



# DESTINY RESOURCE SERVICES CORP.

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## DESTINY RESOURCE SERVICES CORP. ANNOUNCES STRATEGIC ACQUISITION OF SOURCE ENERGY TOOL SERVICES INC.

**CALGARY, ALBERTA**  
**May 3, 2010**

**STOCK EXCHANGE: TSX**  
**SYMBOL: DSC**

**Destiny Resource Services Corp. Calgary, May 3, 2010** – Destiny Resource Services Corp. (TSX-DSC), which, subject to shareholder approval, will be renamed Logan International Inc. (and for purposes of this press release will be referred to as “Logan International”), is pleased to announce it has acquired Source Energy Tool Services Inc. (“Source”). Source is a privately held technology-focused oilfield services company providing downhole equipment and multi-fracturing tools and services, headquartered in Lloydminster, Alberta (the “Acquisition”). The Acquisition is consistent with Logan International’s previously stated strategy of growth in the downhole tool market. Logan International used its strong balance sheet to execute the Acquisition, which is expected to be accretive to 2010 EBITDA and earnings.

Under the terms of the agreement, Logan International paid \$25 million Cdn. cash (less a 10% hold-back until certain terms and conditions are met) for all of the issued and outstanding common shares of Source and assumed approximately \$1.1 million Cdn. of indebtedness to the selling shareholders. The Acquisition has been funded by cash on hand and by drawing on existing credit facilities, which were slightly modified to provide the acquisition financing.

The 4 key principals of Source have entered into employment and non-competition agreements. The existing principals of Source will be entitled to earn up to an additional \$4.0 million Cdn., payable over two years, if certain sales growth targets are achieved for Source’s proprietary horizontal multi-fracturing tool and services division.

“The acquisition of Source fits perfectly with our growth and acquisition strategy” said Gerald Hage, Chief Executive Officer of Logan International. “We expect the results from this acquisition will be immediately accretive, creating value for our shareholders. Source’s MultiStim Fracture Isolation™ system is a proprietary multi-fracturing completion technology that is being adopted by oil and gas producers for the fracturing of horizontal wells. We intend to aggressively grow this business in Canada and introduce the technology in the U.S. and internationally through our existing network and relationships. Additionally, we expect to achieve significant synergies by leveraging Logan International’s engineering expertise and manufacturing excellence and by increasing sales through utilizing the expanded combined distribution systems of Logan Oil Tools and Source.”

Peters & Co. Limited acted as financial advisor to Logan International.

### **About Source**

Source, founded in 2001, is a leading provider of equipment and services for completion, workover fishing activities and drilling motor systems in the Western Canadian Sedimentary Basin (“WCSB”). Source is headquartered in Lloydminster and has service locations in Lloydminster, Edmonton, Grande Prairie, Kindersley, Bonnyville and Brooks and a sales office in Calgary. Source has a proprietary multi-fracturing

completion technology (“MultiStim Fracture Isolation™”) which is fully retrievable post-fracturing. The benefit of this technology is that it leaves a fully open well bore which allows for increased production flow and easier downhole intervention, if required. Other Source downhole products include packers, bridge plugs, fishing tools and services, liner hangers, casing patches and mud motors. Source’s customers include many of the most active senior, intermediate and junior oil and natural gas producers in the WCSB who use horizontal drilling and completion techniques.

Source services producers that are focused on both heavy and light oil play development. Source has an established base of operations in Kindersley, Saskatchewan servicing the Viking light oil play.

Using Source’s existing locations, Logan Oil Tools will have the ability to immediately increase revenue through enhanced distribution of its downhole tool products in Canada.

Logan International will utilize the majority of the Source product line in key unconventional oil and natural gas resource plays in the WCSB and will be introducing the proprietary MultiStim Fracture Isolation™ technology into the U.S., initially focusing on the Bakken light oil play in North Dakota.

### **Strategic Rationale and Benefits of the Acquisition**

Some of the benefits of the Source Acquisition include:

- Provides for the direct distribution of Logan Oil Tool products in Canada through Source’s existing network of six service locations;
- Source has a proprietary technology-driven product focused on a large and growing market for horizontal well completion that utilizes multi-frac technology (Bakken, Viking, Cardium, Montney, Marcellus, etc.);
- The Acquisition complements Logan International’s existing downhole tool focus and strategy;
- Potential to enhance offerings to Source’s customers by combining products of Logan Oil Tools with the Source service and distribution capabilities; and
- Engineering and manufacturing synergies will result from utilizing Logan Oil Tools’ plant, systems, quality control and expertise. This will support the growth of Source’s MultiStim Fracture Isolation™ technology and provide low cost manufacturing for Source’s traditional downhole tool products.

### **Financial Highlights**

With the completion of the Acquisition, Logan International has net debt of \$29.2 million USD., of which \$12.7 million USD is term debt and the balance is short-term/revolver based or due to the Source shareholders. Logan anticipates releasing its results for Q1’10 on May 13, 2010.

### **Disposition of Non-Core Assets**

On March 25, 2010, Logan International completed its previously disclosed sale of all of the outstanding stock of Diamant Drilling Services S.A. Logan International expects to record a small gain on the sale.

## **Name Change**

At the May 13, 2010, Annual General and Special Meeting of Shareholders, shareholders will vote on changing the name of the company to "Logan International Inc." If approved, the shares will trade on the Toronto Stock Exchange under the symbol "LII".

## **About Logan International**

Logan International manufactures and sells a complete line of downhole products – retrieving tools, stroking tools, surface tools, remedial tools (Logan Oil Tools) and high performance polycrystalline diamond compact cutters and bearings (Dennis Tool Company) for a variety of well work-over, intervention, drilling and completion activities. Based in Houston, Texas, Logan Oil Tools is recognized as a leading source of superior products for many of the largest fishing and rental tool companies around the world. [www.loganoiltools.com](http://www.loganoiltools.com). Logan International provides seismic front-end services to energy explorers and producers and to seismic acquisition companies in North America (Destiny Resource Services).

## **CONTACT INFORMATION:**

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## **Forward-looking Statements**

This press release contains forward-looking statements. These statements relate to future events or future performance of Logan International. When used in this press release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "predict", "seek", "propose", "expect", "potential", "continue", and similar expressions, are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect Logan International's current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Although Logan International believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because we can give no assurance that they will prove to be correct. Many factors could cause Logan International's future results, performance, or achievements to materially differ from those described in this press release. Should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated, or expected. The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. These statements speak only as of the date of this press release. Logan International does not intend and does not assume any obligation, to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities described herein in any jurisdiction.