

WINTER 2018

GCS Energy Services Ltd.

From Greg's Desk...

Hello All,

Spring is almost here finally! I can't wait for the snow to go and some projects to get rolling. RD has been very busy bidding lots of new opportunities. The guys have all had to pick up the slack around here with Brett travelling around South America and our Chief Estimator, Marshall, leaving us earlier this month. We will surely miss our friend Marshall and we wish he and his young family luck and excitement on their new venture in life near Edmonton.

I can finally say that things are looking up for once in the last 3 years. Not only have we been seeing more work opportunities coming in the door, we have also been landing some bigger projects that will be starting next month when it dries up.

Crushing crews have been able to pick up some bigger jobs and are spread out from Alberta to Manitoba with back log until the fall.

Manitoba crews have down sized over the winter but Jim is optimistic that things will pick up after break up.

NLS has brought on a couple more welders and has been able to keep the guys pretty steady with hourly work and small jobs that pop up. Steven has been busy bidding lots of work for them as well.

Easter is only a week away and I am sure everyone is looking forward to the long weekend and some time with friends and family. I know I will be trying to catch my last ski days in before the 2018 winter is gone again!

See you soon and in the meantime, think safe, be safe and stay safe!

Greg Schmidt

Staff Count: 93

Hardisty Office

A New Year...

365 days to fill with new moments, new adventures, new lessons, new memories, new challenges, and new opportunities!

What's NEW around the Hardisty office? Well, we've officially completed the annual GCS Health & Safety Orientations for 2018. We're all refreshed and ready for another busy year! Every re-orientation is a chance for all of us to come together and collectively reflect on the past year. We discussed our successes and areas for improvement, and each made NEW personal health and safety goals we can check back with throughout the year to help keep perspective and ensure a safer, healthier, more productive 2018. An incident free workplace, both field and office, is the common goal to maintain a TRF below 1 which will help bring in NEW business opportunities. It takes the buy in from each and every team member to make this happen and to uphold our thriving safety culture. Personal goals are a great way to keep us all accountable for a safe workplace!

With the frigidly cold temperatures we've been experiencing, and the menacing windchills that settle into your bones, a few lucky individuals have made the most of being a Canadian and fled to warmer destinations for some much-needed Vitamin D. From Mexico to Vegas, they've all come back looking like a breakfast-- sunny side up and perfectly toasted! A NEW lesson they have learned is to always check for rentable locker space at airports to store your winter apparel, as brushing off your car in -30 temperatures or waiting for the park and fly service is less than appealing in a t-shirt and summertime footwear!

While some vacation to warmer climates, Tess and Katie decided Alberta wasn't cold enough, so they set out on a NEW adventure to Regina, SK to capture some more photos around the NLS shop for the completion of the NLS website that is set to launch before the end of February. They were assured it's never windy or cold there, but they're calling their bluff. They almost needed to fill their pockets with rocks just to stay grounded! It made for many laughs and NEW memories.

A few weeks ago Mother Nature had a spell of amnesia and forgot that we should not have rain in January! But alas, we did. Not a NEW lesson, as we've been through it once before, but a NEW small challenge for 2018. The rain found its way in through the smallest cracks in the roof and wreaked some havoc in a few spots around the office. With a vortex of fans and dehumidifiers working to dry



up her failed attempt at Spring, the leaking stopped and the roof has since been repaired. After the replacement of some damaged ceiling tiles, it will be as if it never happened.

Our Safety Director is also sporting something NEW! A NEW safety designation! Randi is now a Canadian Registered Safety Professional (CRSP). The countless hours spent studying and preparing for this accolade were not in vain. Randi is devoted to safety and the efforts that go into recording, tracking, and updating to ensure the GCS safety program remains current, effective, informative, and ever evolving. Congratulations on this huge achievement, Randi!

So we're only into the second month of 2018, and we're already well on our way to a year filled with NEWs. We challenge you to make the most of every day, and do your best to leave a positive impression on the world for 2018.

Give more, take less. Love more, hate less. Do more, complain less.

Wake up happy. Pay it forward. Say please and thank you. Be safe. Smile. Do all of these things... more!

We wish you all a year so abundant in positivity your cheeks hurt! Happy 2018!

Red Deer Office & Shop

There is a new fellow in Red Deer and his name is Alex Zavadil. He is fitting in nicely, picking up how we service and what to look for when equipment comes back in for repairs. He has filled in nicely while Hal has been off. Alex has experience as an Operator so he has been coming in early to snow plow. With Jack being off, Alex has also been filling in for the Wash Bay position.

We are going through equipment pretty steady now that Paul has gotten the two crusher loaders gone through for Manitoba. The back yard is still full of equipment and we are trying to have a little of everything ready but sometimes have to drop everything we're currently doing and get another piece ready for rent.

Lance and I have been getting schooled on the new ViewPoint system of PO-ing for work orders and inventory. Billie has been spending some time on the road between here and Regina to get us all trained up.



NLS Office & Shop

NLS started the 2018 year off with our annual orientation. Randi was kind enough to drive out and gave us an excellent presentation. NLS had 13 employees at Orientation.

We have hired 2 new welders as we have an agreement with one of our clients regarding Integrity welding in-service piping. We have committed to have 7 Qualified welders to be available with qualification to their procedures. All the NLS welders have passed the qualification test so we are ready.

NLS has been doing a little sleeving in the New Year cleaning up Integrity work that wasn't able to be completed in the fall of 2017. We are told there is considerable work upcoming in 2018. We are looking to be busy doing this Integrity welding in late June through to September.

NLS has a presence at K+S where we have between 2 and 7 men onsite on a regular basis.

The second week of March NLS sent 3 welders and 3 helpers to Morden, Manitoba to take part in the Enbridge Welding Qualification. This testing is very intense, and the welders are required to pass many tests which in turn qualifies them to do in-service as well as maintenance welding to Enbridge procedures. As well, I received the updated qualification for NLS's Z-662-15 Welding Procedure which we tested for in February .

Katie and Tess were recently in Regina taking pictures for the Website and the results are amazing. The girls also worked on some NLS calendars and they turned out great.

We have recently hung some pictures and put blinds up on the office windows as we slowly complete inside renovations.

NLS is in the midst of digging out from a winter storm that dumped 40 centimeters in our yard. Its times like this that you appreciate how big 5 acres is....



Virden Office

Virden is a little quieter. We are working with one of the Tundra inspectors on a Tundra flowline. James is busy working with Higginbotham Electric for Tundra daily. We are moving equipment. Brook has been bidding lots and been awarded 3 new road construction jobs for GCS. Great job, Brook! Ron's crushing crew is set up and in the process of completing the 2 crushing jobs for the RM of Wallace. We are following up with all our clients finding out what work is coming up.



Job 576 — Pembina in Grande Cache

Eldon and his crew have been working hard on snow removal as there was 3' of snow on site when we returned. Final sand was the final contract item to complete and it was signed off on March 7th with both pads being turned over to the tank builders on time. Final Quality signoffs and turnover is close to being complete.

Job 584 — Lakeview Drive Renovation

Tyson and a small crew are working on the renovation to a small older cabin on Hardisty Lake. Work includes and interior remodel, small entrance addition, and new deck, with landscaping to take place when the weather warms up. It has been an interesting project to date, often reminding us why we don't build things like we used to, and why building codes exist!

Job 588 — Pembina in Fort Saskatchewn

The project is going well. We should be pretty much wrapped up by Friday for the time being. I have 3 crew members on site.

Job 589 — CNRL Horizon

Ron and crew have completed the excavation scope of work and then headed for days off while WorleyParsonCord installed piping. We have since returned to site to complete the backfill scope of work.

Job 590—Manitoba Infrastructure Shoo Fly PTH 2

Justin and crew will be constructing a shoo fly detour on PTH 2 for a future bridge replacement. This 17 day project is proceeding on schedule and on budget despite 12 inches of snow to start the project with. They should be complete by the third week in march.

Job 591—Town of Hardisty Demolition Project

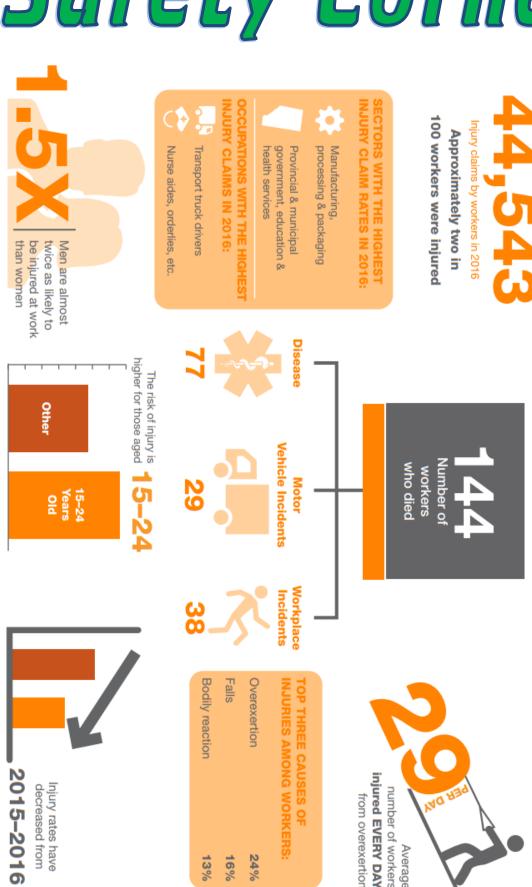
This project will consist of demo-ing an existing concrete water reservoir and an uninhabitable house in the Town of Hardisty. This job starts in early April and will take 3-4 employees about 10 days to complete.

Job 592— Graham Bridge Construction

This project has not started yet but will include construction of a new road embankment to proposed Bridge. Demolish existing bridge and remove existing road embankment.

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Safety Corner





WORKPLACE INJURIES, DISEASES & FATALITIES IN ALBERTA IN 2016

16% 24%

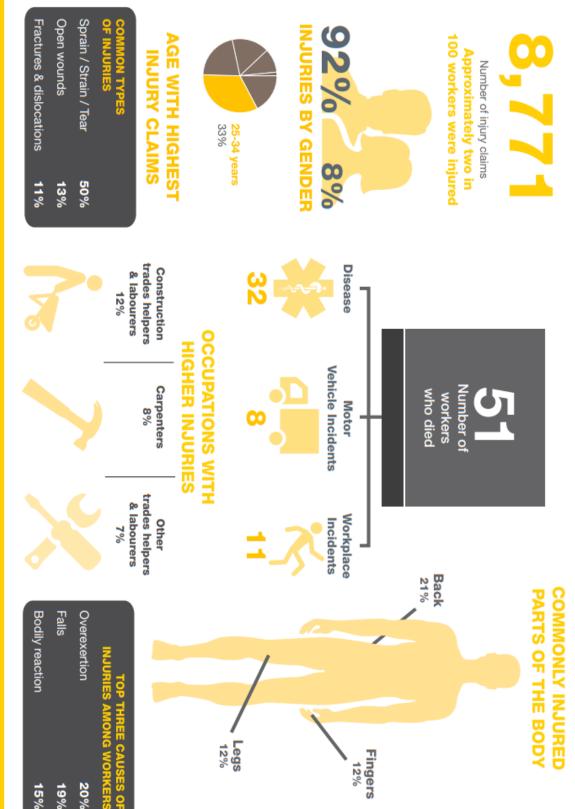
13%

Average

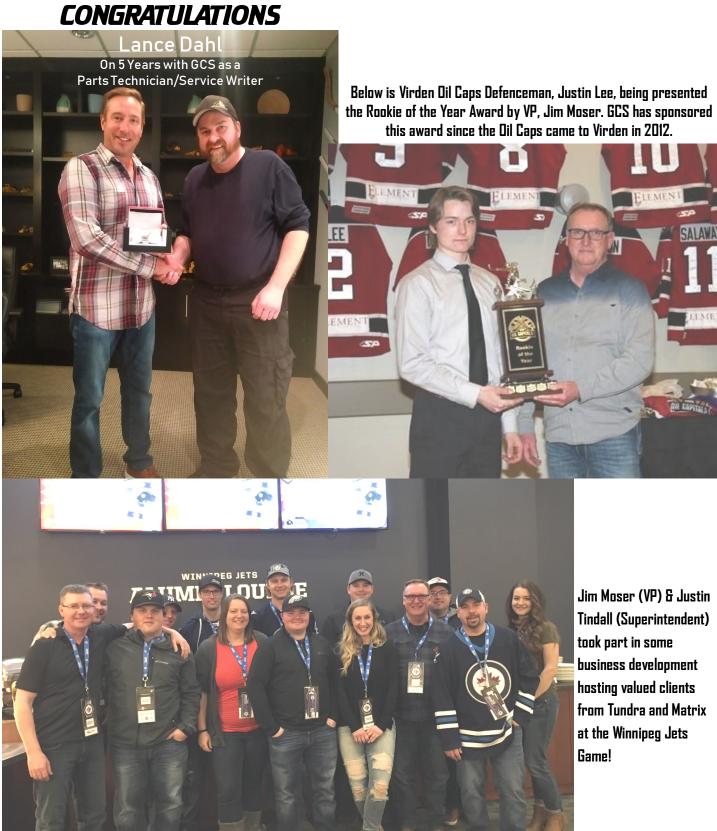
Safety Corner

MORKPLACE INJURIES, DISEASES & FATALITIES IN ALBERTA

Construction & Construction Trades Sector Overview 2016

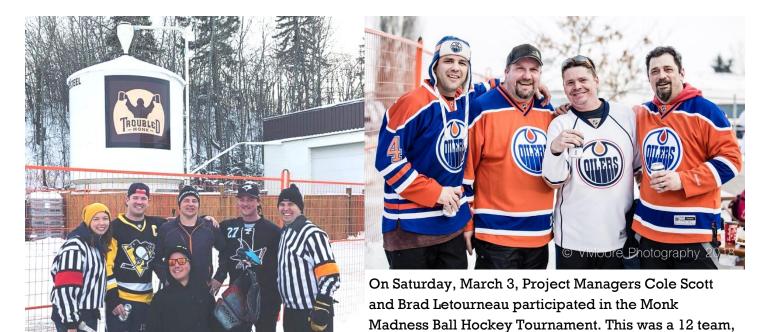


Around GCS

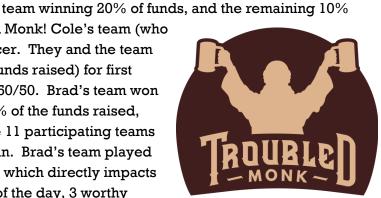


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Around 6C5



given to a team at random by the folks at Troubled Monk! Cole's team (who were the Champs!) played for Alberta Breast Cancer. They and the team they beat in the finals agreed to split the 70% (of funds raised) for first prize, and 20% (of funds raised) for second place 50/50. Brad's team won the Troubled Monk's choice award, which was 10% of the funds raised, because his team raised the most money out of the 11 participating teams and, according to Brad, were probably the most fun. Brad's team played for local group called Rise Against Rett Syndrome, which directly impacts the daughter of one of his teammates. At the end of the day, 3 worthy charities benefited from a day of fun. Way to go, guys!



double elimination bracket with the winning team earning 70% of ALL raised funds, the second place

Kudos to Scott Sadler and his Crusher 2 Crew for taking initiative and cleaning up the Quonset! Looks great, guys!







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