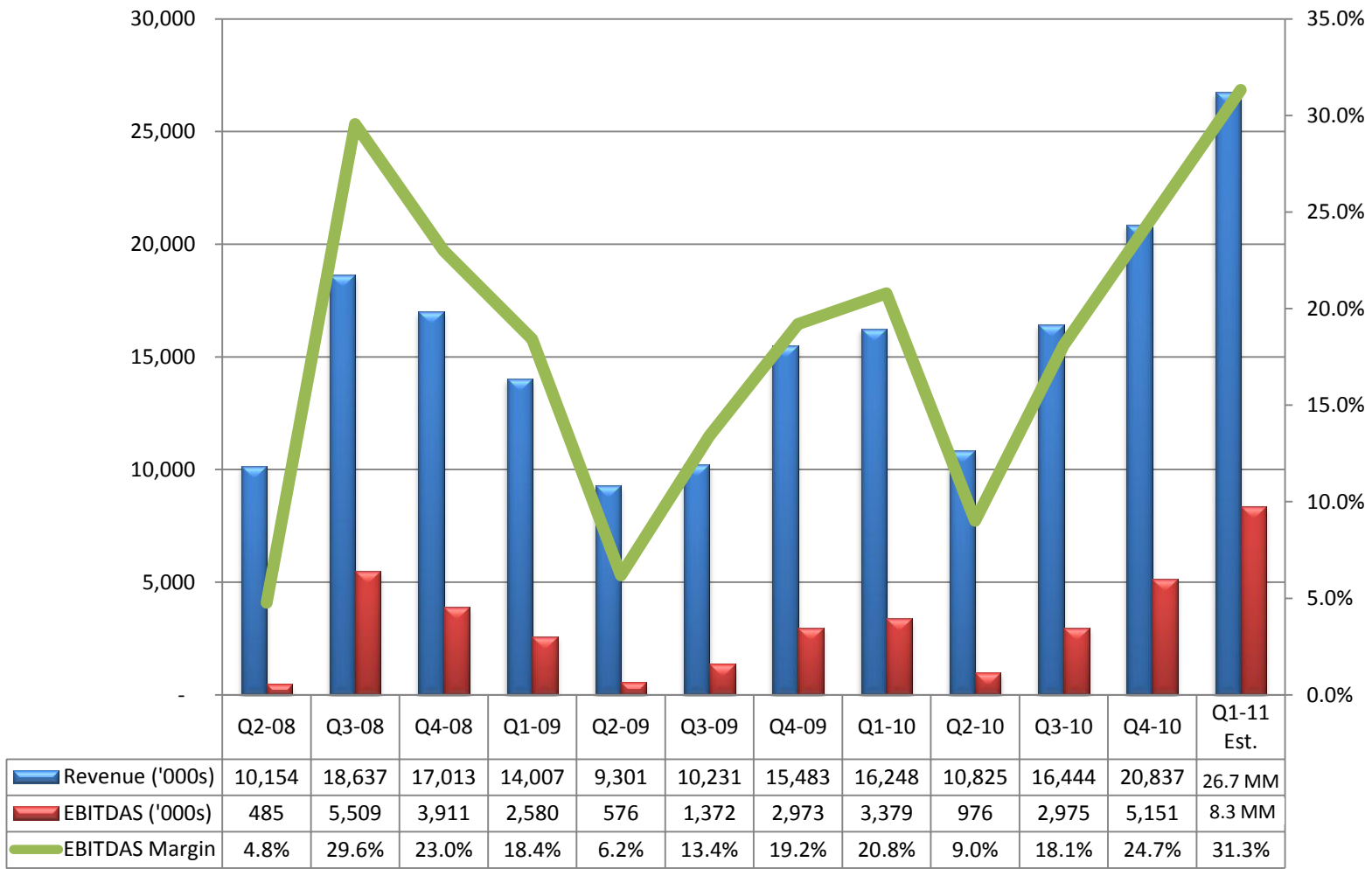
- Recovery begins and gains momentum during 2H2010
- Strong pricing for oil drives activity
- Acquisition of Trust Energy Services in July
- Increased service intensity created by horizontal drilling applications in existing oil fields
- Idled service rig equipment returned to the field
- Revenues increased from \$49mm in 2009 to \$64.4mm in 2010 – a 31% increase over 2009
- Margins began recovery in 4Q2010
- EBITDAS of \$12.5mm for full year 2010 being achieved – a 66% increase over 2009

# Eagle Well Servicing 12 Month Trailing – Total Gross Margin and Utilization



	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11 Est.
Trailing 12 Gross Margin %	40%	40%	41%	40%	39%	37%	34%	34%	33%	32%	32%	34%
Trailing 12 Rig Utilization %	50.4%	52.2%	53.1%	48.1%	45.3%	39.1%	38.1%	40.9%	42.4%	47.9%	52.6%	58.2%
Rig Utilization per Quarter	36.0%	61.0%	53.5%	45.8%	26.5%	33.8%	48.5%	54.8%	32.5%	58.5%	65.6%	78.4%

# IROC Energy Services Corp. Historical Financial Performance



# Ten Reasons for Optimism

1. Newest Rig Fleet in Canada is getting newer with the addition of 6 rigs in 2011 and continues to be in demand with 78.4% utilization during Q1 2011
2. Our employees have great pride in our equipment, a continuing advantage in a tight labor market
3. Aero Rentals exhibiting strong growth as demand for “new” rental items continues to expand
4. Biggest land sale in Alberta history right in our backyard targeting Cardium and Duvernay
5. Acquisition opportunities are again presenting themselves as our currency begins to recover

# Ten Reasons for Optimism

6. Growing base of oil wells requiring increased maintenance with active drilling – 75/25
7. New growth opportunities with the introduction of Helix Coil Services
8. Continued strong commodity pricing for Crude Oil with low heavy oil differential persisting
9. Horizontal applications expanding into new areas making old fields young again – it is expected that technology will recover more from existing fields than has been produced since Turner Valley
10. Top 5 service rig companies in Canada are not aggressively investing in new service rig assets

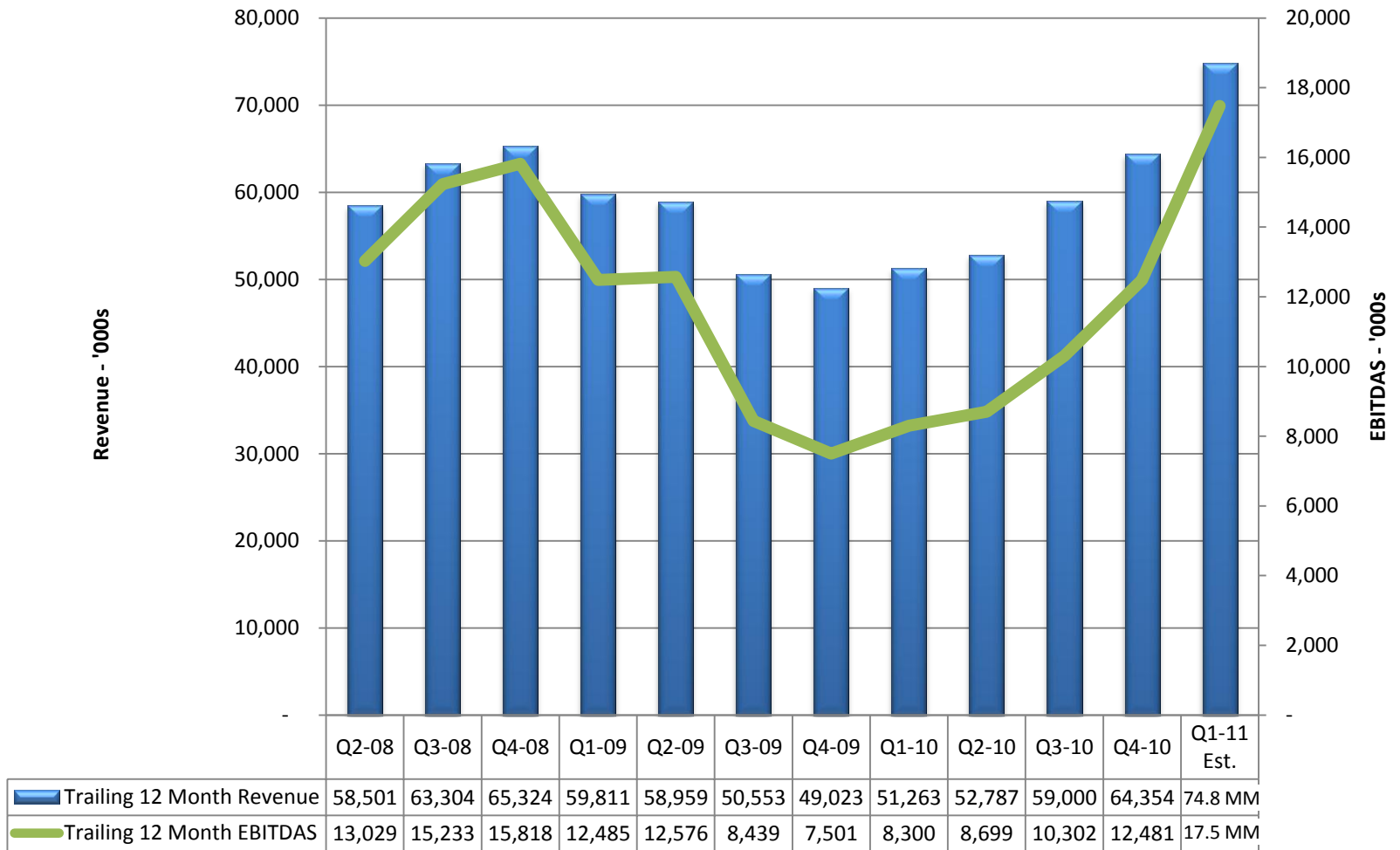


# 2011 - Fantastic Start

# 1<sup>st</sup> Quarter Momentum

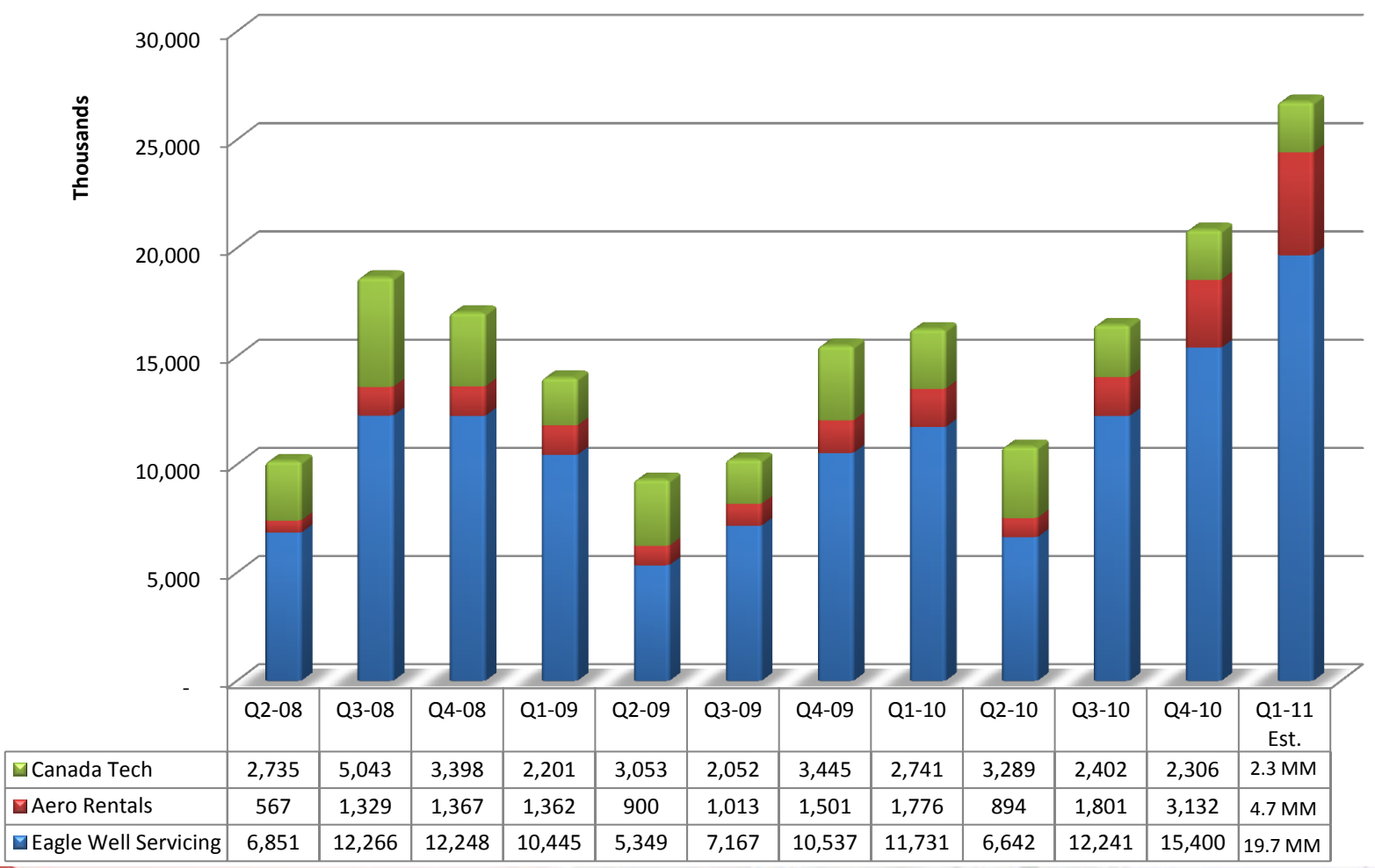
- Eagle Well Servicing
  - Revenues estimated at \$19.7mm versus \$11.73mm in 2010
  - Year over year increase in revenue of 68%
- AERO Rentals
  - Revenues estimated at \$4.7mm versus \$1.78mm in 2010
  - Year over year increase in revenue of 166%
  - EBITDAS estimated at \$2.39mm for 1Q2011, 51% margin
  - EBITDAS increased 566% versus same quarter 2010
- Significant leverage exhibited in both businesses with increased revenues
- Additional rigs, more equipment will provide support for continuing trend

# Trailing 12 Months Revenue and EBITDAS



# IROC Energy Services Corp.

## Revenue Performance by Division



# 2011 CAPEX

- Initial 2011 Capital Expenditure Budget of \$17.2 mm announced in February 2011
  - \$5.6mm for construction of 3 new service rigs in Eagle Well Servicing division delivered in May, June and July, utilizing in excess of \$1.4mm in new assets currently held in inventory. Total build cost of \$7.0mm
  - \$5mm for expansion of rental inventory assets in the Aero Rental division with majority expended during Q1 2011
  - \$5.6mm for construction of 3 Coil Tubing units with 2” capacity. This will be our initial entrance into the coil tubing business. Expected delivery and field deployment to take place over the next 3 months
  - \$1mm for maintenance and infrastructure expenditures

# 2011 CAPEX

- Additional Capital Expenditures of \$9mm announced May 2011
  - Three additional service rigs are being built bringing the total for the year to 6 new builds
  - Additional \$2mm allocated for internally generated expansion at Aero Rentals
  - 2 slant rigs and 1 additional class 3 single will be added at a cost of approximately \$7mm
- Total Capital Expenditures for 2011 now projected at \$26.2mm
- Funded from anticipated cash flows in 2011

# 2011 – Significant Growth

- Ramp up our capital spending to address the “glaring” opportunity that faces us in our core businesses
- Continue to look for opportunity first as a basis for capital allocation
- Retention of our existing personnel which has been a key to our success is a prime priority
- Secondary stock issue in April 2011 distributed approximately 20% of our stock more widely – liquidity being created
- Treasury Stock issue raised \$9.3mm in April 2011 reducing our net debt to zero
- Capital expenditure budget increased to \$26.2mm for 2011
- On time delivery of our equipment will drive revenues higher and create greater efficiencies as overhead will not increase proportionate to the amount of equipment added



# IROC Energy Services Corp.



*...we're ready*

# Why IROC Energy Services

- Experienced Management Team and Strong Board
- Newest equipment across all business lines
  - Ability to attract and retain competent crews will drive profitability in coming quarters
  - Technologically advanced products integrated into traditional business lines
- Increasing cash flows will enable stock buy back, possibly pay a dividend, acquire other companies or reinvest through internally generated initiatives
- Significant growth will occur taking advantage of numerous opportunities in the short term
- Well positioned financially to take advantage of acquisition opportunities and remain the “prettiest girl at the dance”
- Currently trading at a discounted EBITDA multiple as compared to our peers and significant discount to replacement cost



# IROC

**IROC Energy Services Corp.  
TSX Venture Exchange:ISC  
50 million Shares Outstanding  
\$92 million Market Cap. as at June 6, 2011**