

**Builders Energy Service Trust
Essential Energy Services Trust and Builders Energy Services Trust
Merger Plan Conference Call
January 31, 2008**

Operator: Good afternoon ladies and gentlemen. Welcome to the Essential Energy Services Trust and Builders Energy Services Trust Merger Plan conference call.

At this time, all participants are in a listen only mode. Following the presentation we will conduct a question and answer session.

For assistance during the call, please press star-zero on your touchtone phone. As a reminder, this conference is being recorded today, January 31st, 2008.

It is now my pleasure to introduce your host, Ms. Karen Perasalo. Please go ahead, Ms. Perasalo.

Karen Perasalo: Thank you Operator. Good afternoon everyone.

On our call today we have Bill Gallacher, Chairman of Essential Energy Services Trust; Garnet Amundson, President and Chief Executive Officer of Builders Energy Services Trust; James Burns, President and Chief Executive Officer of Essential; John Nearing, Vice President Finance and Chief Financial Officer of Builders; Ken Wagner, Chief Operating Officer of Essential; and myself. I am Builders' Director of Finance and Investor Relations.

We will start the call with some remarks from Mr. Burns on the terms, basic metrics, and benefits of the proposed merger. Then Mr. Amundson will comment on the leadership, pro forma financial position, and plan going forward for the new merged trust. Finally, we will open the call up for questions.

Please be advised statements made in this call, other than statements of historical fact, may contain forward-looking information. I refer you to the forward-looking statements disclaimer included in this morning's press release entitled Essential Energy Services Trust and Builders Energy Services Trust Announce Strategic Combination, and caution you that this disclaimer applies to and expressly qualifies any forward-looking information disclosed in today's call.

Any dollar amounts mentioned on this call are in Canadian dollars unless otherwise stated.

I will now turn the call over to James Burns, President and Chief Executive Officer of Essential Energy Services Trust.

James Burns: Good afternoon everyone. Thank you for attending the conference call.

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In the proposed transaction, Builders' unitholders will receive 1.25 Essential units for each Builders unit to own approximately 40% of the combined Trust. Distributions of new Essential are planned to be \$0.05 per unit per month, resulting in a 4% increase in distributions for Builders' unitholders. The transaction is expected to be in excess of 20% accretive to the Essential unitholders on a cash flow per unit basis, and we also expect the payout ratio to improve as a result of the transaction.

We believe that this proposed merger will be beneficial to unitholders at both Builders and Essential for a number of reasons. Firstly, the two companies are a natural fit. We have complementary business lines that allow for improved customer service and the opportunity to leverage cross-selling opportunities. The merger would allow an enhanced production service focus with expanded capabilities and larger fleet size. Integration is expected to be relatively easy given that both Builders and Essential share common operating philosophies in terms of growth, safety standards, targeted payout ratio, and cost management.

The second reason for joining our two companies is within our industry, size matters. This transaction would bring us increased liquidity, greater financial flexibility, and improved access to capital going forward. It would position us to capitalize on acquisition and growth opportunities that may arise. It would also allow us to build a critical mass in both Builders' and Essential's key service lines thus allowing for non-core assets to be divested and debt be reduced at the appropriate time with a minimal impact on the overall operations.

The combination would also yield certain synergistic opportunities, including the opportunity to realize operating efficiencies through the elimination of redundancies. Initially, it is estimated that by rationalizing operations and working to achieve the maximum synergy in the combined trust, the annual cost savings would be approximately \$6 million.

I will now turn the call over to Garnet Amundson, President and Chief Executive Officer of Builders Energy Services Trust. Thank you.

Garnet Amundson: Thanks James. Good afternoon everyone.

As you've seen in the press release, the management team of the combined trust will be led by myself as President and Chief Executive Officer and will also include John Nearing as Vice President, Finance and Chief Financial Officer; as well as Ken Wagner as Chief Operating Officer. In addition, we'll have two Vice Presidents of Operations, Don Webster and Kevin Job.

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The Board of Directors of the combined Trust includes members at both Essential and the Builders boards and our chairman will be Bill Gallacher. The board members will include Dennis Balderston, Jeff Scott, Jim Banister, Verne Johnson and myself. In addition, Gary Dundas and a nominee from the current Builders' Board of Directors are expected to stand for election at the first annual general meeting of the combined trust following completion of the transaction.

We will remain heavily focused on oilfield production services which will be provided through three key operating divisions. First, a rig division which will include our service rigs and coil tubing and nitrogen units. Second, a transport division that will include specialty trucking and oilfield transport. And third, a downhole services and rentals division which will include our wireline units, rentals, and downhole tools.

The combined Trust intends to pay a distribution of \$0.05 per unit per month with the first distribution payable following the completion of the proposed transaction. That results in a 4% increase in the distribution level to Builders' unitholders and overall on a pro forma basis we anticipate a lower payout ratio in around the range of 70%. Essential and Builders' unitholders will continue to receive monthly distributions of \$0.05 and \$0.06 per unit, respectively, through to closing of the transaction. After closing, all future distributions will be determined by the board of the combined Trust.

The combined Trust will have a strong cash flow base with consensus analyst EBITDA estimates of \$55 million for 2007 and over \$60 million for 2008. Debt on a combined basis is expected to be approximately \$150 million, which is drawn on combined credit facilities of \$210 million. Essential and Builders have similar credit agreements with similar banking syndicates and a new credit facility for the pro forma Trust is planned to be put in place at the closing of the merger transaction.

The combined Trust expects to have minimal capital spending and we plan to have approximately \$9 million spent in 2008 which would consist of \$3 million of growth capital and \$6 million of maintenance capital.

And I'll now turn back to Karen.

Karen Perasalo: Thank you Garnet. We will now open the call up for questions. Operator, please provide instructions to the participants.

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Operator: All right. Ladies and gentlemen, if you'd like to ask a question, please press star-one on your touchtone phone. If you use a speakerphone, please lift the handset before answering your request. Please stand by for the first question.

And our first question comes from Patrick Tomalin.
Please go ahead.

Patrick Tomalin: Thank you and congratulations everyone.

Garnet Amundson: Thanks, Patrick.

Patrick Tomalin: Just in terms of the synergies that you've highlighted, can you maybe break down what's included in that \$6 million? Whether it's, you know, things like head office expense or whether it extends into the field?

Garnet Amundson: Sure. I think the bulk of the synergies that we've identified come right now out of, I would call them head office synergies. There's certainly going to be executives departing from both organizations; down to a single board of directors. And then you get all the usual savings on everything from office space, audit fees, legal fees, and other administrative costs.

We've also taken a look on the operational side at some of the, what I would call, the size efficiencies of things like your procurement strategies with everything from phones, fuel, tires, all those sorts of things. And naturally there'll be some efficiencies given that we both have multiple locations across Western Canada, so things like shop and office space, use of mechanics and facilities and infrastructure.

So we feel fairly confident that on an annualized basis that \$6 million should be achievable. And in the first year, because of the timing of the transaction, it won't be the full six, but I feel fairly confident about that number.

Patrick Tomalin: So that \$6 million doesn't include a whole lot in terms of field synergies?

Garnet Amundson: No. We believe that there's still, you know, I'd say we break it into about two-thirds, one-third. But \$6 million, I think there are still additional field synergies that we will be working through. So I'd say there's further up side there.

Patrick Tomalin: Okay. Just secondly bigger picture here, the industry, you know 2007 was a pretty difficult year for everybody. I think a lot of people were, you know, looking at industry forecasts and maybe putting off some

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consolidation and we finally have it now. Do you think this is a statement that, you know, and you're not the only one who has gotten together. Do you think this is a sign that perhaps things have stabilized a bit and that, you know, the down drafted forecast that we saw last year is a thing of the past?

Garnet Amundson: I'll certainly give my take on it. I'm sure James would like to comment on that one too.

You know, I think certainly all of us that have been involved in the difficult times in this sector for awhile would like to believe we certainly hit a point of, I think, some stability here. We're seeing, you know, some positive times in the marketplace, certainly in the forward discussions on gas. And we believe the timing of a transaction like this should allow us to put ourselves together and get much stronger to be well positioned when the sector starts to turn.

But you know, as far as whether or not this is the start of something in the industry, certainly there are many players out there that need a transaction like this. The operating benefits are obvious and with the cost savings that we're putting on the table, I think that's got to be attractive to our investors.

Patrick Tomalin: Okay. I know that you highlighted the consensus forecast for EBITDA for 2007 and 2008. I'm assuming, first of all, these are numbers that you're comfortable with? I don't want to put words in your mouth. And if they are, what sort of forecast have you, in terms of the industry activities, have you baked into them?

Garnet Amundson: Well, that's probably a more detailed question than we can get into here. I'll say that both the analyst consensus numbers and the numbers that I just went through in the call are obviously combined with the forecast of both Essential and Builders. And I would say that yes, each of us has looked at those numbers and I believe that \$60 million number that I quoted going forward is something that we believe in.

As far as the underlying detail, that's probably too much to get into in this call, but, Patrick, I'm happy to go through that with you later.

Patrick Tomalin: Okay. That'd be great.

Garnet Amundson: Anything you want to add?

James Burns: Yes. Just to go back to your previous comment there, Patrick. You know, we're starting to see, I think, some, you know, positive

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aspects in the field. Certainly it's not nearly as grim as it was late last year. We're seeing utilization tick up. And you know, it's not, we're not returning to the glory days by any means, but it's certainly getting a lot more solid out there. And I think, you know, Ken can maybe give you a little bit of flavour as to what's going on in the field.

Ken Wagner: Well, the flavour in the field right now, Patrick, is there is some optimism certainly coming from some of the oil companies, some of the programs that have been released in northeastern BC with the budgets of a substantial amount of money.

We were recently awarded a two-year project in the interior of Alberta. And we can certainly use the synergies with the coil and the nitrogen to help us complete that. And that's very important moving forward because a 1900 well program to a company our size is substantial and it certainly maintains our cash flow on a move forward basis.

Patrick Tomalin: Okay. Just two more questions if I may.

First of all, looking at goodwill on the balance sheets, you know, recently one of the other companies in the sector came out and indicated there would be a write down, and I know this is something we've seen in the past. Do you have any comments going into year-end as to, you know, evaluations of goodwill on each balance sheet?

John Nearing: Patrick, it's John. Certainly in terms of ours you saw that we took a goodwill impairment in Q3. We do have to do it again, like have another look at goodwill in Q4. But certainly aren't very far advanced in terms of those discussions.

On the Essential side, my understanding is they obviously have to do a test for impairment as well. But again, those tests are very premature. The numbers aren't fully baked yet for 2007. But certainly it's a possibility that there could be impairment of goodwill within the sector, just the magnitude of it, just really can't quantify for you at this time.

Patrick Tomalin: Okay. That's fair enough.

One last question, I'm sure a lot your unitholders are happy to see the distribution, I guess in the case of Essential being maintained and Builders slightly increased. Can you give us some colour on your philosophy there, whether, you know, how do you feel about a 20% yield and what you think your recommendations to the board would be going forward?

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Garnet Amundson: Sure. Patrick, it's Garnet, and I'll comment and James can add some comments as well.

Certainly we've seen a lot of other trusts in the sector recently pulling their distributions down to zero. What you can see from our, from our pro forma 2008 expectations on EBITDA, when you look at the distribution level that we've set, by the time we take the EBITDA, deduct the interest, that's left us with approximately a 70% payout ratio going forward. So unless there was a, what I would call a surprise change in expected industry direction, which we don't anticipate, from a philosophical point of view, we are quite comfortably expecting that we can maintain that distribution. But it's still the decision of the board of directors going forward on a monthly basis.

And the reason I mention that, that from a strategic perspective there's certainly investors out there who say, you know, aren't there better places with a 20% yield, that you can use your cash. Now, the balance, of course is, a number of our investors very much are in favour of the yield and what we're receiving. And I would expect that over time, with confidence in the new combined organization, you would see that yield trade down as people get confidence that we're one of the remaining well-functioning services trusts that continue to pay a distribution.

Patrick Tomalin: Okay.

James Burns: Patrick, just to comment from the Essential side, you know, the yield has never been a driver in our distributions decisions. You know, it's the unitholders' money that we're returning to them and the value that's placed on that return I think is a function of risk. And it's always been our belief that if we have a responsible distribution policy, we maintain it. And if we prove ourselves to be one of the lower risk investments because of our production service focus that eventually the yield will trade to the right level. And, you know, we intend to continue that philosophy.

Patrick Tomalin: Thanks guys. That's all the questions I have. I'll let someone else have at it.

Operator: And our next question comes in from James Rose from UBS. Please go ahead.

James Rose: Congratulations gentlemen, long overdue. And I hope that the music from the Wagner Apocalypse Now is just coincidental going into the call.

Garnet Amundson: Thank you James.

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James Rose: I know it's preliminary, any sense from talking to any customers about the merger in terms of cross-selling and pricing?

Garnet Amundson: It is preliminary. We can, each of us can add comments. Ken, did you want to say something on that?

Ken Wagner: Because it was announced this morning, we haven't had a great opportunity to sit down with some customers, but I know that the first thing we'll be continuing on is to get on the phone and increase our utilization with some of our mainstay customers now.

And in the last year, I mean with the slow down in, with the producers looking to strike better deals and obviously tighten up their belt, the opportunity with the size that we have now is very exciting. And I think it's going to be, you know, I think our utilization is going to creep up because of the size of the company that we are as of today.

Garnet Amundson: One of the things, James, that we do know is that in a difficult market like this it doesn't take much for customers, they've got choices in terms of services. And I think by coming together we can continue to improve things like our safety program and offer quality equipment in different regions and really, you know, work better to meet the customer need. So I think for the most part this is going to be very well received by customers because if we can provide them, you know, the usual line of good service at a competitive price, if they like what we do, they'll continue to use us and use us more.

James Rose: Thank you. As just a follow-up, for, now that you're a bigger company, for possible US holders will you make it easier in terms of blue sky laws for a lot of states for your shares to be owned in the US?

Garnet Amundson: That's probably premature for me to be able to give a credible answer to that, but certainly our investment bankers, you know, will be helping us to try and do that to the extent we can because you know as our size grows, certainly that's something that would have appeal to us. And investors like yourself in the US, we're happy to have you supporting us.

James Rose: Thank you.

Operator: And our next, excuse me, and our next question comes in from Jeff Tavarkovs from CIBC World Markets. Please go ahead.

Jeff Tavarkovs: Thank you for taking my question. I believe you mentioned that you said we were looking to have a new combined credit facility of 210 million. Is that correct?

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Garnet Amundson: John, you want to comment on that?

John Nearing: Yes, it's John Nearing. The 210 million is the, that represents the combined credit facilities in their current form.

In terms of the magnitude of the credit facilities that we negotiate as we move to close, that's still up in the air. But we've already entered into very preliminary discussions with our lead in this syndicate. The syndicates are exactly complementary, the same banks are in each of the syndicates. So we're reasonably optimistic that we should be able to get a syndicate and a facility that provides us financial flexibility as we move forward.

Jeff Tavarkovs: Okay. And the combined debt outstanding now, is it about 130?

John Nearing: It's closer to 150.

Jeff Tavarkovs: 150. I guess, where is the 20 I'm missing?

Garnet Amundson: Each of us have not yet obviously, released our year-end results. The last we released was the third quarter.

Jeff Tavarkovs: Right.

Garnet Amundson: And our year-end results, as you've seen in the press release, doesn't come out until, I think in it we said about March 17th. But what you're getting is an indication, even though it's still early days, of our estimation of year-end debt numbers.

Jeff Tavarkovs: Right.

John Nearing: And just, it is natural, sort of in this cycle, sorry, the seasonal nature of the business that debt actually does increase in Q1 as you build your receivables.

Jeff Tavarkovs: Okay. Okay. So if I'm calculating correctly we're looking at about 35.7 million of distributions per annum?

John Nearing: That's very close.

Jeff Tavarkovs: And then interest of about 9, 10 million?

John Nearing: That's reasonably close as well.

Jeff Tavarkovs: And then capex of somewhere around 9 million.

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John Nearing: That's correct.

Garnet Amundson: We said maintenance capex of six and growth capex of three for the combined nine, so maintenance is six.

Jeff Tavarkovs: Okay. And then just doing a rough estimate here, but it looks as though the combined entity on an LTM basis is somewhere around 40 some million of EBITDA. Does this imply that you're expecting a rebound next year or are you just taking run rate plus the 6 million of synergies?

John Nearing: Yes. Just the 40, the 40 doesn't work in terms of trailing. Perhaps what you're missing is there would be trailing EBITDA associated with some of the acquisitions. So you would need to consider that as well. And you might not have those modeled in, obviously I can't see your model, but...

Jeff Tavarkovs: Right.

John Nearing: The 40 is too low.

Garnet Amundson: The analyst consensus that I mentioned in my opening remarks on a full year '07 basis, we said approximately 55. And obviously both organizations are still working on finalizing our numbers. But it's certainly a number, as John just said, that would be considerably larger than the 40 that you just mentioned.

Jeff Tavarkovs: Okay. From what you're seeing in the first quarter, does it look like, you know, we're at similar levels compared to Q1 '07?

James Burns: No. We're probably slightly behind Q1 '07, but we're certainly well ahead of Q3 and probably Q4 '07. So we've seen a fairly significant increase off of Q3, Q4. But we're not at, the levels of Q1 '07 were extremely high and we were flat out. So we're not quite there, but it's pretty strong in Q1 '08.

Jeff Tavarkovs: Okay. And then for the existing credit facilities that you have outstanding, what are the covenants? There's some mention of positive and negative covenants, but what currently are the tests?

John Nearing: The tests are different between the two entities. We generally don't publicly disclose our specific covenants, but obviously we have a Debt to EBITDA covenant, and it actually fluctuates between quarters, so I won't get into the specific details on the quarters.

Suffice it to say that we expect to remain in compliance with our existing covenants, and then we'll move forward into

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negotiating a new credit facility that hopefully will take effect immediately at the close.

Jeff Tavarkovs: Okay.

John Nearing: I think if I go to the heart of your question and the nature of your sort of background questions here, you're looking at the Debt to EBITDA, and there's no question, like it's getting up, you know, 2.5 times range. And we're reasonably comfortable with that, but obviously we'd like to see that reduced as we go forward.

Jeff Tavarkovs: Okay. And then are there any change of control covenants that mandate the loan to be paid immediately rather than, you know, having a three year amortization in the event of non-renewal?

John Nearing: You're correct that there is, we actually will require basically the consent of the lenders on the...

Jeff Tavarkovs: Right.

John Nearing: change of control of Builders. But I'll just extend it by telling you that we've already met with the lead and we believe we've got a very strong relationship with each one of the banks within the syndicate.

The banks in the syndicate are Bank of Montreal, Canadian Western Bank, National Bank and TD.

Jeff Tavarkovs: Okay. Now, would your preference be to sell any non-core assets, are there, what would you estimate is the debt reduction from sale of non-core assets to be in '08?

Garnet Amundson: Well, at this point we've each identified some nominal assets. And, and that's really what we wanted to highlight, our awareness of the debt levels and our desire to bring those down with non-core assets. But as you can imagine it's very early days and we want to spend some time with our folks to identify those opportunities.

Jeff Tavarkovs: Okay. And then would there be any interest in having a credit facility that would have additional room in the event of, you know, additional M&A? Or is that sort of let's get this one integrated and we'll address that at a later point?

John Nearing: So, would we be interested in extending the availability of the credit? Did I hear you correctly?

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Jeff Tavarkovs: Yes, so that you might be able to take advantage of some opportunistic situations.

John Nearing: I'll answer it generally. I mean in terms of obtaining sort of, you know, financial flexibility we're certainly obviously desirous of having financial flexibility. But balance that with the realization that there's only a certain amount of debt that I think any of us would sort of like to carry at this point in time and at this point in the sector. So we're sort of relatively comfortable, you know, if we can take the existing syndicates and the draw on it now, we're not uncomfortable with that. But on the other hand, we wouldn't see us as absolutely, you know, fully extending ourselves in terms of doing acquisitions with debt.

Garnet Amundson: Jeff, we've got quite a queue of callers. Do you mind if we take the next caller here?

Jeff Tavarkovs: I apologize. Sorry, go ahead.

Garnet Amundson: Thank you for calling.

Operator: Thank you. And the next question comes in from Roy Ma from Blackmont Capital. Please go ahead.

Roy Ma: Hi guys. Yes, just a couple of quick questions here.

First of all, could you give me an idea in terms of just where you are at your, with your tax pool and taxability. Let's say if you are to have no distribution in 2008, would you actually be cash taxable in '08, or you know, maybe take that out another year? What is that situation? I'm not familiar with the combined entity, what that looks like.

John Nearing: Obviously we have not, we haven't gone very far in terms of the tax structuring and that'll happen over the next 60 to 90 days.

In terms of the tax pools of the combined entities, it's about a, on a combined basis we've got, you know, roughly 200 million of either NOLs or basic operating losses and tax pools combined.

Into 2008 we do not expect to be cash taxable within the Trust structure and in terms of the distributions, to the unitholders, we would anticipate that those would be close to 100% treated as income in the hands of the unitholders.

Roy Ma: And that's for '08?

John Nearing: That's correct.

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Roy Ma: Okay. And secondly, just maybe take me through your capex, \$9 million, \$6 million maintenance, 3 growth. Maybe just give me a little bit of description of what those consist of. It just seems, maybe to put it in context, it seems like these are fairly low numbers. I'm looking for, you know, is it what's realistic. I mean if I look at a combined PP&E for the two company, you have a lot of assets to maintain. So can you take me through that?

James Burns: Roy, it's James. On the Essential side, our capex budget is, I think, very defensible. It's broken down to really required maintenance. And those are, you know, the standard kind of things. We're putting new carriers under some of the units. We have some derrick certification work to do. It's absolutely required work. We've minimized it.

And in terms of how, of the magnitude of it, I think if you look back, certainly to 2006 and into 2007, we had a fairly aggressive capital program so a lot of our equipment is quite new. We did a lot of upgrading and maintenance in '06 in particular. And so we think we can carry forward with fairly low capital budgets for '08 and probably through '09 before it starts to increase, you know, beyond that. So we are very comfortable with, you know, the level of our contribution to that and our growth capex is quite nominal. The growth capex is more on the Builders side.

So I'll let Garnet speak to the Builders side.

Garnet Amundson: Sure. On the maintenance capital budget for the Builders side, one of the things that happens, we have been very proactive in regularly maintaining our fleets and going through and doing the maintenance as required. When you get into an industry slowdown like this, you know, as you can tell by the utilizations and the current activity numbers, you end up with some equipment that isn't working, that you put less hours on your equipment, and some of your what I would call traditional full paced maintenance programs can be deferred without in any way adversely affecting your equipment.

So, we certainly with the current industry situation have talked with our operations managers and asked them to make the best decisions they can to make sure that we're not doing any what I would call discretionary maintenance that isn't necessary. So that's where our maintenance capital number came from.

And on the growth capital side, the \$3 million, it is some infrastructure costs and, you know, some relatively small individual business unit expenditures where we felt we had a very specific case for growth. But nothing sizable that sticks out.

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Roy Ma: Okay. And just going back, circling back on the issue of cost synergies, has there been, you know, to come up that number you have to identify specific layoffs and closing of facilities already to, that's in that number? Or I'm trying to get a context of, you know, \$6 million, how much depth have you gone into to come up with that?

Garnet Amundson: Yes, it's quite specific. I won't get into a lot of the details. But I can tell you there are, you know, known identified executives from each side of the organization that have been, that are aware, and that will not be continuing with either organization once the transaction is closed. And that's a portion of it.

And as I mentioned in a previous question, when you get down to one board of directors that's smaller than the other and you get rid of redundancies like dual audit fees and legal and TSX fees, even office space, you can go on and on through the duplications that exist within the different head offices.

On the operational side, the best I can say to you is we've had several meetings on that front and it's exciting is probably the best way to describe it when you look at the opportunities for bringing these two businesses together, and the possibilities that are there. So as I commented earlier, we feel quite comfortable with the operational savings we've built in and I feel confident we'll be able to meet that.

Roy Ma: Okay. And final question, just on specifically on the conventional service rigs, can you give me the characteristics of those service rigs? How many of them, I guess, are the heavier doubles? And secondly the average age of those service rigs.

James Burns: I can speak to the 15 service rigs that are being contributed by Essential. That includes, it would be five doubles and 10 singles. And they are, the doubles are not the heavy doubles. And then, of course, I mean we could include, you know, the 20 total rod rigs that are being, that will be in the combined entity. You're familiar with those. I mean there's...

Roy Ma: Yes.

James Burns: All light service rigs for pumping oil wells. On the Builders side, Garnet

Garnet Amundson: Sure. And you didn't ask us specifically, but I'll just comment on the locations as well to give you a bit of a feel for Builders.

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So we've got overall 40 service rigs and four sort of smaller flushby rod rigs. And another attribute we're quite proud of is in Brooks we have the fabrication facility that, you know, in good times is capable of manufacturing up to five service rigs in a year and certainly can help on the CVIPs and some of the re-works and re-certifications.

Our service rigs are spread out, really I'd say a rough mix of the 40 service rigs of, you know, probably a little heavier than 50/50 weighting towards the doubles. Recently we put, I think, three or four freestanding doubles into place. So we've got a mixture and our rigs are spread out in Drayton Valley, Grand Prairie, Brooks, and some in Slave Lake. And we see some real opportunities for putting those, you know, with the Slave Lake operation that Essential has certainly there'll be some good efficiencies there.

Roy Ma: And the age of the rigs, can you give me an idea in terms of, I mean I know if you could be, it could vary. But you know, could you give me an average age of the fleet on the Builders side?

Garnet Amundson: Sure. I've got to also throw in, I'm going to get, somebody's going to rough me up after, I forgot to mention Fort St. John, of course. And I apologize to Cliff Nelson, our Fort St. John service rig guy.

Ours, I'll comment, it's a mixture. But, you know, we've got some older equipment and, as I said, we just put some brand new ones into the field.

Now when I say, as you're aware, we keep right on top of our, you know, getting our equipment certified. And I think one of the things that is so attractive about service rigs is you really can upgrade components including the derrick, the mast, the draw works, the motor. So to give sort of an age on an older piece of equipment you'd probably have to go through the components and, you know, to get a meaningful answer. And I'd say we're a mixture but we've been upgrading and adding new equipment to our fleet regularly.

James Burns: Yes and just to comment on the Essential side, we quote an average age of something around seven to eight years. But that's very misleading because we have several rigs which are quite old, but as Garnet says, they've been continuously upgraded, maintained and have long, useful lives ahead of them. And we've got several that are almost brand new.

So I would imagine Builders' fleet is much the same. So, you know, it's kind of misleading to use an average age number.

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Roy Ma: Okay. And how many, proportionally speaking, are truck mounted?

Garnet Amundson: For us we're down to, I should know that answer, but I don't have it in front of me. We're down to, virtually all of our fleet is mobile as far as I've gone, I'm looking over at Karen, we don't have the data with us. But if we do have any more skid mounted, it's like one or two. But I think we've just about got our entire fleet mobile.

James Burns: Yes, the entire Essential fleet is mobile.

Roy Ma: Okay. Thanks everyone.

Garnet Amundson: I'm going to get a hard time about that answer too, but I should know the answer to it. If there is it's one or two at best.

Roy Ma: Okay.

Garnet Amundson: Thank you.

Operator: And our next question comes from Richard Harris, who is a private investor. Please go ahead.

Richard Harris: Hello. I'm an Essential investor. And my first question is, Essential has always operated under six different banners. If I read the BET website correctly, you're operating under 11 different banners. Is there going to be any move to consolidate? And I can just imagine, you know, letterhead and invoicing and all of those kind of issues. Is going to be any kind of a move to consolidate under one, towards a fewer number of banners?

Ken Wagner: Ken here. Sorry.

James Burns: Just a comment on that. I mean Essential operated under 10.

Richard Harris: 10? Okay.

James Burns: And we've reduced that to six.

Richard Harris: Okay.

James Burns: And I think that's one of the operational synergies we identified is further consolidation of those business lines.

Ken, do you want to comment?

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Ken Wagner: Yes, what Essential's done in the last year is we've taken a couple of our business units, our coil we had Endless and we had Kodiak and it became Essential Coil. We've seen the synergies, the strengths, the cost savings, the benefits of bidding on contracts. Our safety records have all improved vastly over that. Our transport side, we've recently taken WestVac, which was up in Edmonton, Slave Lake, and Wabasca and rolling it under the Cascade banner. And that is strictly because of the fact that with customers now, like as I alluded earlier, customers want to deal with one or two companies and primary contracts are being set up down here.

So part of our plan, and we're seeing the benefits in cost savings as far as salaries, safety, as you alluded to yourself earlier, managing the accounting systems. So it's been very positive that way. And you can keep the tighter controls on the business units once that happens.

Richard Harris: Okay. So that's part of the consolidation that you're talking about then. My other question, just quickly is, it was mentioned earlier, I think by James Burns, that this deal was going to be 20% accretive to Essential investors. The market today seems to be saying everything is to the benefit of Builders. Could someone comment on that please?

James Burns: No, I think it's, the market's going to trade to reflect the premium that we're paying. And, you know, that's...

Richard Harris: It is effectively a merger, though, so I guess my concern is I don't understand the premium.

Garnet Amundson: One of the, I look at this on a, it's Garnet speaking. One of the unique things, if you take a look at the underlying individual entities, is we're very similar in terms of our, you know, give or take a year, in terms of our EBITDA contributions on an entity basis. And then you take a look at the outstanding units and take a look at the trading multiples of the two entities. And over 2007, the recent year, the Essential entity has had a superior trading multiple to the Builders entity and the Builders entity is contributing the same cash flow essentially. And it's creating a situation when you go through that where it's bringing very good cash flow to the combined entity, that there's a win-win for both sets of unitholders.

Richard Harris: So the market was undervaluing Builders, is what you're saying?

Garnet Amundson: I guess I can't comment on the, market is always right.

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Richard Harris: Yes.

Garnet Amundson: I'm saying is what we've got here is a tremendous operation cash flow generating machine that's coming together with another good operation. I think together this should be very good for the Essential unitholders.

Richard Harris: Well, I've always liked Essential and I've always, I've been involved with it since it was part of Avenir and so I will consider what I'm doing with my 150,000 units and will drive on. Thank you for your time.

James Burns: Thank you.

Operator: Thank you. There are no more questions at this time. Please continue.

Karen Perasalo: Thank you, Operator. We will now have some closing remarks. James?

James Burns: Thank you. In closing I'd just like to emphasize that oilfield services are still required to maintain over 200,000 producing wells in the Western Canadian Sedimentary Basin. At present, the business environment is challenging. It is clear that larger service providers will enjoy a competitive advantage. In the short term our focus will be on integration, synergy realization, continued cost reduction initiatives and debt and cash flow management.

We're very confident in the long-term underlying fundamentals for natural gas drilling and the demand for oilfield services in Canada. With high production decline rates and rising natural gas demand, growth in oilfield services remains a fundamental long-term strategy. The new Essential will be well-positioned to capitalize on opportunity when the cycle turns. Garnet?

Garnet Amundson: I'd just like to add I'm very excited about this deal. I think this is an extremely positive transaction for both the unitholders of Builders and Essential. It's an excellent operational fit. And I believe that both teams are going to bring significant strengths to the combined entity. And I certainly look forward to closing this transaction and bringing the two teams together. Thanks.

Operator: Ladies and gentlemen, this does conclude your conference call. We thank you for attending and ask that you please disconnect your lines.