Mullen Group Ltd.

INTERIM REPORT

– Period Ended June 30, 2015

Q2

WE THINK tomorrow™

DIVERSITY • STABILITY • RELIABILITY

CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("**MD&A**"), dated July, 22, 2015, has been prepared by Management of Mullen Group Ltd. ("**Mullen Group**" and/or the "**Corporation**") for the three and six month periods ended June 30, 2015, and should be read in conjunction with (i) the audited annual consolidated financial statements for the fiscal year ended December 31, 2014 (the "**Annual Financial Statements**"), together with the Management's Discussion and Analysis thereon (the "**2014 MD&A**"), and (ii) the unaudited condensed interim consolidated financial statements for the three and six month periods ended June 30, 2015, (the "**Interim Financial Statements**"). Unless otherwise specified, information in this MD&A is provided as at such date and any reference to "Mullen Group", "we", "us", "our" or the "Corporation" means Mullen Group Ltd., a corporation incorporated under the laws of Alberta and includes its predecessors where context so requires. The Annual Financial Statements and other additional information are available on SEDAR at www.sedar.com and at www.mullen-group.com. These documents are also available upon request, free of charge, from the Corporate Investor Services group at ir@mullen-group.com. This MD&A and the Interim Financial Statements were reviewed by Mullen Group's Audit Committee on July 21, 2015, and approved by the Board of Directors (the "**Board**") on July 22, 2015.

ACCOUNTING PRINCIPLES

The Interim Financial Statements have been prepared in accordance to and comply with International Financial Reporting Standards ("**IFRS**"), which include the International Accounting Standards ("**IAS**") and the interpretations developed by the International Financial Reporting Interpretations Committee ("**IFRIC**"), as issued by the International Accounting Standards Board ("**IASB**"). The Interim Financial Statements comply with IAS 34 Interim Financial Reporting and do not include all of the information required for annual financial statements. Unless otherwise indicated, all amounts contained in this MD&A are in Canadian funds, which is the functional currency of the Corporation.

ADVISORY:

Forward-looking statements - *This MD&A reflects management's expectations regarding Mullen Group's future growth, financial condition, results of operations, performance, business prospects, strategies and opportunities and contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Wherever possible, words such as "anticipate", "may", "will", "believe", "expect", "potential", "continue", "view", "objective", "should", "plan", "intend", "ongoing", "estimate", "project" or similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and assumptions and are based on information currently available to management. Forward-looking statements involve significant inherent risks and uncertainties, numerous assumptions and the risk that the predictions and forward-looking statements will not be achieved and that the actual results or events may differ materially from those anticipated in such forward-looking statements. A number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable beliefs and assumptions, Mullen Group cannot assure readers that actual results will be consistent with these forward-looking statements. Some of the risks and uncertainties include, but are not limited to certain economic risks, most important of which are a slowdown in the general economy or reduced oil or natural gas drilling; prevailing interest rates, currency exchange rates, customer relationships, labour disruption and driver retention, accidents and costs of liability insurance and fuel prices. Given these risks and uncertainties, readers should not place undue reliance on the forward-looking statements contained in this MD&A. Readers are cautioned that the foregoing list of factors and risks is not exhaustive. Additional information on these and other factors and risks that could affect the operations or financial results of Mullen Group may be found under the heading "Principle Risks and Uncertainties" starting on page 56 of the 2014 MD&A as well as in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website at www.sedar.com. The forward-looking statements contained in this MD&A are made as of the date hereof and Mullen Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law. Mullen Group relies on litigation protection for "forward-looking" statements. Additional information regarding the forward-looking statements contained in this MD&A and the material assumptions made in preparing such statements may be found under the heading "Forward-Looking Information Statements" beginning on page 47 of this MD&A.*

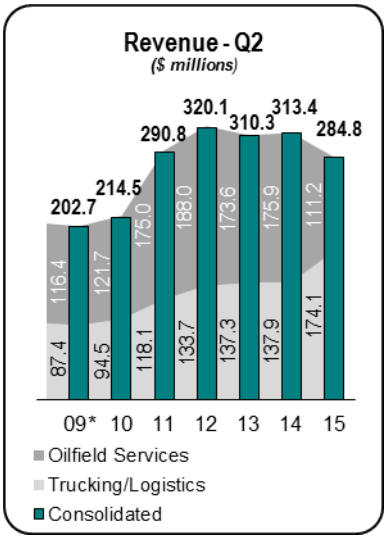
Non-GAAP Terms *- Mullen Group reports on certain financial performance measures that are described and presented in order to provide shareholders and potential investors with additional measures to evaluate Mullen Group's ability to fund its operations and information regarding its liquidity. In addition, these measures are used by management in its evaluation of performance. These financial performance measures ("**Non-GAAP Terms**") are not recognized financial terms under Canadian generally accepted accounting principles ("**Canadian GAAP**"). For publicly accountable enterprises, such as Mullen Group, Canadian GAAP is governed by principles based on IFRS and IFRIC. Management believes these Non-GAAP Terms are useful supplemental measures. These Non-GAAP Terms do not have standardized meanings and may not be comparable to similar measures presented by other entities. Specifically, operating income[1], net income – adjusted[1], earnings per share – adjusted[1], net capital expenditures[1], net debt[1] and cash flow per share[1] are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. For the reader's reference, the definition, calculation and reconciliation of Non-GAAP Terms are provided in the "Glossary of Terms and Reconciliation of Non-GAAP Terms" section of this MD&A. The Non-GAAP Terms should not be considered in isolation or as a substitute for measures prepared in accordance with Canadian GAAP. Investors are cautioned that these indicators should not replace the forgoing Canadian GAAP terms: net income, earnings per share, purchases of property, plant and equipment, proceeds on sale of property, plant and equipment and debt.*

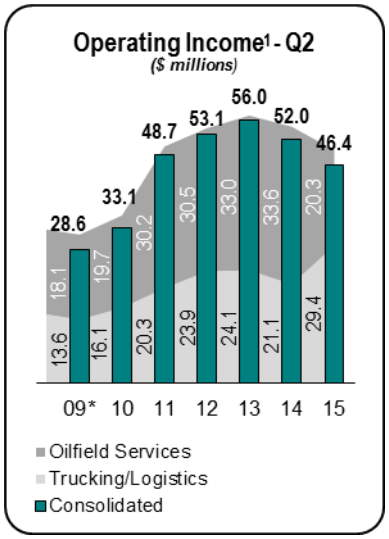
[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

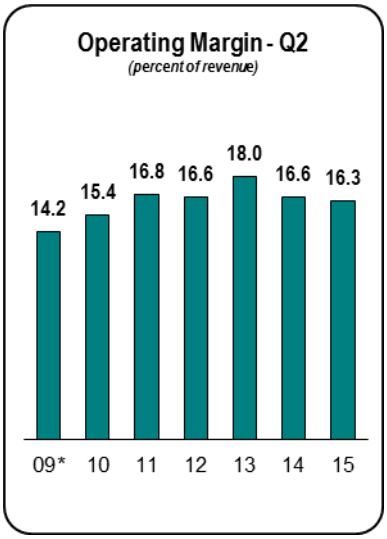
HIGHLIGHTS FOR THE QUARTER

PERFORMANCE: *(unaudited) ($ millions, except share price and per share amounts)*	Three month periods ended June 30			Six month periods ended June 30		
	2015	2014	% Change	2015	2014	% Change
Financial Results						
Revenue	**$ 284.8**	$ 313.4	(9.1)	**$ 622.0**	$ 725.4	(14.3)
Operating income[1]	**46.4**	52.0	(10.8)	**111.2**	143.2	(22.3)
Net unrealized foreign exchange loss (gain)	**1.2**	(9.0)	(113.3)	**18.9**	0.8	—
Decrease (increase) in fair value of investments	**4.2**	(3.0)	(240.0)	**8.5**	(0.1)	—
Net income	**0.9**	25.6	(96.5)	**3.7**	61.9	(94.0)
Net income – adjusted[1]	**11.2**	15.1	(25.8)	**36.1**	62.3	(42.1)
Net cash from operating activities	**62.7**	83.4	(24.8)	**104.6**	118.5	(11.7)
Cash dividends declared to common shareholders	**27.5**	27.4	0.4	**55.0**	54.7	0.5
Financial Position						
Cash and cash equivalents	**$ 138.3**	$ 90.6	52.6	**$ 138.3**	$ 90.6	52.6
Long-term debt (includes the current portion thereof and the debt component of Debentures)	**737.9**	422.2	74.8	**737.9**	422.2	74.8
Total assets	**1,839.9**	1,586.8	16.0	**1,839.9**	1,586.8	16.0
Share Information						
Cash dividends declared per Common Share	**$ 0.30**	$ 0.30	—	**$ 0.60**	$ 0.60	—
Earnings per share – basic	**$ 0.01**	$ 0.28	(96.4)	**$ 0.04**	$ 0.68	(94.1)
Earnings per share – diluted	**$ 0.01**	$ 0.28	(96.4)	**$ 0.04**	$ 0.67	(94.0)
Earnings per share – adjusted[1]	**$ 0.12**	$ 0.16	(25.0)	**$ 0.39**	$ 0.68	(42.6)
Share price – June 30	**$ 20.41**	$ 30.72	(33.6)	**$ 20.41**	$ 30.72	(33.6)
Other Information						
Net capital expenditures[1]	**$ 10.7**	$ 16.5	(35.2)	**$ 45.5**	$ 29.8	52.7
Acquisitions	**$ —**	$ —	—	**$ 166.0**	$ —	100.0

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".







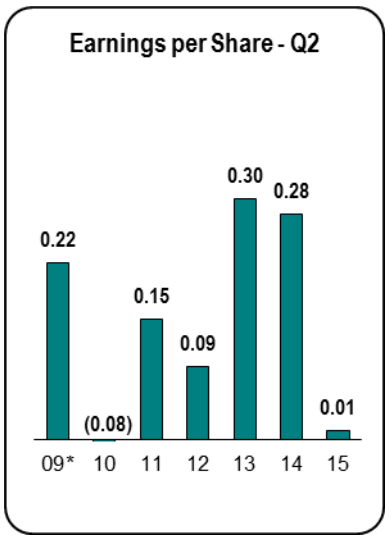
*Prepared in accordance with Canadian GAAP prior to the adoption of IFRS.

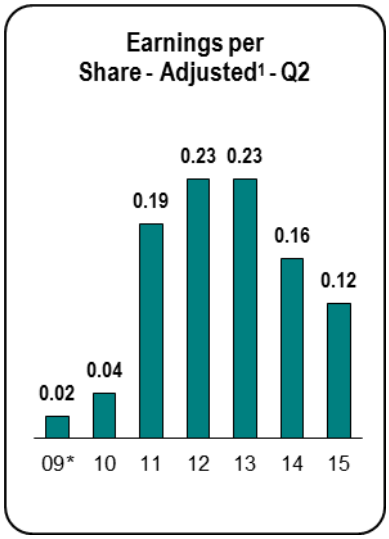
POSITION:

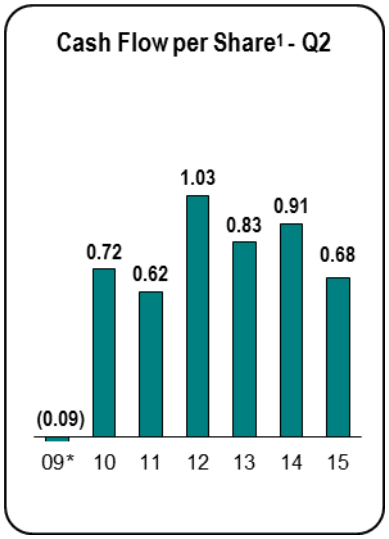
- Working capital: $194.9 million (includes $138.3 million of cash and cash equivalents and $70.0 million of Series C Notes being included within working capital)
- Net debt[1]: $471.5 million (long-term debt plus the debt component of Debentures less working capital)
- Net debt[1] to trailing twelve months operating income[1]: 1.87:1

PROGRESS:

- Maintained the annual dividend of $1.20 per share ($0.10 declared and paid monthly) representing a yield of 5.9 percent based upon the closing price of $20.41 on June 30, 2015
- Year to date net capital expenditures[1] of $45.5 million of which $25.1 million relates to real property and facilities within Saskatchewan that is currently being used in the operations of Jay's Transportation Group Ltd.
- Subsequent to the quarter we invested $1.0 million to acquire a minority equity interest in Butler Ridge Energy Services (2011) Ltd., a fracturing fluid containment, logistics and storage management company based in Hudson's Hope, British Columbia







*Prepared in accordance with Canadian GAAP prior to the adoption of IFRS.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

EXECUTIVE SUMMARY

For the three month period ended June 30, 2015, Mullen Group generated consolidated revenue of $284.8 million, operating income[1] of $46.4 million and net cash from operations of $62.7 million. During the quarter Mullen Group paid dividends of $27.5 million, incurred net capital expenditures[1] of $10.7 million predominately within the Trucking/Logistics segment and paid semi-annual interest obligations of $13.2 million. Mullen Group ended the second quarter with approximately $138.3 million of cash and cash equivalents.

Consolidated revenue in the second quarter decreased by $28.6 million, or 9.1 percent, to $284.8 million as compared to $313.4 million in 2014, due to a $64.7 million decline in revenue in the Oilfield Services segment offset by a $36.2 million increase in the Trucking/Logistics segment. The Oilfield Services segment continued to be negatively impacted by steep reductions in capital investment, new projects and drilling activity by the oil and natural gas industry in western Canada. As a result virtually all Operating Entities within this segment experienced revenue decreases. Segment revenue declined during the quarter by 36.8 percent to $111.2 million as compared to $175.9 million last year. Specifically, the decrease was due to a reduction in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells, as a result of low customer demand, intense competition and pricing pressures. Revenue also decreased due to a reduction in revenue from those Operating Entities most directly tied to oil and natural gas drilling activity in western Canada and from lower demand for dewatering services. These decreases were somewhat offset by higher demand for pipeline hauling associated with large diameter pipeline construction projects and from the incremental revenue generated from acquiring the business of Recon Utility Search N.A. Inc. Conversely, revenue in the Trucking/Logistics segment increased to $174.1 million from $137.9 million in spite of the challenging market conditions, particularly in western Canada. The 26.3 percent increase in segment revenue is attributed to incremental revenue generated by the acquisition of Gardewine Group Limited Partnership ("**Gardewine**") and Bernard Transport Ltd. ("**Bernard**"), offset by the loss of revenue associated with the disposition of Mill Creek Motor Freight L.P. ("**Mill Creek**").

Operating income[1] for the second quarter was $46.4 million, a decrease of $5.6 million or 10.8 percent over the same period in 2014. The decrease was attributable to the Oilfield Services segment that experienced a $13.3 million decrease in operating income[1], primarily due to the negative impact of low commodity prices on customer demand for the services offered by those Operating Entities involved in the transportation of fluids and servicing of wells, from those Operating Entities most directly tied to oil and natural gas drilling activity in western Canada and from dewatering services. The declines in the Oilfield Services segment were somewhat offset by gains of $8.3 million in the Trucking/Logistics segment, which mainly resulted from the acquisition of Gardewine and Bernard. Corporate costs increased by $0.6 million on a year over year basis, which was mainly attributable to an increase in various administrative expenses including professional fees related to acquiring a minority equity interest in various companies and from a $0.7 million negative variance in foreign exchange. As a percentage of consolidated revenue, operating income[1] decreased to 16.3 percent as compared to 16.6 percent in 2014. This 0.3 percent decrease in operating margin was mainly due to the loss of revenue and a generally more competitive environment in the Oilfield Services segment. This decrease was somewhat offset by a 1.6 percent increase in operating margin within the Trucking/Logistics segment, which benefitted from lower fuel costs, certain operational efficiencies and cost control measures.

In the second quarter of 2015, Mullen Group generated net income of $0.9 million or $0.01 per share, a decrease of $24.7 million, or 96.5 percent, compared to $25.6 million or $0.28 per share in 2014. The $24.7 million decrease in net income was mainly attributable to a $5.6 million decrease in operating income[1], a $10.2 million negative variance in net unrealized foreign exchange and a $7.2 million negative variance in the fair value of investments. These decreases were partially offset by a $4.8 million decrease in gain on sale of property, plant and equipment. Mullen Group's net income – adjusted[1] and earnings per share – adjusted[1] eliminates the impact of the net unrealized foreign exchange gains and losses and the change in fair value of investments during the second quarter of 2015 resulted in net income – adjusted[1] of $11.2 million and earnings per share – adjusted[1] of $0.12, as compared to $15.1 million and $0.16 per share in 2014, respectively. These adjustments more clearly reflect earnings from an operating perspective.

The Trucking/Logistics segment continues to produce positive results, including record operating income[1] of $29.4 million and higher margins. We are most pleased with these results given the state of the economy, which continues to underperform. In particular, the Alberta economy is in the midst of a significant slowdown making this

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

performance even more impressive. Unfortunately, our overall results continue to be negatively impacted by the slowdown in capital spending and drilling activity by the oil and natural gas industry in western Canada, which remains under tremendous stress due to low oil and natural gas prices. Nevertheless, we adjusted to the realities of the market in what we can only describe as very challenging. Our strategy of operating a diversified business model accompanied by the initiatives we implemented last year allowed Mullen Group to minimize the impacts of the slowdown in our oilfield related business.

Mullen Group's consolidated revenue in the first six months of 2015 decreased by $103.4 million, or 14.3 percent, to $622.0 million as compared to $725.4 million in 2014. The majority of this decrease in revenue, specifically $74.8 million, occurred in the first quarter. Revenue in the Oilfield Services segment decreased by $179.1 million, or 39.9 percent, to $269.4 million as compared to $448.5 million in the same period one year earlier. This decrease was due to a reduction in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells, a reduction in revenue from those Operating Entities most directly tied to oil and natural gas drilling activity in western Canada, the cancellation of core drilling programs within the oil sands and project delays related to large diameter pipeline construction projects. These decreases were partially offset by the incremental revenue generated from acquiring the business of Recon Utility Search N.A. Inc. Revenue in the Trucking/Logistics segment increased by $76.1 million, or 27.4 percent, to $354.2 million from $278.1 million in the same period one year earlier. This increase was largely due to the incremental revenue generated from the acquisition of Gardewine and Bernard, which was somewhat offset by Mill Creek's financial results no longer being consolidated by Mullen Group as of December 1, 2014.

Operating income[1] for the first six months of 2015 decreased to $111.2 million, or 22.3 percent, as compared to $143.2 million generated in the same period last year. The decrease of $32.0 million was primarily due to the Oilfield Services segment that experienced a $50.7 million decrease in operating income[1]. This decrease was somewhat offset by the Trucking/Logistics segment that experienced a $12.2 million increase in operating income[1]. In addition, Corporate costs fell by $6.5 million on a year over year basis, which was mainly attributable to a $6.4 million positive variance in foreign exchange. As a percentage of revenue, operating income[1] decreased to 17.9 percent as compared to 19.7 percent in 2014, reflecting the challenging market conditions.

Net income in the first six months of 2015 decreased to $3.7 million, as compared to $61.9 million in 2014. The decrease of $58.2 million was mainly attributable to a $32.0 million decrease in operating income[1], an $18.1 million negative variance in net unrealized foreign exchange, and an $8.6 million negative variance in the fair value of investments. These decreases were somewhat offset by a $4.5 million decrease in gain on sale of property, plant and equipment and a $0.6 million increase in earnings from equity investments. Mullen Group's net income – adjusted[1] and earnings per share – adjusted[1] in the first six months of 2015 was $36.1 million and $0.39 per share, as compared to $62.3 million and $0.68 per share in 2014, respectively.

At June 30, 2015, Mullen Group had $194.9 million of working capital which included $138.3 million of cash and cash equivalents, and $471.5 million of net debt[1]. Mullen Group also has access to additional funding of $75.0 million from its bank credit facility, which continues to remain undrawn. The long-term debt consists mainly of its private placement debt of U.S. $314.0 million and Canadian $331.0 million. The weighted average interest rate on our U.S. dollar debt and our Canadian debt is 4.43 percent and 4.80 percent, respectively. The majority of this debt matures on October 22, 2024 and October 22, 2026. In July 2014 Mullen Group entered into two cross-currency swap contracts to swap the principal portion of $229.0 million of U.S. dollar debt into a Canadian currency equivalent of $254.1 million.

These are very difficult times for anyone involved in the oil and natural gas industry, which we expect will continue until oil and natural gas prices recover from current levels. The timing of the recovery remains uncertain, however we have experienced cyclical downturns many times and will manage our business appropriately. Fortunately, we strengthened our balance sheet last year and completed some timely acquisitions focused on the trucking and logistics sector, providing at least some positive in an otherwise pretty difficult market environment. We are well positioned to take advantage of future opportunities that will inevitably arise.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

OUTLOOK

For several quarters we have expressed our concerns regarding the negative effect of low crude oil and natural gas prices on the oil and natural gas industry, and more specifically on our Oilfield Services segment. In response to these concerns we proactively implemented a number of initiatives designed to minimize the impact of the anticipated slowdown. Our results for the second quarter were generally in line with our expectations and reflect these initiatives as well as our strategy of operating a diversified business, focused on both the energy industry in western Canada as well as the trucking and logistics sector of the Canadian economy.

For the balance of 2015 our Outlook is consistent with prior correspondence to shareholders, with a continuation of the following themes and trends:

- Overall financial results will be supported by our Trucking/Logistics segment, which should benefit from a relatively stable operating environment and previously announced acquisitions.

- The energy industry remains stressed due to low crude oil and natural gas prices, which has a negative impact on producers' cash flows. As a result we expect the energy industry will continue to under invest in capital projects, infrastructure and drilling programs until commodity prices improve from current levels. This will directly impact service providers to the industry, including Mullen Group, from both a demand and pricing perspective. For the balance of 2015 we expect drilling activity levels in western Canada will increase from the seasonal lows experienced in the second quarter, although below prior year levels.

- We expect all of our Operating Entities in the Oilfield Services segment will underperform, relative to last year, until commodity prices and demand improves. We have right sized our Operating Entities and implemented a number of cost saving initiatives as well as reduced rates for key clients to remain competitive. Our strategy is to be competitive but we will not respond to unrealistic pricing requests.

- Capital allocation to our Operating Entities in the Oilfield Services segment will be reduced significantly until we see clarification on three fundamental issues. First, an increase in crude oil and natural gas prices to levels that will support increased capital investment and drilling activity by producers. Second, final investment approval of LNG projects on Canada's west coast. We view this as important to the future demand for natural gas in western Canada. Third, Canadians support of crude oil pipeline projects to access new markets, a critical requirement to the continued development of western Canada's oil reserves.

- We continue to evaluate acquisition opportunities in the oilfield services sector. However, our current strategy is to identify selective areas of potential growth and to partner alongside established entrepreneurs. We view this as the best risk adjusted way to position our organization for the next cyclical upturn. In July we completed another such investment acquiring a minority stake in Butler Ridge Energy Services (2011) Ltd. ("**Butler Ridge**") based in Hudson's Hope, British Columbia.

- The Canadian economy, as measured by GDP, is expected to maintain a pattern of consistent, but not robust, activity suggesting that the demand for trucking and logistics services will remain flat with little pricing leverage. The Alberta economy is expected to underperform due to the challenges faced by the energy industry, as such we expect little organic growth in our Trucking/Logistics segment.

- We will continue to actively pursue acquisitions in the trucking and logistics sector, an area we view to have the best long-term fundamentals.

- And we will work with all of our new acquisitions to maximize the business opportunities and improve their financial and operating performance.

In terms of the dividend, we expect to maintain the annual payment of $1.20 per share based upon our strong balance sheet, diversified business model and our expectation that our Oilfield Services segment will recover from the cyclical lows experienced in the second quarter. The Board regularly monitors events to ensure the overall sustainability of Mullen Group is not compromised.

CORPORATE OVERVIEW

Mullen Group is a publicly-traded company listed on the Toronto Stock Exchange ("**TSX**") under the symbol "**MTL**". Through a network of wholly-owned companies and limited partnerships (the "**Operating Entities**"), Mullen Group provides a wide range of specialized transportation and related services to the oil and natural gas industry in western Canada and is one of the leading suppliers of trucking and logistics services in Canada – two sectors of the economy in which strong business relationships and industry leadership have been developed.

Business

The business of Mullen Group is operated through its Operating Entities, which are divided into two distinct operating segments for reporting purposes – Oilfield Services and Trucking/Logistics. The segments are differentiated by the type of service provided, equipment requirements and customer needs. Mullen Group provides the capital and financial expertise, technology and systems support, shared services and strategic planning (the "**Corporate Office**") for the Operating Entities. The Corporate Office also invests in certain public and private corporations. In addition, the Corporate Office, through its subsidiary MT Investments Inc. ("**MT**"), owns a network of real estate holdings and facilities that are leased primarily to the Operating Entities. Such properties are leased by MT to the Operating Entities on commercially reasonable terms. The day to day management of the Operating Entities is conducted at the subsidiary level.

At June 30, 2015, the Oilfield Services segment consisted of 15 Operating Entities that utilize their highly trained personnel and equipment to provide specialized transportation services, drilling, well-servicing and dewatering services to the oil and natural gas industry. These services include transporting of oversize and overweight shipments, conductor pipe setting, core drilling, casing setting, the transportation, handling, storage and computerized inventory management of oilfield fluids, tubulars and drilling mud, pipe stockpiling and stringing, a broad range of services related to the processing and production of heavy oil, including well servicing and handling, transportation and disposal of fluids, as well as frac support, dredging, water management, dewatering, pond reclamation services, hydrovac excavation and drilling rig relocation services.

Oilfield Services Segment:

Operating Entity	Primary Service Provided
Production Services	
Cascade Energy Services L.P.[1]	Fluid Transportation - British Columbia & Alberta
E-Can Oilfield Services L.P.	Fluid Transportation - Heavy Oil Regions of Alberta
Heavy Crude Hauling L.P.	Fluid Transportation - Heavy Oil Regions of Alberta
R. E. Line Trucking (Coleville) Ltd.	Fluid Transportation - Saskatchewan
Spearing Service L.P.[2]	Fluid Transportation - Saskatchewan
Specialized Services	
Canadian Dewatering L.P.	Water Management Services
Premay Equipment L.P.	Specialized Heavy Haul
Premay Pipeline Hauling L.P.	Large Diameter Pipe Transportation
Recon Utility Search L.P.[3]	Hydrovac Excavation Services
Drilling Services	
OK Drilling Services L.P.	Conductor Pipe Setting
TREO Drilling Services L.P.	Core Drilling
Drilling Related Services	
Formula Powell L.P.	Mud / Fluid Transportation & Warehousing
Mullen Oilfield Services L.P.	Rig Relocation Services
Pe Ben Oilfield Services L.P.	Drill Pipe Transportation & Warehousing
Withers L.P.	Drill Pipe Transportation & Warehousing

[1] On June 1, 2015, the operations of Majestic Oilfield Services Inc. were combined with Cascade Energy Services L.P.
[2] On January 1, 2015, the operations of Brady Oilfield Services L.P. were combined with Spearing Service L.P.
[3] Acquired the business of Recon Utility Search N.A. Inc. on November 5, 2014 and now operates as Recon Utility Search L.P.

At June 30, 2015, the Trucking/Logistics segment consisted of 11 Operating Entities, offering a diversified range of truckload and less-than-truckload ("**LTL**") general freight services to customers in Canada and the United States. These services include transporting a wide range of goods including general freight, specialized commodities such as cable, pipe and steel, over-dimensional loads such as heavy equipment, compressors and over-sized goods and dry bulk commodities such as cement and frac sand. In addition, the Trucking/Logistics segment provides logistics, warehousing and distribution, transload and intermodal services primarily in western Canada, as well as the production, excavation and transportation of various aggregate products.

Trucking/Logistics Segment:

Operating Entity	Primary Service Provided
Bernard Transport Ltd.[1]	Regional Scheduled LTL - Northern Alberta
Cascade Carriers L.P.	Dry Bulk Freight
Gardewine Group Limited Partnership[2]	Regional Scheduled LTL – Manitoba and Ontario & Specialized Transportation
Grimshaw Trucking L.P.	Regional Scheduled LTL - Northern Alberta
Hi-Way 9 Group of Companies	Regional Scheduled LTL - Southern Alberta
Jay's Transportation Group Ltd.[3]	Regional Scheduled LTL - Saskatchewan
Kleysen Group L.P.	Irregular Route Truckload & Multi-Modal
Mullen Trucking L.P.	Irregular Route Truckload & Specialized Transportation
Payne Transportation L.P.	Irregular Route Truckload & Specialized Transportation
Smook Contractors Ltd.	Civil Construction
Tenold Transportation Limited Partnership	Irregular Route Truckload

[1] Acquired October 1, 2014
[2] Acquired January 9, 2015
[3] On October 31, 2014, Jay's Moving & Storage Ltd. changed its name to Jay's Transportation Group Ltd.

A more detailed description of the Operating Entities is set forth in the Annual Information Form, which is dated February 11, 2015 and is available on SEDAR at www.sedar.com, our website at www.mullen-group.com or upon request, free of charge, from the Corporate Investor Services group at ir@mullen-group.com.

Private Placement and Capital Allocations

Private Placement

On September 16, 2014, Mullen Group executed a Note Purchase Agreement whereby it issued a series of unsecured notes on a private placement basis (the "**2014 Notes**"), the proceeds of which were drawn on October 22, 2014. The following table details our long-term debt after issuing the 2014 Notes and the repayment of the Series A and Series B Notes:

($ millions)		Principal Amount	Maturity	Interest Rate[1]
Notes:				
Series E	$	85.0	September 27, 2017	5.90%
Series G[3]		117.0	October 22, 2024	3.84%
Series H[4]		112.0	October 22, 2026	3.94%
Total U.S. dollar debt	**$**	**314.0**		**4.43%[2]**
Notes:				
Series C	$	70.0	June 30, 2016	5.60%
Series D		70.0	June 30, 2018	5.76%
Series F		20.0	September 27, 2017	5.47%
Series I		30.0	October 22, 2024	3.88%
Series J		3.0	October 22, 2026	4.00%
Series K		58.0	October 22, 2024	3.95%
Series L		80.0	October 22, 2026	4.07%
Total CDN. dollar debt	**$**	**331.0**		**4.80%[2]**

[1] Interest is payable semi-annually
[2] Weighted average interest rate calculation
[3] Principal amount swapped at maturity at $1.1047 for a total of CDN. $129.2 million
[4] Principal amount swapped at maturity at $1.1148 for a total of CDN. $124.9 million

A portion of the proceeds from the Series G and Series H Notes were used to repay portions of our existing Private Placement Debt (as hereafter defined on page 14). Specifically, on October 24, 2014, Mullen Group, at its sole discretion, repaid the holders of Series A (U.S. $100.0 million) and Series B (U.S. $50.0 million) Notes. The 2014 Notes have significantly lower interest rates than the Series A and Series B Notes. Subsequent to issuing the 2014 Notes and the repayment of the Series A and Series B Notes, our weighted average interest rate on our U.S. dollar long-term debt was reduced to 4.43 percent from 6.17 percent. The weighted average interest rate on our Canadian dollar long-term debt was reduced to 4.80 percent from 5.65 percent. The Series A and Series B Notes were to mature on June 30, 2016 and June 30, 2018, respectively.

In conjunction with the 2014 Notes offering, Mullen Group entered into two cross-currency swap contracts to swap the principal portion of the Series G (U.S. $117.0 million) and Series H (U.S. $112.0 million) Notes (collectively, the "**Cross-Currency Swaps**") into Canadian dollars at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. The Cross-Currency Swaps convert the repayment of the principal portion of the Series G and Series H Notes into a Canadian currency equivalent of $129.2 million and $124.9 million, respectively. The Cross-Currency Swaps are recorded at their fair value at the end of each period with any changes in fair value being recorded within net unrealized foreign exchange loss (gain) in the statement of comprehensive income. The terms and thresholds of the financial covenants for the 2014 Notes are the same as our existing Private Placement Debt, with the two main financial covenants being total debt that cannot exceed 3.5 times operating cash flow (as hereafter described on page 42) and a fixed charge coverage ratio that cannot be less than 1.75:1.

Acquisitions and Investments

2015

Gardewine Group Limited Partnership – On January 9, 2015, Mullen Group acquired the business, including land and buildings, of the Manitoba based Gardewine Group Limited Partnership, one of the largest privately owned transportation carriers in Canada, in an all cash transaction for total consideration of $171.8 million, which includes repaying $56.4 million of associated debt. Gardewine is comprised of the following businesses: Gardewine North, Northern Cartage, Northern Deck, Northern Bulk and Northern Logistics. Gardewine, a well-established and reputable company founded in 1952, provides both regional LTL, truckload and specialized truckload services primarily in Manitoba and Ontario operating a fleet of approximately 660 trucks and 1,300 trailers through a network of 23 owned and 11 leased terminals, employing over 1,500 employees and 140 contract owner operators. Mullen Group expects that Gardewine will contribute additional annual revenue in excess of $225.0 million, however, it currently generates margins that are lower than the average of Mullen Group's pre-existing Operating Entities within the Trucking/Logistics segment. As a result, the overall operating margin of the Trucking/Logistics segment is expected to temporarily decline. Mullen Group acquired Gardewine as part of its strategy to invest in the transportation sector in Canada. Gardewine's financial results from operations are included in the Trucking/Logistics segment. Due to the limited time between the acquisition of Gardewine and the preparation of the Interim Financial Statements, the amount of working capital received, as well as the value of the assets acquired and the liabilities assumed are based upon preliminary financial information available to management as of the date of this report.

Equity Investments – During the second quarter Mullen Group invested $8.1 million (including $2.5 million of debentures) to acquire a minority equity interest in two companies; Envolve Energy Services Corp. ("**Envolve**"), a waste disposal company operating in the Grande Prairie, Alberta region, and Cordova Oilfield Services Ltd. ("**Cordova**"), a general oilfield hauling company specializing in the storage, handling and transportation of pipe located in Fort St. John, British Columbia. These investments are part of our strategy to invest alongside high quality entrepreneurs in companies that have growth potential. Subsequent to the quarter we invested $1.0 million to acquire a minority equity interest in Butler Ridge, a fracturing fluid containment, logistics and storage management company based in Hudson's Hope, British Columbia.

2014

Recon Utility Search N.A. Inc. – On November 5, 2014, Mullen Group acquired the business of and facilities used by Recon Utility Search N.A. Inc., which now operates as Recon Utility Search L.P. ("**Recon**") for net cash consideration of $21.7 million, including $3.0 million of contingent consideration. Pursuant to the purchase and sale agreement, the vendor may receive cash consideration of up to $3.0 million for achieving certain financial targets in the 2015, 2016 and 2017 fiscal years. Recon is headquartered in Hardisty, Alberta and provides specialized vacuum and hydrovac services mainly to the oil and gas pipeline industry within Alberta, Canada. Mullen Group acquired this business as part of its strategy to invest in the energy sector. The results from Recon's operations are included in the Oilfield Services segment.

Bernard Transport Ltd. – On October 1, 2014, Mullen Group acquired all of the issued and outstanding shares of Bernard for net cash consideration of $6.9 million. Bernard is headquartered in Edmonton, Alberta and provides LTL transportation services within Alberta. Mullen Group acquired Bernard as part of its strategy to invest in the transportation sector in western Canada. Bernard's financial results from operations are included in the Trucking/Logistics segment.

Kriska Transportation Group Limited – On December 1, 2014, Mullen Group entered into a share transfer agreement whereby it contributed its interest in Mill Creek in exchange for a 30.0 percent equity interest in Kriska Transportation Group Limited ("**Kriska Transportation**"). Kriska Holdings Limited ("**Kriska Holdings**") contributed its interest to Kriska Transportation in exchange for a 70.0 percent equity interest in Kriska Transportation. Kriska Transportation is a growth oriented Ontario based transportation and logistics company. Mullen Group acquired an equity interest in Kriska Transportation as part of its strategy to invest in the transportation sector in eastern Canada.

All the acquisitions set forth above have been accounted for by the acquisition method and the financial results of operations have been included in the accompanying Interim Financial Statements from the date of acquisition.

Capital Expenditures

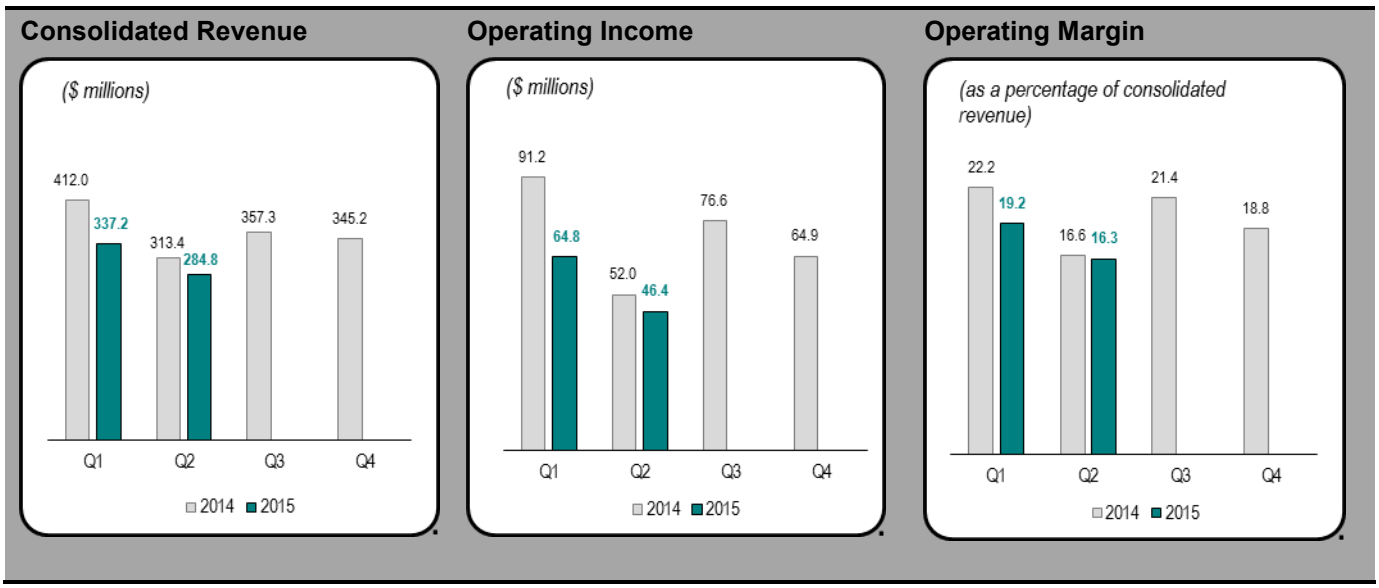
On December 17, 2014, Mullen Group's Board approved an $80.0 million capital expenditure budget for 2015, with $40.0 million allocated as replacement capital for the Corporation's Operating Entities, the majority focused towards purchasing trucks, trailers and specialized equipment to support operations. In addition, $35.0 million was allocated to purchase real property. Further, a total of $5.0 million was allocated for contingencies. The capital required for acquisitions and other special projects is not included in this $80.0 million budget and will be considered by the Board throughout the year as the need arises.

In the first six months of 2015, gross capital expenditures were $49.3 million as compared to $46.7 million in 2014. These capital expenditures were comprised of $9.4 million in the Oilfield Services segment (2014 – $31.7 million), $14.1 million in the Trucking/Logistics segment (2014 – $11.3 million) and $25.8 million in the Corporate Office (2014 – $3.8 million). Gross dispositions on a consolidated basis were $3.8 million in the first six months of 2015 as compared to $16.9 million in 2014. These gross dispositions were comprised of $2.7 million in the Oilfield Services segment (2014 – $15.9 million) and $1.1 million in the Trucking/Logistics segment (2014 – $1.1 million).

In the first six months of 2015, the Corporate Office purchased $25.5 million (2014 – $3.2 million) of real property and facilities through its subsidiary MT to develop its network of real estate holdings. MT purchased $25.1 million of real property predominately within Saskatchewan that is currently being used in the operations of Jay's Transportation Group Ltd. ("**Jay's**"). The purchase of these properties will reduce Mullen Group's operating lease costs by $1.5 million per annum.

CONSOLIDATED FINANCIAL RESULTS – THREE MONTH PERIOD ENDED JUNE 30, 2015

Summary – Trailing Six Quarters



Our consolidated financial results for the second quarter remained below prior year levels due to the under performance of the Oilfield Services segment, which continued to experience very challenging market conditions, including limited demand for services, intense competition and pricing pressure across all Operating Entities in the segment. Lower crude oil and natural gas prices has reduced the profitability and cash flow for oil and natural gas producers. As a result capital spending and investment in new projects, including drilling activity, the main driver for oilfield services demand, has been reduced significantly in western Canada. In contrast, our Trucking/Logistics segment generated record results driven by acquisitions, most notably the Gardewine transaction.

Revenue

*Revenue is generated by the Corporation through its Operating Entities. These Operating Entities are divided into two operating segments, namely Oilfield Services and Trucking/Logistics. The Operating Entities utilize a combination of company assets that are either owned by the Operating Entity or leased under long-term operating leases ("**Company Equipment**"), owner operators who provide trucks and/or trailers and work exclusively for the Operating Entity under annual contracts and subcontractors who own their own equipment and are used during times of peak demand (collectively, "**Contractors**").*

Q2 Consolidated Revenue by Segment

(unaudited) ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Oilfield Services	**111.2**	**39.0**	175.9	56.1	(64.7)	(36.8)
Trucking/Logistics	**174.1**	**61.0**	137.9	43.9	36.2	26.3
Corporate and intersegment eliminations	**(0.5)**	**—**	(0.4)	—	(0.1)	—
Total	**284.8**	**100.0**	313.4	100.0	(28.6)	(9.1)

**as a percentage of pre-consolidated revenue*

Consolidated revenue in the second quarter decreased by $28.6 million, or 9.1 percent, to $284.8 million as compared to $313.4 million in 2014, due to a $64.7 million decline in revenue in the Oilfield Services segment offset by a $36.2 million increase in the Trucking/Logistics segment. The Oilfield Services segment continued to be negatively impacted by steep reductions in capital investment, new projects and drilling activity by the oil and natural gas industry in western Canada. As a result virtually all Operating Entities within this segment experienced revenue

decreases. Segment revenue declined during the quarter by 36.8 percent to $111.2 million as compared to $175.9 million last year. Conversely, revenue in the Trucking/Logistics segment increased to $174.1 million from $137.9 million in spite of the challenging market conditions, particularly in western Canada. The 26.3 percent increase in segment revenue is attributed to incremental revenue generated by the acquisition of Gardewine and Bernard and the disposition of Mill Creek (collectively, the "**T/L Acquisitions**"), most notably Gardewine.

Q2 Consolidated Revenue *(unaudited)* *($ millions)*	**2015**		**2014**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**193.3**	**67.9**	181.0	57.8	12.3	6.8
Contractors	**90.2**	**31.7**	131.1	41.8	(40.9)	(31.2)
Other	**1.3**	**0.4**	1.3	0.4	—	—
Total	**284.8**	**100.0**	313.4	100.0	(28.6)	(9.1)

Revenue related to Company Equipment increased by $12.3 million, or 6.8 percent, to $193.3 million as compared to $181.0 million in 2014 and represented 67.9 percent of consolidated revenue in the current period compared to 57.8 percent in 2014, primarily due to the Gardewine acquisition, which has a large company fleet. Revenue related to Contractors decreased by $40.9 million, or 31.2 percent, to $90.2 million as compared to $131.1 million in 2014 and represented 31.7 percent of consolidated revenue in the current period as compared to 41.8 percent in 2014.

Direct Operating Expenses

*Direct Operating Expenses ("**DOE**") include two main categories of expenses. The first category of DOE relates to the direct costs incurred to operate and maintain Company Equipment. The major DOE associated with operating Company Equipment are wages, fuel, repairs and maintenance and operating supplies. The other expenses included under DOE – Company mainly consist of operating leases, equipment rent, insurance, licensing costs and third party costs incurred to generate Company revenue. The second category of DOE are the costs incurred to hire Contractors, whether owner operators or subcontractors.*

Q2 Consolidated Direct Operating Expenses *(unaudited)* *($ millions)*	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**51.8**	**26.8**	48.9	27.0	2.9	5.9
Fuel	**16.3**	**8.4**	18.4	10.2	(2.1)	(11.4)
Repairs and maintenance	**28.3**	**14.6**	31.0	17.1	(2.7)	(8.7)
Operating supplies	**10.8**	**5.6**	17.1	9.4	(6.3)	(36.8)
Other	**22.5**	**11.7**	8.6	4.8	13.9	161.6
	129.7	**67.1**	124.0	68.5	5.7	4.6
Contractors	**67.2**	**74.5**	98.8	75.4	(31.6)	(32.0)
Total	**196.9**	**69.1**	222.8	71.1	(25.9)	(11.6)

**as a percentage of respective Consolidated revenue*

DOE were $196.9 million in the second quarter as compared to $222.8 million in 2014. The decrease of $25.9 million, or 11.6 percent, was directly related to the $28.6 million decrease in consolidated revenue. As a percentage of revenue these expenses decreased by 2.0 percent to 69.1 percent as compared to 71.1 percent in 2014.

DOE associated with Company Equipment increased to $129.7 million from $124.0 million in 2014. The increase of $5.7 million, or 4.6 percent, was directly related to the $12.3 million increase in Company revenue. As a percentage of Company revenue these expenses decreased by 1.4 percent to 67.1 percent as compared to 68.5 percent in 2014 primarily due to lower fuel costs and various cost cutting measures. These decreases were somewhat offset by the rise in Other expenses, due to the acquisition of Gardewine and its use of purchased transportation from third parties to generate Company revenue.

Contractors expense in the second quarter decreased to $67.2 million, as compared to $98.8 million in 2014. This $31.6 million decrease was directly related to the decrease in Contractors revenue. The majority of the decrease in DOE, specifically $21.4 million, was due to the Oilfield Services segment. As a percentage of Contractors revenue, Contractors expense decreased by 0.9 percent to 74.5 percent as compared to 75.4 percent in 2014.

Selling and Administrative Expenses

*Selling and Administrative ("**S&A**") expenses include salaries, employee profit share and other administrative expenses incurred to support the operations of Mullen Group and its Operating Entities.*

Q2 Consolidated Selling and Administrative Expenses						
(unaudited)						
($ millions)	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**23.8**	**8.4**	20.8	6.6	3.0	14.4
Communications, utilities and general supplies	**10.1**	**3.5**	10.6	3.4	(0.5)	(4.7)
Profit share	**2.7**	**0.9**	3.2	1.0	(0.5)	(15.6)
Foreign exchange	**1.5**	**0.5**	0.8	0.3	0.7	87.5
Stock-based compensation	**0.4**	**0.1**	0.3	0.1	0.1	33.3
Rent and other	**3.0**	**1.2**	2.9	0.9	0.1	3.4
Total	**41.5**	**14.6**	38.6	12.3	2.9	7.5

**as a percentage of total Consolidated revenue*

S&A expenses increased by $2.9 million to $41.5 million in the second quarter as compared to $38.6 million in 2014. This was attributable to the $7.6 million incremental S&A costs associated with the Gardewine, Bernard and Recon acquisitions as well as a $0.7 million increase in foreign exchange expense. These increases were partially offset by a reduction in S&A expense due to cost cutting measures most notably in the Oilfield Services segment. S&A expenses as a percentage of consolidated revenue increased by 2.3 percent to 14.6 percent in comparison to 12.3 percent in 2014.

Operating Income

Operating income[1] is net income before depreciation of property, plant and equipment, amortization of intangible assets, finance costs, net unrealized foreign exchange gains and losses, other (income) expense and income taxes.

Q2 Consolidated Operating Income[(1)]						
(unaudited)						
($ millions)	**2015**		**2014**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Oilfield Services	**20.3**	**43.7**	33.6	64.6	(13.3)	(39.6)
Trucking/Logistics	**29.4**	**63.4**	21.1	40.6	8.3	39.3
Corporate	**(3.3)**	**(7.1)**	(2.7)	(5.2)	(0.6)	22.2
Total	**46.4**	**100.0**	52.0	100.0	(5.6)	(10.8)

[(1)] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Operating income[1] for the second quarter decreased to $46.4 million, or 10.8 percent, compared to $52.0 million in 2014. The decrease of $5.6 million was due to the combination of a $13.3 million decrease in the Oilfield Services segment, an $8.3 million increase in the Trucking/Logistics segment and an increase in Corporate costs of $0.6 million due to higher foreign exchange expense. As a percentage of consolidated revenue, operating income[1] decreased to 16.3 percent as compared to 16.6 percent in 2014 due to the reduction in margin experienced by the Oilfield Services segment being partially offset by the improvement in margin experienced by the Trucking/Logistics segment.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment was $18.7 million in the second quarter as compared to $17.0 million in 2014. This increase of $1.7 million was attributable to a greater amount of depreciation being recorded in the Trucking/Logistics segment, the Corporate Office as well as in the Oilfield Services segment. Depreciation in the Trucking/Logistics segment increased by $1.0 million due to the additional depreciation expense resulting from the T/L Acquisitions. Depreciation in the Corporate Office increased on a year over year basis primarily as a result of capital expenditures related to facilities. Depreciation in the Oilfield Services segment increased by $0.2 million due to a greater amount of capital expenditures made by Canadian Dewatering L.P. ("**Canadian Dewatering**") and from the acquisition of Recon. Somewhat offsetting these increases was a decrease in depreciation due to the sale of older assets by certain Operating Entities combined with the Corporation's declining balance method of depreciation.

Amortization of Intangible Assets

Intangible assets are acquired on acquisitions and are mainly comprised of customer relationship values and non-competition agreements that are amortized over their estimated life from the date of acquisition. For the three month period ended June 30, 2015, amortization of intangible assets was $4.8 million as compared to $3.9 million in 2014. The increase of $0.9 million mainly resulted from the additional amortization recorded on the intangible assets associated with the acquisitions of Gardewine, Bernard and Recon being somewhat offset by the reduction in amortization recorded on certain Operating Entities' intangible assets that have become fully amortized.

Finance Costs

Finance costs mainly consist of:

- interest expense on financial liabilities, including:
  - the $70.0 million of Series C Notes, $70.0 million of Series D Notes, U.S. $85.0 million of Series E Notes, $20.0 million of Series F Notes, U.S. $117.0 million of Series G Notes, U.S. $112.0 million of Series H Notes, $30.0 million of Series I Notes, $3.0 million of Series J Notes, $58.0 million of Series K Notes and $80.0 million of Series L Notes (collectively, the "**Private Placement Debt**");
  - the convertible unsecured subordinated debentures (the "**Debentures**") that were issued on May 1, 2009;
  - various financing loans that are secured by specific operating equipment (collectively, the "**Various Financing Loans**"); and
  - accretion expense on debt;
- less any interest income generated from cash and cash equivalents.

Finance costs were $8.5 million in the second quarter as compared to $6.2 million in 2014. The increase of $2.3 million was mainly attributable to the additional interest expense being recorded on the 2014 Notes as well as a greater amount of interest expense being recorded on the U.S. dollar debt as a result of a weakening in the Canadian dollar as compared to the U.S. dollar. These increases were somewhat offset by lower interest expense resulting from repaying the Series A and Series B Notes.

Net Unrealized Foreign Exchange Loss (Gain)

Mullen Group recognizes unrealized foreign exchange gains or losses at the end of each reporting period related to its U.S. dollar debt and from its Cross-Currency Swaps.

The components of net unrealized foreign exchange loss (gain) were as follows:

	Three month periods ended June 30	
	CDN. $ Equivalent	
(unaudited) ***($ millions)***	**2015**	**2014**
Unrealized foreign exchange gain on U.S. debt	**(5.5)**	(9.0)
Unrealized foreign exchange loss on Cross-Currency Swaps	**6.7**	—
Net unrealized foreign exchange loss (gain)	**1.2**	(9.0)

Unrealized Foreign Exchange Gain on U.S. Debt

Mullen Group recorded an unrealized foreign exchange gain of $5.5 million related to the Corporation's U.S. dollar denominated debt due to the $0.02 strengthening of the Canadian dollar against the U.S. dollar during the second quarter of 2015. For the same period in 2014, Mullen Group recorded an unrealized foreign exchange gain of $9.0 million due to the $0.04 strengthening of the Canadian dollar against the U.S. dollar. The details of the unrealized foreign exchange gain on U.S. debt is summarized in the table below:

	Three month periods ended June 30					
	2015			2014		
(unaudited) ***($ millions, except exchange rate amount)***	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**
Ending – June 30	**314.0**	**1.2490**	**392.2**	235.0	1.0670	250.8
Beginning – March 31	**314.0**	**1.2666**	**397.7**	235.0	1.1055	259.8
Unrealized foreign exchange gain on U.S. debt			**(5.5)**			(9.0)

Unrealized Foreign Exchange Loss on Cross-Currency Swaps

On July 25, 2014, Mullen Group entered into two Cross-Currency Swaps with a Canadian bank to swap U.S. $117.0 million and U.S. $112.0 million into Canadian currency at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. The Cross-Currency Swaps convert the repayment of the principal portion of the Series G and Series H Notes into a Canadian currency equivalent of $129.2 million and $124.9 million, respectively. Mullen Group records the unrealized foreign exchange gain or loss relating to these Cross-Currency Swaps within net unrealized foreign exchange loss (gain) on the consolidated statement of comprehensive income, which is consistent with its underlying nature and purpose.

For the three month period ended June 30, 2015, Mullen Group recorded an unrealized foreign exchange loss on Cross-Currency Swaps of $6.7 million. This was due to the change over the period in the fair value of these Cross-Currency Swaps as summarized in the table below:

	Three month periods ended June 30			
	2015		2014	
(unaudited) ***($ millions)***	**U.S. $ Swaps**	**CDN. $ Change in Fair Value of Swaps**	**U.S. $ Swaps**	**CDN. $ Change in Fair Value of Swaps**
Cross-Currency Swap maturing October 22, 2024	**117.0**	**3.2**	—	—
Cross-Currency Swap maturing October 22, 2026	**112.0**	**3.5**	—	—
Unrealized foreign exchange loss on Cross-Currency Swaps		**6.7**		—

Other (Income) Expense

Other (income) expense consists of the change in fair value of investments, the gain or loss on sale of the Corporation's assets including property, plant and equipment and earnings from equity investments. Other expense in the second quarter was $3.5 million, a $2.0 million negative variance as compared to the $1.5 million of other expense recorded in 2014. The $2.0 million negative variance was due to the factors set forth below:

Change in Fair Value of Investments (negative variance of $7.2 million). Mullen Group periodically invests in certain private and public corporations. Mullen Group recorded a decrease in the fair value of investments of $4.2 million in the second quarter as compared to a $3.0 million increase in 2014.

Gain or Loss on Sale of Property, Plant and Equipment (positive variance of $4.8 million). Mullen Group recognized a gain of $0.2 million on sale of property, plant and equipment on total consolidated proceeds on sale of $2.2 million in the second quarter as compared to a $4.6 million loss on sale of property, plant and equipment on total consolidated proceeds on sale of $12.4 million in 2014. The $0.2 million gain on sale of property, plant and equipment in 2015 mainly resulted from the sale of older assets by Operating Entities within the Oilfield Services segment. The $4.6 million loss on sale of property, plant and equipment in 2014 resulted from the sale of older assets by Operating Entities within the Oilfield Services segment as a significant amount of this equipment would have been too costly to repair or safety certify.

Earnings from Equity Investments (positive variance of $0.4 million). Mullen Group recognized $0.5 million of earnings from equity investments in the second quarter as compared to earnings of $0.1 million in 2014. In the second quarter of 2015, Mullen Group purchased $5.6 million of equity investments, which consisted of Cordova and Envolve. In 2015 earnings from equity investments included Mullen Group's equity interest in Kriska Transportation, Envolve, Cordova and Canol Oilfield Services Inc. ("**Canol**"). In 2014 earnings from equity investments only included Mullen Group's equity interest in Canol.

Income Taxes

(unaudited) ***($ millions)***	**Three month periods ended June 30**	
	2015	**2014**
Income before income taxes	**$ 9.7**	$ 32.4
Combined statutory tax rate	**26%**	26%
Expected income tax	**2.5**	8.4
Add (deduct):		
Non-deductible (taxable) portion of net unrealized foreign exchange loss (gain)	**0.3**	(1.1)
Non-deductible (taxable) portion of the change in fair value of investments	**0.5**	(0.4)
Increase in income tax due to changes in income tax rates	**5.5**	—
Stock-based compensation expense	**0.1**	0.1
Other	**(0.1)**	(0.2)
Income tax expense	**$ 8.8**	$ 6.8

Income tax expense was $8.8 million in the second quarter of 2015 as compared to $6.8 million in 2014. The increase of $2.0 million was mainly attributable to the effect of the Government of Alberta's decision to raise its corporate income tax rate by 2.0 percent effective July 1, 2015. This increase was somewhat offset by the lower amount of income generated in 2015 as compared to 2014.

Net Income

(unaudited) *($ millions, except share and per share amounts)*	Three month periods ended June 30		
	2015	**2014**	**% Change**
Net income	**$ 0.9**	$ 25.6	(96.5)
Weighted average number of Common Shares outstanding	**91,655,112**	91,462,952	0.2
Earnings per share – basic	**$ 0.01**	$ 0.28	(96.4)

Net income decreased to $0.9 million in the second quarter as compared to $25.6 million in 2014. The factors contributing to the decrease in net income include:

- a $10.2 million negative variance in net unrealized foreign exchange;
- a $7.2 million negative variance in the fair value of investments;
- a $5.6 million decrease in operating income[1];
- a $2.3 million increase in finance costs;
- a $2.0 million increase in income tax expense;
- a $1.7 million increase in depreciation of property, plant and equipment; and
- a $0.9 million increase in amortization of intangibles.

These factors were somewhat offset by the following factors that increased net income:

- a $4.8 million positive variance in the (gain) loss on sale of property, plant and equipment; and
- a $0.4 million increase in earnings from equity investments.

Basic earnings per share decreased to $0.01 in the second quarter as compared to $0.28 in 2014. This decrease resulted from the combined effect of the $24.7 million decrease in net income and an increase in the weighted average number of Common Shares outstanding. The weighted average number of Common Shares outstanding increased from 91,462,952 to 91,655,112 due to the issuance of Common Shares from the exercise of stock options.

[The remainder of this page intentionally left blank.]

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Net Income – Adjusted and Earnings per Share – Adjusted

The following table illustrates net income and basic earnings per share before considering the impact of both the net unrealized foreign exchange gains or losses and the change in fair value of investments. Net income and basic earnings per share have been adjusted to reflect earnings from a strictly operating perspective.

(unaudited) ***($ millions, except share and per share amounts)***	**Three month periods ended June 30**	
	2015	**2014**
Income before income taxes	**$ 9.7**	$ 32.4
Add (deduct):		
Net unrealized foreign exchange loss (gain)	**1.2**	(9.0)
Change in fair value of investments	**4.2**	(3.0)
Income before income taxes – adjusted	**15.1**	20.4
Income tax rate	**26%**	26%
Computed expected income tax expense	**3.9**	5.3
Net income – adjusted[(1)]	**11.2**	15.1
Weighted average number of Common Shares outstanding – basic	**91,655,112**	91,462,952
Earnings per share – adjusted[(1)]	**$ 0.12**	$ 0.16

[(1)] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

[The remainder of this page intentionally left blank.]

SEGMENTED INFORMATION – THREE MONTH PERIOD ENDED JUNE 30, 2015

Three month period ended June 30, 2015 *(unaudited)* *($ millions)*	Oilfield Services	Trucking /Logistics	Corporate and intersegment eliminations	Total
	$	$	$	$
Revenue	**111.2**	**174.1**	**(0.5)**	**284.8**
Direct operating expenses	**75.0**	**123.0**	**(1.1)**	**196.9**
Selling and administrative expenses	**15.9**	**21.7**	**3.9**	**41.5**
Operating income[1]	**20.3**	**29.4**	**(3.3)**	**46.4**

Three month period ended June 30, 2014 *(unaudited)* *($ millions)*	Oilfield Services	Trucking /Logistics	Corporate and intersegment eliminations	Total
	$	$	$	$
Revenue	175.9	137.9	(0.4)	313.4
Direct operating expenses	123.5	100.3	(1.0)	222.8
Selling and administrative expenses	18.8	16.5	3.3	38.6
Operating income[1]	33.6	21.1	(2.7)	52.0

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

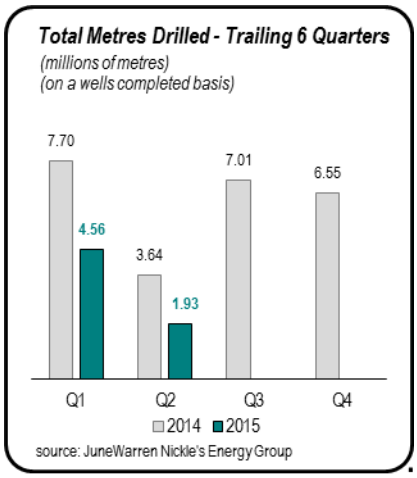
OILFIELD SERVICES SEGMENT

Mullen Group provides the energy sector in northern and western Canada with a wide range of services related to the drilling for oil and natural gas, oil and natural gas production, oil sands infrastructure development and capital projects. At June 30, 2015, the Oilfield Services segment was comprised of 15 Operating Entities, that utilize both Company Equipment and Contractors.

Service Offerings	*Key Drivers and Considerations*
• *Production Services*	• *Commodity prices (i.e., oil and natural gas)*
• *Specialized Services*	• *Drilling trends and evolving technologies*
– oil sands, dewatering and infrastructure	• *Take-away / Pipeline Capacity*
• *Drilling and Drilling Related*	

Industry Statistics

Mullen Group considers the number of active rigs operating, total wells drilled, length of metres drilled within such wells and the number of operating days, to be useful measures to gauge the strength of industry activity. Recent efforts to enhance drilling efficiency, combined with a movement to longer and deeper multi-stage horizontal wells have changed the correlation of certain drilling statistics. Generally speaking, the rig count and average days to drill a well have decreased while the total metres drilled have increased. Although the reduction in rig count has negatively impacted Mullen Group's rig moving business, the increase in metres drilled has continued to support demand for drill pipe, mud and fluid transportation services, areas in which Mullen Group has strong market positions. In addition, a portion of Mullen Group's operations are related to the continued development and extraction of oil sands deposits in western Canada.



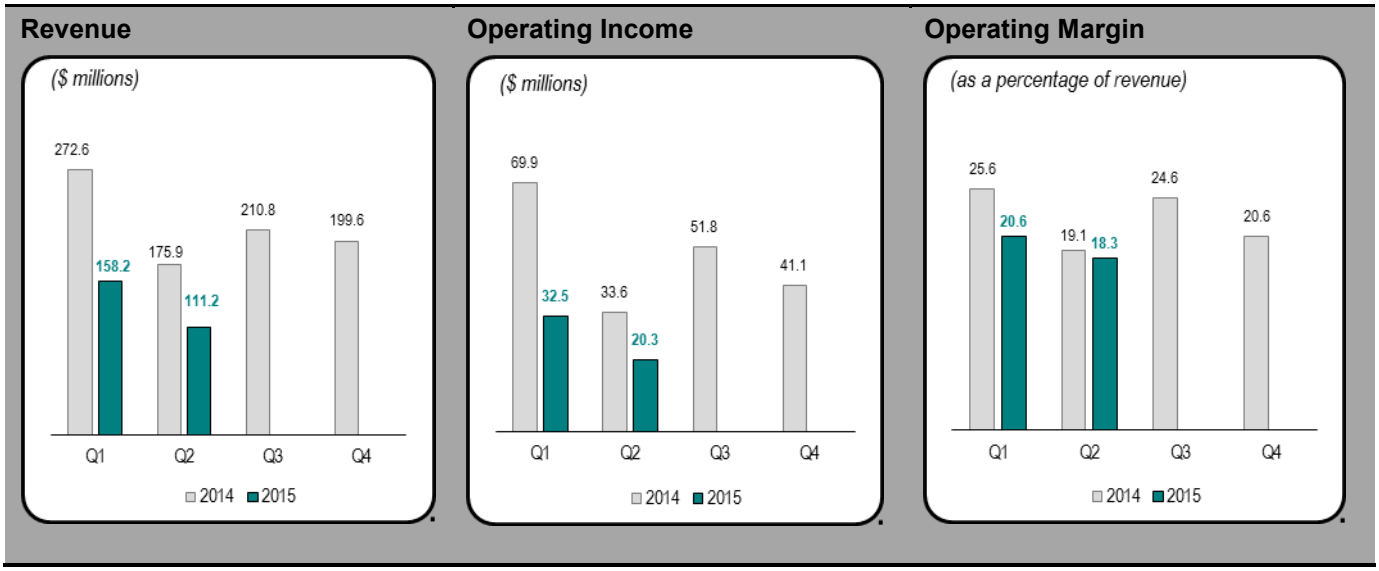
Industry investment and activity in the second quarter was at its lowest level in a number of years. The steep and rapid decline in crude oil and natural gas pricing, which began in the last half of 2014, negatively impacted industry cash flows resulting in significant reductions in drilling activity and investments into capital projects. Drilling industry statistics indicate that the average active rig count was 95 rigs during the quarter as compared to 198 active rigs in 2014, a decrease of 103 rigs or 52.0 percent. Total wells drilled decreased by 48.2 percent to 751 wells drilled in the second quarter as compared to 1,451 wells drilled in 2014. The length of metres drilled within such wells decreased by 47.0 percent to 1.93 million metres as compared to 3.64 million metres in 2014.

The number of wells completed on a geographic basis was as follows:

	Three month periods ended June 30			
	2015	**2014**	**# Change**	**% Change**
British Columbia	**90**	132	(42)	(31.8)
Alberta	**379**	957	(578)	(60.4)
Saskatchewan	**279**	351	(72)	(20.5)
Manitoba	**3**	11	(8)	(72.7)
Northwest Territories	**—**	—	—	—
Total	**751**	1,451	(700)	(48.2)

source: JuneWarren-Nickle's Energy Group – wells completed on rig release basis.

Summary – Trailing Six Quarters



Revenue

Q2 Revenue – Oilfield Services

(unaudited) ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**78.7**	**70.8**	114.9	65.3	(36.2)	(31.5)
Contractors	**32.1**	**28.9**	60.0	34.1	(27.9)	(46.5)
Other	**0.4**	**0.3**	1.0	0.6	(0.6)	(60.0)
Total	**111.2**	**100.0**	175.9	100.0	(64.7)	(36.8)

The Oilfield Services segment generated 39.0 percent of pre-consolidated revenue for the second quarter as compared to 56.1 percent in 2014. Revenue decreased by $64.7 million, or 36.8 percent, to $111.2 million as compared to $175.9 million in 2014 primarily due to lower drilling activity and intense competition. Specifically, the decrease in segment revenue was due to the net effect of the following:

- a $42.4 million decrease in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells;
- a $16.1 million decrease in revenue generated by those Operating Entities most directly tied to oil and natural gas drilling activity;
- a $5.8 million decrease in revenue generated by those Operating Entities providing specialized services, primarily due to a decrease in demand for water management services being somewhat offset by an increase in demand for services associated with large diameter pipeline construction projects and $1.4 million of incremental revenue due to the acquisition of Recon; and
- a $0.5 million decrease in revenue generated by those Operating Entities providing drilling services due to lower industry activity.

Revenue related to Company Equipment decreased by $36.2 million, or 31.5 percent, to $78.7 million as compared to $114.9 million in 2014 and represented 70.8 percent of segment revenue in the current period compared to 65.3 percent in 2014. Revenue related to Contractors decreased by $27.9 million, or 46.5 percent, to $32.1 million as compared to $60.0 million in 2014 and represented 28.9 percent of segment revenue in the current period as compared to 34.1 percent in 2014.

Direct Operating Expenses

Q2 Direct Operating Expenses – Oilfield Services

(unaudited) ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**20.9**	**26.6**	30.1	26.2	(9.2)	(30.6)
Fuel	**4.9**	**6.2**	9.8	8.5	(4.9)	(50.0)
Repairs and maintenance	**13.4**	**17.0**	21.2	18.5	(7.8)	(36.8)
Operating supplies	**8.1**	**10.3**	13.6	11.8	(5.5)	(40.4)
Other	**3.8**	**4.8**	3.5	3.1	0.3	8.6
	51.1	**64.9**	78.2	68.1	(27.1)	(34.7)
Contractors	**23.9**	**74.5**	45.3	75.5	(21.4)	(47.2)
Total	**75.0**	**67.4**	123.5	70.2	(48.5)	(39.3)

**as a percentage of respective Oilfield Services revenue*

DOE were $75.0 million in the second quarter as compared to $123.5 million in 2014. The decrease of $48.5 million, or 39.3 percent, was directly related to the $64.7 million, or 36.8 percent, decrease in segment revenue during the quarter. As a percentage of revenue these expenses decreased by 2.8 percent to 67.4 percent compared to 70.2 percent in 2014.

DOE associated with Company Equipment in the second quarter decreased to $51.1 million as compared to $78.2 million in 2014. The decrease of $27.1 million, or 34.7 percent, was directly related to the $36.2 million, or 31.5 percent, decrease in Company revenue. As a percentage of Company revenue these expenses decreased by 3.2 percent to 64.9 percent as compared to 68.1 percent in 2014 primarily due to cost controls as well as lower fuel expense.

Contractors expense in the second quarter decreased by $21.4 million to $23.9 million as compared to $45.3 million in 2014. This decrease was generally in line with the decrease in Contractors revenue. As a percentage of Contractors revenue, Contractors expense was 74.5 percent as compared to 75.5 percent in 2014 due to the competitive market for subcontractors in western Canada.

Selling and Administrative Expenses

Q2 Selling and Administrative Expenses – Oilfield Services *(unaudited)* *($ millions)*	2015		2014		Change	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**9.4**	**8.5**	10.2	5.8	(0.8)	(7.8)
Communications, utilities and general supplies	**4.2**	**3.8**	5.7	3.2	(1.5)	(26.3)
Profit share	**0.7**	**0.6**	1.5	0.9	(0.8)	(53.3)
Rent and other	**1.6**	**1.4**	1.4	0.8	0.2	14.3
Total	**15.9**	**14.3**	18.8	10.7	(2.9)	(15.4)

**as a percentage of total Oilfield Services revenue*

S&A expenses were $15.9 million in the second quarter as compared to $18.8 million in 2014. This $2.9 million decrease was primarily due to cost controls as well as a $0.8 million decline in profit share expense. Somewhat offsetting these decreases in expense was the $0.3 million of incremental S&A expense associated with the acquisition of Recon. S&A expenses as a percentage of segment revenue increased by 3.6 percent to 14.3 percent in comparison to 10.7 percent in 2014 due to the overall fixed nature of these expenses relative to the $64.7 million decrease in revenue.

Operating Income

Operating income[1] in the second quarter decreased 39.6 percent to $20.3 million. The $13.3 million year over year decrease can be attributed to the $64.7 million decline in revenue. Specifically, operating income[1] decreased due to the net effect of the following:

- an $8.2 million decrease in those Operating Entities involved in the transportation of fluids and servicing of wells;
- a $3.4 million decrease from Operating Entities tied to drilling related activity;
- a $2.4 million decrease relating to those Operating Entities leveraged to the oil sands and pipeline construction projects; and
- a $0.9 million increase relating to those Operating Entities involved in drilling services including core drilling.

Operating income[1] represented as a percentage of segment revenue decreased to 18.3 percent in the second quarter from 19.1 percent in 2014, primarily due to the increase in S&A expense as a percentage of revenue.

Capital Expenditures

Net capital expenditures[1] were $2.2 million in the second quarter of 2015, a decrease of $4.4 million as compared to $6.6 million in 2014. The Oilfield Services segment had gross capital expenditures of $3.7 million and dispositions of $1.5 million for net capital expenditures[1] of $2.2 million in 2015. Gross capital expenditures mainly consisted of additional equipment being purchased by Canadian Dewatering and by those Operating Entities involved in the transportation of fluids and servicing of wells, a significant portion of which had been ordered in the prior year. The majority of the dispositions related to the sale of older trucks and trailers. In 2014 gross capital expenditures were $18.4 million and dispositions were $11.8 million for net capital expenditures[1] of $6.6 million.

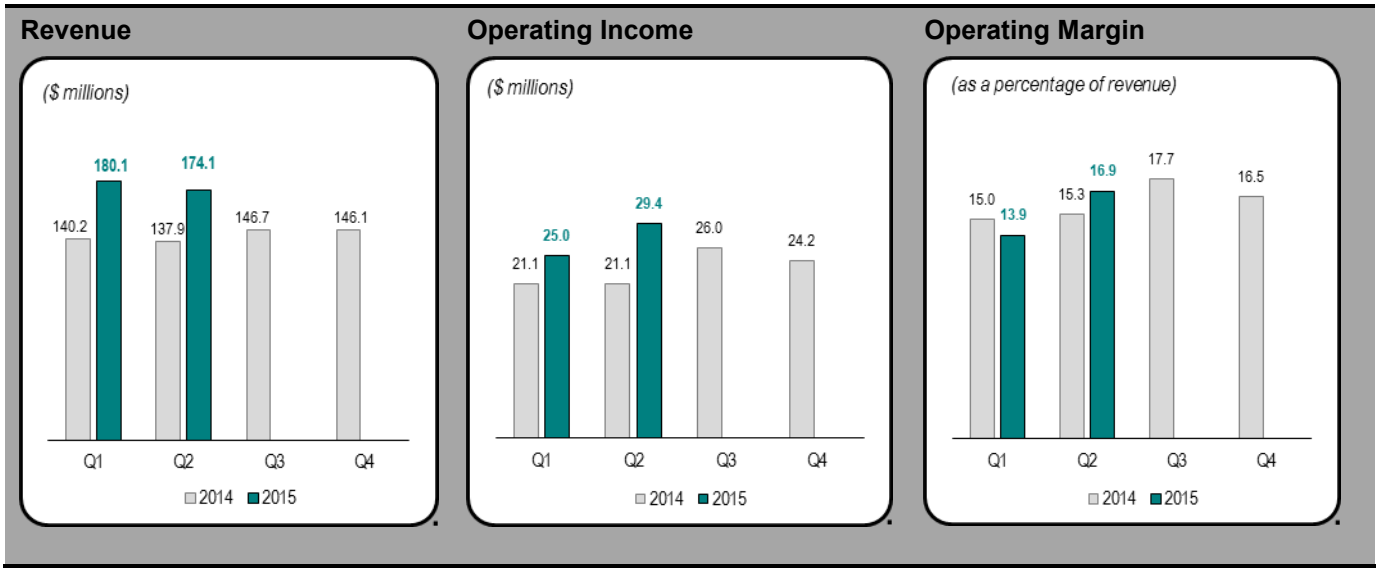
[1]Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

TRUCKING/LOGISTICS SEGMENT

The transportation and distribution of freight is a multi-billion dollar business in Canada and is generally described as both highly competitive and fragmented. The Trucking/Logistics segment provides a wide range of trucking and logistics services in Canada, as well as to and from the continental U.S. At June 30, 2015, the Trucking/Logistics segment was comprised of 11 Operating Entities that utilize both Company Equipment and Contractors.

Service Offerings	*Key Drivers and Considerations*
• *Long-Haul Trucking (T/L)*	• *Tied to general economy (i.e., GDP)*
• *Less-Than-Truckload Trucking (LTL)*	• *North American network*
• *Logistics, Intermodal and Transload Services*	• *Requires less maintenance capital*
• *Bulk Hauling*	• *Industry capacity is shrinking*

Summary – Trailing Six Quarters



General economic activity is the main driver of demand levels for our Trucking/Logistics segment. Estimates indicate that the Canadian economy contracted modestly during the second quarter of 2015 due to the substantive decline in energy related investment and a weaker Alberta economy. It is further estimated that the U.S. economy grew by 2.4 percent in the second quarter, after contracting by 0.2 percent during the first quarter.

Revenue

Q2 Revenue – Trucking/Logistics

(unaudited) ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**114.6**	**65.8**	66.0	47.9	48.6	73.6
Contractors	**59.4**	**34.1**	71.7	52.0	(12.3)	(17.2)
Other	**0.1**	**0.1**	0.2	0.1	(0.1)	(50.0)
Total	**174.1**	**100.0**	137.9	100.0	36.2	26.3

The Trucking/Logistics segment generated 61.0 percent of pre-consolidated revenue for the second quarter as compared to 43.9 percent in 2014 due to the combination of revenue declines experienced in the Oilfield Services segment and the T/L Acquisitions. Revenue in this segment increased by $36.2 million, or 26.3 percent, to

$174.1 million as compared to $137.9 million in 2014 primarily due to the T/L Acquisitions. Fuel surcharge revenue, net of the effect of the T/L Acquisitions, declined by $4.4 million to $9.7 million as compared to $14.1 million in 2014. Revenue excluding the T/L Acquisitions and the change in fuel surcharge decreased by $5.4 million or approximately 4.0 percent primarily due to a decline in demand for heavy haul transportation services.

Revenue related to Company Equipment increased by $48.6 million, or 73.6 percent, to $114.6 million as compared to $66.0 million in 2014 and represented 65.8 percent of segment revenue in the current period compared to 47.9 percent in 2014. Revenue related to Contractors decreased by $12.3 million, or 17.2 percent, to $59.4 million as compared to $71.7 million in 2014 and 34.1 percent of segment revenue in the current period as compared to 52.0 percent in 2014.

Direct Operating Expenses

Q2 Direct Operating Expenses – Trucking/Logistics

(unaudited) ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**30.9**	**27.0**	18.8	28.5	12.1	64.4
Fuel	**11.4**	**9.9**	8.7	13.2	2.7	31.0
Repairs and maintenance	**14.9**	**13.0**	9.9	15.0	5.0	50.5
Operating supplies	**2.7**	**2.4**	3.4	5.2	(0.7)	(20.6)
Other	**18.6**	**16.2**	5.3	7.9	13.3	250.9
	78.5	**68.5**	46.1	69.8	32.4	70.3
Contractors	**44.5**	**74.9**	54.2	75.6	(9.7)	(17.9)
Total	**123.0**	**70.6**	100.3	72.7	22.7	22.6

**as a percentage of respective Trucking/Logistics revenue*

DOE were $123.0 million in the second quarter as compared to $100.3 million in 2014. The increase of $22.7 million, or 22.6 percent, was directly related to the 26.3 percent increase in segment revenue. Overall as a percentage of revenue these expenses decreased by 2.1 percent to 70.6 percent as compared to 72.7 percent in 2014.

DOE related to Company Equipment increased by $32.4 million to $78.5 million from $46.1 million in 2014, due to the $48.6 million increase in Company revenue. In terms of a percentage of revenue, Company expenses decreased by 1.3 percent to 68.5 percent as compared to 69.8 percent in 2014. This 1.3 percent decrease as a percentage of Company revenue was due to the combined effect of the following:

- fuel expenses that decreased by 3.3 percent of Company revenue to 9.9 percent, or $11.4 million, as compared to 13.2 percent or $8.7 million in 2014 largely due to the year over year decrease in diesel prices;

- a $1.3 million insurance recovery; and

- the acquisition of Gardewine and, in particular, the rise in Other expenses that increased by 8.3 percent of Company revenue to 16.2 percent, or $18.6 million, as compared to 7.9 percent or $5.3 million in 2014 as a result of Gardewine's use of purchased transportation from third parties to generate Company revenue.

Contractors expense in the second quarter decreased by $9.7 million to $44.5 million as compared to $54.2 million in 2014 that was generally in line with the decrease in Contractors revenue. As a percentage of Contractors revenue, Contractors expense decreased slightly to 74.9 percent as compared to 75.6 percent in 2014 due to the competitive market for subcontractors in western Canada.

Selling and Administrative Expenses

Q2 Selling and Administrative Expenses – Trucking/Logistics *(unaudited)* *($ millions)*	2015		2014		Change	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**13.2**	**7.6**	9.2	6.7	4.0	43.5
Communications, utilities and general supplies	**5.3**	**3.0**	4.1	3.0	1.2	29.3
Profit share	**2.0**	**1.1**	1.7	1.2	0.3	17.6
Foreign exchange	**0.2**	**0.1**	0.4	0.3	(0.2)	(50.0)
Rent and other	**1.0**	**0.7**	1.1	0.8	(0.1)	(9.1)
Total	**21.7**	**12.5**	16.5	12.0	5.2	31.5

**as a percentage of total Trucking/Logistics revenue*

S&A expenses were $21.7 million in the second quarter as compared to $16.5 million in 2014. The increase of $5.2 million was primarily due to the incremental S&A costs associated with the T/L Acquisitions being somewhat offset by cost control initiatives. S&A expenses as a percentage of segment revenue increased modestly to 12.5 percent as compared to 12.0 percent in 2014 due to the T/L Acquisitions.

Operating Income

Operating income[1] for the second quarter increased to $29.4 million, or 39.3 percent, compared to $21.1 million generated in the same period last year. The increase of $8.3 million resulted primarily from the T/L Acquisitions. As a percentage of segment revenue, operating income[1] increased to 16.9 percent as compared to 15.3 percent in 2014. This 1.6 percent increase in operating margin was primarily due to the lower DOE expense somewhat offset by the acquisition of Gardewine, which currently has an operating margin that negatively impacted segment operating margin by 148 basis points.

Capital Expenditures

Net capital expenditures[1] were $7.8 million in the second quarter, an increase of $1.5 million as compared to $6.3 million in 2014. The Trucking/Logistics segment had gross capital expenditures of $8.5 million and dispositions of $0.7 million for net capital expenditures[1] of $7.8 million in 2015. Gross capital expenditures mainly consisted of the purchase of trucks and trailers, as well as various pieces of operating equipment. In 2014 gross capital expenditures were $7.0 million and dispositions were $0.7 million for net capital expenditures[1] of $6.3 million.

CORPORATE

The Corporate Office provides support to the Corporation's Operating Entities including coordinating business strategies, monitoring financial and business performance and providing shared services such as payroll services, human resource support, information technology support and accounting services. The Corporate Office also owns a network of real estate holdings and facilities, through its subsidiary MT, which are leased primarily to the Operating Entities. Such properties are leased on commercially reasonable terms. In addition, the Corporate Office is responsible for all regulatory and public reporting.

The Corporate Office experienced an operating loss of $3.3 million in the second quarter as compared to an operating loss of $2.7 million in 2014. The $0.6 million increase in operating loss was mainly attributable to a negative variance in foreign exchange and from an increase in various administrative expenses, including professional fees related to acquiring a minority equity interest in various companies. These increases were somewhat offset by lower salaries and facility repair costs.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

CONSOLIDATED FINANCIAL RESULTS – SIX MONTH PERIOD ENDED JUNE 30, 2015

Revenue

Consolidated Revenue by Segment **Six month periods ended June 30** ***(unaudited)*** ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Oilfield Services	**269.4**	**43.2**	448.5	61.7	(179.1)	(39.9)
Trucking/Logistics	**354.2**	**56.8**	278.1	38.3	76.1	27.4
Corporate and intersegment eliminations	**(1.6)**	**—**	(1.2)	—	(0.4)	—
Total	**622.0**	**100.0**	725.4	100.0	(103.4)	(14.3)

**as a percentage of pre-consolidated revenue*

Mullen Group's consolidated revenue in the first six months of 2015 decreased by $103.4 million, or 14.3 percent, to $622.0 million as compared to $725.4 million in 2014. This decrease in revenue was due to a significant decline in revenue generated by the Oilfield Services segment being partially offset by a rise in revenue generated by the Trucking/Logistics segment. The majority of this decrease in revenue, specifically $74.8 million, occurred in the first quarter.

Revenue in the Oilfield Services segment decreased by $179.1 million, or 39.9 percent, to $269.4 million as compared to $448.5 million in the same period one year earlier. This decrease was primarily due to a decrease in demand for oilfield services in western Canada due to the steep and rapid decline in crude oil and natural gas pricing, which began in the last half of 2014, that negatively impacted industry cash flows resulting in significant reductions in drilling activity and investments into capital projects including core drilling in the oil sands.

Revenue in the Trucking/Logistics segment increased by $76.1 million, or 27.4 percent, to $354.2 million from $278.1 million in 2014. This $76.1 million increase was largely due to incremental revenue resulting from the T/L Acquisitions. This increase was partially offset by a $7.9 million decrease in fuel surcharge revenue (net of T/L Acquisitions) as well as decreased demand for over-dimensional and heavy haul freight services.

Consolidated Revenue **Six month periods ended June 30** ***(unaudited)*** ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**409.8**	**65.9**	438.7	60.5	(28.9)	(6.6)
Contractors	**209.4**	**33.7**	283.9	39.1	(74.5)	(26.2)
Other	**2.8**	**0.4**	2.8	0.4	—	—
Total	**622.0**	**100.0**	725.4	100.0	(103.4)	(14.3)

Revenue related to Company Equipment decreased by $28.9 million, or 6.6 percent, to $409.8 million as compared to $438.7 million in 2014. The majority of this decrease, specifically $41.2 million, was incurred during the first quarter. Revenue related to Company Equipment represented 65.9 percent of consolidated revenue in the current period as compared to 60.5 percent in 2014. Revenue related to Contractors decreased by $74.5 million, or 26.2 percent, to $209.4 million as compared to $283.9 million in 2014, and represented 33.7 percent of consolidated revenue in the current period as compared to 39.1 percent in 2014.

Direct Operating Expenses

Consolidated Direct Operating Expenses **Six month periods ended June 30** ***(unaudited)*** ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**112.7**	**27.5**	118.5	27.0	(5.8)	(4.9)
Fuel	**37.6**	**9.2**	46.1	10.5	(8.5)	(18.4)
Repairs and maintenance	**57.4**	**14.0**	65.1	14.8	(7.7)	(11.8)
Operating supplies	**27.2**	**6.6**	38.6	8.8	(11.4)	(29.5)
Other	**44.7**	**10.9**	18.5	4.3	26.2	141.6
	279.6	**68.2**	286.8	65.4	(7.2)	(2.5)
Contractors	**157.4**	**75.2**	215.0	75.7	(57.6)	(26.8)
Total	**437.0**	**70.3**	501.8	69.2	(64.8)	(12.9)

**as a percentage of respective Consolidated revenue*

DOE were $437.0 million in the first six months of 2015 as compared to $501.8 million in 2014. The decrease of $64.8 million, or 12.9 percent, was directly related to the $103.4 million decrease in consolidated revenue. The majority of the DOE decrease, specifically $38.9 million, was directly attributable to expenses incurred during the first quarter. As a percentage of revenue these expenses increased by 1.1 percent to 70.3 percent as compared to 69.2 percent in 2014.

In 2015 DOE associated with Company Equipment decreased to $279.6 million from $286.8 million in 2014. The decrease of $7.2 million, or 2.5 percent, was due to the $74.2 million decrease in DOE within the Oilfield Services segment being almost entirely offset by increased DOE as a result of the T/L Acquisitions. As a percentage of Company revenue these expenses increased to 68.2 percent as compared to 65.4 percent in 2014. Company expenses as a percentage of Company revenue increased by 2.8 percent primarily due to a combination of a generally more competitive environment in the Oilfield Services segment.

Contractors expense in the first six months of 2015 decreased by $57.6 million to $157.4 million, as compared to $215.0 million in 2014 due to the $74.5 million decrease in Contractors revenue. As a percentage of Contractors revenue, Contractors expense decreased by 0.5 percent to 75.2 percent as compared to 75.7 percent in 2014.

Selling and Administrative Expenses

Consolidated Selling and Administrative Expenses **Six month periods ended June 30** **(*unaudited*)** ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**47.7**	**7.7**	42.2	5.8	5.5	13.0
Communications, utilities and general supplies	**21.1**	**3.4**	21.6	3.0	(0.5)	(2.3)
Profit share	**5.7**	**0.9**	10.0	1.4	(4.3)	(43.0)
Foreign exchange	**(7.1)**	**(1.1)**	(0.1)	—	(7.0)	7,000.0
Stock-based compensation	**0.7**	**0.1**	1.1	0.2	(0.4)	(36.4)
Rent and other	**5.7**	**0.8**	5.6	0.7	0.1	1.8
Total	**73.8**	**11.8**	80.4	11.1	(6.6)	(8.2)

**as a percentage of total Consolidated revenue*

S&A expenses decreased by $6.6 million to $73.8 million in the first six months of 2015 as compared to $80.4 million in 2014. This was attributable to a $7.0 million positive variance in foreign exchange, a $7.5 million reduction in S&A expenses due to cost cutting measures and the $4.3 million reduction in profit share that was partially offset by $12.2 million of incremental S&A costs associated with the T/L Acquisitions. S&A expenses as a percentage of consolidated revenue increased by 0.7 percent to 11.8 percent in comparison to 11.1 percent in 2014.

Operating Income

Operating income[1] for the first six months of 2015 decreased to $111.2 million, or 22.3 percent, as compared to $143.2 million generated in 2014. The decrease of $32.0 million was primarily due to the Oilfield Services segment that experienced a $50.7 million decrease in operating income[1]. This was somewhat offset by the Trucking/Logistics segment that experienced a $12.2 million increase in operating income[1]. In addition, Corporate costs declined by $6.5 million on a year over year basis primarily due to a $6.3 million foreign exchange gain. As a percentage of revenue, operating income[1] decreased to 17.9 percent as compared to 19.7 percent in 2014. This 1.8 percent decrease in operating margin largely was due to a generally more competitive environment in the Oilfield Services segment. Adjusted for the $6.3 million foreign exchange gain, operating income[1] would have been $104.9 million or 16.8 percent of consolidated revenue.

Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment was $36.4 million in the first six months of 2015 as compared to $34.2 million in 2014. This increase of $2.2 million was attributable to a greater amount of depreciation being recorded in the Trucking/Logistics segment and the Corporate Office, which was somewhat offset by a lower amount being recorded in the Oilfield Services segment. Depreciation in the Trucking/Logistics segment increased by $1.9 million due to the additional depreciation expense resulting from the T/L Acquisitions. Depreciation in the Corporate Office increased on a year over year basis primarily as a result of capital expenditures related to facilities. Depreciation in the Oilfield Services segment decreased by $0.5 million due to lower depreciation being recorded on core drilling rigs due to reduced drilling days and from the sale of older assets by certain Operating Entities combined with the Corporation's declining balance method of depreciation. Somewhat offsetting this decrease was an increase in depreciation due to the capital expenditures made by Canadian Dewatering and from the acquisition of Recon.

Amortization of Intangible Assets

Amortization of intangible assets was $9.5 million in the first six months of 2015 as compared to $7.8 million in 2014. The increase of $1.7 million mainly resulted from the additional amortization recorded on the intangible assets associated with the acquisitions of Gardewine, Bernard and Recon being somewhat offset by the reduction in amortization recorded on certain Operating Entities' intangible assets that have become fully amortized.

Finance Costs

Finance costs were $17.5 million in the first six months of 2015 as compared to $12.9 million in 2014. The increase of $4.6 million was mainly attributable to the additional interest expense being recorded on the 2014 Notes as well as a greater amount of interest expense being recorded on the U.S. dollar debt due to the weakening of the Canadian dollar as compared to the U.S. dollar. These increases were somewhat offset by lower interest expense resulting from repaying the Series A and Series B Notes and from lower interest expense being recorded on the Debentures due to conversions.

Net Unrealized Foreign Exchange Loss

The components of net unrealized foreign exchange loss were as follows:

	Six month periods ended June 30	
	CDN. $ Equivalent	
(unaudited) ***($ millions)***	**2015**	**2014**
Unrealized foreign exchange loss on U.S. debt	**27.9**	0.8
Unrealized foreign exchange gain on Cross-Currency Swaps	**(9.0)**	—
Net unrealized foreign exchange loss	**18.9**	0.8

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Unrealized Foreign Exchange Loss on U.S. Debt

Mullen Group recorded an unrealized foreign exchange loss of $27.9 million related to the Corporation's U.S. dollar denominated debt due to the $0.09 weakening of the Canadian dollar against the U.S. dollar in the first six months of 2015. For the same period in 2014 Mullen Group recorded an unrealized foreign exchange loss of $0.8 million due to the $0.01 weakening of the Canadian dollar against the U.S. dollar. The details of the unrealized foreign exchange loss on U.S. debt is summarized in the table below:

	Six month periods ended June 30					
	2015			2014		
(unaudited) ***($ millions, except exchange rate amount)***	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**
Ending – June 30	**314.0**	**1.2490**	**392.2**	235.0	1.0670	250.8
Beginning – January 1	**314.0**	**1.1601**	**364.3**	235.0	1.0636	250.0
Unrealized foreign exchange loss on U.S. debt			**27.9**			0.8

Unrealized Foreign Exchange Gain on Cross-Currency Swaps

Mullen Group recorded an unrealized foreign exchange gain on Cross-Currency Swaps of $9.0 million in the first six months of 2015. This was due to the change over the period in the fair value of these Cross-Currency Swaps as summarized in the table below:

	Six month periods ended June 30			
	2015		2014	
(unaudited) ***($ millions)***	**U.S. $ Swaps**	**CDN. $ Change in Fair Value of Swaps**	**U.S. $ Swaps**	**CDN. $ Change in Fair Value of Swaps**
Cross-Currency Swap maturing October 22, 2024	**117.0**	**(5.0)**	—	—
Cross-Currency Swap maturing October 22, 2026	**112.0**	**(4.0)**	—	—
Unrealized foreign exchange gain on Cross-Currency Swaps		**(9.0)**		—

Other (Income) Expense

Other expense was $7.5 million for the first six months of 2015 as compared to $4.0 million in 2014. The $3.5 million negative variance was due to the factors set forth below:

Change in fair value of investments (negative variance of $8.6 million). Mullen Group recorded a decrease in the fair value of investments of $8.5 million in the first six months of 2015 as compared to a $0.1 million increase in 2014.

Loss on sale of property, plant and equipment (positive variance of $4.5 million). Mullen Group recognized a nominal loss on sale of property, plant and equipment on total consolidated proceeds on sale of $3.8 million in the first six months of 2015 as compared to a $4.5 million loss on sale of property, plant and equipment on total consolidated proceeds on sale of $16.9 million in 2014.

Earnings from Equity Investments (positive variance of $0.6 million). Mullen Group recognized $1.0 million of earnings from equity investments in the first six months of 2015 as compared to $0.4 million in 2014. Mullen Group purchased $5.6 million of equity investments in the first six months of 2015.

Income Taxes

(unaudited) *($ millions)*	Six month periods ended June 30	
	2015	**2014**
Income before income taxes	**$ 21.4**	$ 83.5
Combined statutory tax rate	**26%**	26%
Expected income tax	**5.6**	21.7
Add (deduct):		
Non-deductible portion of net unrealized foreign exchange loss	**2.5**	0.1
Non-deductible portion of the change in fair value of investments	**1.1**	—
Increase in income tax due to changes in income tax rates	**5.5**	—
Stock-based compensation expense	**0.2**	0.3
Other	**2.8**	(0.5)
Income tax expense	**$ 17.7**	$ 21.6

Income tax expense was $17.7 million in the first six months of 2015 as compared to $21.6 million in 2014. The decrease of $3.9 million was mainly attributable to the lower amount of income generated in 2015 as compared to 2014. This decrease was somewhat offset by the effect of the Government of Alberta's decision to raise its corporate income tax rate by 2.0 percent effective July 1, 2015.

Net Income

(unaudited) *($ millions, except share and per share amounts)*	Six month periods ended June 30		
	2015	**2014**	**% Change**
Net income	**$ 3.7**	$ 61.9	(94.0)
Weighted average number of Common Shares outstanding	**91,644,560**	91,145,145	0.5
Earnings per share – basic	**$ 0.04**	$ 0.68	(94.1)

Net income decreased to $3.7 million in the first six months of 2015 as compared to $61.9 million in 2014. The factors contributing to the decrease in net income include:

- a $32.0 million decrease in operating income[1];
- an $18.1 million negative variance in net unrealized foreign exchange;
- an $8.6 million negative variance in the fair value of investments;
- a $4.6 million increase in finance costs;
- a $2.2 million increase in depreciation of property, plant and equipment; and
- a $1.7 million increase in amortization of intangibles.

These factors were somewhat offset by the following factors that increased net income:

- a $4.5 million decrease in loss on sale of property, plant and equipment;

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

- a $3.9 million decrease in income tax expense; and
- a $0.6 million increase in earnings from equity investments.

Basic earnings per share decreased to $0.04 in the first six months of 2015 as compared to $0.68 in 2014. This decrease resulted from the combined effect of the $58.2 million decrease in net income and an increase in the weighted average number of Common Shares outstanding. The weighted average number of Common Shares outstanding increased from 91,145,145 to 91,644,560 due to the issuance of Common Shares from the exercise of stock options.

Net Income – Adjusted and Earnings per Share – Adjusted

The following table illustrates net income and basic earnings per share before considering the impact of both the net unrealized foreign exchange gains or losses and the change in fair value of investments. Net income and basic earnings per share have been adjusted to reflect earnings from a strictly operating perspective.

(unaudited)	**Six month periods ended June 30**	
($ millions, except share and per share amounts)	**2015**	**2014**
Income before income taxes	**$ 21.4**	$ 83.5
Add (deduct):		
Net unrealized foreign exchange loss	**18.9**	0.8
Change in fair value of investments	**8.5**	(0.1)
Income before income taxes – adjusted	**48.8**	84.2
Income tax rate	**26%**	26%
Computed expected income tax expense	**12.7**	21.9
Net income – adjusted[1]	**36.1**	62.3
Weighted average number of Common Shares outstanding – basic	**91,644,560**	91,145,145
Earnings per share – adjusted[1]	**$ 0.39**	$ 0.68

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

[The remainder of this page intentionally left blank.]

SEGMENTED INFORMATION – SIX MONTH PERIOD ENDED JUNE 30, 2015

Six month period ended June 30, 2015 *(unaudited)* *($ millions)*	Oilfield Services	Trucking /Logistics	Corporate and Intersegment eliminations	Total
	$	$	$	$
Revenue	**269.4**	**354.2**	**(1.6)**	**622.0**
Direct operating expenses	**183.7**	**256.6**	**(3.3)**	**437.0**
Selling and administrative expenses	**32.9**	**43.2**	**(2.3)**	**73.8**
Operating income[1]	**52.8**	**54.4**	**4.0**	**111.2**

Six month period ended June 30, 2014 *(unaudited)* *($ millions)*	Oilfield Services	Trucking /Logistics	Corporate and Intersegment eliminations	Total
	$	$	$	$
Revenue	448.5	278.1	(1.2)	725.4
Direct operating expenses	302.6	203.2	(4.0)	501.8
Selling and administrative expenses	42.4	32.7	5.3	80.4
Operating income[1]	103.5	42.2	(2.5)	143.2

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

OILFIELD SERVICES SEGMENT

Drilling activity in the western Canada sedimentary basin, as reported in terms of active rig count, total wells drilled and length of metres drilled within such wells, improved in 2015 as compared to the prior year. Industry statistics indicate that the average active rig count was 193 rigs during 2015 as compared to 359 active rigs in 2014, a decrease of 166 rigs or 46.2 percent. In addition, total wells drilled in 2015 decreased by 47.1 percent to 2,623 wells drilled in the period as compared to 4,956 wells drilled in 2014. The length of metres drilled within such wells decreased by 42.8 percent during the period to 6.49 million metres as compared to 11.34 million metres in 2014.

The number of wells completed on a geographic basis for the quarter was as follows:

	Six month periods ended June 30			
	2015	**2014**	**# Change**	**% Change**
British Columbia	**288**	345	(57)	(16.5)
Alberta	**1,353**	3,083	(1,730)	(56.1)
Saskatchewan	**884**	1,387	(503)	(36.3)
Manitoba	**98**	138	(40)	(29.0)
Northwest Territories	**—**	3	(3)	(100.0)
Total	**2,623**	4,956	(2,333)	(47.1)

source: JuneWarren-Nickle's Energy Group – wells completed on rig release basis.

Revenue

Revenue – Oilfield Services Six month periods ended June 30 *(unaudited)* *($ millions)*	2015		2014		Change	
	$	%	$	%	$	%
Company	**181.8**	**67.5**	301.1	67.1	(119.3)	(39.6)
Contractors	**86.6**	**32.1**	145.4	32.4	(58.8)	(40.4)
Other	**1.0**	**0.4**	2.0	0.5	(1.0)	(50.0)
Total	**269.4**	**100.0**	448.5	100.0	(179.1)	(39.9)

The Oilfield Services segment generated 43.2 percent of pre-consolidated revenue in the first six months of 2015 as compared to 61.7 percent in 2014. Revenue in this segment decreased by $179.1 million, or 39.9 percent, to $269.4 million as compared to $448.5 million in 2014 due to lower drilling activity, intense competition and the timing of large diameter pipeline construction projects. The majority of this decrease, specifically $114.4 million, occurred in the first quarter. Specific factors affecting the Oilfield Services segments' year to date revenue were:

- a $91.4 million decrease in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells;
- a $43.0 million decrease in revenue generated by those Operating Entities most directly tied to oil and natural gas drilling activity;
- a $26.9 million decrease in revenue generated by those Operating Entities providing drilling services including core drilling for the oil sands; and
- a $17.9 million decrease in revenue generated by those Operating Entities providing specialized services to pipeline construction and the oil sands industries.

Direct Operating Expenses

Direct Operating Expenses – Oilfield Services Six month periods ended June 30 *(unaudited)* *($ millions)*	2015		2014		Change	
	$	%*	$	%*	$	%
Company						
Wages and benefits	**50.8**	**27.9**	80.5	26.7	(29.7)	(36.9)
Fuel	**13.0**	**7.2**	27.5	9.1	(14.5)	(52.7)
Repairs and maintenance	**29.1**	**16.0**	45.6	15.1	(16.5)	(36.2)
Operating supplies	**17.6**	**9.7**	28.7	9.5	(11.1)	(38.7)
Other	**7.5**	**4.1**	9.9	3.4	(2.4)	(24.2)
	118.0	**64.9**	192.2	63.8	(74.2)	(38.6)
Contractors	**65.7**	**75.9**	110.4	75.9	(44.7)	(40.5)
Total	**183.7**	**68.2**	302.6	67.5	(118.9)	(39.3)

**as a percentage of respective Oilfield Services revenue*

DOE were $183.7 million in 2015 as compared to $302.6 million in 2014. The decrease of $118.9 million, or 39.3 percent, was directly related to the $179.1 million decline in segment revenue. As a percentage of revenue these expenses increased by 0.7 percent to 68.2 percent compared to 67.5 percent in 2014.

In 2015 DOE associated with Company Equipment decreased by $74.2 million, or 38.6 percent, to $118.0 million from $192.2 million in 2014. This $74.2 million decrease was directly related to the $119.3 million decrease in Company revenue. As a percentage of Company revenue these expenses increased to 64.9 percent compared to 63.8 percent in 2014 primarily due to a generally more competitive operating environment experienced by those Operating Entities involved in the transportation of fluids and servicing of wells.

Contractors expense in 2015 decreased to $65.7 million, as compared to $110.4 million in 2014. This $44.7 million decrease was directly related to the $58.8 million decrease in Contractors revenue. As a percentage of Contractors revenue, Contractors expense remained constant at 75.9 percent.

Selling and Administrative Expenses

Selling and Administrative Expenses – Oilfield Services **Six month periods ended June 30** ***(unaudited)*** ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**19.1**	**7.1**	21.7	4.8	(2.6)	(12.0)
Communications, utilities and general supplies	**8.9**	**3.3**	11.5	2.6	(2.6)	(22.6)
Profit share	**1.8**	**0.7**	6.6	1.5	(4.8)	(72.7)
Rent and other	**3.1**	**1.1**	2.6	0.5	0.5	19.2
Total	**32.9**	**12.2**	42.4	9.4	(9.5)	(22.4)

**as a percentage of total Oilfield Services revenue*

S&A expenses in 2015 decreased by $9.5 million to $32.9 million as compared to $42.4 million in 2014. S&A expenses as a percentage of segment revenue increased by 2.8 percent to 12.2 percent due to the overall fixed nature of these expenses relative to the $179.1 million decline in segment revenue.

Operating Income

Operating income[1] in 2015 decreased by 49.0 percent to $52.8 million. The $50.7 million year over year decrease can be attributed to the following:

- a $19.0 million decrease in those Operating Entities involved in the transportation of fluids and servicing of wells;
- a $12.6 million decrease from Operating Entities providing drilling services;
- a $10.0 million decrease from Operating Entities tied to drilling related activity; and
- an $8.9 million decrease relating to those Operating Entities leveraged to the oil sands and pipeline construction projects.

Operating income[1] represented as a percentage of segment revenue, decreased to 19.6 percent in 2015 from 23.1 percent in 2014. The 3.5 percent decrease in operating margin was largely due to the increase in S&A expense as a percentage of segment revenue.

Capital Expenditures

Net capital expenditures[1] were $6.7 million in the first six months of 2015, a decrease of $9.1 million as compared to $15.8 million in 2014. The Oilfield Services segment had gross capital expenditures of $9.4 million and dispositions of $2.7 million for net capital expenditures[1] of $6.7 million in 2015. Gross capital expenditures mainly consisted of additional equipment being purchased by those Operating Entities involved in the transportation of fluids and servicing of wells, a significant portion of which had been ordered in the prior year. The majority of the dispositions related to the sale of older trucks and trailers. In 2014 gross capital expenditures were $31.7 million and dispositions were $15.9 million for net capital expenditures[1] of $15.8 million.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

TRUCKING/LOGISTICS SEGMENT

Revenue

Revenue – Trucking/Logistics **Six month periods ended June 30** ***(unaudited)*** ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**228.0**	**64.4**	137.5	49.4	90.5	65.8
Contractors	**125.9**	**35.5**	140.2	50.4	(14.3)	(10.2)
Other	**0.3**	**0.1**	0.4	0.2	(0.1)	(25.0)
Total	**354.2**	**100.0**	278.1	100.0	76.1	27.4

The Trucking/Logistics segment generated 56.8 percent of pre-consolidated revenue in 2015 as compared to 38.3 percent in 2014. Revenue in this segment increased by $76.1 million, or 27.4 percent, to $354.2 million as compared to $278.1 million in 2014 primarily due to the T/L Acquisitions. This increase was partially offset by decreased fuel surcharge revenue and decreased demand for heavy haul freight services in western Canada. Fuel surcharge revenue, net of the effect of the T/L Acquisitions, decreased by $7.9 million to $19.6 million from $27.5 million in 2014.

Direct Operating Expenses

Direct Operating Expenses – Trucking/Logistics **Six month periods ended June 30** ***(unaudited)*** ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**61.9**	**27.1**	38.0	27.6	23.9	62.9
Fuel	**24.6**	**10.8**	18.7	13.6	5.9	31.6
Repairs and maintenance	**28.3**	**12.4**	19.5	14.2	8.8	45.1
Operating supplies	**9.6**	**4.2**	9.9	7.2	(0.3)	(3.0)
Other	**37.4**	**16.5**	10.7	7.8	26.7	249.5
	161.8	**71.0**	96.8	70.4	65.0	67.1
Contractors	**94.8**	**75.3**	106.4	75.9	(11.6)	(10.9)
Total	**256.6**	**72.4**	203.2	73.1	53.4	26.3

**as a percentage of respective Trucking/Logistics revenue*

DOE in 2015 were $256.6 million as compared to $203.2 million in 2014. The increase of $53.4 million, or 26.3 percent, was due to higher DOE associated with Company Equipment. Overall as a percentage of revenue these expenses decreased by 0.7 percent to 72.4 percent as compared to 73.1 percent in 2014.

DOE related to Company Equipment increased by $65.0 million to $161.8 million from $96.8 million, primarily due to incremental DOE as a result of the T/L Acquisitions. In terms of a percentage of revenue, Company expenses increased to 71.0 percent as compared to 70.4 percent in 2014. This 0.6 percent increase as a percentage of Company revenue was due to the combined effect of the following:

- the acquisition of Gardewine and, in particular, the rise in Other expenses that increased by 8.7 percent of Company revenue to 16.5 percent, or $37.4 million, as compared to 7.8 percent or $10.7 million in 2014 as a result of Gardewine's use of purchased transportation from third parties to generate Company revenue; and

- fuel expenses that decreased by 2.8 percent of Company revenue to 10.8 percent, or $24.6 million, as compared to 13.6 percent or $18.7 million in 2014 largely due to the year over year decrease in diesel prices.

Contractors expense in 2015 decreased by $11.6 million to $94.8 million, as compared to $106.4 million in 2014 due to the $14.3 million decline in Contractors revenue. As a percentage of Contractors revenue, Contractors expense decreased to 75.3 percent as compared to 75.9 percent in 2014.

Selling and Administrative Expenses

Selling and Administrative Expenses – Trucking/Logistics
Six month periods ended June 30

(unaudited) ***($ millions)***	**2015**		**2014**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**26.6**	**7.5**	18.7	6.7	7.9	42.2
Communications, utilities and general supplies	**11.2**	**3.2**	8.6	3.1	2.6	30.2
Profit share	**3.9**	**1.1**	3.4	1.2	0.5	14.7
Foreign exchange	**(0.7)**	**(0.2)**	(0.1)	—	(0.6)	600.0
Rent and other	**2.2**	**0.6**	2.1	0.7	0.1	4.8
Total	**43.2**	**12.2**	32.7	11.7	10.5	32.1

**as a percentage of total Trucking/Logistics revenue*

S&A expenses were $43.2 million in 2015 as compared to $32.7 million in 2014. The increase of $10.5 million was primarily due to the T/L Acquisitions. S&A expenses as a percentage of segment revenue increased by 0.5 percent to 12.2 percent in comparison to 11.7 percent in 2014 due to the effect of the T/L Acquisitions.

Operating Income

Operating income[1] in 2015 increased by $12.2 million to $54.4 million, or 28.9 percent, as compared to $42.2 million generated in the same period last year. As a percentage of segment revenue, operating income[1] increased by 0.2 percent to 15.4 percent as compared to 15.2 percent in 2014. This 0.2 percent increase in operating margin was primarily due to the lower DOE expense being somewhat offset by the acquisition of Gardewine, which currently has an operating margin below the segment average. Gardewine's lower margin negatively impacted segment operating margin by 183 basis points.

Capital Expenditures

Net capital expenditures[1] were $13.0 million in the first six months of 2015, an increase of $2.8 million as compared to $10.2 million in 2014. The Trucking/Logistics segment had gross capital expenditures of $14.1 million and dispositions of $1.1 million for net capital expenditures[1] of $13.0 million in 2015. Gross capital expenditures mainly consisted of the purchase of trucks and trailers as well as various pieces of operating equipment. In 2014 gross capital expenditures were $11.3 million and dispositions were $1.1 million for net capital expenditures[1] of $10.2 million.

CORPORATE

The Corporate Office generated operating income[1] of $4.0 million in the first six months of 2015 as compared to an operating loss of $2.5 million in 2014. The $6.5 million increase in operating income[1] was mainly attributable to a positive variance in foreign exchange. In the first six months of 2015, the Corporate Office recorded a foreign exchange gain of $6.3 million related to its $70.8 million of U.S. dollar denominated cash due to the $0.09 strengthening of the U.S. dollar relative to the Canadian dollar.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

CAPITAL RESOURCES AND LIQUIDITY

Consolidated Cash Flow Summary

(unaudited) *($ millions)*	Six month periods ended June 30	
	2015	**2014**
Net cash from operating activities	**$ 104.6**	$ 118.5
Net cash used in financing activities	**(74.2)**	(58.2)
Net cash used in investing activities	**(224.1)**	(27.8)
Change in cash and cash equivalents	**(193.7)**	32.5
Effect of exchange rate fluctuations on cash held	**6.6**	(0.1)
Cash and cash equivalents, beginning of period	**325.4**	58.2
Cash and cash equivalents, end of period	**$ 138.3**	$ 90.6

Sources and Uses of Cash

Net cash from operating activities in the first six months of 2015 decreased to $104.6 million as compared to $118.5 million in 2014. The decrease of $13.9 million, or 11.7 percent, was mainly due to a $32.0 million reduction in operating income[1]. This item was somewhat offset by an $18.6 million change in non-cash working capital items from operating activities in 2015 as compared to 2014 and to a lesser extent, a $6.6 million reduction in the amount of income taxes paid in 2015.

The change in non-cash working capital items from operating activities is detailed in the table below.

Changes in Non-Cash Working Capital Items from Operating Activities

(unaudited) *($ millions)*	Six month periods ended June 30		
	2015	**2014**	**Variance**
	$	**$**	**$**
Sources (uses) of cash			
Trade and other receivables	**64.9**	23.7	41.2
Inventory	**(3.4)**	(1.7)	(1.7)
Prepaid expenses	**(7.5)**	(7.6)	0.1
Accounts payable and accrued liabilities	**(30.9)**	(9.9)	(21.0)
Total sources (uses) of cash from non-cash working capital items	**23.1**	4.5	18.6

Operating Activities

In the first six months of 2015, Mullen Group generated $23.1 million of cash from changes in non-cash working capital items from operating activities as compared to generating $4.5 million of cash in 2014. This $18.6 million variance was mainly due to the factors listed below.

- An additional $41.2 million of cash was generated from trade and other receivables that resulted from the combined effect of a $64.9 million source of cash in 2015 as compared to a $23.7 million source of cash in 2014. These sources of cash resulted from Mullen Group collecting more receivables than it generated during the six month periods in 2015 and 2014.

- An additional $0.1 million of cash was generated from prepaid expenses that resulted from the combined effect of a $7.5 million use of cash in 2015 as compared to a $7.6 million use of cash in 2014.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Somewhat offsetting these items was the following:

- An additional $21.0 million of cash was used in accounts payable and accrued liabilities that resulted from the combined effect of a $30.9 million use of cash in 2015 and a $9.9 million use of cash in 2014. These uses of cash resulted from Mullen Group paying more of its payables than it incurred during the six month periods in 2015 and 2014.

- An additional $1.7 million of cash was used in inventory that resulted from the combined effect of a $3.4 million use of cash in 2015 as compared to a $1.7 million use of cash in 2014.

Financing Activities

Net cash used in financing activities increased to $74.2 million in the first six months of 2015 as compared to $58.2 million in 2014. This $16.0 million increase was mainly due to the factors set forth below.

- A reduction of $8.9 million of cash received from the exercise of stock options.

- A $4.2 million increase in interest paid, which was due to the issuance of the 2014 Notes being somewhat offset by the repayment of the Series A and Series B Notes.

- A $2.8 million increase in the repayment of long-term debt and loans in 2015 as compared to 2014. The increase of $2.8 million was mainly due to repaying $2.0 million of shareholder loans assumed in the acquisition of Gardewine.

- A $0.4 million increase in dividends paid to shareholders in the first six months of 2015 as compared to 2014, due to an increase in the number of Common Shares outstanding, which resulted from the exercise of stock options.

Investing Activities

Net cash used in investing activities increased to $224.1 million in the first six months of 2015 as compared to $27.8 million in 2014. This $196.3 million increase was mainly due to the factors set forth below.

- A $166.0 million increase in cash used to acquire Gardewine.

- A $15.7 million increase in net capital expenditures[1] was mainly due to a reduction in proceeds on sale of equipment. In 2014 Mullen Group disposed of $16.9 million of equipment, the majority of which occurred in the Oilfield Services segment. In 2015 Mullen Group disposed of only $3.8 million of equipment.

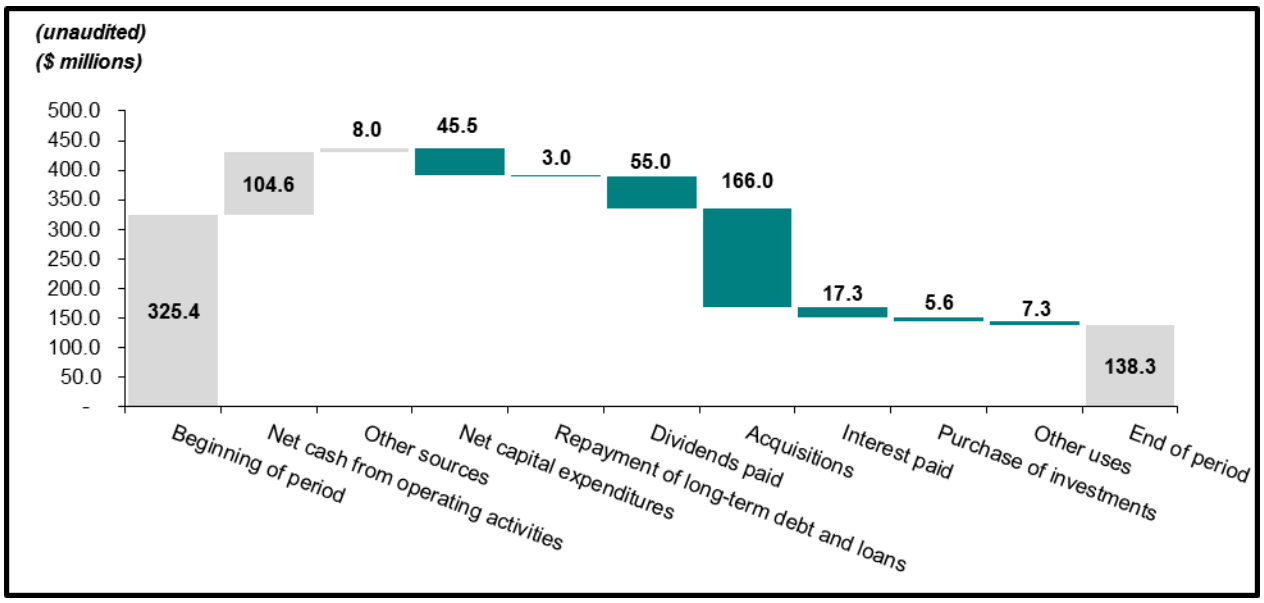
- A $5.6 million increase in the purchase of investments from acquiring minority equity interests in Cordova and Envolve.

- A $2.5 million increase in other assets that was mainly due to a $2.5 million debenture issued in conjunction with the equity investment in Envolve.

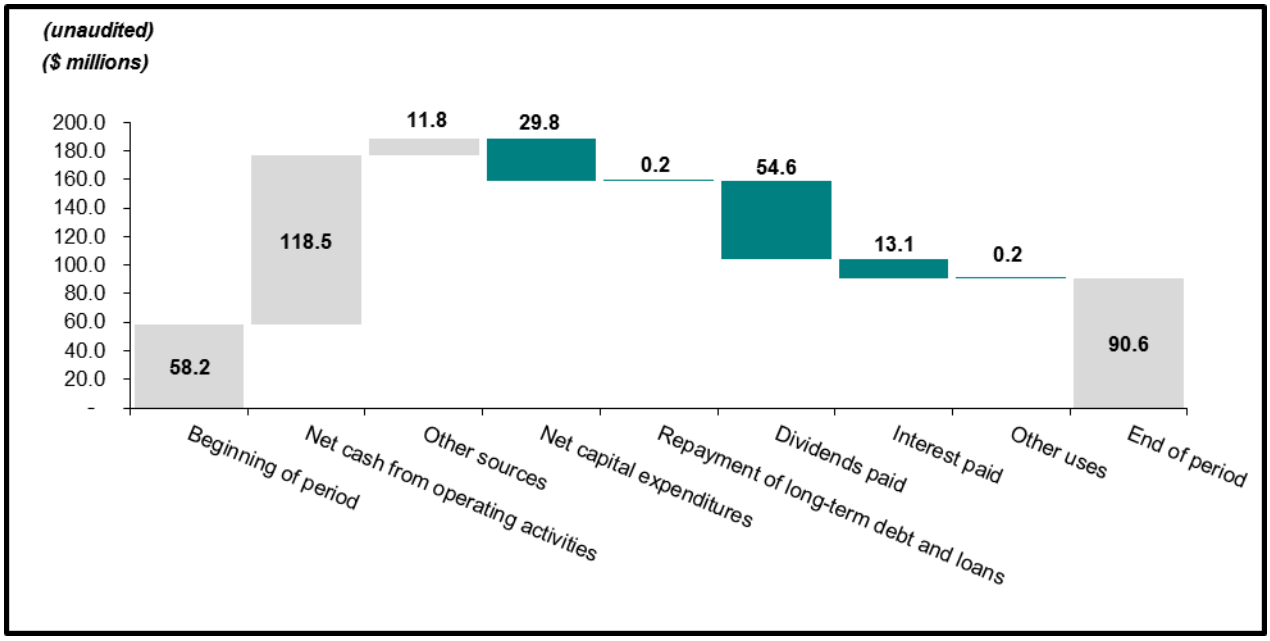
[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

The following charts present the sources and uses of cash for comparative purposes.

Six month period ended June 30, 2015



Six month period ended June 30, 2014



In addition to the $104.6 million (2014 – $118.5 million) of net cash from operating activities, Mullen Group also received $8.0 million (2014 – $11.8 million) of cash from other sources, which mainly consisted of the change in non-cash working capital items from financing activities, the exercise of stock options and interest income generated on cash and cash equivalents. Cash was used to fund acquisitions of $166.0 million (2014 – nil), repay long-term debt and loans of $3.0 million (2014 – $0.2 million), pay dividends totalling $55.0 million (2014 – $54.6 million), incur net capital expenditures[1] of $45.5 million (2014 – $29.8 million), pay interest obligations of $17.3 million (2014 – $13.1 million) and purchase investments of $5.6 million (2014 – nil).

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Working Capital

At June 30, 2015, Mullen Group had $194.9 million (December 31, 2014 – $460.5 million) of working capital, which included $138.3 million (December 31, 2014 – $325.4 million) of cash and cash equivalents. The majority of the decline in working capital was related to the $166.0 million investment to acquire Gardewine and the reclassification of $70.0 million of long-term debt to a current liability. Mullen Group also had access to additional funding of $75.0 million from its credit facility with the Royal Bank of Canada (the "**Bank Credit Facility**"). This working capital, the Bank Credit Facility and the anticipated cash flow from operating activities in 2015 are available to finance Mullen Group's ongoing working capital requirements, dividends declared by the Board, its 2015 capital expenditure budget, as well as various special projects and acquisition opportunities.

Dividends

Mullen Group declared dividends of $1.20 per Common Share ($0.10 per Common Share on a monthly basis) in 2014. On December 17, 2014, Mullen Group's Board announced its intention to continue the practice of paying annual dividends of $1.20 per Common Share ($0.10 per Common Share on a monthly basis) for 2015. The Board will continue to consider the amount of and the record date for the monthly dividend.

Mullen Group declared monthly dividends of $0.10 per Common Share in the first six months of 2015 totalling $0.60 per Common Share (2014 – $0.60 per Common Share). At June 30, 2015, Mullen Group had 91,657,289 Common Shares outstanding and a dividend payable of $9.2 million (December 31, 2014 – $9.2 million), which was paid on July 15, 2015. Mullen Group also declared its monthly dividend of $0.10 per Common Share on July 20, 2015 to the holders of record at the close of business on July 31, 2015.

[The remainder of this page intentionally left blank.]

Debt

As at June 30, 2015, Mullen Group had net debt[1] outstanding of $471.5 million, (December 31, 2014 – $244.5 million), which consisted of total debt of $737.9 million (December 31, 2014 – $705.0 million) less working capital (excluding the current portion of long-term debt) of $266.4 million (December 31, 2014 – $460.5 million). Total debt is comprised of the Private Placement Debt, Debentures and Various Financing Loans. The following table summarizes Mullen Group's total and net debt[1] as at June 30, 2015, and December 31, 2014:

		June 30, 2015		December 31, 2014	
($ millions)	**Interest Rate**	**U.S. Dollar**	**CDN. Dollar Equivalent**	**U.S. Dollar**	**CDN. Dollar Equivalent**
Private Placement Debt:					
Series C – matures June 30, 2016	5.60%	$ —	$ 70.0	$ —	$ 70.0
Series D – matures June 30, 2018	5.76%	—	70.0	—	70.0
Series E – matures September 27, 2017	5.90%	85.0	106.2	85.0	98.6
Series F – matures September 27, 2017	5.47%	—	20.0	—	20.0
Series G – matures October 22, 2024	3.84%	117.0	146.1	117.0	135.7
Series H – matures October 22, 2026	3.94%	112.0	140.0	112.0	129.9
Series I – matures October 22, 2024	3.88%	—	30.0	—	30.0
Series J – matures October 22, 2026	4.00%	—	3.0	—	3.0
Series K – matures October 22, 2024	3.95%	—	58.0	—	58.0
Series L – matures October 22, 2026	4.07%	—	80.0	—	80.0
Bank Credit Facility	variable[(1)]	—	—	—	—
Various Financing Loans	3.63% - 7.68%	—	4.7	—	—
Less:					
Unamortized debt issuance costs		—	(2.2)	—	(2.3)
Long-term debt (including the current portion)		314.0	725.8	314.0	692.9
Debentures – debt component	10.0%	—	12.1	—	12.1
Total debt		$ 314.0	$ 737.9	$ 314.0	$ 705.0
Less:					
Working capital (excluding the current portion of long-term debt)			266.4		460.5
Net debt[(2)]			$ 471.5		$ 244.5

(1) Bank prime rate plus 0.5 percent or bankers' acceptance rates plus 1.5 percent.
(2) Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Private Placement Debt Financial Covenants

Mullen Group has certain financial covenants under its Private Placement Debt. The terms and thresholds of these financial covenants did not change upon the issuance of the 2014 Notes. There are two main financial covenants, as summarized below:

Total Debt to Operating Cash Flow. Mullen Group's total debt cannot exceed 3.5 times operating cash flow calculated using the trailing twelve months' financial results normalized for acquisitions. The term "**total debt**" means all debt including the Private Placement Debt, the Bank Credit Facility, Various Financing Loans and letters of credit, excluding the Debentures. The term "**operating cash flow**" means, for any quarterly period, the trailing twelve months' consolidated net income adjusted for all amounts deducted in the computation thereof on account of (i) taxes imposed on or measured by income or excess profits, (ii) depreciation and amortization taken during such period, (iii) total interest charges, including interest on the Debentures; and (iv) non-cash charges. Mullen Group's total debt to operating cash flow financial covenant under its Private Placement Debt enables the Corporation to include the trailing twelve months operating cash flows from acquisitions. Mullen Group has not included the trailing twelve months of operating cash flows from its most recent acquisitions.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Total debt to operating cash flow was calculated as follows:

Total debt to operating cash flow	June 30 2015	March 31 2015	December 31 2014
Total debt	$ 727.3	$ 733.4	$ 694.5
Operating cash flow	$ 255.0	$ 260.5	$ 287.4
Total debt to operating cash flow	2.85:1	2.82:1	2.42:1

Total Earnings Available for Fixed Charges to Total Fixed Charges. Mullen Group cannot have a fixed charge coverage ratio less than 1.75:1 calculated using the trailing twelve months financial results.

Mullen Group, as evidenced by the table below, is in compliance with both of the aforementioned covenants.

Financial Covenants	Financial Covenant Threshold	June 30 2015	March 31 2015	December 31 2014
Private Placement Debt Covenants				
(a) Total debt to operating cash flow cannot exceed	3.50:1	2.85:1	2.82:1	2.42:1
(b) Total earnings available for fixed charges to total fixed charges cannot be less than	1.75:1	4.37:1	4.63:1	5.30:1

Mullen Group's debt-to-equity ratio was 0.87:1 at June 30, 2015, as compared to 0.78:1 at December 31, 2014. This increase in the debt-to-equity ratio was due to the net effect of a $32.9 million increase in long-term debt (including the current portion) and a $49.9 million decrease in equity as compared to December 31, 2014. The $32.9 million increase in long-term debt was mainly due to the effect of the $27.9 million unrealized foreign exchange loss on the Corporation's U.S. dollar denominated debt and from the $5.8 million of debt assumed on the Gardewine acquisition. The $49.9 million decrease in equity mainly resulted from the $55.0 million of dividends declared to shareholders in 2015. This item was somewhat offset by the $3.7 million of net income recognized in 2015 and $0.8 million from the exercise of stock options.

Contractual Obligations

An overview of Mullen Group's contractual obligations can be found on page 36 of the 2014 MD&A. As at June 30, 2015, Mullen Group's contractual obligations have not changed significantly from this overview.

Share Capital

The authorized share capital of Mullen Group consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. The number of, and the specific rights, privileges, restrictions and conditions attaching to any series of Preferred Shares shall be determined by the Board prior to the creation and issuance thereof. As at the date hereof, no series of Preferred Shares has been created.

Common Shares

Common Shares Authorized: Unlimited Number	# of Common Shares	Amount *($ millions)*
Balance at December 31, 2014	91,610,709	$ 777.3
Common Shares issued on exercise of stock options	46,580	1.0
Balance at June 30, 2015	**91,657,289**	**$ 778.3**

At June 30, 2015, Mullen Group had 91,657,289 Common Shares outstanding representing $778.3 million in share capital, an increase of $1.0 million as compared to $777.3 million at December 31, 2014. This increase was due to an additional $1.0 million recorded on the issuance of 46,580 Common Shares in relation to the exercise of stock options during the period.

Convertible Unsecured Subordinated Debentures

On May 1, 2009, Mullen Group issued $125.0 million of Debentures, by way of private placement, at a price of $1,000 per Debenture. The Debentures mature on July 1, 2018, and bear interest at an annual rate of 10.0 percent payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year. Each $1,000 Debenture is convertible into 93.2 Common Shares of Mullen Group (or a conversion price of $10.73) at any time at the option of the holders of the Debentures. As at the date of issuance, an aggregate of approximately 11.65 million Common Shares of Mullen Group would be issued if all holders converted their principal amount. In addition to the principal amount, as Debentures are converted, any accrued and unpaid interest is also converted into Common Shares of Mullen Group at a conversion price of $10.73.

The details of the Debentures are as follows:

($ millions)		**June 30, 2015**		**December 31, 2014**	
Year of Maturity	**Nominal Interest Rate**	**Face Value**	**Carrying Amount**	**Face Value**	**Carrying Amount**
2018	10%	**$ 12.4**	**$ 12.1**	$ 12.4	$ 12.1

As at June 30, 2015, on a cumulative basis, a total of 112,555 Debentures representing $112.6 million of aggregate principal amount had been converted into 10,686,804 Common Shares of Mullen Group. As such, Mullen Group had 12,445 Debentures outstanding that could be converted into an aggregate of approximately 1,159,874 Common Shares of the Corporation. As subordinated debt, the accounting value assigned to the Debentures, including any related interest expense, is excluded from Mullen Group's financial covenant calculations on its Private Placement Debt. The Debentures are also subordinated to the Bank Credit Facility.

Stock Option Plan

	Options	**Weighted average exercise price**
Outstanding – December 31, 2014	1,421,767	$ 20.94
Granted	1,090,000	20.77
Exercised	(46,580)	(16.83)
Forfeited	(62,222)	(21.58)
Outstanding – June 30, 2015	**2,402,965**	**$ 20.93**
Exercisable – June 30, 2015	**872,965**	**$ 19.24**

The total number of options available to be issued under the stock option plan cannot exceed 4,000,000. On May 4, 2015, Mullen Group issued 1,090,000 stock options under its stock option plan at an exercise price of $20.77 with a vesting date of May 4, 2018. There were 46,580 stock options exercised and 62,222 stock options forfeited in the first six months of 2015. As at June 30, 2015, Mullen Group had 2,402,965 stock options outstanding under the stock option plan.

SUMMARY OF QUARTERLY RESULTS

Seasonality of Operations

A significant portion of Mullen Group's operations relates to the moving of heavy equipment, drilling rigs and drilling supplies such as oilfield fluids, tubulars and drilling mud and providing services such as conductor pipe-setting, core drilling and casing setting in northern and western Canada. Earnings are influenced by the seasonal activity pattern of western Canada's oil and natural gas exploration industry whereby activity peaks in the winter months and declines during the spring when wet weather and the spring thaw make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Additionally, certain oil and natural gas producing areas are only accessible in the winter months because the ground surrounding the drilling sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies and corresponding declines in the demand for the goods and services provided by Mullen Group. As a result, the demand for these services is traditionally highest in the first quarter and lowest in the second quarter.

Financial Results

	TTM[1]	2015		2014				2013	
(unaudited)		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
($ millions, except per share amounts)	$	$	$	$	$	$	$	$	$
Revenue	**1,324.5**	284.8	**337.2**	**345.2**	**357.3**	**313.4**	**412.0**	367.4	374.0
Operating income[2]	**252.7**	46.4	**64.8**	**64.9**	**76.6**	**52.0**	**91.2**	71.1	85.8
Net income	**36.4**	0.9	**2.8**	**22.2**	**10.5**	**25.6**	**36.3**	20.3	51.2
Earnings per share									
Basic	**0.40**	0.01	**0.03**	**0.25**	**0.11**	**0.28**	**0.40**	0.22	0.56
Diluted	**0.39**	0.01	**0.03**	**0.24**	**0.11**	**0.28**	**0.39**	0.22	0.56
Other Information									
Net unrealized foreign exchange loss (gain)	**33.6**	1.2	**17.7**	**4.6**	**10.1**	**(9.0)**	**9.8**	7.9	(5.1)
Decrease (increase) in fair value of investments	**29.3**	4.2	**4.3**	**18.0**	**2.8**	**(3.0)**	**2.9**	4.2	(4.3)

(1) *TTM represents the "trailing twelve months" and consists of a summary of the Corporation's financial results for the most recently completed four quarters.*
(2) *Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".*

Consolidated revenue in the second quarter of 2015 decreased by $28.6 million, or 9.1 percent, to $284.8 million as compared to $313.4 million in 2014. The decrease of $28.6 million was attributable to a reduction in revenue experienced in the Oilfield Services segment being somewhat offset by a rise in revenue experienced by the Trucking/Logistics segment. Revenue in the Oilfield Services segment decreased by $64.7 million and was due to lower drilling activity levels and reduced capital investments in western Canada, which led to revenue declines in almost all of our Operating Entities within this segment. Revenue declines were most notable in those Operating Entities involved in the transportation of fluids and servicing of wells, from those Operating Entities most directly tied to oil and natural gas drilling activity and from lower demand for dewatering services. These decreases were somewhat offset by greater demand for services related to large diameter pipeline construction projects and from the incremental revenue generated from the acquisition of Recon. The Trucking/Logistics segment experienced a $36.2 million increase in revenue due to the incremental revenue generated from the T/L Acquisitions. Net income in the second quarter of 2015 was $0.9 million, a decrease of $24.7 million from the $25.6 million generated in 2014. The $24.7 million decrease in net income was mainly attributable to a $5.6 million decrease in operating income[1], a $7.2 million negative variance in the fair value of investments, a $10.2 million negative variance in net unrealized foreign exchange and a $2.3 million increase in finance costs. These decreases were partially offset by a $4.8 million decrease in loss on sale of property, plant and equipment and a $0.4 million increase in earnings from equity investments. As a result, basic earnings per share in the second quarter of 2015 was $0.01, a decrease of $0.27, from the $0.28 generated in 2014.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

Consolidated revenue in the first quarter of 2015 decreased by $74.8 million, or 18.2 percent, to $337.2 million as compared to $412.0 million in 2014. The decrease of $74.8 million was attributable to a reduction in revenue experienced in the Oilfield Services segment. Revenue in the Oilfield Services segment decreased by $114.4 million and was due to a decrease in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells, which resulted from a combination of low customer demand, intense competition and lower pricing. Revenue also decreased due to the cancellation of winter core drilling programs, delays in large diameter pipeline construction projects and a reduction in revenue from those Operating Entities most directly tied to oil and natural gas drilling activity in western Canada. These decreases were somewhat offset by strong demand for dewatering services and from the incremental revenue generated from the acquisition of Recon. The Trucking/Logistics segment experienced a $39.9 million increase in revenue due to the incremental revenue generated from the T/L Acquisitions. Net income in the first quarter of 2015 was $2.8 million, a decrease of $33.5 million from the $36.3 million generated in 2014. The $33.5 million decrease in net income was mainly attributable to a $26.4 million decrease in operating income[1], a $7.9 million negative variance in net unrealized foreign exchange, a $2.3 million increase in finance costs and a $1.4 million negative variance in the fair value of investments. These decreases were partially offset by a $5.9 million decrease in income tax expense. As a result, basic earnings per share in the first quarter of 2015 was $0.03, a decrease of $0.37, from the $0.40 generated in 2014.

Consolidated revenue in the fourth quarter of 2014 decreased by $22.2 million, or 6.0 percent, to $345.2 million as compared to $367.4 million in 2013. The decrease of $22.2 million was attributable to a reduction in revenue experienced in the Oilfield Services segment. Revenue in the Oilfield Services segment decreased by $26.5 million and was due to lower demand for services related to large diameter pipeline construction projects and from a decrease in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells, predominately within the heavy oil region of Alberta, which resulted from intense competition. Revenue also decreased due to a reduction in revenue from those Operating Entities most directly tied to oil and natural gas drilling activity in western Canada and from lower demand for core drilling services. These decreases were somewhat offset by strong demand for dewatering services and from the incremental revenue generated from the acquisition of Recon. The Trucking/Logistics segment experienced a $4.2 million increase in revenue due to the incremental revenue generated from the acquisition of Bernard and a greater demand for general freight services in certain markets. These increases were somewhat offset by lower demand for heavy haul freight services in western Canada as this segment continues to operate in a competitive pricing environment reflective of a slow growth economy. Net income in the fourth quarter of 2014 was $22.2 million, an increase of $1.9 million from the $20.3 million generated in 2013. The $1.9 million increase in net income was mainly attributable to a $9.0 million increase in the gain on sale of property, plant and equipment, a $10.8 million gain on sale of Mill Creek and a $3.3 million positive variance in net unrealized foreign exchange. These increases were partially offset by a $13.8 million negative variance in the fair value of investments and a $6.2 million decrease in operating income[1]. As a result, basic earnings per share in the fourth quarter of 2014 was $0.25, an increase of $0.03 per share, from the $0.22 generated in 2013.

Consolidated revenue in the third quarter of 2014 decreased by $16.7 million, or 4.5 percent, to $357.3 million as compared to $374.0 million in 2013. The decrease of $16.7 million was attributable to a reduction in revenue experienced in the Oilfield Services segment. Revenue in the Oilfield Services segment decreased by $18.2 million and was mainly due to lower demand for services related to large diameter pipeline construction projects and from a decrease in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells, which resulted from intense competition in certain markets. The Trucking/Logistics segment experienced a $1.1 million increase in revenue as this segment continued to operate in an environment reflective of a slow growth economy as greater demand for general freight services was largely offset by lower demand for the transportation of pneumatic bulk commodities and heavy haul freight services in western Canada. Net income in the third quarter of 2014 was $10.5 million, a decrease of $40.7 million from the $51.2 million generated in 2013. The $40.7 million decrease in net income was mainly attributable to a $19.0 million one-time expense related to the prepayment of the Series A and Series B Notes, a $15.2 million negative variance in net unrealized foreign exchange, a $9.2 million decrease in operating income[1] and a $7.1 million negative variance in the fair value of investments. These decreases were partially offset by a $9.0 million decrease in income tax expense. As a result, basic earnings per share in the third quarter of 2014 was $0.11, a decrease of $0.45 per share from the $0.56 generated in 2013.

[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

TRANSACTIONS WITH RELATED PARTIES

A description of transactions with related parties can be found on page 55 of the 2014 MD&A. As at June 30, 2015, the transactions with related parties have not changed significantly from these descriptions.

All of the transactions with related parties occurred in the normal course of operations with terms consistent with those offered to arms-length parties and are measured at the exchange amount. Mullen Group has no long-term contracts with any related party.

PRINCIPAL RISKS AND UNCERTAINTIES

A description of principal risks and uncertainties can be found beginning on page 56 of the 2014 MD&A. As at June 30, 2015, these business risks and uncertainties have not changed significantly from those descriptions.

CRITICAL ACCOUNTING ESTIMATES

This MD&A summarizes Mullen Group's financial condition and results of operations and is based upon its Interim Financial Statements, which have been prepared in accordance with IFRS and comply with IAS 34 Interim Financial Reporting. The Interim Financial Statements require management to select significant accounting policies and make certain critical accounting estimates that affect the reported assets, liabilities, revenue and expenses. A description of critical accounting estimates can be found beginning on page 65 of the 2014 MD&A. As at June 30, 2015, Mullen Group's critical accounting estimates have not changed significantly from such description.

SIGNIFICANT ACCOUNTING POLICIES

New Standards and Interpretations Not Yet Adopted

Mullen Group has reviewed new and revised standards and interpretations that have been approved by the IASB.

The following table outlines the new accounting pronouncements issued by the IASB that are applicable to, or may have a future impact on, Mullen Group. The new pronouncement set forth below is effective for financial statements with annual periods beginning on or after January 1, 2018.

IFRS Title	Nature of Impending Change	IFRS Application Date	Impact of initial application on the Corporation's Financial Statements
IFRS 15 – Revenue from contracts with customers	IFRS 15 replaces existing IFRS and introduces a new revenue recognition model for contracts with customers. It also replaces existing guidance for contract costs and includes new disclosure requirements.	January 1, 2018 [(1)]	Management is currently completing its initial assessment of IFRS 15.

[(1)] This IFRS may be applied retroactively, or as of the application date by adjusting retained earnings using the cumulative effect approach. Early adoption is permitted.

DISCLOSURE AND INTERNAL CONTROLS

Disclosure Controls and Internal Controls over Financial Reporting

As at June 30, 2015, an evaluation of the effectiveness of Mullen Group's disclosure controls and procedures as defined under the rules adopted by the Canadian securities regulatory authorities was carried out under the supervision and with the participation of management, including the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"). In accordance with the provisions of National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), management, including the CEO and CFO, have limited the scope of their design of the Corporation's disclosure controls and procedures to exclude controls, policies and procedures of Gardewine. Mullen Group acquired Gardewine on January 9, 2015. During the six month period ended June 30, 2015, Gardewine generated revenue and earnings before tax of $101.1 million and $4.5 million, respectively. As at June 30, 2015, Gardewine had $37.3 million of current assets and $18.7 million of current

liabilities. The scope limitation is primarily due to the time required for the Corporation's management to assess Gardewine's disclosure controls and procedures to ensure that they are consistent with those of the Corporation. Based on this evaluation, the CEO and the CFO concluded that, as at June 30, 2015, the design and operation of Mullen Group's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Corporation in reports filed with, or submitted to, securities regulatory authorities were reported within the time periods specified under Canadian securities laws.

Internal control over financial reporting is a process designed by or under the supervision of management and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, no matter how well designed, has inherent limitations and can provide only reasonable assurance with respect to the preparation and fair presentation of published financial statements. Under the supervision and with the participation of the CEO and CFO, management conducted an evaluation of the effectiveness of its internal control over financial reporting.

The CEO and CFO limited the scope of their design of the Corporation's internal controls over financial reporting to exclude controls, policies and procedures of Gardewine due to the time required for the Corporation's management to assess Gardewine's internal controls over financial reporting to ensure that they are consistent with those of the Corporation. Based on this evaluation, the CEO and CFO concluded that internal control over financial reporting was effective as at June 30, 2015, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. On May 14, 2013, the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") published an updated *Internal Control – Integrated Framework* and related illustrative documents, which will supersede the 1992 COSO Framework as of December 15, 2014 (the "**2013 COSO Framework**"). As of December 31, 2014, Mullen Group was utilizing the original framework published in 1992, but is transitioning to the 2013 COSO Framework as it relates to its internal control over financial reporting. In 2015 there was no change in Mullen Group's internal control over financial reporting that materially affected or is reasonably likely to materially affect Mullen Group's internal control over financial reporting.

Mullen Group's CEO and CFO have filed certifications with the Canadian securities regulators regarding the quality of Mullen Group's public disclosures relating to its fiscal 2015 reports.

FORWARD-LOOKING INFORMATION STATEMENTS

This MD&A contains forward-looking statements within the meaning of applicable Canadian Securities laws relating to:

- Mullen Group's expectation that until oil and natural gas prices recover from current levels that these very difficult times will continue for anyone involved in the oil and natural gas industry, as referred to in the Executive Summary beginning on page 4

- Mullen Group's expectation that our overall financial results will be supported by our Trucking/Logistics segment, as referred to in the Outlook section beginning on page 6;

- Mullen Group's expectation that our Operating Entities in the Oilfield Services segment will continue to be impacted from both a demand and pricing perspective, however, we expect drilling activity levels for the balance of 2015 in western Canada will increase from the seasonal lows experienced in the second quarter, although below prior year levels, as referred to in the Outlook section beginning on page 6;

- Mullen Group's expectation that all of our Operating Entities in the Oilfield Services segment will underperform, relative to last year, as referred to in the Outlook section beginning on page 6;

- Mullen Group's expectation that capital allocations to our Operating Entities in the Oilfield Services segment will be reduced significantly, as referred to in the Outlook section beginning on page 6;

- Mullen Group's expectation that the Trucking/Logistics segment will experience little organic growth, as referred to in the Outlook section beginning on page 6;

- Mullen Group's expectation of maintaining the annual dividend payment of $1.20 per share, as referred to in the Outlook section beginning on page 6;

- Mullen Group's intent to use working capital, the Bank Credit Facility (as defined on page 40), and the anticipated cash flow from operating activities in 2015 to finance its 2015 capital expenditures budget referred to under the Private Placement and Capital Allocations section beginning on page 8, as well as ongoing working capital requirements and dividends declared by the Board referred to in the Capital Resources and Liquidity section beginning on page 37; and

- Mullen Group's expectation to allocate the $80.0 million capital expenditure budget approved by the Board for 2015 on the basis of $40.0 million as replacement capital for the Corporation's Operating Entities, $35.0 million to purchase real property in Saskatchewan, facilities currently leased by Jay's and to complete the rail transload facility in Edmonton, Alberta and $5.0 million for contingencies, as referred to in the Capital Expenditures section beginning on page 10.

Readers are cautioned that expectations, estimates, projections and assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. With respect to forward-looking statements contained within this MD&A, Mullen Group has made the assumptions listed below:

- Mullen Group's expectation that until oil and natural gas prices recover from current levels that these very difficult times will continue for anyone involved in the oil and natural gas industry is based on the assumption that producers' cash flow will continue to be constrained resulting in the energy industry continuing to under invest in capital projects, infrastructure and drilling programs.

- Mullen Group's expectation that our overall financial results will be supported by our Trucking/Logistics segment, is based on the assumption that the Canadian economy, as measured by GDP, is expected to maintain a pattern of consistent, but not robust activity. Thus, the Trucking/Logistics segment should benefit from a relatively stable operating environment and from the previously announced acquisitions.

- Mullen Group's expectation that our Operating Entities in the Oilfield Services segment will continue to be impacted from both a demand and pricing perspective, however, we expect drilling activity levels for the balance of 2015 in western Canada will increase from the seasonal lows experienced in the second quarter, although below prior year levels, is based on the assumption that the energy industry will continue to under invest in capital projects, infrastructure and drilling programs due to low crude oil and natural gas prices, which has a negative impact on producers' cash flows.

- Mullen Group's expectation that all of our Operating Entities in the Oilfield Services segment will underperform, relative to last year, is based on the assumption that the energy industry will continue to under invest in capital projects, infrastructure and drilling programs due to low crude oil and natural gas prices, which has a negative impact on producers' cash flows.

- Mullen Group's expectation that capital allocations to our Operating Entities in the Oilfield Services segment will be reduced significantly, is based on the assumption that until we see clarification on increases in crude oil and natural gas prices, final investment approval of LNG projects on Canada's west coast and Canadians' support of crude oil pipeline projects to access new markets are required to support increased capital investment and drilling activity by producers.

- Mullen Group's expectation that the Trucking/Logistics segment will experience little organic growth, is based on the assumption that the Alberta economy will underperform due to the challenges faced by the energy industry.

- Mullen Group's expectation of maintaining the annual dividend payment of $1.20 per share, is based on the assumption that we have a strong balance sheet, a diversified business model and that we expect our Oilfield Services segment will recover from the cyclical lows experienced in the second quarter.

- Mullen Group's intention to use working capital, the Bank Credit Facility, and the anticipated cash flow from operating activities in 2015 to finance its 2015 capital expenditures budget and its ongoing working capital requirements and dividends declared by the Board. This assumption is based on Mullen Group's belief that its access to cash will exceed its expected requirements.

- Mullen Group's expectation to allocate $40.0 million as replacement capital for the Corporation's Operating Entities, $35.0 million to purchase real property in Saskatchewan, facilities currently leased by Jay's and to complete the rail transload facility in Edmonton, Alberta and $5.0 million for contingencies is based on the assumption that its Operating Entities will require capital to purchase new trucks, trailers and specialized equipment to support both growth opportunities and their ongoing operations.

Although Mullen Group 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 Mullen Group can give no assurance that they will prove to be correct.

Forward-looking statements address future events and conditions and, therefore, involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the service and energy industry in general; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory, securityholder and other approvals as may be required from time to time; and changes in legislation, including but not limited to tax laws and environmental regulations. Accordingly, readers should not place undue reliance on the forward-looking statements contained in this MD&A.

Readers are cautioned that the foregoing list of factors and risks is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Mullen Group along with the forward-looking statements in this MD&A, may be found in the Advisory on page 1 as well as in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website at www.sedar.com. The forward-looking statements contained in this MD&A are made as of the date hereof and Mullen Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law. Mullen Group relies on litigation protection for "forward-looking" statements.

GLOSSARY OF TERMS AND RECONCILIATION OF NON-GAAP TERMS

The Interim Financial Statements attached and referred to in this MD&A were prepared according to Canadian GAAP. References to operating income, net income – adjusted, earnings per share – adjusted, net capital expenditures, net debt and cash flow per share are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. This MD&A reports on certain financial performance measures that are described and presented in order to provide shareholders and potential investors with additional measures to evaluate Mullen Group's ability to fund its operations and information regarding its liquidity. In addition, these measures are used by management in its evaluation of performance. These Non-GAAP Terms may not be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures prepared in accordance with Canadian GAAP. Investors are cautioned that these indicators should not replace the foregoing Canadian GAAP terms: net income, earnings per share, purchases of property, plant and equipment, proceeds on sale of property, plant and equipment and debt.

Operating Income

Operating income is defined as net income before depreciation of property, plant and equipment, amortization of intangible assets, finance costs, net unrealized foreign exchange gains and losses, other (income) expense and income taxes. Management relies on operating income as a measurement since it provides an indication of Mullen Group's ability to generate cash from its principal business activities prior to depreciation and amortization, financing, or taxation in various jurisdictions. Net income is also an indicator of financial performance; however, net income includes expenses that are not a direct result of Mullen Group's operating activities.

Reconciliation of Net Income to Operating Income

(unaudited) *($ millions)*	Three month periods ended June 30		Six month periods ended June 30	
	2015	**2014**	**2015**	**2014**
Net income	**$ 0.9**	$ 25.6	**$ 3.7**	$ 61.9
Add (deduct):				
Income tax expense	**8.8**	6.8	**17.7**	21.6
Net unrealized foreign exchange loss (gain)	**1.2**	(9.0)	**18.9**	0.8
Other (income) expense	**3.5**	1.5	**7.5**	4.0
Finance costs	**8.5**	6.2	**17.5**	12.9
Depreciation of property, plant and equipment	**18.7**	17.0	**36.4**	34.2
Amortization of intangible assets	**4.8**	3.9	**9.5**	7.8
Operating income	**$ 46.4**	$ 52.0	**$ 111.2**	$ 143.2

Net Income – Adjusted and Earnings per Share – Adjusted

Net income – adjusted and earnings per share – adjusted are calculated by adjusting net income and basic earnings per share by the amount of any net unrealized foreign exchange gains and losses and from the change in fair value of investments. Management adjusts net income and earnings per share by excluding these specific factors to more clearly reflect earnings from an operating perspective. See pages 17 and 31 for detailed calculations of net income – adjusted and earnings per share – adjusted on a quarterly and a year to date basis, respectively.

Net Capital Expenditures

Net capital expenditures are calculated by subtracting the amount of cash received from the sale of property, plant and equipment from the amount of cash used to purchase property, plant and equipment. Management calculates net capital expenditures to evaluate and manage its capital expenditure budget and to assist in allocating capital amongst its Operating Entities.

(unaudited) *($ millions)*	Three month periods ended June 30		Six month periods ended June 30	
	2015	**2014**	**2015**	**2014**
Purchase of property, plant and equipment	**$ 12.9**	$ 28.9	**$ 49.3**	$ 46.7
Proceeds on sale of property, plant and equipment	**(2.2)**	(12.4)	**(3.8)**	(16.9)
Net capital expenditures	**$ 10.7**	$ 16.5	**$ 45.5**	$ 29.8

Net Debt

Net debt is calculated by subtracting total working capital (current assets less current liabilities) from total debt (long-term debt plus the debt component of Debentures). Management calculates net debt to monitor its capital structure and makes adjustments to it in light of changes in economic conditions.

(unaudited) *($ millions)*		June 30, 2015		December 31, 2014
Long-term debt	**$**	**654.3**	$	692.9
Convertible debentures - debt component		**12.1**		12.1
Total debt		**666.4**		705.0
Less working capital:				
Current assets		**373.9**		589.2
Current liabilities		**(179.0)**		(128.7)
Total working capital		**194.9**		460.5
Net debt	**$**	**471.5**	$	244.5

Cash Flow per Share

Cash flow per share is calculated by dividing net cash from operating activities by the weighted average number of Common Shares outstanding. Management measures cash flow per share to provide investors with an indication of the amount of cash being generated on a per share basis, after consideration of working capital and income taxes paid.

(unaudited) *($ millions, except share and per share amounts)*	Three month periods ended June 30				Six month periods ended June 30			
		2015		2014		2015		2014
Net cash from operating activities	**$**	**62.7**	$	83.4	**$**	**104.6**	$	118.5
Weighted average number of Common Shares outstanding		**91,655,112**		91,462,952		**91,644,560**		91,145,145
Cash flow per share	**$**	**0.68**	$	0.91	**$**	**1.14**	$	1.30

JUNE 30, 2015

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited) *(thousands)*	Note		June 30 2015		December 31 2014
Assets					
Current assets:					
Cash and cash equivalents		**$**	**138,319**	$	325,365
Trade and other receivables			**171,695**		209,835
Inventory			**33,714**		38,147
Prepaid expenses			**18,736**		10,010
Current tax receivable			**11,468**		5,835
			373,932		589,192
Non-current assets:					
Property, plant and equipment			**1,008,266**		911,699
Goodwill	**5**		**337,197**		257,795
Intangible assets			**38,412**		31,437
Investments			**50,986**		52,792
Deferred tax assets			**9,315**		9,078
Derivative financial instruments	**6**		**18,368**		9,345
Other assets			**3,417**		799
			1,465,961		1,272,945
Total Assets		**$**	**1,839,893**	$	1,862,137
Liabilities and Equity					
Current liabilities:					
Accounts payable and accrued liabilities		**$**	**97,724**	$	117,438
Dividends payable	**7**		**9,166**		9,161
Current tax payable			**612**		2,102
Current portion of long-term debt	**9**		**71,487**		—
			178,989		128,701
Non-current liabilities:					
Long-term debt	**9**		**654,280**		692,909
Convertible debentures – debt component			**12,134**		12,083
Deferred tax liabilities			**143,314**		127,501
			809,728		832,493
Equity:					
Share capital	**10**		**778,343**		777,262
Convertible debentures – equity component			**550**		550
Contributed surplus			**10,907**		10,463
Retained earnings			**61,376**		112,668
			851,176		900,943
Subsequent event	**15**				
Total Liabilities and Equity		**$**	**1,839,893**	$	1,862,137

The notes which begin on page 57 are an integral part of these condensed interim consolidated financial statements.

Approved by the Board of Directors on July 22, 2015, after review by the Audit Committee.

"Signed: Murray K. Mullen" ***"Signed: Dennis J. Hoffman"***

Murray K. Mullen, Director Dennis J. Hoffman, Director

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited) *(thousands, except per share amounts)*	Note	Three month periods ended June 30 2015	Three month periods ended June 30 2014	Six month periods ended June 30 2015	Six month periods ended June 30 2014
Revenue		**$ 284,772**	$ 313,341	**$ 622,018**	$ 725,376
Direct operating expenses		**196,917**	222,787	**436,999**	501,845
Selling and administrative expenses		**41,535**	38,596	**73,840**	80,352
		46,320	51,958	**111,179**	143,179
Depreciation of property, plant and equipment		**18,689**	17,054	**36,422**	34,208
Amortization of intangible assets		**4,825**	3,871	**9,525**	7,742
Finance costs		**8,498**	6,235	**17,532**	12,932
Net unrealized foreign exchange loss (gain)	**6**	**1,224**	(9,048)	**18,892**	799
Other (income) expense	**13**	**3,389**	1,393	**7,450**	3,955
Income before income taxes		**9,695**	32,453	**21,358**	83,543
Income tax expense	**8**	**8,810**	6,837	**17,661**	21,612
Net income and total comprehensive income		**$ 885**	$ 25,616	**$ 3,697**	$ 61,931
Earnings per share:	**11**				
Basic		**$ 0.01**	$ 0.28	**$ 0.04**	$ 0.68
Diluted		**$ 0.01**	$ 0.28	**$ 0.04**	$ 0.67
Weighted average number of Common Shares outstanding:	**11**				
Basic		**91,655**	91,463	**91,645**	91,145
Diluted		**91,736**	93,129	**91,720**	93,091

The notes which begin on page 57 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited) (*thousands*)	Share capital	Convertible debentures – equity component	Contributed surplus	Retained earnings	Total
Balance at January 1, 2015	**$ 777,262**	**$ 550**	**$ 10,463**	**$ 112,668**	**$ 900,943**
Total comprehensive income for the period	**—**	**—**	**—**	**3,697**	**3,697**
Common Shares issued on conversion of convertible debentures	**—**	**—**	**—**	**—**	**—**
Stock-based compensation expense	**—**	**—**	**741**	**—**	**741**
Common Shares issued on exercise of stock options	**1,081**	**—**	**(297)**	**—**	**784**
Dividends declared to common shareholders	**—**	**—**	**—**	**(54,989)**	**(54,989)**
Balance at June 30, 2015	**$ 778,343**	**$ 550**	**$ 10,907**	**$ 61,376**	**$ 851,176**

(unaudited) (*thousands*)	Share capital	Convertible debentures – equity component	Contributed surplus	Retained earnings	Total
Balance at January 1, 2014	$ 760,310	$ 738	$ 11,327	$ 127,737	$ 900,112
Total comprehensive income for the period	—	—	—	61,931	61,931
Common Shares issued on conversion of convertible debentures	4,379	(188)	—	—	4,191
Stock-based compensation expense	—	—	1,079	—	1,079
Common Shares issued on exercise of stock options	12,016	—	(2,355)	—	9,661
Dividends declared to common shareholders	—	—	—	(54,739)	(54,739)
Balance at June 30, 2014	$ 776,705	$ 550	$ 10,051	$ 134,929	$ 922,235

The notes which begin on page 57 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited) *(thousands)*	Note	Six month periods ended June 30 2015	2014
Cash provided by (used in):			
Cash flows from operating activities:			
Net income		**$ 3,697**	$ 61,931
Adjustments for:			
Depreciation of property, plant and equipment		**36,422**	34,208
Amortization of intangible assets		**9,525**	7,742
Finance costs		**17,532**	12,932
Stock-based compensation expense		**741**	1,079
Unrealized foreign exchange gain on cross-currency swaps	**6**	**(9,023)**	—
Foreign exchange		**21,311**	850
Change in fair value of investments		**8,481**	(92)
Loss on sale of property, plant and equipment		**19**	4,494
Earnings from equity investments		**(1,050)**	(447)
Income tax expense		**17,661**	21,612
		105,316	144,309
Changes in non-cash working capital items from operating activities:			
Trade and other receivables		**64,879**	23,709
Inventory		**(3,353)**	(1,712)
Prepaid expenses		**(7,498)**	(7,615)
Accounts payable and accrued liabilities		**(30,894)**	(9,896)
Cash generated from operating activities		**128,450**	148,795
Income tax paid		**(23,755)**	(30,398)
Net cash from operating activities		**104,695**	118,397
Cash flows from financing activities:			
Cash dividends paid to common shareholders		**(54,984)**	(54,646)
Interest paid		**(17,317)**	(13,050)
Repayment of long-term debt and loans		**(2,991)**	(198)
Net proceeds from Common Share issuances		**784**	9,661
Changes in non-cash working capital items from financing activities		**263**	4
Net cash used in financing activities		**(74,245)**	(58,229)
Cash flows from investing activities:			
Acquisitions net of cash acquired	**5**	**(165,979)**	—
Purchase of property, plant and equipment		**(49,276)**	(46,723)
Proceeds on sale of property, plant and equipment		**3,824**	16,896
Purchases of investments		**(5,625)**	—
Interest received		**273**	361
Other assets		**(2,618)**	(109)
Changes in non-cash working capital items from investing activities		**(4,699)**	1,784
Net cash used in investing activities		**(224,100)**	(27,791)
Change in cash and cash equivalents		**(193,650)**	32,377
Cash and cash equivalents at January 1		**325,365**	58,236
Effect of exchange rate fluctuations on cash held		**6,604**	(51)
Cash and cash equivalents at June 30		**$ 138,319**	$ 90,562

The notes which begin on page 57 are an integral part of these condensed interim consolidated financial statements.

1. Reporting Entity

Mullen Group Ltd. ("**Mullen Group**" and/or the "**Corporation**") was incorporated pursuant to the laws of the Province of Alberta and is a publicly-traded company listed on the Toronto Stock Exchange under the symbol 'MTL'. The Corporation maintains its registered office in Okotoks, Alberta, Canada. The business of Mullen Group is operated through wholly-owned (either directly or indirectly) subsidiaries and limited partnerships ("**Operating Entities**"). The business of Mullen Group is a diversified transportation and oilfield service organization with its activities divided into two distinct operating segments, namely Oilfield Services and Trucking/Logistics. These unaudited condensed interim consolidated financial statements ("**Interim Financial Statements**") include the accounts of the Corporation, its subsidiaries and its limited partnerships.

2. Basis of Presentation

(a) Statement of Compliance

These Interim Financial Statements have been prepared in accordance to and comply with International Financial Reporting Standards ("**IFRS**"), which include the International Accounting Standards ("**IAS**") and the interpretations developed by the International Financial Reporting Interpretations Committee ("**IFRIC**"), as issued by the International Accounting Standards Board ("**IASB**"). These Interim Financial Statements comply with IAS 34 Interim Financial Reporting and do not include all of the information required for annual financial statements.

(b) Basis of Measurement

These Interim Financial Statements have been prepared on the historical cost basis except for investments (excluding investments accounted for by the equity method), and derivative financial instruments ("**Derivatives**"), which are measured at fair value through profit or loss.

(c) Functional and Presentation Currency

These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Corporation and each of its Operating Entities. All financial information presented in Canadian dollars has been rounded to the nearest thousand except for per share amounts.

3. Significant Accounting Policies

(a) Significant Accounting Policies

The accompanying Interim Financial Statements should be read in conjunction with Note 3 to Mullen Group's audited annual consolidated financial statements for the year ended December 31, 2014, (the "**Annual Financial Statements**") as the accounting policies applied by the Corporation in these Interim Financial Statements are the same as those disclosed therein.

(b) New Standards and Interpretations not yet adopted

Mullen Group has reviewed new and revised standards and interpretations that have been approved by the IASB.

The following table outlines the new accounting pronouncements issued by the IASB that are applicable to, or may have a future impact on, Mullen Group. The new pronouncement set forth below is effective for financial statements with annual periods beginning on or after January 1, 2018.

IFRS Title	Nature of Impending Change	IFRS Application Date	Impact of initial application on the Corporation's Financial Statements
IFRS 15 – Revenue from contracts with customers	IFRS 15 replaces existing IFRS and introduces a new revenue recognition model for contracts with customers. It also replaces existing guidance for contract costs and includes new disclosure requirements.	January 1, 2018 [1]	Management is currently completing its initial assessment of IFRS 15.

[1] *This IFRS may be applied retroactively, or as of the application date by adjusting retained earnings using the cumulative effect approach. Early adoption is permitted.*

4. Determination of Fair Values

The following table compares the fair value of certain financial assets and financial liabilities to its corresponding carrying amount as presented in the condensed consolidated statement of financial position.

June 30, 2015 Financial Instrument	Fair Value Hierarchy		Carrying Amount		Fair Value
Investments (excluding investments accounted for by using the equity method)	Level 1	$	22,882	$	22,882
Derivative Financial Instruments	Level 2	$	18,368	$	18,368
Private Placement Debt	Level 2	$	720,996	$	692,430
Debentures – debt component	Level 2	$	12,134	$	14,443

5. Acquisition

2015 Acquisition

Gardewine Group of Companies – On January 9, 2015, Mullen Group acquired the business of Gardewine Group Limited Partnership, Trans-Provincial Freight Carriers Limited and various holding companies, as well as an interest in Rainy Lake Logistics Limited Partnership (collectively, "**Gardewine**"), for total cash consideration of $171.8 million, which includes repaying $56.4 million of associated bank debt and shareholder loans with the remaining $115.4 million attributable to the net assets. Gardewine is headquartered in Winnipeg, Manitoba and provides a comprehensive range of transportation services, including less-than-truckload ("**LTL**"), open deck transportation and truckload services, as well as specialized handling and transportation of bulk commodities related to the forestry and mining industries. Gardewine operates out of 36 terminals with primary hubs situated in Winnipeg, Brandon and Thompson, Manitoba; and Thunder Bay, Sudbury and Toronto, Ontario. Mullen Group acquired Gardewine as part of its strategy to invest in the transportation sector in Canada. Due to the limited time between the acquisition of Gardewine and the preparation of these Interim Financial Statements, the amount of working capital to be received, as well as the value of the assets acquired and the liabilities assumed are based upon financial information available to management as of the date of this report.

This acquisition has been accounted for by the acquisition method, and results of operations consisting of $101.1 million of revenue and $4.5 million of earnings before tax have been included in the Trucking/Logistics segment from the date of acquisition. The goodwill acquired in this acquisition primarily relates to the assembled workforce and the synergies from the integration of the acquired business. Gardewine generated revenue of approximately $3.9 million and a $64,000 loss before tax from January 1, 2015, to the date of the acquisition.

		2015
Assets:		
Non-cash working capital items	$	13,129
Property, plant and equipment		79,256
Intangible assets		16,500
Goodwill (not deductible for tax purposes)		79,402
		188,287
Assumed liabilities:		
Long-term debt		60,202[1]
Due to shareholders		2,000
Deferred income taxes		14,547
		76,749
Net assets before cash and cash equivalents		111,538
Cash and cash equivalents		3,808
Net assets		115,346
Consideration:		
Cash		115,346
	$	115,346

[1] Long-term debt consisted of $54.4 million of bank debt and $5.8 million of finance leases.

6. Derivative Financial Instruments

In conjunction with the pricing of the 2014 Notes (as hereafter defined on page 60), on July 25, 2014, Mullen Group entered into two cross-currency swap contracts with a Canadian bank to swap $117.0 million U.S. dollars and $112.0 million U.S. dollars into Canadian dollars (collectively, the "**Cross-Currency Swaps**") at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. For the six month period ended June 30, 2015, Mullen Group recorded a net unrealized foreign exchange loss of $18.9 million (2014 – $0.8 million). This was due to the impact of the change over the period in the value of the Canadian dollar relative to the U.S. dollar on the Corporation's U.S. dollar debt and from the change in the fair value of its Cross-Currency Swaps as summarized in the table below:

Net Unrealized Foreign Exchange Loss	Six month periods ended June 30			
	CDN. $ Equivalent			
		2015		2014
Unrealized foreign exchange loss on U.S. debt	$	27,915	$	799
Unrealized foreign exchange gain on Cross-Currency Swaps		(9,023)		—
Net unrealized foreign exchange loss	$	18,892	$	799

For the six month period ending June 30, 2015, Mullen Group recorded an unrealized foreign exchange loss on U.S. debt of $27.9 million (2014 - $0.8 million) as summarized in the table below:

Unrealized Foreign Exchange Loss on U.S. Debt	Six month periods ended June 30					
	2015			2014		
($ thousands, except exchange rate amount)	U.S. $ Debt	Exchange Rate	CDN. $ Equivalent	U.S. $ Debt	Exchange Rate	CDN. $ Equivalent
Ending – June 30	**314,000**	**1.2490**	**392,186**	235,000	1.0670	250,744
Beginning – January 1	**314,000**	**1.1601**	**364,271**	235,000	1.0636	249,945
Unrealized foreign exchange loss on U.S. debt			**27,915**			799

For the six month period ended June 30, 2015, Mullen Group recorded an unrealized foreign exchange gain on its Cross-Currency Swaps of $9.0 million (2014 – nil). This was due to the change over the period in the fair value of these Cross-Currency Swaps as summarized in the table below:

Unrealized Foreign Exchange Gain on Cross-Currency Swaps	Six month periods ended June 30			
	2015		2014	
	U.S. $ Swaps	CDN. $ Change in Fair Value of Swaps	U.S. $ Swaps	CDN. $ Change in Fair Value of Swaps
Cross-Currency Swap maturing October 22, 2024	**117,000**	**(5,005)**	—	—
Cross-Currency Swap maturing October 22, 2026	**112,000**	**(4,018)**	—	—
Unrealized foreign exchange gain on Cross-Currency Swaps		**(9,023)**		—

7. Dividends Payable

For the six month period ended June 30, 2015, Mullen Group declared monthly dividends of $0.10 per Common Share totalling $0.60 per Common Share (2014 – $0.60 per Common Share). At June 30, 2015, Mullen Group had 91,657,289 Common Shares outstanding and a dividend payable of $9.2 million (December 31, 2014 – $9.2 million), which was paid on July 15, 2015. Mullen Group also declared a dividend of $0.10 per Common Share on July 20, 2015, to the holders of record at the close of business on July 31, 2015.

8. Income Taxes

The provision for income tax expense differs from the amounts that would be obtained by applying the expected Canadian statutory tax rates enacted or substantively enacted as at the respective reporting dates.

The following table provides a reconciliation of the effective tax rates based on the applicable tax rates in various provincial jurisdictions during the period.

	Three month periods ended June 30		Six month periods ended June 30	
	2015	2014	2015	2014
Income before income taxes	**$ 9,695**	$ 32,453	**$ 21,358**	$ 83,543
Combined statutory tax rate	**26%**	26%	**26%**	26%
Expected income tax	**2,521**	8,438	**5,553**	21,721
Add (deduct):				
Non-deductible (taxable) portion of net unrealized foreign exchange loss (gain)	**247**	(1,131)	**2,456**	100
Non-deductible (taxable) portion of the change in fair value of investments	**530**	(375)	**1,103**	(12)
Stock-based compensation expense	**123**	63	**193**	270
Increase in income tax due to changes in income tax rates	**5,477**	—	**5,477**	—
Other	**(88)**	(158)	**2,879**	(467)
Income tax expense	**$ 8,810**	$ 6,837	**$ 17,661**	$ 21,612

9. Long-Term Debt and Credit Facilities

Mullen Group has a $75.0 million revolving demand unsecured credit facility (the "**Bank Credit Facility**"). Interest on the Bank Credit Facility is payable monthly and is based on either the bank prime rate plus 0.50 percent or bankers' acceptance rates plus an acceptance fee of 1.50 percent. As at

June 30, 2015, no amounts were drawn on this facility. This facility does not have any financial covenants, however, Mullen Group must be in compliance with certain reporting and general covenants. Mullen Group is in compliance with all of these reporting and general covenants.

Mullen Group has $1.6 million of letters of credit outstanding, which were issued to guarantee certain performance and payment obligations. These letters of credit reduce the amount available under the Bank Credit Facility.

Mullen Group's long-term debt is mainly comprised of a series of unsecured debt (collectively, the "**Private Placement Debt**"), the details of which are set forth below:

Notes		Principal amount	Maturity	Interest Rate [1]
Series C	$	70,000 CDN.	June 30, 2016	5.60%
Series D	$	70,000 CDN.	June 30, 2018	5.76%
Series E	$	85,000 U.S.	September 27, 2017	5.90%
Series F	$	20,000 CDN.	September 27, 2017	5.47%
Series G	$	117,000 U.S.	October 22, 2024	3.84%
Series H	$	112,000 U.S.	October 22, 2026	3.94%
Series I	$	30,000 CDN.	October 22, 2024	3.88%
Series J	$	3,000 CDN.	October 22, 2026	4.00%
Series K	$	58,000 CDN.	October 22, 2024	3.95%
Series L	$	80,000 CDN.	October 22, 2026	4.07%

[1] Interest is payable semi-annually.

On September 16, 2014, Mullen Group entered into a Note Purchase Agreement whereby it agreed to issue several series of senior unsecured notes, including Series G, Series H, Series I, Series J, Series K and Series L (collectively, the "**2014 Notes**"). The 2014 Notes were issued on a private placement basis largely under the same terms as its existing notes and were drawn on October 22, 2014. A portion of the proceeds from the Series G and Series H Notes were used to repay the Series A and Series B Notes.

Mullen Group's unamortized debt issuance costs of $2.2 million related to its Private Placement Debt have been netted against its carrying value at June 30, 2015 (December 31, 2014 – $2.3 million). Mullen Group has financial covenants that must be met under its Private Placement Debt agreements, including a total debt to operating cash flow ratio and a total earnings available for fixed charges to total fixed charges ratio, as defined in such agreements. Mullen Group is in compliance with all the Private Placement Debt financial covenants. Mullen Group also had debt comprised of various financing loans, which were secured by specific operating equipment (collectively, the "**Various Financing Loans**").

The following table summarizes the Corporation's long-term debt:

		June 30, 2015		December 31, 2014
Current liabilities:				
Private Placement Debt	**$**	**70,000**	$	—
Various Financing Loans		**1,487**		—
Bank Credit Facility		**—**		—
		71,487		—
Non-current liabilities:				
Private Placement Debt		**650,996**		692,909
Various Financing Loans		**3,284**		—
		654,280		692,909
	$	**725,767**	$	692,909

The details of long-term debt, as at the date hereof, are as follows:

			June 30, 2015		December 31, 2014	
	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount	Face Value	Carrying Amount
			$	$	$	$
Bank Credit Facility	—	Variable	**—**	**—**	—	—
Private Placement Debt	2016 - 2026	3.84% - 5.90%	**723,186**	**720,996**	695,271	692,909
Various Financing Loans	2015 - 2018	3.63% - 7.68%	**4,771**	**4,771**	—	—
			727,957	**725,767**	695,271	692,909

10. Share Capital

The authorized share capital of Mullen Group consists of an unlimited number of no par value Common Shares and an unlimited number of Preferred Shares, issuable in series.

The number of, and the specific rights, privileges, restrictions and conditions attaching to any series of Preferred Shares shall be determined by the Board of Directors of Mullen Group prior to the creation and issuance thereof. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of Mullen Group, whether voluntarily or involuntarily, the Preferred Shares are entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series. As at the date hereof, no series of Preferred Shares had been created.

All of the issued Common Shares of Mullen Group have been paid in full.

	# of Common Shares	
	2015	**2014**
Issued Common Shares at January 1	**91,610,709**	90,662,413
Stock options exercised	**46,580**	523,255
Common Shares issued on conversion of Debentures	**—**	401,229
Issued Common Shares at June 30	**91,657,289**	91,586,897

11. Earnings per Share

(a) Basic Earnings per Share

Basic earnings per share is calculated as net income attributable to common shareholders divided by the weighted average number of Common Shares outstanding for the period. Net income attributable to common shareholders for the three and six month periods ended June 30, 2015, were $0.9 million and $3.7 million (2014 – $25.6 million and $61.9 million), respectively. The weighted average number of Common Shares outstanding for the three and six month periods ended June 30, 2015 and 2014 was calculated as follows:

		Three month periods ended June 30		Six month periods ended June 30	
	Note	**2015**	**2014**	**2015**	**2014**
Issued Common Shares at beginning of period	**10**	**91,652,042**	91,142,880	**91,610,709**	90,662,413
Effect of stock options exercised		**3,070**	188,349	**33,851**	266,281
Effect of Debentures converted		**—**	131,723	**—**	216,451
Weighted average number of Common Shares at end of period – basic		**91,655,112**	91,462,952	**91,644,560**	91,145,145

(b) Diluted Earnings per Share

Diluted earnings per share is calculated by adjusting net income attributable to common shareholders and the basic weighted average number of Common Shares outstanding by the effects of all potentially dilutive transactions to existing common shareholders. In calculating diluted earnings per share, net income was adjusted as follows:

	Three month periods ended June 30		Six month periods ended June 30	
	2015	**2014**	**2015**	**2014**
Net income	**$ 885**	$ 25,616	**$ 3,697**	$ 61,931
Effect on finance costs from conversion of Debentures (net of tax)	**—**	78	**—**	92
Net income – adjusted	**$ 885**	$ 25,694	**$ 3,697**	$ 62,023

The diluted weighted average number of Common Shares was calculated as follows:

	Three month periods ended June 30		Six month periods ended June 30	
	2015	**2014**	**2015**	**2014**
Weighted average number of Common Shares – basic	**91,655,112**	91,462,952	**91,644,560**	91,145,145
Effect of "in the money" stock options	**81,370**	474,037	**75,835**	601,179
Effect of conversion of Debentures	**—**	1,192,087	**—**	1,344,652
Weighted average number of Common Shares at end of period – diluted	**91,736,482**	93,129,076	**91,720,395**	93,090,976

For the three and six month periods ended June 30, 2015, 1,795,000 stock options (2014 – 70,000) were excluded from the diluted weighted average number of Common Shares calculation as their effect would have been anti-dilutive. The average market value of the Corporation's Common Shares for the purposes of calculating the dilutive effect of stock options was based on quoted market prices for the periods ended June 30, 2015 and 2014. For the three and six month periods ended June 30, 2015, 1,159,874 Common Shares, which would be issued upon conversion of the Debentures, were excluded from the diluted weighted average number of Common Shares calculation as their effect would have been anti-dilutive. For the three and six month periods ended June 30, 2014, the Common Shares that would be issued upon conversion of the Debentures were included in the calculation as their effect was dilutive.

12. Seasonality of Operations

A significant portion of Mullen Group's operations relate to the moving of heavy equipment, drilling rigs and drilling supplies such as oilfield fluids, tubulars and drilling mud and providing services such as conductor pipe-setting, core drilling and case setting, in northern and western Canada. Earnings are influenced by the seasonal activity pattern of western Canada's oil and natural gas exploration industry whereby activity peaks in the winter months and declines during the spring when wet weather and the spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Additionally, certain oil and natural gas producing areas are only accessible in the winter months because the ground surrounding the drilling sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies and corresponding declines in the demand for the goods and services provided by Mullen Group. As a result, the demand for these services is traditionally highest in the first quarter and lowest in the second quarter.

13. Other (Income) Expense

	Three month periods ended June 30		Six month periods ended June 30	
	2015	**2014**	**2015**	**2014**
Change in fair value of investments	**$ 4,146**	$ (2,997)	**$ 8,481**	$ (92)
(Gain) loss on sale of property, plant and equipment	**(185)**	4,562	**19**	4,494
Earnings from equity investments	**(572)**	(172)	**(1,050)**	(447)
	$ 3,389	$ 1,393	**$ 7,450**	$ 3,955

14. Operating Segments

Mullen Group has two operating segments. These two operating segments have been differentiated by the sector of the economy in which the businesses operate, the type of services provided, equipment requirements and customer needs. The Oilfield Services segment primarily provides specialized transportation, drilling, well-servicing and dewatering services to the oil and natural gas industry in western Canada, which includes exploration and development companies and production and natural gas transmission companies. The Trucking/Logistics segment provides both long haul and local transportation services to customers in various industries predominantly within Canada. The following tables provide financial results by segment:

				Intersegment eliminations		
Three month period ended June 30, 2015	**Oilfield Services**	**Trucking/ Logistics**	**Corporate**	**Oilfield Services**	**Trucking/ Logistics**	**Total**
Revenue	**$ 111,253**	**$ 174,172**	**$ 645**	**$ (351)**	**$ (947)**	**$ 284,772**
Income (loss) before income taxes	**2,504**	**18,525**	**(11,334)**	**—**	**—**	**9,695**
Depreciation of property, plant and equipment	**12,010**	**5,061**	**1,618**	**—**	**—**	**18,689**
Amortization of intangible assets	**2,796**	**2,029**	**—**	**—**	**—**	**4,825**
Capital expenditures [1]	**3,713**	**8,547**	**593**	**—**	**—**	**12,853**
Total assets at June 30, 2015	**$ 694,895**	**$ 472,579**	**$ 672,419**	**$ —**	**$ —**	**$ 1,839,893**

[1] Excludes business acquisitions

				Intersegment eliminations		
Three month period ended June 30, 2014	**Oilfield Services**	**Trucking/ Logistics**	**Corporate**	**Oilfield Services**	**Trucking/ Logistics**	**Total**
Revenue	$ 175,835	$ 137,889	$ 249	$ (40)	$ (592)	$ 313,341
Income before income taxes	12,048	13,592	6,813	—	—	32,453
Depreciation of property, plant and equipment	11,802	4,094	1,158	—	—	17,054
Amortization of intangible assets	2,773	1,098	—	—	—	3,871
Capital expenditures [1]	18,395	6,986	3,589	(3)	(51)	28,916
Total assets at December 31, 2014	$ 779,087	$ 307,558	$ 775,492	$ —	$ —	$ 1,862,137

[1] Excludes business acquisitions

				Intersegment eliminations		
Six month period ended June 30, 2015	**Oilfield Services**	**Trucking/ Logistics**	**Corporate**	**Oilfield Services**	**Trucking/ Logistics**	**Total**
Revenue	**$ 269,447**	**$ 354,248**	**$ 1,477**	**$ (1,263)**	**$ (1,891)**	**$ 622,018**
Income (loss) before income taxes	**17,661**	**32,873**	**(29,176)**	**—**	**—**	**21,358**
Depreciation of property, plant and equipment	**23,390**	**9,896**	**3,136**	**—**	**—**	**36,422**
Amortization of intangible assets	**5,467**	**4,058**	**—**	**—**	**—**	**9,525**
Capital expenditures [1]	**9,392**	**14,117**	**25,770**	**(3)**	**—**	**49,276**
Total assets at June 30, 2015	**$ 694,895**	**$ 472,579**	**$ 672,419**	**$ —**	**$ —**	**$ 1,839,893**

[1] Excludes business acquisitions

				Intersegment eliminations		
Six month period ended June 30, 2014	**Oilfield Services**	**Trucking/ Logistics**	**Corporate**	**Oilfield Services**	**Trucking/ Logistics**	**Total**
Revenue	$ 448,468	$ 278,111	$ 531	$ (75)	$ (1,659)	$ 725,376
Income (loss) before income taxes	64,903	27,418	(8,778)	—	—	83,543
Depreciation of property, plant and equipment	23,891	8,039	2,278	—	—	34,208
Amortization of intangible assets	5,546	2,196	—	—	—	7,742
Capital expenditures [1]	31,720	11,286	3,803	(4)	(82)	46,723
Total assets at December 31, 2014	$ 779,087	$ 307,558	$ 775,492	$ —	$ —	$ 1,862,137

[1] Excludes business acquisitions

Performance is measured based on segment income before income tax, as included in the internal management reports that are reviewed by Mullen Group's CEO and President. Segment income is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments relative to other entities that operate within these industries. Transfer pricing is based on third-party rates.

15. Subsequent Event

Subsequent to the second quarter of 2015, Mullen Group invested $1.0 million to acquire a minority equity interest in Butler Ridge Energy Services (2011) Ltd., a fracturing fluid containment, logistics and storage management company based in Hudson's Hope, British Columbia.

CORPORATE INFORMATION

DIRECTORS | OFFICERS

Murray K. Mullen
Chairman of the Board, Chief Executive Officer, President and Director

Alan D. Archibald
Lead Director

Greg Bay, CFA
Director

Steven C. Grant
Director

Dennis J. Hoffman, FCPA, FCA, ICD.D
Director

Stephen H. Lockwood, Q.C.
Director

David E. Mullen
Director

Philip J. Scherman, FCPA, FCA, ICD.D
Director

P. Stephen Clark, CPA, CMA
Chief Financial Officer

Richard J. Maloney
Senior Vice President

Joanna K. Scott
Corporate Secretary and
Vice President, Corporate Services

EXECUTIVE

Murray K. Mullen
Chairman of the Board, Chief Executive Officer and President

P. Stephen Clark, CPA, CMA
Chief Financial Officer

Richard J. Maloney
Senior Vice President

CORPORATE OFFICE

Mullen Group Ltd.
Chimney Rock Centre
121A, 31 Southridge Drive
Okotoks, Alberta T1S 2N3
Telephone: 403-995-5200
Canada/U.S.: 1-866-995-7711
Facsimile: 403-995-5296
Internet: www.mullen-group.com
Email: IR@mullen-group.com

BANKER

The Royal Bank of Canada
Calgary, Alberta

LAWYERS

Burnet, Duckworth & Palmer LLP
Calgary, Alberta

AUDITORS

PricewaterhouseCoopers LLP
Calgary, Alberta

STOCK EXCHANGE

Toronto Stock Exchange
Trading Symbol: MTL

TRANSFER AGENT AND REGISTRAR

Valiant Trust Company
Calgary, Alberta
Telephone: 1-866-313-1872
Internet: www.valianttrust.com
Shareholder Inquiries:
inquiries@valianttrust.com

WE THINK tomorrow™

ONLINE INFORMATION

To receive news releases by email, or to review this report online, please visit Mullen Group's website at ***www.mullen-group.com****.*