

## **Dalmac signs LOI To buy oil field services company**

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Mr. John Babic reports

Dalmac Energy Inc. has signed a letter of intent to buy the business and assets of an oil field services company based in west-central Alberta. The target company has operations similar to Dalmac, operating outside of Dalmac's present geographic area. The purchase price will be \$1,925,000, payable by \$1.5-million cash, \$375,000 by vendor takeback and \$50,000 in Dalmac shares.

The target's operations are complementary to Dalmac's business, and will provide an opportunity for Dalmac to expand and deploy further assets into a new geographic area. The target company focuses on servicing oil field production, which is more consistent on a year-round basis than drilling activities.

The transaction is subject to certain conditions, including stock exchange approval, and is expected to close by March 31, 2007.

We seek Safe Harbor.