



Pason Announces Acquisition of Verdazo Analytics and the Sale of Assets

FOR IMMEDIATE RELEASE

CALGARY, Alberta (January 4, 2017) – Pason Systems Inc. (“Pason” or the “Corporation”) (TSX: PSI) is pleased to announce that it has acquired all of the issued and outstanding shares of Verdazo Analytics Inc. (“Verdazo”).

Summary of the Acquisition

Verdazo was a Calgary-based, privately owned software company offering discovery analytics. Founded in 2006, the Company’s product allows energy producers to make informed decisions on how to enhance production, improve operations, and increase overall profitability. Verdazo’s clients include oil and gas producers, financial services companies, and energy services providers. Verdazo’s leadership team has decades of experience and are recognized as thought leaders in data analytics in the Canadian oil and gas industry.

The Verdazo management team will continue to operate the day-to-day business as a wholly owned subsidiary of Pason and will enter into non-competition agreements. Consideration for the acquisition is comprised of a combination of cash and common shares of Pason, with approximately half of the consideration deferred over three years.

Strategic Rationale

Verdazo’s product contains powerful visual analysis tools, pre-built templates, and custom reports that work with multiple public and proprietary data sources. Discovery analytics is a sequence of explorations, each predicated on the discovery and insights of the last. The tool enables the user to take analyses wherever the data leads, powered by dynamic workflows that offer vast analytical possibilities.

The addition of Verdazo’s strong analytics platform for oil and gas production and operations will complement Pason’s market leading drilling information ecosystem. By combining the two entities, Pason aims to provide customers with a holistic platform to analyze drilling, production, and operational data. Moreover, Verdazo will be able to leverage Pason’s established brand and footprint to grow into the US market.

“We are thrilled to welcome Verdazo and its entire team to Pason. We believe Verdazo has developed a compelling data analytics offering for users in the oil and gas industry. Together, we look forward to providing energy professionals best-in-class capabilities to collect and analyze



data. This new product offering will not only help clients reduce operational costs, but make better decisions on exploration and development practices,” states Marcel Kessler, President and Chief Executive Officer of Pason.

“Joining Pason gives us greater market reach and access to their decades of drilling data experience,” says Bertrand Groulx, President of Verdazo Analytics. “While we’ve always provided analytics for financial, public, and production data, we finally have access to world class drilling data expertise in Pason and together we will create even more value for our combined clients.”

Sale of Assets

The Corporation also announces that it has sold the operating assets of 3PS Inc., a wholly owned subsidiary, to an arm’s length party. As a result of the divestiture, the Corporation expects to book a non-cash impairment charge, the majority of which relates to intangible assets, in the fourth quarter of 2016.

Pason Systems Inc.

Pason Systems Inc. is a leading global provider of specialized data management systems for drilling rigs. Our solutions, which include data acquisition, wellsite reporting, remote communications, and web-based information management, enable collaboration between the rig and the office. Pason’s common shares trade on the Toronto Stock Exchange under the symbol PSI.

For more information about Pason Systems Inc., visit the company’s website at www.pason.com or contact:

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Certain information regarding the Company contained herein may constitute forward-looking information under applicable securities law. The words “anticipate”, “expect”, “believe”, “may”, “should”, “will”, “estimate”, “project”, “outlook”, “forecast” or other similar words are used to identify such forward-looking information and statements. Forward-looking statements in this document may include statements, express or implied regarding the anticipated business prospects and financial performance of Pason; expectations or projections about future strategies and goals for growth and expansion; expected and future cash flows and revenues; the expected non-cash impairment charge; the payment of the deferred portion of the consideration pursuant to the acquisition and the expected impact of future commitments. These forward-looking statements are based upon various underlying factors and assumptions, including the state of the economy and the oil and gas exploration and production business, in particular; the Company’s business prospects and opportunities; and estimates of the financial and operational performance of Pason.



Forward-looking information and statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking information and statements. Risk factors that could cause actual results or events to differ materially from current expectations include, among others, the ability of Pason to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of Pason's assets and businesses, the price of energy commodities, competitive factors in the energy industry, changes in laws and regulations affecting Pason's businesses, technological developments, and general economic conditions.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such forward looking statements, although considered reasonable by management as of the date hereof, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

Additional information on risks and uncertainties and other factors that could affect Pason's operations or financial results are included in Pason's reports on file with the Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or through Pason's website (www.pason.com). Furthermore, any forward looking statements contained in this news release are made as of the date of this news release, and Pason does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.