2015 Annual General Meeting

May 5, 2016
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- All figures in Canadian funds unless otherwise indicated.
Prudent Financial Management.

Positioned for Organic Growth.
**Full Cycle Natural Gas Solutions**
Compression, Processing, and Electric Power Solutions

- **2015 Revenue**: $1.6 Billion
- **Market Cap**: $882 Million
- **Shares Outstanding**: 79.2 Million
- **Annualized Dividend**: 2.8%
- **52 Week High**: $16.40
- **52 Week Low**: $9.56
- **Employees**: 2,100
- **Sales & Service Locations**: 55

*Unless otherwise noted figures are current as of May 4, 2016.*
Standardized and Customized Equipment

Compression and Process
- Reciprocating and rotary screw compression applications.
- Small to large horsepower (200 hp – 10,000 hp).
- Conventional and unconventional plays.

Production and Processing
- Systems for gas plants (dew point) and refrigeration systems.
- Amine systems (H$_2$S and CO$_2$ removal).
- Dehydration units and CO$_2$ facilities.
- Cryogenic plants.
- Modular design for fast tracking projects.
Recurring Revenue Focus

- Full after-market services for compression products and power generators.
- Full turnkey rental opportunities in growth markets.
- Electric power solutions (250 kW to 50 MW).
- Construction and product installation.
- Contract operations and maintenance.
- Global Platinum Power Packager for GE Waukesha’s gas engines and parts.
- Authorized distributor for Jenbacher and MAN engines and parts in Canada.
- Retrofit of existing compression packages for optimizing producers assets.
Enerflex’s Expanded Latin America Business

- Strong focus on BOOM and integrated turnkey projects.
- Experienced in-country network with an established reputation.
- Expanded after-market service offerings.
- Modern and technologically up-to-date equipment.
- Compression fleet of 439 units with approximately 272,000 horsepower.
- Enerflex opened a fully-equipped service and overhaul facility in Neuquén City, Argentina.
- Expanded regional presence in Bolivia with new projects and a branch.
Enerflex’s Growth in the Middle East

- Regional revenue exceeded the year’s plan.
- Strong focus on compression and gas processing turnkey projects.
- Rental opportunities and operations and maintenance contracts contributed to recurring revenue.
- Expiring operated rental contracts renewed on multi-year terms.
- Opening fifth regional service branch location in Sharjah, UAE, strategically situated to support long-term service work.
- Achieved ISO 9001 compliance positioning the Company to be even more competitive.
Enerflex – The Growth Strategy

CAGR (Revenue) : 10.2%
CAGR (Operating Income) : 8.4%

- 2005 - Acquisition of HPS Group
- 2010 – Merger of Enerflex Systems Income Fund & TESI
- June 2014 - Acquisition of Axip International
In June 2015, the Company closed its Production and Processing facility in Nisku, Alberta. The 2010 through 2013 results have not reclassified these results to discontinued operations.
Growth in Recurring Revenue

- **Revenue ($000's)**: $58,827, $39,319, $49,564, $98,425, $152,580
- **% of Consolidated Revenue**: 26%, 22%, 27%, 29%, 33%

**Revenue Sources**:
- **Service Revenue**
- **Rental Revenue**
- **Recurring Revenue % of Consolidated Revenue**
Growth Potential and Opportunities
Latin America Growth Opportunities

Growth will be driven by:

- **Argentina**
  - Development of Vaca Muerta shale attracting IOC’s investment.
  - Increase of NG production with favorable pricing to offset LNG imports.
- **Mexico**
  - Constitutional and legal reform over its entire energy sector.
  - Pipeline infrastructure build up.
- **Bolivia**
  - Key supplier of NG to neighboring countries Brazil, Argentina, and Chile.
Middle East / Africa Growth Opportunities

- Expected to lead the world in natural gas production over the next 20 years with an estimated 44% of the world’s proven reserves.
- Growth will be driven by:
  - LNG;
  - Power generation;
  - Desalination plants; and
  - Cooling needs.
- Compression rental fleet of 60 units with approximately 104,000 horsepower.
Electric Power Opportunities

Power generation opportunities available globally – integrated turnkey solutions, as well as equipment sales.

Industrial Applications
- Island Mode Prime Power

Co-Generation
- Combined Heat and Power Applications

Energy Export
- Flare Gas to Energy
- Landfill Gas to Energy
- Biogas to Energy
## US Growth Opportunities

### Five Drivers of Increased U.S. Gas Demand

<table>
<thead>
<tr>
<th>Driver</th>
<th>Potential Volume Increase</th>
<th>Time Frame</th>
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<tbody>
<tr>
<td>LNG exports</td>
<td>8.0 BCF/day</td>
<td>2015-2023</td>
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<tr>
<td>Power generation – accelerated switching from coal to gas</td>
<td>5.7 BCF/day</td>
<td>2015-2022</td>
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<tr>
<td>Increased gas exports to Mexico</td>
<td>3.0 BCF/day</td>
<td>2014-2016</td>
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<tr>
<td>“Industrial Renaissance” (fertilizer, petro-chemical manufacturing demand)</td>
<td>3.0 BCF/day</td>
<td>2014-2023</td>
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<tr>
<td>Fuel-switching to gas in transportation and related sectors*</td>
<td>~1.0 BCF/day</td>
<td>2014-2025</td>
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<td><strong>Potential total</strong></td>
<td><strong>20.7 BCF/day</strong></td>
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Cost savings initiatives include:

- *Headcount reductions*;
- *Multiple service branch closures in Canada, USA, and Asia Australia*;
- *Discontinued Construction product line in Australia*;
- *Salary rollbacks*;
- *Business travel limitations*;
- *Significant reductions in expenditures for facilities, marketing, IT infrastructure and maintenance, except where critical.*
Proven track record of creating shareholder value through Growth and Dividend Income.

• Operating income has grown at a **CAGR of 8.4%** over the past 11 years.

• **Increased dividend** by 21.4% over the past three years.

• Enerflex is leveraged to Global LNG and is positioned to take advantage of the **LNG markets in Canada, USA, and Australia**.

• **Product line and geographic diversification** in *fast growing natural gas markets*.

• **Strong balance sheet** allows Enerflex to pursue strategic growth opportunities to further expand the business.