

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: ESI Energy Services Inc. (the "Issuer").

Trading Symbol: OPI

Number of Outstanding Listed Securities: 51,667,459

Date: January 3, 2019

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

ESI is a pipeline equipment rental and sales company with principal operations in Leduc, Alberta and Phoenix, Arizona. The Company currently operates in most provinces in western Canada as well as in the United States of America. The Company, through its operating subsidiaries, ESI Energy Services Inc. ("ESI") and Ozzie's Pipeline Padder, Inc. ("OPI"), supplies (rentals and sales) backfill separation machines ("Padding Machines") to mainline pipeline contractors and utility pipeline contractors as well as oilfield pipeline and construction contractors.

On May 17, 2018, The Company entered into an early stage Process Facility and Cobalt Supply Agreement (the "Agreement") with Battery Minerals Resources Limited ("BMR") for BMR's cobalt-focused mineral exploration claims located in Ontario. BMR is a privately owned Australian multi-commodity battery materials exploration company.

2. Provide a general overview and discussion of the activities of management.

Management remains focused on growing the business through internally generated growth opportunities.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Management is in the process of developing a new type of screen made of Polyurethane composite for its Mini-padder and Micro-padding machines.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No products or services have been discontinued.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Issuer has not entered into any new business relationships between the Issuer, the Issuer's affiliates and/or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

No new contracts or agreements were entered into or terminated in the preceding month.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

There have been no acquisitions or dispositions of assets by the Issuer which were outside of the ordinary course of business which occurred during the preceding month.

8. Describe the acquisition of new customers or loss of customers.

There has been no acquisition or loss of major customers during the preceding month.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

There have been no new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks during the preceding month.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no employee hirings and two terminations in the month of December.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

There have been no legal proceedings to which the Issuer became a party during the preceding month.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Issuer has not incurred or repaid any indebtedness other than normal repayments of outstanding debt in the ordinary course (repayments of existing outstanding loans) of its business during the preceding month.

14. Provide details of any securities issued and options or warrants granted.

No new securities, options or warrants were granted during the preceding month.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Federal Government's decision to purchase the Kinder Morgan Trans Mountain Pipeline and approval of the \$40 billion LNG Canada liquified natural gas terminal to be located at Kitimat in northern British Columbia, represent a positive development for the Company's business of renting and selling backfill separation machines ("Padding Machines") to mainline pipeline contractors and owners.

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 3, 2019

Priyanka Bambaranda

signed, "Priyanka Bambaranda"

Signature

Chief Financial Officer

<b>Issuer Details</b> ESI ENERGY SERVICES INC.	For Month End 18/12/31	Date of Report YY/MM/D 19/01/03
Issuer Address  500, 727 7 <sup>th</sup> Ave SW		
City/Province/Postal Code  Calgary, AB	Issuer Fax No. (587)-355-6522	Issuer Telephone No. (403) 205 7179
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