

**LETTER OF INSTRUCTION FOR ELIGIBLE HOLDERS OF SAVANNA
ENERGY SERVICES CORP. ("Savanna")**

FOR SAVANNA SHARES TAKEN UP ON MARCH 24, 2017¹

Dear Savanna Shareholders:

As you are aware, Total Energy Services Inc. ("**Total Energy**") offered to purchase all of the issued and outstanding common shares of Savanna (the "**Savanna Common Shares**"), as set out in an Offer to Purchase and accompanying Take-Over Bid Circular, dated December 9, 2016, as amended by a Notice of Change and Notice of Variation, dated March 1, 2017, and a Notice of Change and Notice of Variation, dated March 13, 2017 (the "**Original Offer**"), and as extended by a Notice of Extension, dated March 27, 2017 (the "**Extended Offer**", and together with the Original Offer, the "**Offer**"). Under this Offer, each Savanna Shareholder was entitled to receive for each Savanna Common Share held:

- (a) 0.1300 of a common share of Total Energy (the "**Share Consideration**"); and
- (b) \$0.20 in cash (the "**Cash Consideration**", and together with the Share Consideration, the "**Offer Consideration**").

This package (the "**Tax Election Package**") is made available to Savanna Common Shareholders who tendered Savanna Common Shares pursuant to the Offer and who were "Eligible Holders" (as defined below) that indicated an intention in the Amended Letter of Transmittal to make a joint tax election with Total Energy under subsection 85(1) or (2) of the *Income Tax Act* (Canada) (the "**Tax Act**"). Such Eligible Holders may obtain a full or partial Canadian income tax deferral in respect of the disposition of Savanna Common Shares as a consequence of filing with the Canada Revenue Agency (the "**CRA**") (and where applicable, with a provincial or territorial tax authority) a tax election made jointly by the Eligible Holder and Total Energy pursuant to section 85 of the Tax Act (and corresponding provisions of any applicable provincial or territorial tax legislation) (a "**Tax Election**").

THIS MATTER REQUIRES YOUR IMMEDIATE ATTENTION. THE DEADLINE FOR AN ELIGIBLE HOLDER TO SUBMIT DOCUMENTS FOR EXECUTION BY TOTAL ENERGY IS JUNE 22, 2017 (THE "ELECTION DEADLINE").

All Eligible Holders who wish to make a Tax Election should give their immediate attention to this matter, and in particular should consult their own tax advisors without delay. Any Eligible Holder who has not provided Total Energy with the information necessary to complete the Tax Election in accordance with the procedures set out in this Tax Election Package on or before the Election Deadline cannot be assured of benefiting from the Canadian income tax-deferral provisions pursuant to section 85 of the Tax Act (or corresponding provisions of any applicable provincial or territorial tax legislation).

¹ Separate tax election packages will be posted for Savanna Common Shares taken up on subsequent dates.

General Disclaimer

The following instructions are of a general nature only, may not be exhaustive and are not intended to be, nor should they be construed as, legal or tax advice to any particular Eligible Holder concerning the Tax Election. Furthermore, except as otherwise indicated herein, Total Energy has not provided or will not provide Eligible Holders with any advice respecting the Tax Election or the manner of completion or execution of the required forms by virtue of the following:

- (a) the following instructions;
- (b) the enclosed partially completed CRA Form T2057; or
- (c) Total Energy's execution of said forms.

Accordingly, Eligible Holders are urged to consult with their own tax advisors for specific advice in respect of making the Tax Election and the proper completion and execution of the required forms, having regard to their personal circumstances. For further information, you may wish to review Information Circular 76-19R3 and Interpretation Bulletins IT-291R3 issued by the CRA, the text of which can be found on the CRA's website at www.cra-arc.gc.ca.

Provincial Election Forms

Eligible Holders may be required to file additional elections in order to comply with provincial income tax laws analogous to or respecting section 85 of the Tax Act. Eligible Holders are urged to consult their own tax advisors for advice on any additional provincial filing requirements.

Contents of this Package

This Tax Election Package contains two copies of CRA Form T2057, applicable for Eligible Holders that are not partnerships. If an Eligible Holder is a partnership, two copies of CRA Form T2058 (not included) must be completed and forwarded to Total Energy for execution. CRA Form T2058 is available on the CRA website mentioned above.

This package does not contain forms that may be required to be filed in compliance with provincial tax legislation. Eligible Holders are responsible for obtaining and completing such provincial forms and must submit any such forms to Total Energy for signature no later than the Election Deadline.

Who is Eligible to File a Tax Election

Only "Eligible Holders" who indicated an intention in the Amended Letter of Transmittal to make a Tax Election with Total Energy are permitted to make this election jointly with Total Energy. An "Eligible Holder" is a Savanna Common Shareholder who is:

- (a) A resident of Canada for purposes of the Tax Act and not exempt from Canadian tax under the Tax Act; or
- (b) A partnership, any member of which is a resident of Canada for purposes of the Tax Act and not exempt from Canadian tax under the Tax Act.

Purpose of the Election

For Canadian federal income tax purposes, a Savanna Common Shareholder who tendered Savanna Common Shares pursuant to the Offer, but who was not an Eligible Holder that indicated an intention in the Amended Letter of Transmittal to make a Tax Election with Total Energy, was automatically considered as part of the Offer to have disposed of a portion of the Savanna Common Shares tendered as part of the Offer for Share Consideration and to have disposed of the remaining portion of such Savanna Common Share for Cash Consideration.

In such circumstances, the Savanna Common Shareholder would realize a capital gain (or capital loss) in respect of that portion of the Savanna Common Shares which were disposed of for Cash Consideration to the extent that the Cash Consideration, net of any reasonable costs of disposition, exceeded (or were less than) the adjusted cost base ("**ACB**") of such Savanna Common Shares to the Savanna Common Shareholder. In respect of the portion of the Savanna Common Shares which were disposed of for Total Common Shares, the Savanna Common Shareholder would generally be deemed to have disposed of such Savanna Common Shares under a tax-deferred share-for-share exchange pursuant to subsection 85.1(1) of the Tax Act.

Pursuant to the Offer, Savanna Common Shareholders who were Eligible Holders could elect to opt out of the automatic allocation of consideration and the potential tax-deferred "rollover" treatment available under subsection 85.1(1) of the Tax Act by indicating an intention in the Amended Letter of Transmittal to make a Tax Election with Total Energy. By indicating such an intention, the Eligible Holder was considered, as part of the Offer, to have disposed of all of the Eligible Holder's Savanna Common Shares tendered as part of the Offer as a single disposition in exchange for a combination of the Share Consideration and the Cash Consideration. The potential advantage of this approach and filing the Tax Election with Total Energy is that the Eligible Holder may be able to limit the amount of the capital gain which would otherwise arise on the disposition to the amount by which the Cash Consideration received on the disposition exceeds the aggregate ACB of the Savanna Common Shares disposed of on the exchange, and thereby achieve a greater tax deferred "rollover".

Section 85 Election

If a Savanna Common Shareholder is an Eligible Holder and indicated an intention in the Amended Letter of Transmittal to file a Tax Election with Total Energy, the Eligible Holder was automatically considered to have disposed of all of the Eligible Holder's Savanna Common Shares tendered as part of the Offer as a single disposition in exchange for a combination of the Cash Consideration and the Share Consideration.

In these circumstances, in order to have section 85 of the Tax Act apply to defer any potential gain on the exchange of Savanna Common Shares for the Offer Consideration, the Tax Act requires that a Tax Election be filed jointly by the Eligible Holder and Total Energy. Accordingly, it is necessary to complete a specific election form which is prescribed under Canadian tax law. This form is to be completed in part by the Eligible Holder and in part by Total Energy. Although Total Energy must be a party to the election, determining the amount at which the disposition of Savanna Common Shares is deemed to occur for tax purposes (the "**Agreed Amount**"), within the limits provided under section 85 of the Tax Act, is the responsibility of each Eligible Holder. To prevent any gain from being recognized, the Agreed Amount will usually equal the Eligible Holder's tax cost in the Savanna Common Shares for Canadian tax purposes.

Prescribed Election Form

The form prescribed under Canadian federal tax law which must be completed in order to make a section 85 election is CRA Form T2057 "*Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation*". Unfortunately, this form is complex due to the inherent complexity of this section of the Tax Act and is usually prepared by tax professionals. However, as described below, we are attempting to simplify the process of completing these forms to the extent possible. There are no short-form versions of these forms available. This form, in its entirety, must be properly completed and delivered to Total Energy by the Eligible Holder no later than the Election Deadline. If the Eligible Holder is a partnership, CRA Form T2058 "*Election on Disposition of Property by a Partnership to a Taxable Canadian Corporation*" must be used, which is not provided and instructions to complete this form are not included.

Timing of Election

Total Energy must receive two (2) copies of the duly completed election form (and two (2) copies of any applicable provincial tax elections) no later than the Election Deadline. Total Energy agrees only to execute and file duly completed forms received by it on or before the Election Deadline.

Who Should File the Election

Making the Tax Election to take advantage of the maximum tax deferral is at the discretion of each Eligible Holder. It is up to each Eligible Holder to decide whether filing the Tax Election is in the Eligible Holder's best interest. Since the effect of the Tax Election under these circumstances is to defer any income tax payable on the disposition of Savanna Common Shares, there is usually no need for residents of Canada to file a Tax Election in respect of Common Shares held in tax-deferred accounts including, trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans ("**RESPs**") and tax-free savings accounts ("**TFSAs**"). Therefore, such tax-deferred plans cannot make a Tax Election.

For non-residents of Canada, the disposition of Savanna Common Shares should not be subject to taxation in Canada unless the Savanna Common Shares constitute "taxable Canadian property". Total Energy does not believe the Savanna Common Shares would generally be considered to be "taxable Canadian property" for any non-resident Savanna Shareholders and therefore non-residents would not normally receive any benefit from filing the Tax Election.

Failure to File a Tax Election

An Eligible Holder who indicated an intention in the Amended Letter of Transmittal to file a Tax Election with Total Energy was automatically considered to have disposed of all of the Eligible Holder's Savanna Common Shares tendered as part of the Offer as a single disposition in exchange for a combination of the Cash Consideration and the Share Consideration. In these circumstances, the Eligible Holder must file a Tax Election with Total Energy in order to receive a full or partial Canadian income tax deferral in respect of the disposition of Savanna Common Shares. If the Eligible Holder fails to file a Tax Election with Total Energy, the Eligible Holder will not be eligible for the tax-deferred share-for-share exchange pursuant to subsection 85.1(1) of the Tax Act, discussed above.

Agreed Amount

Perhaps the most important piece of information to be provided by each Eligible Holder on the tax election form is the Agreed Amount. Provided that the Agreed Amount is not:

- (a) greater than the fair market value of the Savanna Common Shares at the time of the exchange,
- (b) less than the fair market value of the Cash Consideration acquired on the exchange, and
- (c) less than the lesser of the fair market value of the Savanna Common Shares and the adjusted cost base ("**ACB**") of such Savanna Common Shares to the Eligible Holder at the time of the exchange,

the Agreed Amount is then deemed to be the proceeds of disposition for purposes of calculating any gain (or loss) on the disposition of the Savanna Common Shares to Total Energy. Normally, to take maximum advantage of the tax deferral, an Eligible Holder would choose an Agreed Amount equal to the ACB of the Eligible Holder's Savanna Common Shares for Canadian tax purposes.

Adjusted Cost Base of the Savanna Common Shares

Each Eligible Holder's ACB calculation may be considerably complex. It is the sole responsibility of each Eligible Holder to calculate the ACB of the Savanna Common Shares he, she, or it holds. Eligible Holders should consult their own tax advisors if they have any questions concerning this aspect of the Tax Election. Total Energy will not provide assistance in determining an Eligible Holder's ACB outside of the information already provided to the public.

Fair Market Value of the Savanna Common Shares (March 24, 2017 Take up)

The fair market value of the Savanna Common Shares exchanged for the Offer Consideration must be determined on a reasonable basis. There is no specific method prescribed by the CRA for determining the fair market value of a share, nor is there any clear published guidance in this respect.

Total Energy has determined, based on the facts and circumstances of the Offer, that it is appropriate for Canadian federal and provincial tax purposes to value the disposition of the Savanna Common Shares using the value of the Offer Consideration received by a Savanna Common Shareholder for each Savanna Common Share tendered pursuant to the Offer.

For purposes of calculating the Share Consideration received by each Savanna Common Shareholder, Total Energy has determined that it is appropriate to value the Total Common Shares using the volume weighted average price of the Total Common Shares on the Toronto Stock Exchange for the five trading days preceding the take up with respect to the Offer, which occurred on March 24, 2017. Total Energy has calculated the volume weighted average price of the Total Common Shares over the period of March 20 to March 24, 2017 (inclusive) as \$13.19355 per Total Common Share. Accordingly, Total Energy has determined that it is appropriate to value the Savanna Common Shares tendered pursuant to the Offer as \$1.91516 per Savanna Common Share,

comprised of \$0.20 (the Cash Consideration) plus \$1.71516 (the Share Consideration).² These values will also be posted on Total Energy's website (www.totalenergy.ca).

Total Energy agrees to execute only those Tax Elections which use these values. Although Total Energy believes the above value is reasonable, it makes no explicit representation as to its accuracy and notes that the value is not binding on any party (including the CRA) and has not been pre-approved by the CRA.

Instructions for Completing CRA Form T2057

Each Eligible Holder who chooses to make a Tax Election is solely responsible for ensuring CRA Form T2057 or T2058, as applicable, is properly completed. The following section illustrates the information required to be included by Eligible Holders on CRA Form T2057. Although the instructions may be useful for those completing CRA Form T2058, or applicable provincial or territorial forms, please consult your tax advisor regarding the completion of such forms. The information should be typed or legibly printed on the form. Do not write the required information on these instruction pages.

[the rest of this page is left intentionally blank]

² Being 0.1300 * \$13.19355.

Page 1 of CRA Form T2057

Complete the information in this first box for the Eligible Holder making the election:

Taxpayer's name (transferor)		Social insurance number or Business number	
Address		Postal Code	
Tax year of taxpayer from	Year Month Day From	Year Month Day To	Tax services office

For individuals, the "taxation year" is typically the calendar year. Corporations or partnerships may have taxation year-ends that do not coincide with the calendar year. The "Tax Services Office" is where you typically file your annual tax return.

Complete this box if your Savanna Common Shares are held in joint ownership, otherwise enter "N/A":

Name of co-owner(s), if any (if more than one, attach schedule giving similar details)		Social Insurance Number (SIN)	
Address	Postal code	Tax Services Office	

We have provided the information below to complete the next section.

Name of corporation (transferee)		Business number	
Total Energy Services Inc.		889341483	
Address		Postal code	
2550, 300 5 Ave SW, Calgary, Alberta		T2P 3C4	
Tax year of the corporation from	Year Month Day From	Year Month Day to	Tax services office
	2017-01-01	2017-12-31	Calgary
Name of person to contact for additional information		Area code	Telephone number
Yuliya Gorbach, VP Finance and CFO		403	216-3920

Complete the next section by filling in your name and telephone number or, if appropriate, the name and telephone number of your tax advisor.

Name of person to contact for additional information	Area code	Telephone number
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The last section of page 1 of CRA Form T2057 relates to late filed elections and is to be completed only by those who submit an election form after the filing deadline prescribed in the Tax Act. This section should not be applicable to any Eligible Holder, provided that they file their Tax Election form within the time prescribed by law (see below under the heading "Filing of CRA Form 2057").

Page 2 of CRA Form T2057

The first five questions should be answered as follows:

- 1 – Is there a written agreement relating to this transfer? Yes No
- 2 – Does a price adjustment clause apply to any of the properties? (See the Income Tax Folio S4-F3-C1 for details) Yes No
- 3 – Do any persons other than the taxpayer own or control directly or indirectly any shares of any class of the transferee? Yes No
- 4 – Does a non-arm's length rollover exist between 2 or more corporations? Yes No
- a) Have all or substantially all (90% or more) of all the properties of the corporation(s) been transferred to the transferee corporation? Yes No
- 5 – Is the taxpayer a non-resident of Canada? Yes No

Question 6 should be answered based on each Eligible Holder's particular circumstances. Whether a Savanna Common Share was capital property to a particular Eligible Holder is a question of fact and law that must be determined by each Eligible Holder based on a consideration of all the surrounding circumstances. If you are unsure of whether your Savanna Common Shares were capital property, contact your tax advisor. Total Energy is unable to assist you in making this determination.

- 6 – Are any of the properties transferred capital properties? Yes No

Question 6(a) should be answered "No".

- If yes,
- a) have they been owned continuously since Valuation Day? Yes No

Question 6(b) should be answered based on each Eligible Holder's particular circumstances. The Savanna Common Shares are likely not acquired in a non-arm's length transaction if they were acquired on the Toronto Stock Exchange. On the other hand, if the Savanna Common Shares have been transferred to a company which is controlled by the transferor (alone or with related or non-arm's length persons), the Savanna Common Shares have likely been acquired in a non-arm's length transaction. Please consult your own tax advisor if you are unsure how to answer this question.

- b) have they been acquired after Valuation Day in a transaction considered not to be at arm's length Yes No

The remaining questions should be answered as follows:

- c) since Valuation Day, has the taxpayer or any person from whom shares were acquired in a non-arm's length transaction received any subsection 83(1) dividends for transferred shares? (if **yes**, provide details of amounts and dates received, and attach a schedule). Yes No
- 7 – Is the agreed amount of any of the transferred properties based on an estimate of fair market value on Valuation Day? Yes No
- 8 – Has an election under subsection 26(7) of the *Income Tax Application Rules* (Form T2076) been filed on or behalf of the taxpayer? Yes No

The next section is not applicable – leave this blank.

Where shares of the capital stock of a private corporation are included in the property disposed of, provide the following:		
Name of corporation	Business number	Paid up capital of shares transferred under the ITA

Eligible Holders must complete the information in the next two blank boxes in the next section, as follows:

Number of shares transferor received	Class of shares	Redemption value per share	Paid-up capital under the ITA	Voting or non-voting	Are shares retractable?
(1)	Common	N/A	(2)	Voting	No

1. Enter the number of your Savanna Common Shares that have been taken up by Total Energy, multiplied by 0.1300.
2. The "paid-up capital" amount will generally be equal to the Agreed Amount, less the amount of the Cash Consideration. Return to this section once you have completed Page 3.

Page 3 of CRA Form T2057

The Savanna Common Shares were disposed of to Total Energy pursuant to the terms of the Original Offer on March 24, 2017.

Date of sale or transfer of all properties listed below:	Year	Month	Day
	2017	March	24

Complete the information in the following section according to the instructions below:

Capital Property Excluding Depreciable Property	Property Disposed of			Agreed Amount B	Amount to be reported B-A (if > 0 see Note 4)	Consideration Received		Fair Market Value of Total Consideration
	Description	Elected Amount Limits				Description	Share	
		Fair Market Value	A					
(1) Savanna Energy Services Corp. Common Shares	(2)	(3)	(4)	(5)	(6)	(7)	(8)	

This section should be completed if the Savanna Common Shares were held as capital property. If the Savanna Common Shares were held as inventory, complete the section with the sidebar entitled "Inventory Excluding Real Property" in a similar manner.

- (1) Enter the number of Savanna Common Shares that you tendered pursuant to the Offer.
- (2) Enter the total fair market value of the Savanna Common Shares you tendered pursuant to the Offer. Total Energy has determined, based on the facts and circumstances of the Offer, that it is appropriate for Canadian federal and provincial income tax purposes to value each Savanna Common Share tendered pursuant to the Offer as \$1.91516, as described above under the heading "Fair Market Value of the Savanna Common Shares". Multiply the number of Savanna Common Shares tendered to Total Energy by \$1.91516 (subject to any rounding)³ to obtain the fair market value for (2).
- (3) Enter your ACB (or cost amount in the case of inventory) in the Savanna Common Shares you tendered pursuant to the Offer.
- (4) Agreed Amount: Eligible Holders who wish to defer all tax arising on the disposition of their Savanna Common Shares will typically choose an Agreed Amount equal to the ACB of their Savanna Common Shares (or cost amount, if the Common Shares are inventory). However, the Agreed Amount may not be:
 - (a) greater than the fair market value of the Savanna Common Shares at the time of the acceptance of the Offer,
 - (b) less than the fair market value of the total Cash Consideration received (which is equal to \$0.20 per Savanna Common Share);
 - (c) less than the lesser of (i) the fair market value of the Savanna Common Shares at the time of the acceptance of the offer, and (ii) the ACB of the Savanna Common Shares at such time.

Also enter the Agreed Amount less the aggregate Cash Consideration in the "paid-up capital" box on Page 2 of the Form.

Eligible Holders should consult their tax advisors regarding the selection of the Agreed Amount in respect of the disposition of their Savanna Common Shares.

- (5) Subtract B – A, and enter any positive result.
- (6) Enter the total Cash Consideration you received. This number will equal the total number of Savanna Common Shares you owned immediately prior to acceptance of the Offer, multiplied by \$0.20.
- (7) Enter the number of Total Common Shares you receive on the exchange. This number will equal the number of Savanna Common Shares you tendered pursuant to the Offer, multiplied by 0.1300 (subject to any rounding)³.
- (8) Enter the total fair market value of the Share Consideration and the Cash Consideration you received. This amount will equal:

³ Pursuant to the Offer, a Savanna Common Shareholder who is entitled to receive a fraction of a Total Common Share will have the aggregate number of Total Common Shares rounded up (if the fractional interest is equal to or greater than 0.5) or rounded down (if the fractional interest is less than 0.5).

- (a) the amount in (6), plus
- (b) the amount in (7) multiplied by the volume weighted average price of Total Common Shares for the five trading preceding the initial take up with respect to the Offer, being March 24, 2017. Total Energy has calculated the volume weighted average price of the Total Common Shares over the period of March 20 to March 24, 2017 (inclusive) as \$13.19355 per Total Common Share. This value will also be posted on Total Energy's website (www.totalenergy.ca).

The Eligible Holder must sign in the last box as indicated.

ELECTION AND CERTIFICATION		
The taxpayer and corporation hereby jointly elect under subsection 85(1) in respect of the property specified, and certify that the information given in this election, and in any documents attached, is to the best of their knowledge, correct and complete.		
_____ Signature of Transferor, or Authorized Officer or Authorized Person	_____ Signature of Authorized Officer of Transferee	_____ Date
*Attach a copy of the authorizing agreement		

Submission of the CRA Form T2057

It will be the sole responsibility of each Eligible Holder who wishes to make a Tax Election to duly complete CRA Form T2057 (and any applicable provincial or territorial election forms) and submit such forms to Total Energy by the Election Deadline –**being June 22, 2017** - and to subsequently file such elections within the time prescribed by legislation.

Once you have properly completed and executed CRA Form T2057, you should submit two copies (and two copies of any applicable provincial or territorial election forms), no later than the Election Deadline directly to the following address:

Attention: Yuliya Gorbach
Total Energy Services Inc.
2550, 300 – 5th Ave SW
Calgary, Alberta T2P 3C4
Re: Tax Election

Subject to the applicable Tax Election forms being correct and complete and complying with the provisions of the applicable income tax law, Total Energy will execute duly completed Tax Election forms received from an Eligible Holder by the Election Deadline within 30 days after the receipt thereof and will return them to the Eligible Holder for filing. It is the Eligible Holder's sole responsibility to file the Tax Election forms with the applicable governmental authority within the prescribed time in the Tax Act (or any provincial or territorial legislation).

Total Energy will not be responsible for the proper or accurate completion of the Tax Election forms or to check or verify the content of any election form and, except for Total Energy's obligation to return duly completed Tax Election forms (which are received by it by the Election Deadline) within 30 days after the receipt thereof, Total Energy will not be responsible for any taxes, interest or penalties or any other costs or damages resulting from the failure by an Eligible

Holder to properly and accurately complete or file the necessary Tax Election forms in the manner and within the time prescribed by the Tax Act (or any applicable provincial or territorial legislation). In its sole discretion, Total Energy may choose to sign and return Tax Election forms received after the Election Deadline, but Total Energy will have no obligation to do so.

For the CRA to accept a Tax Election form without a late filing penalty being paid by an Eligible Holder, the election form, duly completed and executed by both the Eligible Holder and Total Energy must be received by the CRA on or before the date which any taxpayer making the election is required to file an income tax return for the taxation year which includes the take up date with respect to the Offer. In any event, we would encourage an Eligible Holder to file the Election Form promptly (i.e., within 15 days) upon receiving the form back from Total Energy to avoid any late filing penalties.