

THE SECURITIES ACT) **Order No. 6183**
)
Sections 29(1) and 148(1)) **August 11, 2010**

EnQuest Energy Services Corp.

WHEREAS:

(A) EnQuest Energy Services Corp. (the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsections 20(1) and 148(1) of *The Securities Act*, C.C.S.M. c.50 R.S.M. 1988, c.S50 (as amended) (the "Act") partially revoking Commission Order No. 5916 dated May 13, 2009 (the "Cease Trade Order") in connection with Transaction as defined below.

(B) The Applicant has represented to the Commission that:

1. The Applicant is a corporation formed by amalgamation under the laws of Alberta. The registered office of the Applicant is located in Calgary, Alberta.
2. The Applicant is a reporting issuer in all provinces of Canada except Prince Edward Island, Nova Scotia and Québec.
3. The Applicant's authorized share structure consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 16,575,163 common shares are issued and outstanding as fully paid and non-assessable (the "Common Shares").
4. The Applicant's Common Shares are listed on the TSX Venture Exchange under the symbol "ENQ". However, trading in the Common Shares was halted on April 6, 2010 and remains suspended.
5. The Cease Trade Order was issued as a result of the Applicant's failure to file its annual audited financial statements (the "Financial Statements"), management's discussion and analysis, and certification of annual filings for the fiscal year ended December 31, 2009, within the time period required by securities legislation (collectively, the "Continuous Disclosure Documents").
6. The delay in filing the Continuous Disclosure Documents arose as a consequence of financial hardship and of actions taken by the Applicant's principal lender, following which the Applicant was unable to pay the fees of various service providers, including its auditors (the "Auditors").
7. The Applicant is also subject to a cease trade order issued by the British Columbia Securities Commission ("BCSC") dated May 11, 2010, the Alberta Securities Commission ("ASC") dated May 7, 2010 and the Ontario Securities Commission ("OSC") dated May 25, 2010, for failure to file its Continuous Disclosure Documents.

8. The Applicant is concurrently applying to the OSC, the ASC and the BCSC for a partial revocation of the cease trade orders issued in each such jurisdiction.

9. The Applicant has entered into agreements with TransForce Inc. (“TransForce”) and certain of its subsidiaries in order to effect a transaction (the “Transaction”). The Transaction consists of the sale of substantially all of the assets owned by certain wholly-owned subsidiaries of the Applicant to Hemphill Trucking, Inc., a wholly-owned subsidiary of TransForce (the “Asset Sale”) and the concurrent acquisition by TransForce of 19% of the Common Shares, with an option granted to TransForce to acquire the remaining 81% of the Common Shares at any time during the subsequent three year period (the “Share Acquisition”).

10. The Asset Sale will be completed pursuant to: (i) an asset purchase agreement dated June 1, 2010 among Speedy Heavy Hauling, Inc., Summit Crane & Rigging, Inc., Northern Truck & Crane, Inc. and Tubular Transportation Inc., all being wholly-owned subsidiaries of the Applicant, as sellers, and Hemphill Trucking, Inc., being a wholly-owned subsidiary of TransForce, as buyer, for a purchase price of USD\$29,744,500, subject to certain adjustments; and (ii) a real property purchase agreement between Speedy Heavy Hauling, Inc., as seller, and Hemphill Trucking Inc., as buyer, for a purchase price of USD\$2,255,500. The total purchase price for the Asset Sale is USD\$32,000,000.

11. The Transaction was negotiated at arm's length between the Applicant and TransForce.

12. In connection with the Asset Sale, various creditors of the Applicant have agreed to take less than one hundred percent of the value owed to such creditors. In the absence of such agreements, the assets of the Applicant would not be sufficient to meet its obligations to creditors and other liabilities, and actions taken by the Applicant's creditors could force a cessation of operations of the Applicant, and a complete loss of shareholder value. The Share Acquisition provides the Applicant's shareholders (the “Applicant Shareholders”) with a cash payment for Common Shares that would otherwise have little or no value.

13. The Applicant and TransForce have also agreed to provide TransForce with an equity position in the Applicant and to concurrently proceed with the acquisition, by TransForce or a subsidiary of TransForce, of 19% of the Common Shares for cash consideration of \$0.16 per Common Share, with an option granted to TransForce to acquire the remaining 81% of the Common Shares for cash consideration of \$0.01 per Common Share. All the Applicant Shareholders receive identical consideration under the Share Acquisition for each Common Share held by such Applicant Shareholder. The Asset Sale and the Share Acquisition have been negotiated as part of the same transaction and the completion of one is conditional upon the completion of the other.

14. The proceeds of the Asset Sale will be used by the Applicant to pay its creditors, including its principal lender, in an amount less than that which is currently owed to such creditors, and also to pay: (i) legal and other advisor's fees incurred to date including the Auditors' fees; (ii) fees and expenses including late filing fees for the filing of the Continuous Disclosure Documents; (iii) anticipated fees and expenses related to the application for a full revocation of the Cease Trade Order; (iv) current accounts payable; and (v) general corporate overhead.

15. The Transaction is conditional on the Applicant Shareholders approving each of the Asset Sale and the Share Acquisition and the holders of options to purchase Common Shares (the "Applicant Optionholders") approving the Share Acquisitions, in each case, by not less than two-thirds (66⅔%) of the votes cast by the Applicant Shareholders and, in the case of the Share Acquisitions, approval of the Alberta Court of Queens' Bench (the "Court"). In the event that the Applicant Shareholders and Applicant Optionholders do not provide the required approval of the Transaction or other closing conditions are not satisfied, the Transaction will not proceed and the Applicant will pursue alternative strategies to address its financial difficulties, including bankruptcy and or insolvency proceedings.

16. The Transaction is in the best interests of the Applicant Shareholders because it provides them with a cash payment for the Common Shares that would otherwise have no intrinsic value. Because the liabilities of the Applicant exceed its assets, the Common Shares presently have no intrinsic value. The preparation of the Financial Statements would provide no incremental benefit to Shareholders because they would only serve to reconfirm this fact, while at the same time, imposing additional costs and transaction non-completion risk on the Applicant and the Applicant Shareholders.

17. In Ontario, no payments made to management of the Applicant will constitute a "collateral benefit" as that term is defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions.

18. Pursuant to the Transaction, a "trade" (as such term is defined in the Act) would occur in Manitoba and in all other jurisdictions in which present Applicant Shareholders reside. All such trades shall be exempt from the requirement to file a prospectus by virtue of the Transaction being an "arrangement that is under a statutory procedure" pursuant to section 2.11 of National Instrument 45-106 Prospectus and Registration Exemptions.

19. On completion of the Transaction, the Applicant intends to apply to the ASC, BCSC, MSC and OSC for a full revocation order and reasonably anticipates having sufficient resources to bring its continuous disclosure record and fees up to date.

20. The Transaction involves a trade of securities and therefore cannot be concluded without obtaining a partial revocation of the Cease Trade Order.

21. Prior to completion of the Transaction, the Applicant will provide to all parties to the Transaction:

(a) a copy of the Cease Trade Order as an attachment to the Information Circular mailed in connection with the Transaction (the "Circular");

(b) a copy of this partial revocation order, as an attachment to the Circular (if granted prior to the mailing of the Circular), or otherwise to be filed on SEDAR;
and

(c) written notice advising that all securities of the Applicant will remain subject to the Cease Trade Order until such time as each of the ASC, the BCSC, the MSC and the OSC issues a full revocation order.

22. The Applicant will obtain and provide to the ASC, BCSC, MSC and OSC a signed and dated acknowledgment as part of the Letter of Transmittal mailed to, and executed by, Applicant Shareholders from all participants in the Transaction stating that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.

23. If obtained, the Applicant will provide to the ASC, BCSC, MSC and OSC the final order of the Court approving the Transaction.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. **THAT**, pursuant to sections 148(1) and 20(1) the Act, the Cease Trade Order is partially revoked solely to permit trades in securities of the Applicant in connection with the Transaction as described in paragraph 9.

Doug Brown
Director