

**Speech to the Mid-Continent Expo
Thursday, May 7, 2009**

**Phil Lancaster, Chief Executive Officer
Great White Energy Services, LLC**

I'm pleased to be with you today, honored for the invitation and excited to share a bit about Great White Energy Services and, specifically, the international market.

First, allow me a brief introduction of our company.

Video Presentation: Great White Energy

If you've traveled the county roads of Oklahoma or Texas lately, perhaps you've seen our distinctive blue rigs with Great White sharks. Since our inception in mid-2006, our company has grown to include the more than 15 service and manufacturing companies you saw on the video.

We were founded by Wexford Capital, an equity partner with more than 20 years' experience investing in the oil and gas sector here in the Mid-Continent. From the beginning, Great White has had only one home: the US Mid-Continent. We are based right here in Oklahoma City.

Though our yards and plants span three continents and numerous countries, we employ more than 750 citizens of Oklahoma and Texas. Worldwide, our employee count exceeds 1,000 individuals. While my focus today is on our international business, we have *superior* domestic service companies operating right here in the US Mid-Continent.

I'd like to take a moment to introduce some of our operational leadership to you. If you have not yet met them, please get to know:

- a. Ronnie Roles, President of Great White Pressure Control
- b. Ashley Newsome, President of Great White Pressure Pumping
- c. Danny Ward, Head of our entire Drilling Technologies segment
- d. Dick Giffhorn, President of Great White's services division

Among these four individuals, Great White enjoys well over a century of oilfield experience. We are extremely proud of our Mid-Continent operations and our ability to understand and meet our customers' demands with respect to safety, excellence and value. If we have not yet had a chance to prove our performance to you, I hope you will allow us the opportunity. Now, to our topic.

The origins of Great White

Great White was started by Wexford Capital, an investment group out of Connecticut with over two decades of experiencing investing in oil and gas in the Mid-Continent. As

you can probably tell, I'm a native of the Mid-Continent: it just happens to be a different continent! Internationalism comes naturally for a guy who grew up in Australia, where the nearest country (aside from New Zealand, which we don't count) is a ten-hour plane ride away.

But internationalism might not come quite as naturally for many of us who subsist here in the US Mid-Continent. Let me share first, a bit about how Great White came to develop its current international footprint, second, what it has meant for our business and, finally, where I believe it is heading.

First, how and why did we develop our international footprint?

From the outset, our aim at Great White was to have a truly international company. In fact, a commitment to "internationalism" was one of our founding principles. We wanted to establish a company that could not only leverage deep experience in the US market, but that could also take advantage of geographic diversity around the world.

You saw a run-down of our international offerings in the video introduction, so I won't repeat them. However, generally, our international business focuses on three niches:

1. The Canadian oilsands, where we provide:
 - a. Core drilling through Predator Drilling
 - b. Man camps through SandTiger Lodging
 - c. Pipeline construction through Dunvegan North
2. The international equipment market, where we sell both on- and off-shore pressure pumping equipment, workover rigs and tubular goods from Latin America to Russia and most places in between
3. The Middle East on-shore market where, just this week, we were meeting at the Offshore Technology Conference to advance discussions for service offerings with two different countries in the region
4. China, where we have two manufacturing companies and a trading company

Why we have been successful in China

Now, let's be honest: investing in and around China – particularly if you're in the energy business – can be a two-edged sword. Several factors make it a bit more exciting than your run-of-the-mill business:

First, it's not close. I first traveled to China for Great White in late 2006. Since then, I have made more than a dozen trips to the mainland to review projects, attend board meetings and engage in the critical face-to-face that is integral to doing business in China. This personal contact is so vital to the Chinese way of doing business, it has its own word: "Guanxi."

Though our acquisition of our China-based manufacturing companies occurred only three years ago, the origins of our companies and their leadership – both indigenous within the country and exogenous from our corporate leadership here in the US – dates back over 20 years. In a sense, we were “China when China wasn’t cool.” That leads to a second factor that makes doing business in the Chinese oil industry unique: time.

It’s sometimes difficult for us Westerners to remember, but the Chinese have been engaged in sophisticated trade for thousands of years. That long history translates into a type of patience that many of us in the West cannot understand and, therefore, do not honor. As our President of Manufacturing – whose been in the Chinese oil patch for over 25 years – is fond of saying, “The Chinese will never tell you ‘no.’ They’ll just say, ‘we’re working on it.’” We all know it, but time *is* money.

Finally, let’s be honest: the idea of “Chinese rigs” obviously carries some pejorative in the oil patch. Just a few weeks ago, industry icon Clayton Williams said of some rigs he purchased from international suppliers:

“We tried some Chinese rigs. That equipment didn’t speak English!”

We confront the perception of “Chinese quality” all day, every day. It is true that some equipment coming out of China and other lower-cost manufacturing regions of the world lacks the standards of quality that all of us demand for ourselves and our customers.

But it’s always been the case that the buyer must beware – whether it has to do with domestic or foreign purchases. We live by the maxim, “You can expect what you inspect.” We have been successful recently in doing “due diligence” on products out of China through our trading company, Serva Trading. We spend 6-12 months on the ground reviewing the quality of products and are therefore able to confirm for ourselves (or for third parties) where there is excellence and where there are concerns.

For example, we just completed a review of ceramic proppant for the frac market, literally doing on-site tours of every known facility in China that produces the product. As a result, we were able to qualify which plants are good and which are bad

Our experience in China has really proven a few key things:

First, we have what each other wants. China is reliant on US technology, and we benefit from China’s affordable labor. Truly, there is a win-win for firms who have the willingness to do business in China the right way.

Second, China’s government is very progressive in its support of business – more so, probably than our own. The Chinese government subsidizes success, thereby making it even more affordable to do business with high-quality Chinese companies. For example, one of our joint ventures – a manufacturing company called SJS – is coming off a record year in 2008. As a result of their successful growth, the Chinese government offered them

– and us – a three-year tax break. What that means is, the establishment in China is open for business... and they're eager to succeed.

Third, China will be integral to growth worldwide. It's our view that news of the world economy's demise is much exaggerated. Addressing the CERA Executive Conference last month, British Petroleum's CEO, Tony Hayward, explained:

“The future is not cancelled... The long-term trend is this: the world economy will recover.”

Not only will the economy recover, but that recovery will likely be led by a handful of countries that include China. Notwithstanding the current struggles in the world economy – and they are no doubt unsettling – the trend is certainly our friend.

Also during his remarks, Hayward argued:

“The current maelstrom may interrupt but will not stop the movement of one third of the world's population from a rural way of life to an urban one. Over the next decade around 500 million households will join the \$5,000 income band; half of these in just two countries – China and India.”

That leads me to my final point

Finally, oil and gas will rebound – and China will be important to that happening. We operate under a couple of assumptions:

One, demand for oil will rebound – sometime. We are long-term bulls with respect to crude oil: structurally, there is simply no reason not to be a believer in oil. One key driver of the demand equation is China itself. According to data analysis from Platt's, China's export-dependent economy posted a 6.1% growth rate in the first quarter of this year, compared with a 9% year-on-year expansion for all of 2008. While a 3% drop in growth rate is enough to get economists' attention, let's remember: that decrease resulted in a first-quarter growth rate that is still consistent with increasing demand for crude oil. In short, despite a temporary downturn which, no doubt, has had real implications for us all, our world runs on oil. And much of that oil will continue to be channeled to fuel the growing Asian economies.

Two, demand for natural gas, though bleak today, should come back to some reasonable economic level. Our natural gas industry clearly faces challenges that are seemingly more intractable than the crude sector. However, the same forces that will drive crude oil demand in the medium- and long-term will also bolster natural gas. We all enjoyed the somewhat irrational run-up in natural gas prices in 2008, and this decline hurts. However, longer-term, industrial demand for natural gas – far and away the major driver of prices – will come back. As the economies of developing countries continue to grow, demand for manufactured goods will respond. And natural gas will be essential to fueling that industrial activity.

Bringing It Back Home

In the Mid-Continent, where our home is, we want to help companies grow by working with each other. In our view, “the rising tide lifts all boats.”

We plan on using our international manufacturing experience and our Mid-Continent expertise in services to build relationships here in the Mid-Con as well as with those who would like to work with us – both here and internationally.

Please consider us – we would love to hear from you.

Thank you for your time and attention today, and best of luck for a prosperous 2009.