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Flint Energy Services Ltd.

ANNUAL INFORMATION FORM

Dated March 17, 2011

For the year ended December 31, 2010

INTEGRITY | PEOPLE | SUCCESS | EXCELLENCE | DYNAMIC

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All dollar amounts in this Annual Information Form ("AIF") are in Canadian dollars unless otherwise stated.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, that address activities, events or developments that Flint Energy Services Ltd. ("Flint" or the "Corporation") or a third party expects or anticipates will or may occur in the future, including the Corporation's future growth, results of operations, performance and business prospects and opportunities, outlook regarding future prices of oil and natural gas, and oil and gas industry activity including the effect of changes in crude oil prices on oil sands activity, outlook regarding growth in the market for oil sands module hauling services, ability to complete strategic acquisitions and realize the perceived benefits of any acquisitions that are completed, expectations regarding continued outsourcing of services that Flint provides on the part of Flint's customers, and Flint's outlook regarding the competitive environment it operates in, and the assumptions underlying any of the foregoing, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Corporation, including those discussed under "Risk Factors" and elsewhere in this AIF that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation's management believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. These statements speak only as of the date of this AIF. The Corporation does not intend, and does not assume any obligation to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

CORPORATE STRUCTURE

Incorporation and Organization

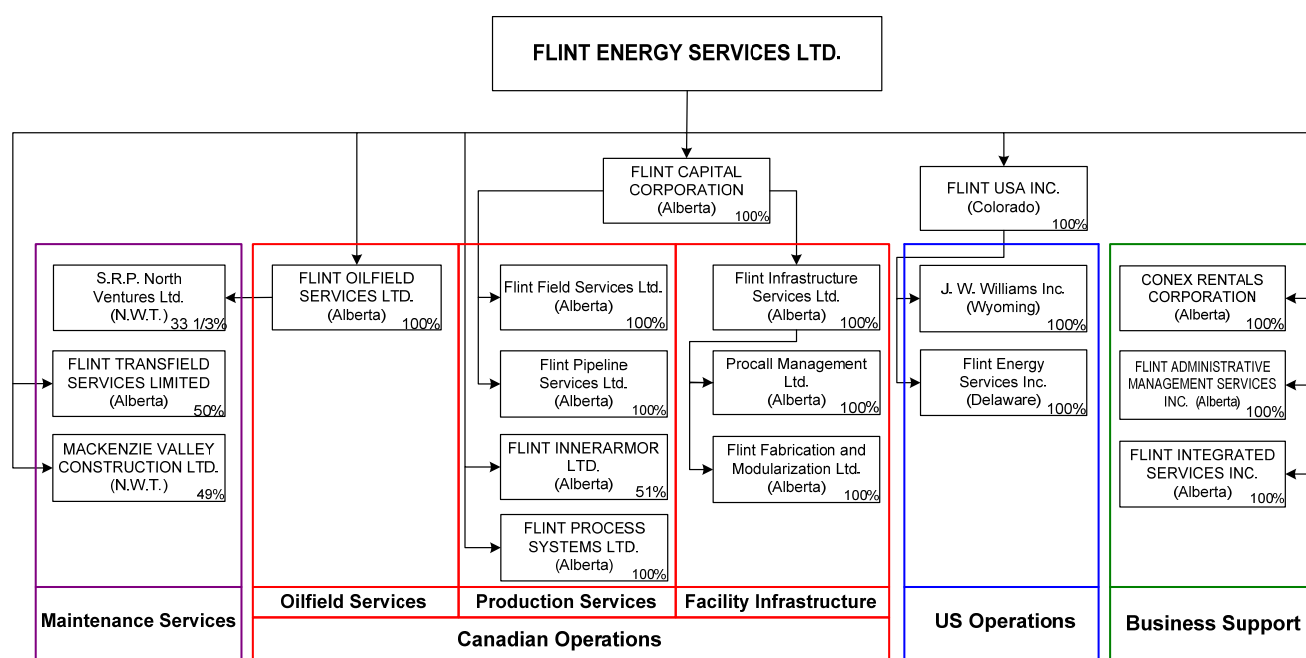
Flint was incorporated under the *Business Corporations Act* (Alberta) ("ABCA") as "HMW Services Group Ltd." on April 9, 1998. The Articles of Incorporation were amended on November 12, 1998, changing the corporate name from "HMW Services Group Ltd." to "Flint Energy Services Ltd." On April 1, 2000, Flint amalgamated with Reid's Construction Group Incorporated and retained the Flint name. Flint acquired all of the issued and outstanding shares of IPEC Ltd., a company listed on the TSX, under a Plan of Arrangement made pursuant to section 186 of the ABCA on November 22, 2001.

The head office of the Corporation is located at Suite 700, 300 – 5th Avenue SW, Calgary, Alberta T2P 3C4, and the registered office is 3200, Telus Tower South, 10020 – 100 Street, Edmonton, Alberta T5J 0N3.

The organization chart below sets out Flint's material subsidiaries and their respective jurisdictions of incorporation. With the exception of Flint InnerArmor Ltd., Flint Transfield Services Limited, Mackenzie Valley Construction Ltd. and S.R.P. North Ventures Ltd., all of the subsidiaries included in the organization chart are wholly owned, directly or indirectly, by the Corporation.

References in this AIF to “Flint” or the “Corporation” shall mean Flint Energy Services Ltd. and all or some of its subsidiaries (whether wholly or partially owned), as the context may require.

Figure 1



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The following is a summary of significant events in the development of the Corporation's business over the past three financial years:

In November 2010, the Corporation purchased the assets of Stallion Heavy Haulers, LP based in Texas, Oklahoma and Louisiana. The Corporation acquired approximately 450 pieces of rig moving and heavy hauling equipment operating from five locations, for \$36.4 million. The acquisition provides Flint additional rig moving capacity in several active shale

gas basins in the southern United States and makes Flint one of the larger rig moving companies in the United States.

Also in November 2010, Flint acquired property in Williston, North Dakota to establish a new branch from which its production and oilfield services could be delivered to customers developing the United States' Bakken shale oil resource. The new facility is under construction and is scheduled to be operational in early 2011.

In September 2010, Flint opened a new office in Williamsport, Pennsylvania to provide oilfield services support to shale gas drilling in the Marcellus Basin, and began operations in the fourth quarter of 2010.

In April 2010, Flint purchased all of the issued shares of PES Surface Inc., an oil and gas production equipment manufacturing company located in Central Alberta, from Paintearth Energy Services Inc. for \$6.8 million. The acquisition allowed Flint to expand its successful oil and gas production equipment manufacturing business, formerly carried on exclusively in the United States, into the Canadian market. Following its acquisition, PES Surface Inc. was renamed "Flint Process Systems Ltd."

In March 2010, Flint entered into a joint agreement to establish a new business with Sub-One Technology, Inc. ("Sub-One"), a California corporation, to provide and market services for the application of internal wear resistant coatings to steel pipe and vessels in North America. These services will be delivered in Canada through Flint InnerArmor Ltd., an Alberta corporation which will be jointly owned by Flint and Sub-One. In addition to the investment in Flint InnerArmor Ltd., the Corporation purchased 10,380,624 Series D-1 shares in Sub-One, making Flint one of the largest shareholders in Sub-One. Flint has agreed to acquire a further 3,460,208 shares in Sub-One. With the purchase of these shares, Flint's total investment in Sub-One will be US\$4.0 million.

There were no significant acquisitions or divestitures in either 2008 or 2009.

In 2009, two new offices were opened to expand Flint's Canadian drilling rig hauling services to areas of increasing customer demand. These included Fort Nelson, British Columbia to service the new shale gas play in the Montney Basin, and a new office in Peace River, Alberta to support heavy oil drilling. Additionally in the United States, Flint opened an office in Morgantown, West Virginia to provide production services activities in the Marcellus shale gas play.

In December 2008, Flint's businesses were realigned to better achieve operational efficiencies. Flint moved its Tubular Management and Manufacturing business segment into Production Services, and transferred its pressure and vacuum and fluid transportation businesses from Production Services to the Oilfield Transportation business segment, renaming the resulting segment Oilfield Services.

With this realignment, the five former business segments have been consolidated into four business segments:

- Production Services;
- Facility Infrastructure;
- Oilfield Services; and
- Maintenance Services.

This restructuring took place in December 2008, and Flint began reporting its operations in these new business segments in 2009. Each of these business segments is more fully described below.

In 2010, Flint continued its internal reorganization by joining its operations carried on by Flint Fluid Haul Services Ltd. with its Transco Energy Services Ltd. operations. “Flint Fluid Haul Services” and “Flint Oilfield Hauling” now carry on business as divisions of one corporation under the corporate name “Flint Oilfield Services Ltd.” In addition, at the end of 2010, Global Poly Systems Inc. (“Global Poly”) and Flint Tubular Management Ltd. amalgamated with Flint Field Services Ltd. These business lines are now carried on as divisions of Flint Field Services Ltd.

DESCRIPTION OF BUSINESS

Flint is a major provider of a wide range of integrated midstream production services to oil and natural gas producers through over 60 centres in Western Canada, and in Oklahoma, Texas, Louisiana, North Dakota, as well as the Appalachian and Rocky Mountain regions of the United States. Flint also provides major project construction and construction management services to the oil and gas industry, small and mid-inch diameter pipeline construction, and installation services. In addition, Flint also provides sophisticated maintenance services to oil sands, refining, and mining sectors, primarily in Canada, through its 50 percent owned company, Flint Transfield Services Limited (“FT Services”).

Flint’s services are provided through the four business segments mentioned above, which will be described in more detail in the following sections.

Production Services

Production Services, historically Flint’s largest business segment measured by operating revenue, provides a wide range of mid-stream field production services to oil and gas companies in Canada and the United States.

The services offered by Flint’s Production Services business segment in Canada include:

Pipelines: well tie-ins, small diameter pipeline construction for gathering and transmission lines, mid-inch pipeline construction;

Field facility services: including civil construction, mechanical construction, electrical and instrumentation services, field maintenance, shutdown and turnaround services, and safety services; and

Manufacture and sale of: oil and gas processing equipment, tubular management including inspection, repair and sales of production tubing and sucker rods, and the manufacture and sale of plastic pipe. Flint recently added internal wear coatings and liners to these services. However, these service lines were still being set up and did not generate revenues in 2010.

The services offered by Flint's Production Services business segment in the United States include:

Pipelines: well tie-ins, small and mid-inch diameter pipeline construction for gathering and transmission lines, mid-inch pipeline construction;

Field facility services: including facility mechanical construction, field maintenance, and resource industry access road and well pad construction;

Manufacture and sale of: oil and gas processing equipment through a wholly owned subsidiary, J.W. Williams Inc. ("J.W. Williams").

Small diameter pipeline construction for oil and gas well tie-ins involves the construction and installation of pipelines made of steel or plastic connecting recently drilled and completed wells into gathering systems. Production Services also constructs gathering systems that transport oil and gas from wells to storage facilities and batteries.

Production Services' mid-inch pipeline construction service involves the installation of longer and larger transmission pipelines, up to 24 inches in diameter. These transmission lines transport oil and gas from gathering systems and batteries to larger storage and processing facilities. While Flint provides all facets of pipeline construction, it does not supply either the pipe or the coating applied to the pipe. Procurement of these materials is done either directly by the customers or engineering firms working for the customers.

In addition to pipeline construction and installation, Production Services also has pipeline maintenance and repair capabilities including pipeline integrity excavations and repairs, structural and process pipe welding, facility and pipeline abandonment and clean-up, and site reclamation work. Maintenance services are also provided by Production Services for turnaround and shutdown activities on existing oil and natural gas field facilities.

Manufacturing in the United States is conducted through J.W. Williams which designs, fabricates, and sells well head equipment including: separators, treaters, dehydrators, and storage tanks typically included in battery installations.

Canadian Production Services' structural steel and module fabrication facilities are located in Fort McMurray, Calgary, Cold Lake, Bonnyville, Elk Point, Medicine Hat and Grande Prairie, Alberta. Flint Process Systems Ltd. carries on its manufacturing business from its leased location in Halkirk, Alberta.

Through both J.W. Williams in the United States and Flint Process Systems Ltd. in Canada, Production Services fabricates and installs production facilities process skid packages,

process piping and mechanical processing and flow control equipment typically used in Flint's customers' midstream field production facilities.

Tubular management and manufacturing services were expanded to include: drill pipe and production tubing inspection and repair services; drill pipe hard-banding, machining, threading and coupling replacement; the repair and refurbishment of sucker rods, and the sale of new and used sucker rods; and EZ Flow Lined Tubing. Additionally, third party drill pipe and oil country tubular goods ("OCTG") storage services are provided by Flint in certain locations in Western Canada.

In late 2010, as part of an expansion of tubing repair services, the Corporation acquired an OCTG tubing upsetter which will be used to re-establish a thicker end on tubing needed to replace damaged threads. Tubular management and manufacturing services are provided from eight locations in Western Canada. Tubular management services are currently only provided in Canada, although the Corporation is exploring options to expand this service into the United States.

Global Poly Systems Inc., which amalgamated with Flint Field Services Ltd. at the end of 2010, manufactures both high and low density polyethylene pipe from its plant in Edmonton, Alberta. Plastic pipe is manufactured to various industry standards for use in oil and gas production, construction, and telecommunications applications. The Global Poly business recently moved to a new purpose-built, leased facility in Edmonton, Alberta. In addition, Global Poly houses and operates the OCTG tubing upsetter noted above.

Canadian Production Services has expanded its operations to provide civil and structural mechanical construction, and electrical and instrumentation services to the power generation and power transmission industries. In 2010, the Corporation was successful in winning several construction contracts in this market and continues to expand its construction operations into the electrical transmission market.

Flint's United States manufacturing business, J.W. Williams designs, manufactures, and sells oil and gas processing equipment from three plant locations in Casper, Wyoming, Odessa, Texas, and Waller, Texas.

The Production Services division has a broad customer base in both Canada and the United States and the Corporation is aligned with the larger and more established producers in each country.

Production Services in both Canada and the United States markets its services through existing customer relationships, alliances and ongoing master service agreements, as well as through competitive bid processes.

Facility Infrastructure

Flint's Facility Infrastructure business segment, based in Canada, provides a full range of large project construction services including: general construction services; project planning, scheduling and management; provision of field labor and workface planning; and module

fabrication and field installation. To date the majority of the work of this segment involves larger contracts performed on oil sands and heavy oil processing plants, and oil and natural gas process piping and equipment.

Facility Infrastructure, through Flint's subsidiary, Flint Fabrication and Modularization Ltd., operates 70 acres of fabrication yards in Sherwood Park, Alberta, with additional fabrication facilities in Cold Lake and Elk Point, Alberta. Expansions to facilities in 2007 and 2008 to the Sherwood Park, Alberta facilities provide the Corporation with the capacity to work on up to 120 modules simultaneously, making it one of the largest fabricators in Western Canada.

Structural and process modules are fabricated in these locations and transported for installation to the various customer project sites which, for 2010, were located primarily in the Fort McMurray area of Alberta. Delivery of construction services through its modular fabrication strategy enables Flint's Facility Infrastructure business segment to receive construction materials more efficiently and economically, attract and retain a qualified, skilled workforce, control project costs, and maintain high standards of quality and safety.

In addition to the installation of fabricated modules, Flint provides a full range of general site construction necessary for complete facility development, including site clearing and preparation, pouring of concrete foundations, oilfield road and lease construction, structural steel fabrication and erection of modular facilities and building structures. Once project construction is completed, Flint also provides pre-commissioning and commissioning construction services on site for the project operator.

The major construction projects Facility Infrastructure worked on in 2010 were all located in the Fort McMurray area of Alberta and included:

- Shell Canada Limited: Albian Sands Oil Sands Project, Froth Treatment Plant and Tank Farm;
- Suncor Energy Inc.: Firebag 3 SAGD Project, Module Fabrication;
- Suncor Energy Inc.: Firebag 3, site wide construction and pre-commissioning work; and
- StatOil ASA: Leismer SAGD Demonstration Project.

In November 2009, Flint was awarded the contract work for the completion of module fabrication for Firebag 3 on a lump sum basis, and in March, 2010 was awarded additional field construction work on Firebag 3 for pre-commissioning site-wide construction services. This work was awarded on a cost reimbursable basis and continued through 2010 and into the first quarter of 2011 with additional work releases awarded late in 2010. Additionally, Flint was awarded a further contract by Suncor Energy Inc. to fabricate modules for its recently approved Firebag 4 SAGD project.

Throughout the first half of 2010, work continued on Shell's Albian Sands Froth Treatment and Tank Farm project and on the StatOil ASA demonstration project at Leismer, near Fort McMurray, Alberta. Both of these multi-year contracts were substantially completed early in the third quarter of 2010.

With improving crude oil prices in 2010, an estimated \$15 billion was spent on oil sands capital projects in 2010, up from \$11 billion spent in 2009 (Source: CAPP). An industry forecast of nearly \$180 billion in capital spending over the next five years on new oil sands projects was released in late 2010 (Source: Calgary Herald, December 10, 2010). Flint is actively engaged in discussions with a number of oil sands operators for projects with expected construction schedules for 2011 through 2014, and has submitted bids for work to replenish backlog for 2011 and 2012.

Management believes the Corporation holds a significant share of the market for construction management and construction and fabrication services for oil sands projects in Western Canada. While this division is dependent upon a few large customers for its revenues, management believes its reputation for safety, project execution, and meeting schedules and budgets provide it with a competitive advantage in the market. This, together with Flint's fabrication capabilities gives Flint opportunities to successfully compete for work in this market.

Flint markets its Facility Infrastructure services to large oil sands producers through its strategic customer alliances, as well as through competitive bidding processes.

Oilfield Services

Oilfield Services provides: drilling and service rig moving, pressure and vacuum services, fluid hauling; and specialized heavy hauling and general oilfield equipment hauling services for conventional oil and gas well drilling in Western Canada. Oilfield Services provides drill rig moving, pressure and vacuum and fluid hauling services in the United States' Rocky Mountain region, the Marcellus basin in Pennsylvania and West Virginia and the Bakken basin in North Dakota, and in the Texas, Louisiana, and Oklahoma shale gas basins. In 2010, new drilling rig hauling operations were opened in Williamsport, Pennsylvania, and a new facility was nearing completion in Williston, North Dakota at year end. An additional five locations, three in Texas, one in Oklahoma, and one in Louisiana, 150 employees and 450 pieces of rig hauling equipment were added in late 2010 through an asset acquisition.

Flint maintains a combined fleet in both Canada and the United States of approximately 829 tractors (power units) and approximately 1,042 trailers for rig moving, fluid hauling, mobile services, and equipment hauling. Oilfield Services also has a fleet of specialized transport equipment capable of moving oversized and overweight equipment in Western Canada. The specialized heavy hauling equipment is designed for transporting large modules and other prefabricated equipment to oil sands and other energy related projects.

Fluid hauling and pressure and vacuum services target existing conventional oil and heavy oil wells using a fleet of specialized equipment, primarily based in northeast Alberta, Saskatchewan, the Northwest Territories, and the United States Rocky Mountain region. Well cleaning services are provided, including a full range of pressure, vacuum, flushing, chemical and mechanical cleaning services for sump pumps, vessels, exchangers and tanks. Fluid hauling services include transporting crude oil, well effluents and other production fluids from producing wells to refining facilities or third party waste disposal sites.

Revenues from this segment, derived from transporting oil and gas well drilling rigs, are directly and primarily influenced by the amount of capital spending the Corporation's Canadian and United States customers commit to drilling activities each year. Fluid transportation and pressure and vacuum services revenues are based upon customers' ongoing production maintenance expenditures. Specialized transportation revenues are derived from both customers' conventional and unconventional production and oil sands facility construction capital expenditures.

Flint markets its rig moving services under the name "Flint Oilfield Hauling", through existing customer alliances and competitive bidding processes. In the rig moving market, there are three large service providers (including Flint) in Canada holding approximately 70 percent of the market share. With the recent expansion of rig moving capacity in the United States, management believes Flint holds a significant share of the market as a result of its broad geographic locations, fleet capacity, safety performance and reputation.

Flint's fluid hauling and pressure and vacuum services are marketed under the name Flint Fluid Haul Services. Flint Fluid Haul Services markets its services through existing long term customer alliances as well as competitive bidding processes. This market is fragmented with numerous competitors offering similar services. However, Flint believes it has a major share in the specific regional markets in which it operates.

Flint markets its specialized hauling services under ENTREC Transportation Services Ltd. through existing customer alliances and competitive bidding processes. This is a highly concentrated market with only three competitors including Flint, and management believes it holds a smaller share of this market than the two larger competitors in Western Canada.

Maintenance Services

In December 2008, the "Plant Maintenance and Other" business segment was renamed Maintenance Services.

The Maintenance Services business segment includes Flint's 50 percent interest in Flint Transfield Services Limited ("FT Services"), together with Flint's interest in companies formed with a number of aboriginal enterprises, representing the Gwich'in and Sahtu First Nations. These companies include Mackenzie Valley Construction Ltd. and S.R.P. North Ventures Ltd., operating in communities in the Mackenzie Delta and Norman Wells areas of the Northwest Territories.

Flint reports 50 percent of FT Services' revenues and expenses in its financial consolidation within this segment. Similarly, the Corporation reports its proportionate share of revenues and expenses for the other jointly owned companies in this segment.

In 2011, with conversion from Generally Accepted Accounting Principles (GAAP) to International Financial Reporting Standards (IFRS), reporting of FT Services' financial information will change to an "equity pick-up" on Flint's income statement where Flint's share of FT Services' net earnings will be reported. The conversion to IFRS is more fully explained

in the Management Discussion and Analysis (MD&A) section of the 2010 annual financial statements released and filed concurrently with the Annual Information Form (AIF). FT Services provides asset management and maintenance services and markets its services directly to large oil sands producers, as well as oil refineries and related chemical, energy, electrical, and processing plants throughout Canada.

In 2010, FT Services delivered these services to three major corporations: Suncor Energy Inc. (“Suncor”), Canadian Natural Resources Limited (“CNRL”), and Nexen Inc. (“Nexen”). In 2007, FT Services entered into a five-year strategic alliance agreement with Suncor to provide routine maintenance, turnaround management and execution, and sustaining capital projects to Suncor’s oil sands and in-situ operations at Firebag located near Fort McMurray, Alberta, and Suncor’s refinery operations in Sarnia, Ontario. This agreement was renewed and extended in 2010 for a further five years.

FT Services has an agreement with CNRL to provide mechanical, electrical and instrumentation maintenance services, as well as pipeline maintenance services at CNRL’s Horizon bitumen mine site in Fort McMurray, Alberta.

In 2010, FT Services was awarded a new multi-year maintenance contract with Nexen for maintenance work at its Long Lake SAGD facilities near Fort McMurray.

FT Services also had a two year agreement with Shell to provide turnaround management and execution services at Shell’s Scotford refining complex near Fort Saskatchewan, Alberta which was completed in 2010. Further work at Scotford and other Shell assets in Western Canada is being actively pursued.

FT Services is headquartered in Calgary, Alberta and markets its services directly to major energy producers, refining and mining sectors in Canada.

Mackenzie Valley Construction Ltd. and S.R.P. North Ventures Ltd. provide rig moving, camp facilities, transportation, construction and maintenance services to oil and gas producers in the Inuvik, Mackenzie Delta, and Norman Wells regions of the Northwest Territories. These partly owned subsidiaries also provide road construction and maintenance services to the Government of the Northwest Territories.

Revenues in the Maintenance Services segment, with the exception of road construction, are typically non-seasonal and less cyclical as they are derived more from the customers’ operating budgets rather than capital budgets. Revenues can vary quarterly and annually due to major turnaround and shutdown work scheduled for major refineries and upgraders.

While revenues are dependant on a few large customers, the contract terms are generally multi-year, with revenue visibility over the life of the contracts.

Flint’s management believes FT Services holds a large market share position in the oil sands’ maintenance market in Western Canada due to its advanced maintenance systems and processes, safety performance and reputation.

The services of the joint venture companies in this segment are marketed through the local branch personnel, as well as through strategic customer alliances and the Corporation's sales personnel located in Calgary, Alberta.

Revenues from Flint's Four Business Segments

In 2010, all of the Corporation's revenues were generated from North American operations. Approximately 82 percent of Flint's revenues were generated in Canada, with the balance from the United States. United States revenues were mostly within Flint's Production Services business segment, with a small amount earned from fluid hauling and rig moving operations reported in the Corporation's Oilfield Services segment.

The following table sets out the percentage contributions to Flint's total revenues for 2010 and 2009 from each of Flint's four business segments for comparison purposes:

Table 1

Flint Business Segment	Business Segment Percentage Contribution to Total Flint Revenues	
	2010	2009
<i>Millions of dollars</i>		
Production Services	\$783.9 (44%)	\$795.3 (42%)
Facility Infrastructure	\$354.9 (20%)	\$595.7 (32%)
Oilfield Services	\$220.8 (12%)	\$206.7 (11%)
Maintenance Services	\$421.7 (24%)	\$278.8 (15%)
Total Revenues	\$1,781.3 (100%)	\$1,876.5 (100%)

Improved crude oil prices in 2010 over 2009 (average price WTI cash US\$78.93 as opposed to US\$61.61 in 2009) resulted in increased capital expenditures on conventional and unconventional crude oil drilling, as well as renewed planning for new projects to increase SAGD bitumen production, and bitumen mining. (Source: JuneWarren-Nickle's Energy Group)

New oil sands projects announced include ConocoPhillips' Surmont 2, MEG Energy's Christina Lake, Imperial Oil's Kearl Lake project (under construction), Suncor's Firebag 4, and Husky Energy Inc.'s ("Husky") Sunrise project. Significant among these recent project announcements was Suncor and Total SA's strategic oil sands alliance late in 2010 to cooperate on the development of their bitumen assets, including Suncor's Fort Hills mine and Total SA's Jocelyn mine, and the resumption of Suncor's Voyageur upgrader. With the exception of the Kearl project on which construction started in early 2009, Firebag 4 early site work which is underway, and Husky's Sunrise project which started in early 2011, the announced start dates for the other major projects noted above have been delayed into 2011.

The Facility Infrastructure segment which derives all of its revenues from oil sands related work, saw revenues drop in the second half of 2010 with the completion of the Shell Albion and StatOil ASA projects. Work continued on Suncor's Firebag 3 project and has carried

over into 2011 with additional work releases for commissioning related activities. Additionally, Flint was awarded a contract to fabricate modules for Firebag 4. Contract backlog in this segment, as of the date of this report, was approximately \$102 million.

In 2010 Flint's three major customers were Suncor, Shell, and Statoil ASA and accounted for 100 percent of Facility Infrastructure's revenues in 2010. Flint is actively bidding on a number of oil sands projects with expected contract award dates in mid to late 2011.

Natural gas prices remained flat in 2010 compared to 2009 (NYMEX US\$4.41 vs. US\$4.15); however, capital expenditures on unconventional shale gas drilling increased in both Canada and the United States, due to favourable production economics from shale sources. Drilling activity measured by wells drilled in Canada was up an estimated 45 percent, while the United States saw a 49 percent increase in wells drilled. (Source: June Warren-Nickle's Energy Group; Spears & Associates, Quarterly Drilling and Production Outlook, December 2010)

Revenues from Canadian divisions of Oilfield Services and Production Services are influenced by seasonal fluctuations in demand. For example, in Canada the market for rig moving experiences stronger demand in the first and fourth quarters each year. Generally, activity in the second quarter is slower in comparison to other quarters due to seasonally restricted road access caused by the spring thaw. Fluid hauling and pressure and vacuum services are generally less seasonal than rig moving, while specialized hauling can have seasonal variations as a result of the weight restrictions on roads in the second quarter. The United States operations are less seasonal.

United States Production Services revenues in 2010 were up US\$19.5 million, or 7.4 percent, based on increased activity, especially shale gas and liquids rich gas drilling. However, after exchange rate translation to Canadian dollars, US revenues were down C\$9 million, or 3.0 percent from 2009. Flint's oil and gas field services typically lag drilling by four to six months, and as a result, the overall increased US drilling activity in 2010 will not impact revenues until 2011.

Canadian Production Services 2010 revenues were essentially flat when compared to 2009. Production Services activities similarly lag drilling by four to six months, with the addition of seasonal weather restricted access to many locations in Western Canada in the second and early third quarter of each year.

Production Services' top ten customers accounted for 72 percent of the revenues for this business segment in 2010 (62 percent in 2009).

Oilfield Services revenues were up \$8.4 million or four percent, due to increased United States rig moving revenues and improving pricing for this segment late in 2010.

Oilfield Services' top ten customers accounted for 62 percent of the revenues in this business segment in 2010 (84 percent in 2009).

Revenue from the Corporation's two largest customers, including their affiliated entities, accounted for approximately 13.3 percent and 6.7 percent, respectively, of total revenues for the year ended December 31, 2010 (22.9 percent and 11.4 percent in 2009).

Human Resources

In its "Values to Vision" Statement, Flint recognizes its employees as its most valued asset. The successful delivery of all of Flint's services to its customers is dependent upon Flint's people and Flint's ability to attract and retain a large and diverse workforce, possessing a wide range of skills and qualifications.

Flint seeks to protect its people through a comprehensive health and safety program, constantly striving to achieve its goal of a zero injury workforce. The program starts with new hires through Flint's "New to Flint Worker Program" in which new employees are given the tools to recognize and manage risks and hazards in their work environment and eliminate "at risk" behaviours. Safety is a Flint priority 24/7, and with each new year, Flint's annual "Fresh Start" program reinforces the safety message and safety culture through face-to-face meetings in which senior management tries to meet with all of Flint's employees. Flint actively promotes safety through regular safety meetings and publications, and a positive incentive safety program which helps attract and retain employees to the Company.

In the tight employment market experienced throughout most of the period from 2006 through early 2009, Flint faced ongoing challenges hiring and retaining sufficient numbers of the skilled workers required for its many projects. Flint met these challenges through a number of strategies which included the creation of apprenticeship positions, hiring additional recruiters, developing an online applicant tracking system for applicants, and accessing foreign labour through the Government of Canada's Temporary Foreign Worker ("TFW") program.

Demand for skilled workers and construction labour decreased in 2010 as the Corporation ramped down on the completion of major construction projects in Fort McMurray. At the same time, the Corporation continued to downsize hourly and salaried employees in other operations as it realigned its resources to match demand. As a result, total hourly employee counts in 2010 were down 14 percent compared to levels in 2009. As part of Flint's continued cost cutting measures in 2010, the Corporation's salaried employee count was reduced by 109 people or 8.6 percent, in both Canada and the United States. In spite of this downsizing, Flint was able to retain key management and experienced employees through a paid sabbatical leave and additional vacation "purchase" programs. Through these human resources strategies, Flint believes it is well positioned to ramp up for the increase in oil sands contract work expected in the near term.

At December 31, 2010, Flint, through its several subsidiaries, employed approximately 7,685 hourly and 1,158 salaried employees, for a total of approximately 8,843 employees (on both an indefinite hire and term, or project-hire basis), down 1,437 or 14 percent from 2009. In 2009, there were approximately 9,013 hourly employees and 1,267 salaried employees for a

total of approximately 10,280 employees. The decrease in hourly and salaried employees was primarily in the Facility Infrastructure segment as a result of the completion of the two previously mentioned oil sands projects in 2010.

With the completion of the two major oil sands projects mentioned earlier, the acute labour shortages seen over the last several years in Alberta improved in 2010. However, management expects the ability to source labour for new projects will tighten significantly in late 2011 and 2012. In response, the Company's human resource strategies noted above should increase the Corporation's ability to attract and retain labour.

The following table sets out the number of employees in each of Flint's business segments as at December 31, 2010 and December 31, 2009:

Table 2

Flint Business Segment	Flint Employment Figures by Business Segment	
	2010	2009
Production Services	4,290	4,610
Facility Infrastructure	1,075	3,332
Oilfield Services	1,033	1,101
Maintenance Services	2,118	852
Corporate and Administrative	327	385
Total Flint Employees	8,843	10,280

FT Services has its own human resources department and is responsible for its employment management practices. For the purposes of this table, 50 percent of the FT Services employees are included with the Corporation's Maintenance Services employment numbers above. Flint, through other wholly owned subsidiaries, provides employment management services to Mackenzie Valley Construction Ltd. and S.R.P. North Ventures Ltd. One hundred percent of the employees for these jointly owned enterprises have been included in the employment totals for Maintenance Services.

Flint's hourly employees in its Facility Infrastructure division are members of and are represented by the Christian Labour Association of Canada (CLAC). Employee counts vary on a regular basis depending on the projects Flint commences and those which it completes. At the end of 2010, approximately 840 employees (2,600 in 2009) were covered under one of three collective bargaining agreements with CLAC. Two of the collective agreements will expire in mid 2012 while the third agreement, which covers approximately 700 employees, expires in June of 2011. Flint has always had a satisfactory relationship with its employees and does not foresee any labour relations issues that the parties could not resolve.

Strategic Customer Alliances

Flint's management team believes Flint's values are strategically aligned with the values of its major customers. Combined with Flint's extensive geographic footprint, this delivers

significant value to its customers. Flint's business growth strategy has been to increase its services to match the needs of its customers throughout the principal oil and gas producing areas of Western Canada and the United States.

Management believes this strategy is attractive to customers for the following reasons:

- Compared to smaller competitors, Flint's size and financial strength reduces significant project execution risks for its customers;
- Customers' safety concerns are pro-actively addressed with the Flint Safety Management System which sets Flint apart from many of its competitors in the industry. Flint's zero injury workforce culture is recognized by Flint's customers and industry peers and is a key deliverable on every job that Flint executes; and
- Flint's integrated service offering provides customers with uniform levels of service across customer operations and geographic locations, again minimizing project execution risk.

Management believes that Flint can provide significant additional value to its customers through building business partnering relationships and integrating its services into the existing processes of Flint's clients or improving upon the processes that may already be in place.

Flint has developed and maintains a number of alliance working relationships. Working within these relationships has allowed Flint to participate in the front-end planning, estimating, development and execution of client projects from inception to completion. Early risk identification, constructability input, including route selection for pipelines, facility layout, schedule integration, execution strategy and lessons learned, have all contributed to project successes in a way that a typical bid and award process for construction execution does not.

Flint has established strong strategic relationships with key customers in the energy and resources industries. These "enhanced customer relationships" are an integral part of Flint's business strategy. Enhanced customer relationships have, in many instances, shaped Flint's acquisition and growth efforts, and encouraged Flint to move into new service or geographic areas to better serve its existing customers and reinforce valued business relationships. Flint believes that by offering a broad range of services over a wide geographical area, it can provide significant benefits and advantages to its customers while improving its own competitive position.

In these enhanced customer relationships, Flint frequently obtains repeat or ongoing services from customers through multi-year master service agreements. While master service agreements support longer term relationships between Flint and its customers, master services agreements do not necessarily commit the customer to issue all work of the nature or type covered by the master service agreement to one service provider exclusively, or to release any work at all to the service provider under the master service agreement.

Flint dedicates account representatives to each of its enhanced business relationship customers. Account representatives are involved in all phases of the customers' activities including planning, construction, commissioning and ongoing maintenance. Account

representatives work with the client to identify and address any issues which might otherwise interfere with a successful relationship.

While contracts of this type typically can be terminated or renegotiated by either party on notice, Flint believes that the risk of an enhanced business relationship customer terminating, or otherwise renegotiating a master services agreement, is reduced through these relationship management measures and the demonstrable advantages of these enhanced customer relationships.

The services that Flint provides under these enhanced business relationships generated approximately 60 percent and 65 percent of the Corporation's total revenues in 2010 and 2009 respectively.

Sales and Marketing

Flint directs its corporate sales and marketing functions from its head office in Calgary, Alberta, its United States operations office in Tulsa, Oklahoma, and local branch offices located throughout the major producing basins in North America. Flint's personnel in more than 60 centres provide direct contact with Flint's customers to develop and secure work through existing customer relationships and alliances.

Flint's corporate sales and marketing group focus their efforts on fostering long term customer relationships, expanding the number of Flint-offered services being used by all existing Flint customers, identifying strategic opportunities for additional service lines and geographic areas, and providing economic solutions to meet or exceed customers' needs.

Flint's strategy is to build on its reputation as a leading provider of fully integrated transportation, mid-stream production, facilities construction, and maintenance services to the North American energy industry. Flint's branding strategy includes re-branding and integrating the businesses it acquires and ensuring that all operating segments provide high quality services consistent with the Flint brand.

In 2010, Flint completed the trademark registration in Canada for the Flint arrowhead logo and the Flint name used together with the arrowhead logo. An application has been submitted for the same trademarks in the United States. Additionally, Flint applied for trademark protection in both Canada and the United States for the "Tough and Trusted" trademark.

Additional emphasis has been placed in marketing all of Flint's services across its extensive geographic footprint. As of January 1, 2011, Flint created five regional markets, three in Canada and two in the United States, to help identify and stimulate increased sales opportunities.

Competition

The markets for oil and gas services and oilfield construction are highly competitive with numerous companies offering some of the same services the Corporation offers. Flint competes in these sectors on the basis of reputation, safety, quality, breadth of service,

timeliness of delivery, and cost. Where service providers are selected by customers solely on the basis of price, there is a risk that Flint can be undercut on individual projects by competitors who reduce margins to gain entry to or maintain a position in a local market, or by smaller, local or niche competitors who have lower administrative expenses.

Management believes that while such competitive pressures have increased during the past year, Flint provides a level of service including safety performance, project execution and reliability which assists the Corporation in retaining its core customers and allow it to compete effectively under these additional competitive pressures.

Flint has numerous smaller regional competitors which can offer one or several of the services provided by Flint. However, few, if any, can duplicate Flint's breadth of services with the same geographic reach. Of Flint's direct competitors, management believes that:

- none can match Flint's overall product offering;
- none can offer the level of consistency, discipline and resources to reduce customer risk that Flint can;
- none have Flint's broad geographic presence; and
- none offer Flint's enhanced customer relationship approach for managing customer relationships.

Flint's management believes that its employees represent a highly competent, experienced and engaged workforce which can deliver services to customers with the highest safety standards, on time, and on budget.

Compliance with Environmental Laws and Regulations

Flint's operations and the operations of its customers are subject to various federal (both in Canada and the United States), provincial, state and local laws and regulations relating to the environment. In particular, the oil and natural gas industry is subject to environmental regulations pursuant to a variety of provincial and federal legislation. Such legislation provides for restrictions and prohibitions on the release or emission of various substances produced in association with certain oil and gas industry operations.

The service and construction contracts which Flint enters into with its customers contain, as required, provisions relating to compliance with environmental laws during the execution of projects awarded to Flint, with Flint assuming liability for non-compliance with environmental laws arising only out of its own operations.

In addition, Flint's fluid hauling operations routinely handle and transport waste materials and dangerous goods for its customers. Laws and regulations regarding the handling and transport of waste materials and dangerous goods, some of which are classified as hazardous materials, have particular application to these operations.

Flint has established guidelines and management systems in alignment with international standards to ensure proactive initiatives are designed to engage compliance with the laws of the countries and areas where the Corporation does business. Flint has designated the Vice President of Environment, Health and Safety to ensure that the Corporation has in place, and

maintains the comprehensive and appropriate guidelines and management systems to effectively manage risk, relative to environment, health, safety and loss control.

Management believes that operations are in substantial compliance with all material federal, provincial, state and local laws and regulations, as they relate to the environment.

While Flint is not aware of any situation involving an environmental claim that would have a material impact on its operations, it is possible that an environmental claim with respect to one or more of Flint's current businesses or a business or property that one of its predecessors owned or used, could arise and could have an adverse impact on the affairs of the Corporation.

RISK FACTORS

The risk factors described below are not the only risks facing Flint and should be carefully considered by readers, including investors considering a purchase of securities of Flint, along with all other information set forth in this AIF.

Oil and Gas Producer Capital Spending Levels

The Corporation's business is directly affected by fluctuations in the levels of exploration, oil sands development and production activity carried on by its customers, which in turn is dictated by numerous factors, including world energy prices and government policies.

Projected crude oil and natural gas prices drive oil and natural gas producers' capital expenditures, including drilling, and production and exploration activity, which in turn impacts the Corporation's activity levels. Producers' capital spending levels have a significant impact on the results of the Corporation's Facility Infrastructure and Oilfield Services segments, compared to the Production Services and Maintenance Services segments, as the latter perform services more related to the ongoing operation and maintenance of producers' physical plants and production.

As it is difficult for the Corporation to effectively anticipate the fluctuations in activity resulting from the peaks and troughs in producers' spending related to large capital projects, the Corporation manages to operate its reportable segments in such a manner as to maximize their scalability relative to activity levels. A significant prolonged decline in commodity prices could have a material adverse effect on the Corporation's results of operations and financial condition.

Reliance on Major Customers and Competitive Pressures

The oil and gas production services market is highly competitive, and there are relatively few barriers to entry for companies wishing to offer one or a number of the services that Flint provides. Flint's competitors include a number of large companies that have significant financial resources. On the other hand, many of the services Flint provides are also offered by smaller companies that operate in niche areas which do not face significant barriers to entry into the industry.

In the period from 2006 through 2008, significant competitive capacity was added within the market. With reduced customer activity levels in 2009 and 2010, increased capacity was serving reduced markets for the services which Flint offers through each of its business segments. While some consolidation occurred in some markets in this period, there is still excess capacity in most markets at current levels of demand.

Flint's ability to generate revenue and earnings depends upon its ability to enhance and maintain its strategic customer alliances, win bids and successfully complete awarded projects within estimated times and costs, and obtain call-out work on a regular basis. The Corporation's top ten customers are all well-known, publicly traded companies and accounted for approximately 55.0% of the Corporation's revenue for the year ended December 31, 2010. The largest customer accounted for approximately 13.3% of this revenue.

There can be no assurance that the Corporation's current customers will continue their relationships with the Corporation. The loss of one or more major customers, or any significant decrease in services provided to a customer, prices paid, or any other changes to the terms of service with customers, could have a material adverse effect on the Corporation's profitability.

Labour Supply Risk

The Corporation requires a large number of trades personnel to conduct its operations. Recruiting and training these individuals is critical to the Corporation's ability to continue to meet customer requirements and generate increasing levels of revenue. As there is very high demand for many of these skilled people, the Corporation devotes significant resources and planning to the recruitment, retention and training of people in order to secure the required level of staffing and skills necessary to support anticipated levels of work.

Operational Risk and Insurance

The Corporation's operations are subject to risks inherent in the oil and natural gas industry such as equipment defects, malfunctions, failures and natural disasters. These risks could expose the Corporation to substantial liability for personal injury, loss of life, business interruptions, property damages or destruction, pollution and other environmental damages. In addition, the Corporation's operations are subject to risks normally inherent in the transportation industry, including potential liability which could result from, among other things, personal injury, loss of life or property damages arising from motor vehicle accidents. The Corporation minimizes its exposure to operational risk through comprehensive vehicle and equipment maintenance programs designed to prevent failure and maximize the useful life of the related assets. In addition, the Corporation follows a complete quality assurance and control program designed to maximize performance in its work and minimize deficiencies potentially leading to failures and remedial re-work.

The Corporation maintains insurance against certain risks to which it is exposed. However, such insurance is subject to coverage limits and no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Corporation

were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Legislation and Regulation

Income tax, environmental and other applicable legislation may change in a manner which adversely affects the Corporation.

Transportation regulations governing the Oilfield Services segment require licensing from or registration with provincial and territorial authorities in order to carry goods extra-provincially or to transport goods within any province or territory. Changes in regulations applicable to the Corporation could increase operating costs and have a material adverse effect on the Corporation's operations and financial condition.

The right to continue to hold applicable licences and permits is generally subject to maintaining compliance with regulatory and safety guidelines, policies and regulations. Although the Corporation is committed to compliance and safety, there is no assurance that the Corporation will be in full compliance at all times with such policies, guidelines and regulations. Consequently, at some future time, the Corporation could be required to incur significant costs to maintain or improve its compliance record.

Environmental Concerns and Liability Risks

Impact on Customers' Operations - Environmental concerns and issues may result in future laws and regulations applicable to the oil and gas industry's environmental impacts. In particular, the development of Alberta's oil sands resource and its greenhouse gas ("GHG") emissions, water usage, air quality and tailings processing and reclamation may be affected by future legislation and regulation which could either limit development or increase the costs of development.

For example, if enacted, mandatory emissions reduction requirements could result in increased operating costs and capital expenditures for Flint's customers.

The Corporation is unable to predict the impact of emissions reduction legislation on its customers' operations and long term capital expenditure plans, and by extension, the impact, whether negative or positive, on the operations of Flint itself.

Direct Impact on the Corporation's Operations - Certain of the Corporation's reportable segments routinely deal with natural gas, oil and other petroleum products. The Corporation has programs to address compliance with current environmental standards and monitors its practices concerning the handling of environmentally hazardous materials. There can be no assurance that the Corporation's procedures will prevent environmental damage occurring from spills of materials handled by the Corporation or that such damage has not already occurred. Although the Corporation is not aware of any contamination which, if remediation or cleanup were required, would have a material adverse effect on the Corporation, there can be no assurance that the Corporation will not be required at some future date to incur significant costs to comply with current or future environmental laws.

Safety Risk

Safety risks are managed through the application of safety policies and procedures conducive to promoting safe work practices to a standard either complying with or exceeding government regulations and industry requirements. The Corporation maintains a behaviour-based safety program, which uses positive reinforcement to create a culture of safety consciousness within its employees and contractors.

Weather and Seasonality

Weather conditions can restrict or impede the Corporation's ability to deliver its services. Municipalities and provincial transportation departments enforce road bans during certain times of the year which restrict the movement of the Corporation's equipment or those of the customer, thereby reducing the Corporation's activity levels during these periods. Additionally, certain oil and natural gas producing areas are only accessible in the winter months due to ground conditions. Seasonal factors and unexpected weather may lead to declines in activity levels of exploration and production companies and corresponding declines in the demand for the goods and services of the Corporation. The Corporation's operations are geographically dispersed throughout the major oil and natural gas producing areas of North America and therefore the risk associated with seasonal and inclement weather is mitigated.

Risks associated with corporate acquisitions

Historically, Flint has grown through acquisitions, and has experience in successful acquisitions. A component of Flint's business strategy going forward includes acquiring complementary businesses in the future. Acquisitions involve a number of risks including:

- the inability to acquire target businesses;
- the diversion of management's attention from existing operations;
- difficulties integrating acquired operations; and
- an increase in expenses and working capital requirements.

Any of these factors could affect Flint's ability to achieve anticipated benefits from any such acquisitions. Flint cannot provide assurances that it will be able to successfully complete and integrate acquired businesses and assets into its operations.

Fuel Prices

Fuel is one of the Corporation's major costs and, as such, higher fuel prices could materially affect the Corporation's results. The Corporation manages exposure to rising fuel costs through inclusion of fuel surcharge provisions in customer agreements and contracts.

Credit Risk

The risk of losses from customer non-payment is minimized through the Corporation's credit granting policies and other procedures designed to limit the exposure to credit risk. As a result of such practices, the Corporation's bad debt expense has historically been minimal. Substantial portions of the Corporation's accounts receivable are with customers involved in the oil and natural gas industry whose revenues may be impacted by fluctuations in crude oil and natural gas prices. Management currently considers the risk of a significant loss to be remote.

Foreign Currency

The Corporation minimizes its exposure to unrealized translation gains and losses on United States-denominated monetary items related to the translation of its net United States investment by financing the investment with United States dollar-denominated debt. The Corporation may enter into derivative contracts to manage the exposure to foreign currency related to contracted purchases. The Corporation does not manage the exposure to fluctuations in the United States to Canadian currency exchange rate related to translating the results of its United States operations.

Interest Rates

In order to minimize the Corporation's exposure to fluctuating interest rates, the Corporation has structured its senior credit facility such that a significant amount of its long-term debt has fixed interest rates, and by using interest rate swaps to fix the interest rate on a portion of the debt for longer periods.

MATTERS RELATING TO THE SHARES OF THE CORPORATION

Capital Structure of the Corporation

Flint has two authorized classes of shares: common shares (the "Common Shares") and preferred shares (the "Preferred Shares"). The Corporation is authorized to issue an unlimited number of each class of shares. Only Common Shares are currently issued and outstanding.

Common Shares The holders of Common Shares are entitled to one vote per share at meetings of shareholders, to receive dividends as declared by the Corporation, and to receive the remaining property and assets of the Corporation upon dissolution or winding up of the Corporation.

Preferred Shares The Corporation may at any time and from time to time, issue preferred shares in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the directors of the Corporation. Subject to the provisions of the ABCA, the directors of the Corporation may, by resolution, fix from time

to time, before the issue thereof, the designation, rights, privileges, restrictions and conditions attaching to each series of the Preferred Shares.

No Preferred Shares have been issued and there is no present intention to issue Preferred Shares.

Market for the Common Shares

Flint's Common Shares are listed for trading on the Toronto Stock Exchange ("TSX") and trade under the symbol "FES".

On December 15, 2006, the Corporation effected a two-for-one stock split of the outstanding Common Shares, pursuant to which shareholders of record at the close of business on such date received one additional Common Share for each Common Share held on that date.

In early 2008, the Corporation applied to the TSX to make a normal course issuer bid to repurchase up to five percent of its Common Shares then issued and outstanding (the "2008 NCIB"), through open market transactions subject to the limitations imposed by the rules of the TSX. This application was approved and the Corporation repurchased a total of 1,746,300 common shares under the 2008 NCIB by the time it expired on February 28, 2009. The amount paid to repurchase the shares under the 2008 NCIB (including fees) was \$19.1 million.

In early 2009, the Corporation applied to the TSX to make a normal course issuer bid to repurchase up to five percent of its Common Shares then issued and outstanding (the "2009 NCIB"), through open market transactions subject to the limitations imposed by the rules of the TSX. This application was approved and the Corporation repurchased a total of 674,300 common shares under the 2009 NCIB by December 31, 2009. No additional Common Shares were repurchased before the NCIB expired in March 2010. The amount paid to repurchase the Common Shares under the 2009 NCIB (including fees) was \$5.5 million.

As the price for the Corporation's Common Shares improved in 2010, the Corporation did not proceed with an NCIB, and no shares were repurchased.

The following table sets forth the market price ranges and the aggregate volume of trading of the Common Shares on the TSX for the periods indicated.

Table 3

2010	High (\$)	Low (\$)	Close (\$)	Volume (Common Shares)
January	11.54	9.67	11.48	2,922,996
February	12.50	11.42	11.99	3,266,167
March	12.94	11.95	12.25	8,648,841
April	14.73	12.23	13.41	1,957,843
May	14.39	11.00	12.30	1,596,145
June	13.31	11.60	11.94	1,413,384
July	13.17	11.80	13.09	1,890,932
August	13.80	12.50	13.22	918,398

September	15.83	12.74	15.37	1,256,035
October	16.33	14.56	15.93	1,766,006
November	17.20	13.80	16.86	1,989,898
December	19.11	16.90	18.17	5,563,953

Dividends

Flint has not historically paid dividends on the Common Shares, and while this decision is periodically reviewed by the Board of Directors, at this time, the Corporation does not anticipate paying dividends on the Common Shares.

Executive and Director Shareholdings

Based on enquiries made by the Corporation as of the date hereof the directors and executive officers of Flint, beneficially own shares, either directly or indirectly, or exercise control or direction over 1,358,629 Common Shares, representing 3.0 percent of the issued and outstanding Common Shares. In addition, collectively, as of the date hereof, the directors and executive officers of Flint named above, hold options to purchase an additional 2,124,500 Common Shares of the Corporation, resulting in the directors and executive officers owning or exercising control or direction of over 7.3 percent of the Common Shares on a fully diluted basis.

The Corporation has also implemented a deferred share unit plan to provide compensation based on the Corporation's share value to the non-management Directors of the Corporation. At the option of the Corporation, deferred share units can be redeemed in cash or from shares issued from treasury upon the retirement of a director from the Board. The Corporation's current intention is to make all payments under the deferred share unit plan in cash. As of December 31, 2010, the Corporation had granted a total of 128,788 deferred share units (122,475 as of December 31, 2009). John Geddes and Douglas Swanson both retired from the Flint Board of Directors in 2010, and each received cash payouts for their DSUs of \$241,693.48 and \$224,071.30 respectively in 2010.

DIRECTORS AND EXECUTIVE OFFICERS

The following information is provided with respect to each director and executive officer of Flint as at the date of this AIF. The term of each director expires at the next annual meeting of the shareholders of the Corporation, which is scheduled to be held on May 5, 2011.

Board of Directors

Table 4

Stuart O'Connor

Alberta, Canada
Director since 1998
Shares: 20,000
President, Timber Ridge
Capital Ltd. (*private
holding and advisory
firm*)

Chairman of the Board

Mr. O'Connor is a co-founder and Chairman of Fitzroy Developments Ltd., a private real estate company and a co-founder and Director of Arcurve Inc., a software development company as well as a director or officer of various other companies. Mr. O'Connor was previously the President and Chief Executive Officer of Merak Projects Ltd., a software company focused on the international oil and gas industry as well as a co-founder and director of two private oil and gas companies. Before joining Merak, Mr. O'Connor was a Partner with Bennett Jones LLP, a national law firm where he practiced corporate and securities law. He holds a Bachelor of Science (Chemical Engineering) degree from the University of Calgary and a Bachelor of Laws degree from Queen's University in Kingston, Ontario.

John Bates

Oklahoma, United
States
Director since 1998
Shares: 62,891
President, Flint
Resources Company,
LLC (*commercial
construction and
investments*)

Member of the Audit Committee

Member of the Environment, Health, Safety and Risk Management Committee

Since 2011, Mr. Bates has been a director of Arvest Bank in Tulsa, Oklahoma. He holds a Bachelor of Business Administration degree from the University of Oklahoma and undertook post graduate work in accounting at the University of Tulsa. Prior to joining Flint Resources Company in 1983, he served as an Officer in the United States Navy and then as a Principal in the Audit division of Ernst & Young.

W. J. (Bill) Lingard

Alberta, Canada
Director since 2005
Shares: 126,560
President and Chief
Executive Officer of the
Corporation

President and Chief Executive Officer of the Corporation

Formerly President of Nabors Drilling Ltd. and Chief Operating Officer of Nabors Canada LP, Mr. Lingard began his career with Halliburton's Otis Engineering Division in 1982 and spent 18 years in technical and management positions. His roles included East Coast Operations Manager and management positions in Houston, Texas, and in 1994 he became Country Manager of Halliburton Canada. In 2000, Mr. Lingard joined Bonus Well Servicing as the Vice President, Operations and became Chief Operating Officer of Enserco Energy Service Company Inc. Mr. Lingard holds a Bachelor of Engineering degree from Memorial University in St. John's, Newfoundland. Other board positions include Vice Chairman - Southern Alberta Institute of Technology (SAIT) currently, Chairman of the Executive Oilmen's Association in 2004, and Chairman of the Petroleum Services Association of Canada (PSAC) in 2000.

T. D. (Terry) Freeman
Alberta, Canada
Director since 2007
Shares: 65,100
Managing Director,
Northern Plains Capital
(private investment
company)

Member of the Audit Committee
Member of the Corporate Governance and Nominating Committee

Formerly the Chief Financial Officer and Corporate Secretary of the Corporation and its predecessor from 1992 to 2007. Mr. Freeman is Chair of the Compensation Committee and a member of the Audit Committee of McCoy Corporation, Chairman of the Board of Directors for Elite Camp Services, Inc. and Chair of the Audit Committee, QHSE Committee, and member of the Compensation Committee at Tarpon Energy Services, Ltd. (both private companies). He is also a member of the Board of Directors for the private companies of Grand Central Properties, Treadmark Properties and Hood Managing Partners, and was previously Chair of the Audit Committee and member of the Board of Directors of Cash Store Financial. Mr. Freeman is a member of the Institute of Chartered Accountants of Alberta, graduated from the University of Alberta with a Bachelor of Commerce degree, and has completed the Directors Education Program of the Institute of Corporate Directors.

C. Douglas Annable
Alberta, Canada
Director since 2007
Shares: 1,000
President, CD
Consulting Inc.
(management
consulting)

Chairman of the Environment, Health, Safety and Risk Management Committee

Member of the Compensation Committee

Formerly President, Energy and Mining Division, AMEC Americas Limited where he was responsible for managing energy and mining operations in the Americas from 2003 to 2006. He is a member of the Association of Professional Engineers, Geologists, and Geophysicists of Alberta, the Energy Council of Canada, Canadian Society of Chemical Engineering, and the Chemical Institute of Canada. Mr. Annable is a professional engineer and holds a Bachelor of Science and Masters of Science in chemical engineering from the University of Saskatchewan.

Philip C. Lachambre
Alberta, Canada
Director since 2008
Shares: 4,000
President, PCML
Consulting Inc.
(business management
consulting)

Chairman of the Audit Committee
Member of the Corporate Governance and Nominating Committee

Formerly Executive Vice President and Chief Financial Officer, Syncrude Canada Ltd. Mr. Lachambre has 39 years of experience in the oil and gas, oil sands, mining and utilities industries, including a 31 year career with Syncrude. Mr. Lachambre is also a director of Capital Power Corporation (TSX: CPX), GLM Industries Inc., and the University (of Alberta) Hospital Foundation. He holds a Bachelor of Commerce degree from the University of Alberta, is a Certified Professional Purchaser (CPP), and is a graduate of the Executive Management Program of the University of Western Ontario.

Roger Thomas
Alberta, Canada
Director since 2009
Shares: 5,000
Chairman, Maxxam
Analytics International
Corporation.

Chairman of the Compensation Committee
Member of the Environment, Health, Safety and Risk
Management Committee

Formerly Executive Vice President, North America for Nexen Inc. Mr. Thomas is a past Chair of the Alberta Chamber of Resources, past Chair of the Canadian Association of Petroleum Producers (CAPP), past Chair of The Nature Conservancy of Canada (Saskatchewan Region), past Division Co-Chair for the Calgary United Way (Engineering, Energy Services Supply Division), past Director of The Adult Learning Centre, Ranch Ehrlo Foundation, The Calgary Science Centre, The Canadian Petroleum Hall of Fame Society and The Petroleum Technology Research Centre. He was a member of the Premier's recent Carbon Capture and Storage Council and assisted with the Department of Energy's recent Royalty review. He is also former Chairman of the Canadian Oilmen's Executive Association. Active in industry and community associations, Mr. Thomas is Past Chair of the Canadian Chamber of Commerce and also served as a Director of Careers: The Next Generation. He is currently a member of the Kids Cancer Care Foundation of Alberta, the Petroleum Discovery Centre and a director of the Glenbow Museum. Mr. Thomas attended both the University of Toronto and York University and holds a Bachelor of Arts degree in Economics/History. He is also a graduate of the Executive Program at the University of Michigan and is an honorary member of APEGGA.

Ian Reid
Alberta, Canada
Director since 2009
Shares: 1,000
Vice Chair of The
Churchill Corporation (*a
construction
management company*)

Chairman of the Corporate Governance and Nominating
Committee

Member of the Compensation Committee

Formerly President of Finning (Canada), equipment manufacturing and leasing company. Mr. Reid is also a member of the board of directors of Canadian Western Bank. He is the immediate Past Chair of the Board of Governors of the Northern Alberta Institute of Technology (NAIT). Mr. Reid has served on the boards of Alberta Chamber of Resources, the Canadian Chamber of Commerce, as well as numerous other volunteer organizations, he was named one of Alberta's 50 Most Influential people for 2004 by Alberta Venture Magazine, and was awarded the Alberta Centennial Medal for "outstanding service to the people and the province of Alberta" in 2005. Mr. Reid holds a Bachelor of Commerce degree from the University of Saskatchewan and has completed the Advanced Management Program at Harvard.

Corporate Cease Trade Orders or Bankruptcies

Other than as described below, no director, executive officer or controlling shareholder of the Corporation is, as at the date of this AIF, or has been, within the past 10 years before the date hereof, a director or executive officer of any issuer that, while that person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (ii) was subject to an event that resulted, after the person ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

C. Douglas Annable has been a member of the Flint board since February 21, 2007. Mr. Annable was formerly a member of the board of directors of Birch Mountain Resources Ltd. ("Birch Mountain") a company carrying on business in Alberta. On or about November 9, 2007, Mr. Annable tendered his resignation from the board of directors of Birch Mountain, which resignation took effect upon delivery of such notice. Birch Mountain issued a press release on or about November 14, 2007 in which it announced Mr. Annable's resignation from the board of directors. Press releases issued by or on behalf of Birch Mountain following Mr. Annable's resignation from the board of directors, indicate that on or about December 24, 2007, Birch Mountain issued a debenture as part of a refinancing of an existing credit facility. Birch Mountain's press releases further reveal that on November 6, 2008, slightly less than one year after Mr. Annable resigned from the board of directors of Birch Mountain, PricewaterhouseCoopers Inc. was appointed the receiver manager of Birch Mountain under the Bankruptcy and Insolvency Act (Canada) following a demand for payment made on November 3, 2008 by the holder of the debenture.

In addition, prior to joining Flint Joel Jarding, Flint's Vice President of Business Development served as President and Chief Operating Officer of Birch Mountain for the period May 1, 2007 to November 6, 2008. On the appointment of PriceWaterhouseCoopers Inc. as receiver manager of Birch Mountain (discussed above), Mr. Jarding resigned all positions and terminated his employment with Birch Mountain. Mr. Jarding commenced employment with Flint's Oilfield Services division on December 15, 2008.

Personal Bankruptcies

No director, executive officer or controlling shareholder of the Corporation has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation

relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

No director, executive officer or controlling shareholder of the Corporation has:

- (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Certain directors of the Corporation are associated with other companies, which may give rise to conflicts of interest. In accordance with the ABCA, directors who have an interest in a material contract or a material transaction, whether made or proposed with the Corporation, are required, subject to certain exceptions, to disclose the nature and extent of the interest. A director required to disclose such interest must abstain from voting on any resolution to approve the contract or transaction, except as otherwise permitted by the ABCA. In addition, each director is required to act honestly and in good faith with a view to the best interests of the Corporation.

Executive Officers

Table 5

Name and Province/State and Country of Residence	Office with the Corporation
W. J. (Bill) Lingard Alberta, Canada	President and Chief Executive Officer
Paul M. Boechler Alberta, Canada	Executive Vice President and Chief Financial Officer
Wayne Shaw Alberta, Canada	President, Flint Service Lines ⁽¹⁾
Keith Lambert Alberta, Canada	President, Flint Canadian Operations ⁽¹⁾
Shawn Carry Alberta, Canada	Senior Vice President, Oilfield Services
Bryce Satter Oklahoma, United States of America	President, Flint USA Operations ⁽¹⁾

Name and Province/State and Country of Residence	Office with the Corporation
Bob Henderson Alberta, Canada	Vice President, Human Resources and Communications ⁽¹⁾
Glen Greenshields Alberta, Canada	Senior Vice President, Production Services ⁽¹⁾
Ray Sandhu, Alberta, Canada	Senior Vice President, Finance & Information Technology ⁽²⁾
Joel J. Jarding Alberta, Canada	Vice President, Business Development ⁽²⁾
Terry Densmore Alberta, Canada	Vice President, Environment, Health and Safety ⁽²⁾
Neil Wotton Alberta, Canada	Senior Vice President, Facility Infrastructure ⁽²⁾
Steve Russom Oklahoma, United States of America	Senior Vice President, Process Equipment ⁽²⁾

Notes:

- (1) Effective January 1, 2011, a number of the Executive Officers of the Corporation assumed new responsibilities within the Corporation.
- (2) The Corporation added five new executives to the Corporation's leadership team effective January 1, 2011.

The following paragraphs describe the background and principal occupations during the past five years of each of the executive officers of the Corporation.

W. J. (Bill) Lingard, President and Chief Executive Officer - Formerly President of Nabors Drilling Ltd. and Chief Operating Officer of Nabors Canada LP, Mr. Lingard began his career with Halliburton's Otis Engineering Division in 1982 and spent 18 years in technical and management positions. His roles included East Coast Operations Manager and management positions in Houston, Texas, and in 1994 he became Country Manager of Halliburton Canada. In 2000, Mr. Lingard joined Bonus Well Servicing as the Vice President, Operations and became Chief Operating Officer of Enserco Energy Service Company Inc. Mr. Lingard holds a Bachelor of Engineering degree from Memorial University in St. John's, Newfoundland. Other board positions include Vice Chairman - Southern Alberta Institute of Technology (SAIT) currently, Chairman of the Executive Oilmen's Association in 2004, and Chairman of the Petroleum Services Association of Canada (PSAC) in 2000.

Paul M. Boechler, Executive Vice President and Chief Financial Officer - Mr. Boechler has 27 years of experience in finance and accounting since graduating from the University of

Saskatchewan with a Bachelor of Commerce degree, and is a Chartered Accountant. He spent 17 years in the exploration and production side of the resource industry in various senior financial management positions, and three years in oilfield construction before joining Flint as Vice President of Finance with the acquisition of IPEC Ltd. in November 2001. Mr. Boechler held the position of President of Flint Energy Services Inc., the Corporation's United States subsidiary, from 2004 to 2007. In March 2007, Mr. Boechler was appointed Chief Financial Officer and Corporate Secretary of the Corporation. In December 2009, Mr. Boechler was promoted to Executive Vice President in addition to his duties as Chief Financial Officer.

Wayne Shaw, President, Flint Service Lines - Mr. Shaw has 25 years of experience in the oil and gas and petrochemical industries. He obtained a Bachelor of Science (Applied Mathematics) degree from the University of Western Ontario in 1984. From 1984 to 1996, Mr. Shaw worked for Imperial Oil Limited in both construction and operations. In 1996, Mr. Shaw became President of Procall Management Ltd., which specialized in capital project management, performance measurement programs and strategic relationship development. From 2001 to 2010, Mr. Shaw led the construction business unit of Flint as Senior Vice President, Facility Infrastructure. Effective January 1, 2011, Mr. Shaw assumed the position of President, Flint Service Lines, responsible, with the exception of Maintenance Services, for all of Flint's key product and service lines in North America. Mr. Shaw also serves on the FT Services Board of Directors.

Keith Lambert, President, Flint Canadian Operations - Mr. Lambert began his career with Flint in 1992, working in a number of increasingly senior management positions in the Production Services division in Western Canada. He is a professional engineer and holds a Bachelor of Science degree from the University of Alberta. Mr. Lambert was appointed Senior Vice President of Production Services in January 2007. Within the Maintenance Services segment, Mr. Lambert is also responsible for Mackenzie Valley Construction Ltd., S.R.P. North Ventures, and recently stepped down as a member of the FT Services Board of Directors. Effective January 1, 2011, Mr. Lambert assumed the position of President, Flint Canadian Operations, responsible for all of Flint's regional activities throughout Canada.

Shawn Carry, Senior Vice President, Oilfield Services – Mr. Carry's career in the transportation business started more than 25 years ago with Joyline Ltd., a private oilfield hauling company that was founded in 1955 and acquired by Transco Energy Services Ltd. in 2004. Mr. Carry worked his way up through Joyline and held a number of management positions including Controller and President. Mr. Carry joined Flint in December 2006 with the acquisition of Transco Energy Services Ltd. as Vice President Tubular Management. In 2007, he was appointed Vice President of Flint's wholly owned subsidiary, Transco Energy Services Ltd., (Flint Oilfield Services Ltd.) and is currently Senior Vice President, Oilfield Services.

Bryce Satter, President, Flint USA Operations – Mr. Satter has over 28 years of professional experience including public accounting. Mr. Satter graduated from the University of Montana with a Bachelor of Science Degree in Business Administration. He has also attended advanced management training courses at the Kellogg School of Management-Northwestern University, University of Oklahoma, Tulsa University, and Wharton University of

Pennsylvania. He started with Flint Energy Services Inc. (a wholly owned U.S. subsidiary of Flint Energy Services Ltd.) in Billings, Montana in 1980 as an accountant, and in 1991, advanced to the position of Controller. Mr. Satter was promoted to Regional Manager in 1995, and in 2002 became the Secretary and Treasurer of Flint Energy Services Inc. In 2007, he was promoted to President of Flint Energy Services Inc. Effective January 1, 2011, Mr. Satter assumed the role of President, Flint USA Operations, responsible for Flint's regional activities in all of the United States.

Bob Henderson, Vice President, Human Resources and Communications – Mr. Henderson graduated from the Business Administration Program at Okanagan College in 1985 and the Masters of the Business Administration Program through Athabasca University in 2003. From 1997 to 2000, he headed up Halliburton's Canadian Human Resource Team. Mr. Henderson then moved on to head the Canadian Human Resources Team at Nabor's Drilling from 2000 to 2006. Mr. Henderson joined Flint in April 2006 and has been a member of the executive team since 2007, and effective January 1, 2011 corporate communications was added to his responsibilities. Mr. Henderson is a Board member with the Merit Contractors Association and is currently serving as the Chair of the Calgary Catholic Immigration Society.

Glen Greenshields, Senior Vice President, Production Services – Mr. Greenshields started his career in 1978 as a labourer with the private legacy company, Flint Canada, and held progressively more senior roles spanning his 30 year career with Flint. Most recently, Mr. Greenshields held roles as regional Vice President of Production Services in Canada. In 2008, Mr. Greenshields was appointed Corporate Vice President and joined the senior executive team. Effective January 1, 2011, Mr. Greenshields assumed the role of Senior Vice President, Production Services, responsible for Flint's production services activities throughout Canada. Mr. Greenshields also holds executive positions with two of Flint's partly owned subsidiaries.

Ray Sandhu, Senior Vice President of Finance and Information Technology – Mr. Sandhu joined Flint in May of 2008 as Vice President of Finance and Accounting, and Information Technology was added to his responsibilities in January, 2011. Prior to Flint, Mr. Sandhu was the VP Finance and Administration for Willbros. Canada and before that the Director of Finance for Fountain Tire. Mr. Sandhu's 20 year industry experience includes energy services and construction, retailing, distribution and manufacturing. His functional experience covers all facets of finance and administration including financial reporting, treasury, credit, tax, supply chain and corporate shared services. Mr. Sandhu received his MBA from Queens University in Kingston, Ontario and is a member of the Society of Management Accountants of Alberta. He holds the accounting designation of CMA.

Joel J. Jarding, Vice President, Business Development – Mr. Jarding joined Flint in 2008 as Vice President of Transco Energy Services Ltd. and is currently Vice President, Business Development. Previously, he was President and Chief Operating Officer of Birch Mountain Resources. Mr. Jarding began his career in 1982 with Hughes Tool Company (Hughes Christensen), a division of Baker Hughes, and spent 25 years in various business development and operational leadership positions located in the US Rockies, Houston, Texas, the Asia Pacific Region, and Western Canada. He has conducted business in more

than forty countries on six different continents. Mr. Jarding has a Bachelor of Science degree in Mechanical Engineering from the South Dakota School of Mines & Technology and a Masters in Business Administration from the University of Phoenix.

Terry Densmore, Vice President, Environment, Health and Safety – Mr. Densmore has been a safety advocate for many years, including his career with the Royal Canadian Mounted Police. From the RCMP, Mr. Densmore went on to management roles including business relations, operations, construction and safety/loss control with Imperial Oil for over 12 years. He then joined Reid's Construction Group of Companies (acquired by Flint in 1998), as Vice President, Human Resources and Safety/Loss Control. Mr. Densmore assumed his current position with Flint in January of 2011. Mr. Densmore is a member of the Construction Owners Association of Alberta's (COAA) Safety Committee, past member of the Alberta Construction Safety Association Board of Directors, co-founder and former chair of the Lakeland Safety First Safety Association and a founding member of the Alberta Injury Control Alliance (AICA).

Neil Wotton, Senior Vice President, Facility Infrastructure - Mr. Wotton is a career Flint employee, beginning his career with Flint in 1988 as a Junior Estimator. Mr. Wotton has held positions including Estimating Manager, Director of Project Management, Vice President of Fabrication and Modularization, and as a Divisional Vice President for Facility Infrastructure. Through his current role as Senior Vice President effective January, 2011 Mr. Wotton addresses the delivery of profitable business results and timely execution for infrastructure fabrication, and modularization and field construction projects within the operating protocol of the Corporation. As a senior leader, Mr. Wotton continues to guide the Infrastructure Service Line towards creating organizational capabilities while delivering value for Flint and its clients.

Steve Russom, Senior Vice President, Process Equipment – Mr. Russom began his career with National Tank Company (NATCO) in 1981 and spent 15 years in various sales and management positions throughout the United States. His roles included operations manager positions in Odessa, Texas, Corpus Christi, Texas, New Orleans, Louisiana and Bakersfield, California. In 1993, he became Director of Sales and Marketing for Latin America and Africa and in 1995, he joined Axsia Serck Baker as Vice President of Sales and Marketing. In 1999, Mr. Russom joined the Hanover Compressor Company as Director of Process Equipment, and was promoted to Vice President of Product Development and Technology in 2003. Mr. Russom joined Flint in 2003 as Vice President of Flint's J.W. Williams subsidiary. He was promoted to his current position in January, 2011. Mr. Russom holds a Bachelor's Degree from California State University and is a member of the Society of Petroleum Engineers, Gas Processors Association and the Petroleum Equipment Suppliers Association.

AUDIT COMMITTEE INFORMATION

The mandate of the Audit Committee of the Board (Audit Committee) is to assist the Board in fulfilling its responsibilities by reviewing the financial information provided to the Corporation's shareholders and other interested parties, the financial control systems established by

management, and the audit process. The Audit Committee has a written charter that sets out its mandate and responsibilities. This Charter is set forth in Schedule A of this AIF.

The membership of the Audit Committee is currently comprised of Messrs Lachambre (Chairman of the Audit Committee since January 1, 2010), Bates and Freeman, all of whom are independent and financially literate directors, as those terms are defined in National Instrument 52-110 - Audit Committees, of the Canadian Securities Administrators.

Mr. Lachambre was appointed to Flint's Board of Directors effective May 13, 2008, and was appointed Chairman of the Audit Committee on January 1, 2010 to replace Mr. O'Connor. Mr. Lachambre has many years of experience in the oil and gas industry, including a 31 year career with Syncrude Canada, where he most recently served as Executive Vice President and Chief Financial Officer from 1994 until his retirement in February 2007. In his roles at Syncrude and on various Boards, Mr Lachambre has been responsible for the implementation and/or oversight of Internal Controls over Financial Reporting, Disclosure Controls and Procedures, IFRS and ASPE changeovers, as well as regular stewardship and reviews of financial reports.

Mr. Bates has been a director of Flint since 1998. Mr. Bates holds a Bachelor of Business Administration degree from the University of Oklahoma and undertook post graduate work in accounting at the University of Tulsa. Prior to joining Flint Resources Company in 1983, he served as an Officer in the United States Navy and then as a Principal in the Audit division of Ernst & Young. Mr. Bates held a CPA accounting license for more than 35 years. Over that time Mr. Bates gained extensive experience as auditor, Chief Financial Officer and Chief Executive Officer of many companies, including construction, oilfield services and financial companies.

Mr. Freeman has been a director of Flint since 2007. Mr. Freeman is currently a Managing Director of Northern Plains Capital which is a private equity firm. Previously, Mr. Freeman was the Chief Financial Officer and Corporate Secretary of the Corporation and its predecessor from 1992 to 2007. Mr. Freeman was appointed to the Audit Committee on March 16, 2010 as Mr. O'Connor transitioned from the Audit Committee following his appointment as Board Chair on January 1, 2010. As the former CFO of Flint Mr. Freeman was responsible for the financial statements of the Company, including the appropriate application of accounting principles and internal controls for financial reporting as they relate specifically to the Company. Prior to joining a predecessor to Flint Mr. Freeman served ten years in public accounting and auditing firms and is qualified as a Chartered Accountant in Alberta. In addition to Flint he is on the Audit Committee of another reporting issuer in the energy services sector and the Audit Committee of a private company with a range of services similar to Flint, which provides him additional exposure to accounting issues applicable to the industry within which Flint operates. In his role as a Managing Director of a private equity firm specializing in energy services investments Mr. Freeman is called upon to analyze financial statements of businesses with issues and complexity similar to the Company's. He has completed the Institute of Corporate Directors' Education Program and is a faculty member for the Institute of Chartered Accountants of Alberta CFO Leadership Program, delivering the "From CA to CFO" and "Corporate Governance and the CFO" modules

The Audit Committee met 8 times during fiscal 2010. The Audit Committee meetings include, whenever appropriate, executive sessions with the Corporation's management, as well as the Corporation's auditors, without the presence of the Corporation's management. During 2010, the Audit Committee, among other things:

- reviewed the Corporation's annual and interim financial statements, accompanying management's discussion and analysis and certain other required public disclosure documents;
- made recommendations to the Board regarding the appointment and compensation of independent external auditors;
- reviewed the nature and scope of the annual audit;
- oversaw and met with the Corporation's external auditors and reviewed management's response to any issues arising from the annual audit of the Corporation;
- oversaw the Corporation's financial reporting procedures and reviewed the internal accounting control systems for the Corporation with the auditors and management;
- reviewed the effectiveness of the Corporation's systems to manage business risks; and
- met with the Corporation's internal audit department management staff to review internal audit responsibilities, including Disclosure Controls and Procedures (DC&P) and Internal Controls Over Financial Reporting (ICFR), compliance and testing.

KPMG LLP has been the Corporation's auditor since the Corporation's formation on April 9, 1998. The following table provides information about the fees billed to (or anticipated by) the Corporation for professional services rendered by KPMG LLP during 2010 and 2009:

Table 6

	2010⁽³⁾	2009
Audit Fees ⁽¹⁾	\$1,548,910	\$966,541
Tax Fees ⁽²⁾	34,700	83,860
All Other Fees	29,442	2,500
Totals:	\$1,613,052	\$1,052,901

Notes:

- (1) Audit Fees consist of fees for the audit of the Corporation's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Tax Fees consist of fees for tax compliance services, tax advice and tax planning.
- (3) As of the date of this report, all fees for the 2010 audit have not been invoiced, therefore the 2010 audit fees disclosed are based upon estimates provided by management and KPMG LLP.

The Audit Committee has a policy for approval of external auditor services. The policy prohibits the external auditor from providing specified services to the Corporation and its subsidiaries.

The engagement of the external auditor for a range of services defined in the policy has been pre-approved by the Audit Committee. If an engagement of the external auditor is contemplated for a particular service that is neither prohibited nor covered under the range of pre-approved services, such engagement must be pre-approved. The Audit Committee has delegated the authority to grant such pre-approval to the Chairman of the Audit Committee

for services where the aggregate fees are estimated to be less than or equal to \$25,000. In such cases, the Audit Committee is required to be informed of the service at its next meeting. For services where the aggregate fees are estimated to be greater than \$25,000, the pre-approval must be granted by the Audit Committee.

LEGAL PROCEEDINGS

In the normal course of the business of the Corporation, Flint or any one of its operating entities may, from time to time, be involved in claims and litigation arising out of the Corporation's operations. As at December 31, 2010, management believes that there were no significant legal proceedings outstanding against Flint or any of its subsidiaries except as follows:

On January 29, 2010, a customer filed an action in the Court of Queen's Bench of Alberta against a number of defendants, including Shawcor Ltd., IMV Projects Inc., Flint Field Services Ltd. and Flint Pipeline Services Ltd. (the "Flint Entities"), alleging that negligent provision of a pipe coating and insulation system, engineering services, design services and other work caused damage to the customer's pipeline in northeastern Alberta. The customer alleges that it suffered damages in the amount of \$85,000,000. While Flint Pipeline Services Ltd. was the construction contractor on the project, the pipeline was constructed to a design and with materials specified by others. On January 2011, the Statement of Claim was served on the Flint Entities but the customer advised that the Flint Entities are not required to file a Statement of Defence. Based on management's current understanding of the facts of this claim, management believes the Flint Entities have meritorious defences to this action and accordingly does not believe that this litigation will materially affect the Corporation's consolidated financial position or results of its operations.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer of the Corporation, or any direct or indirect shareholder of the Corporation who beneficially owns, or who exercises control or direction over, more than 10 percent of the outstanding Common Shares of the Corporation or any known associate or affiliate of such persons, has a material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Flint. Details of related party transactions are contained in the notes to the Corporation's audited financial statements for the year ended December 31, 2010.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company at its principal office in Calgary, Alberta.

MATERIAL CONTRACTS

There are no contracts, other than contracts entered into in the ordinary course of business, that are material to Flint that were entered into within the most recently completed financial

year, or that were entered into before the most recently completed financial year but are still in effect.

INTERESTS OF EXPERTS

KPMG LLP are the auditors of the Corporation and have confirmed that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including information concerning remuneration and indebtedness of the directors and officers of Flint, principal holders of Flint's securities and securities authorized for issuance under Flint's equity based compensation plans, as applicable, is contained in the Management Information Circular of the Corporation prepared in relation to its most recent annual meeting of shareholders that involved the election of directors.

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information concerning the Corporation is provided in the Corporation's audited financial statements and related Management's Discussion and Analysis (MD&A) for its most recently completed financial year. These and other documents, as well as additional information relating to the Corporation, may be found on SEDAR, as well as on the Corporation's website at www.flintenergy.com.

Upon written request to the investor relations personnel, the Corporation will provide to any person or company, a copy of the latest Annual Information Form of the Corporation, together with a copy of any document or the pertinent pages of any document incorporated by reference therein. Annual financial statements and related MD&A of the Corporation for its most recently completed financial year, interim financial statements and others related documents of the Corporation are also available upon request.

Investor Relations Contacts:

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or

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SCHEDULE A
Audit Committee Charter
Flint Energy Services Ltd.

A. Audit Committee Overview, Purpose and Authority

The Audit Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Flint Energy Services Ltd. (the "Corporation") to assist the Board in fulfilling its oversight responsibilities and is responsible to the Board. The Committee monitors, evaluates, advises or makes recommendations, in accordance with this Charter and any other directions of the Board, on matters affecting the external, internal or special audits of the financial and operational control policies and practices relating to the Corporation.

The Committee has the authority to investigate any activity of the Corporation. The primary duties and responsibilities of the Committee include, in addition to the Committee's duties and responsibilities set forth elsewhere in this Charter:

- recommending to the Board the external auditor to be nominated for the purposes of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation and the compensation for such services;
- directly overseeing the work of the Corporation's external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including the resolution of any disagreements between management and the external auditor regarding financial reporting;
- reviewing the Corporation's financial statements, Management's Discussion and Analysis ("MD&A") and annual and interim earnings press releases prior to public disclosure;
- overseeing and monitoring the integrity of the Corporation's financial reporting process and systems of internal controls regarding finance, accounting, legal and regulatory compliance;
- assessing the processes related to identification of the Corporation's risks and effectiveness of the Corporation's response to control or otherwise mitigate these risks; and
- providing an avenue of communication among the external auditor, management, internal audit staff and the Board.

The Committee shall have unrestricted access to Corporation personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any such advisors and to communicate directly with internal and external auditors.

B. Audit Committee Structure

The Committee shall be composed of at least three members or such other number of members as may be specified by the Board and permitted by Multilateral Instrument 52-110 - Audit Committees, of the Canadian Securities Administrators ("MI 52-110"). Subject to any applicable exemption contained in MI 52-110 that may be relied upon by the Corporation from time to time, all Committee members shall be independent directors within the meaning of MI 52-110, such that each audit committee member shall have no direct or indirect material relationship with the Corporation, being a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of his or her independent judgment.

Subject to any applicable exemption contained in MI 52-110 that may be relied upon by the Corporation from time to time, each member of the Committee shall be financially literate, such that he or she shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those raised in the Corporation's financial statements.

All members of the Board shall be free to attend any meetings of the Committee and participate, but only the members of the Committee shall be entitled to vote on any questions before the Committee. Other than members of the Board, entitlement to attend all or a portion of any Committee meetings shall be determined by the Chair of the Committee or its members.

The Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Committee shall be a majority of the members. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting.

The minutes of the Committee meetings shall accurately record the decisions reached by the Committee and shall be distributed to Committee members and Board members, with copies to the Chief Financial Officer ("CFO"), the external auditor and others as directed by the Committee.

C. Audit Committee Duties and Responsibilities

I. Review Procedures – General

- (a) Review and assess the adequacy of this Charter at least annually. Submit the Charter to the Board for approval.
- (b) Review the Corporation's audited annual financial statements together with the MD&A thereon before such statements are submitted to the Board for approval. Review should include discussion with management and the external auditor of significant issues regarding accounting principles, practices and judgments.
- (c) In consultation with management, the external auditor and internal audit staff, consider the integrity of the Corporation's financial reporting processes and controls; discuss financial risk exposures and the steps management has taken

to monitor, control and report such exposures; and review significant findings prepared by the external auditor and the internal audit staff together with management responses.

- (d) Review and recommend for approval by the Board the quarterly financial statements of the Corporation along with related MD&A and any press releases.
- (e) Review the financial content of the Corporation's annual report and any other reports of a financial nature which require approval by the Board prior to the release thereof.
- (f) Review on at least a quarterly basis with management, the external auditor and, if necessary, legal counsel on any material litigation, claim or other contingency that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these will be disclosed in the financial statements.
- (g) Ensure and periodically review the adequacy of the Corporation's procedures relating to the review of all public disclosure of financial information extracted or derived from the Corporation's financial statements before its release, including any prospectus, offering memorandum, annual information form or other document.
- (h) Monitor the appropriateness of accounting policies, especially critical accounting policies and financial reporting used by the Corporation to review any actual and prospective significant changes in financial reporting and accounting policies and practices to be adopted by the Corporation, and to review and assess any new or proposed developments in accounting and reporting standards that may affect or have an impact on the Corporation.
- (i) Review and approve the Corporation's hiring policies regarding partners, employees, former partners and former employees of its present and any former external auditor.

II. Review Procedures - External Auditor

- (a) Review the annual appointment of the external auditor for recommendation to the Board for approval, giving consideration to matters such as:
 - (i) independence and whether to retain such auditor for each future fiscal year after consultation with appropriate management;
 - (ii) the fees paid to the external auditor on an annual basis; and
 - (iii) any non-auditing services performed by the external auditor.
- (b) On an annual basis, review and discuss with the external auditor all significant relationships with the Corporation that could impair such auditor's independence.
- (c) Review the planning and results of the external audit, including:
 - (i) the auditor's engagement letter;
 - (ii) the reasonableness of the estimated audit fees;
 - (iii) the scope of the audit, including materiality, audit reports required, areas of audit risk, deadlines and coordination with internal audit staff;
 - (iv) the post-audit management letter together with management's responses; and

- (v) any other matters the external auditor brings to the attention of the Committee.
- (d) Meet with the external auditor, at least annually and preferably at each Committee meeting, or as requested by the auditor, without management representatives present.
- (e) Receive and review all follow-up action or status reports relating to the recommendations of the external auditor and internal audit staff.

The external auditor is ultimately accountable to the Committee and the Board, as representatives of the shareholders.

III. Internal Audit Oversight

The Committee should periodically request from management a review of the internal audit function and, on the basis of this review, determine whether such a function is operating adequately.

IV. Risk Management Oversight

Assess whether management has implemented policies ensuring that the Corporation's risks are identified and that controls are adequate, in place and functioning properly.

V. Legal Compliance

- (a) On at least an annual basis, review with the Corporation's counsel any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or government agencies.
- (b) Review all reports concerning any significant fraud or regulatory noncompliance that occurs at the Corporation. This review should include consideration of the internal controls that should be strengthened to reduce the risk of a similar event in the future.

VI. Non-Audit Services

The Committee must pre-approve, in accordance with MI 52-110, all non-audit services to be provided to the Corporation by its external auditor.

VII. Whistleblower

The Committee must annually establish and review procedures relating to the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

VIII. Reporting Requirements

The Committee shall prepare for inclusion in the Corporation's Annual Information Form the information required by Form 52-110F1 of MI 52-110.

IX. Other Responsibilities

- (a) Recommend to the Board the establishment of a Code of Ethical Conduct (the "Code"), periodically review and recommend to the Board updates to the Code and ensure that management has established a system to enforce the Code. Additional requirements could include reviewing management's monitoring of the Corporation's compliance with the Code and ensuring that management has the proper review system in place to ensure that Corporation's financial statements, reports and other financial information disseminated to government organizations and the public satisfy legal requirements.
- (b) Periodically perform a self-assessment of Committee performance.
- (c) Review financial and accounting personnel succession planning within the Corporation.
- (d) Annually review policies and procedures as well as audit results associated with directors' and officers' expense accounts and perquisites; annually review a summary of directors' and officers' related party transactions and potential conflicts of interest.
- (e) Perform any other activities consistent with this Charter, the Corporation's bylaws and governing law as the Committee or the Board deems necessary or appropriate.

D. Internal Audit Function

- (a) Review and if appropriate, recommend for the approval of the Board the annual internal audit plan, including the mandate, staffing, scope and objectives of the internal audit department, as needed.

The internal audit function shall be responsible to senior management, but have a direct reporting responsibility to the Board through the Committee. Changes in the senior internal audit executive shall be subject to Committee approval.

- (b) Review the appointment, performance and replacement of the internal audit executive. Review annually the performance, budget and independence of the internal audit function and direct the CFO to make any necessary changes.
- (c) Review the significant reports prepared by the internal audit function together with management's response and follow up on these reports.
- (d) Meet with the internal audit staff at least annually or as requested by the internal audit staff without other management representatives present.
- (e) Review and ensure that appropriate communication and cooperation exists where necessary between the external auditor and the internal audit staff, and

provide a direct line of communication between the internal audit staff and the Board.

E. Audit Committee Meetings

- (a) Committee meetings may be called by the Committee Chair or by a majority of the Committee members. In addition, the external auditor has the right to call a Committee meeting, preferably through the Committee Chair. The Chair of the Committee shall be a voting member and questions will be decided by a majority of votes.
- (b) Meetings may be called with one day's notice, which notice may be waived by members before, at or after a meeting. All members of the Committee are entitled to receive notice of every meeting. However, it shall be the standard practice of the Committee to give Committee members at least five business days' notice of all meetings, except in unusual circumstances.
- (c) Meetings are chaired by the Committee Chair or, in the Chair's absence, by a member chosen by the Committee amongst themselves.
- (d) Agendas will be set by the Chair of the Committee with assistance from management, other Committee members, the external auditor and internal audit staff, if requested or required. Agendas should be circulated with the materials for consideration at the meeting to all members, the Chair of the Board, the President and Chief Executive Officer ("CEO") and the CFO no later than the day prior to the date of the meeting. However, it shall be the standard practice of the Committee to deliver the agenda and the materials for consideration at the meeting at least five business days prior to the proposed meeting, except in unusual circumstances.
- (e) Except as herein provided, the Chair of the meeting may establish rules of procedure to be followed at meetings.
- (f) Meetings may be conducted with the participation of a member by telephone or any other voice and/or video teleconferencing device which permits all persons participating in the meeting to communicate with each other. A member participating in a meeting by that means is deemed to be present at the meeting.
- (g) The duties of the Committee may be exercised at a meeting at which a majority of the members of the Committee are present or by resolution in writing signed by all members of the Committee who would have been entitled to vote on the resolution at a meeting of the Committee. In case of an equality of votes, the person acting as Chair of the Committee meeting shall not be entitled to a second or casting vote.
- (h) A resolution in writing may be signed and executed in separate counterparts by members and the signing or execution of a counterpart shall have the same effect as the signing or execution of the original. An executed copy of a resolution in writing or counterpart thereof transmitted by any means of recorded electronic transmission shall be valid and sufficient.

- (i) Attendance at all or a portion of Committee meetings by Corporation personnel will be determined by the Committee and may, at the request of the Committee, include the President and CEO, the CFO and a Recording Secretary.
- (j) The Recording Secretary shall keep minutes of the proceedings of all meetings of the Committee which following Committee approval, are available to any member of the Board. All minutes will be circulated to the Chair of the Board. With the exception of "in camera" items, minutes will be circulated to those receiving the agenda. Minutes will be retained by the Chair of the Committee.