Mullen Group Ltd.

INTERIM REPORT

Period Ended September 30, 2013

Q3

Our Life is the Highway™

CONTENTS

HIGHLIGHTS FOR THE QUARTER

REVENUE	OPERATING INCOME	OPERATING MARGIN	EARNINGS PER SHARE	CASH FLOW PER SHARE
$374.0 million	**$85.8 million**	**22.9 %**	**$0.56**	**$0.60**
(2012 - $335.4 million)	(2012 - $70.4 million)	(2012 - 21.0%)	(2012 - $0.52)	(2012 - $0.90)

Performance

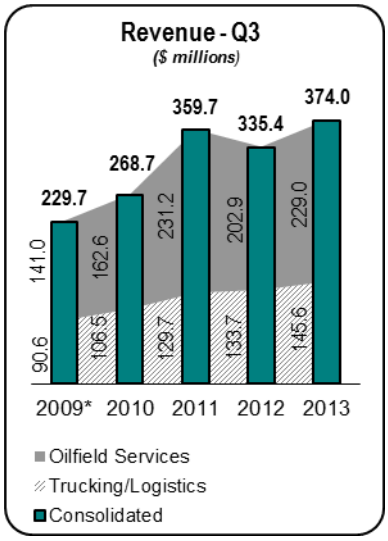
- Consolidated revenue up 11.5 percent to $374.0 million
- Operating income up 21.9 percent to $85.8 million
- Operating margin increased to 22.9 percent from 21.0 percent
- Earnings per share increased by 7.7 percent to $0.56

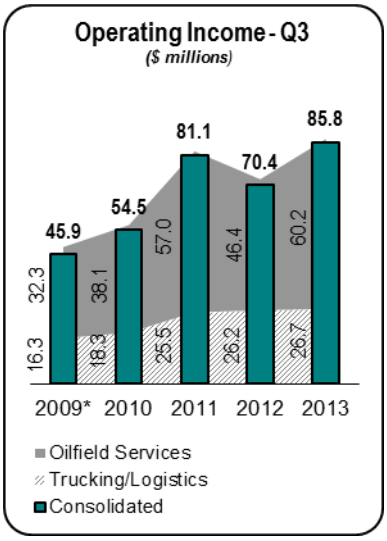
Position

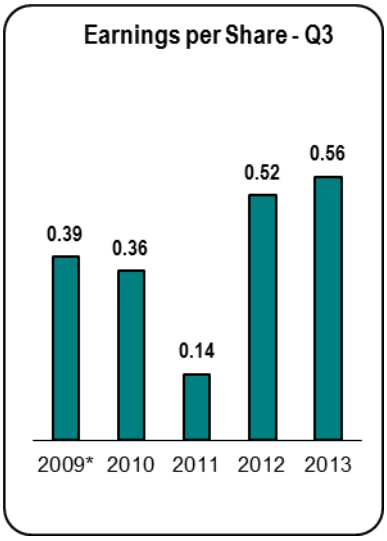
- Working capital: $218.6 million (includes $50.2 million of cash and cash equivalents)
- Net debt: $199.1 million (long-term debt plus the debt component of Debentures less working capital)
- Net debt to trailing twelve months' operating income: 0.66:1

Progress

- Year to date net capital expenditures of $92.7 million of which $58.9 million relates to operating equipment and $33.8 million relates to real property and facilities
- Share price increased by 20.1 percent to $25.10 per share compared to December 31, 2012
- Year to date return on equity of 19.0 percent







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

MULLEN GROUP LTD. — INTERIM FINANCIAL REPORT FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

ADVISORY

This Management's Discussion and Analysis ("**MD&A**"), dated October 23, 2013, reflects management's expectations regarding Mullen Group Ltd.'s ("**Mullen Group**" and/or the "**Corporation**") 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 "expect", "anticipate", "continue", "objective", "will", "should", "believe", "plan", "intend", "ongoing", "estimate", "may", "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. 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 are included 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.

More particularly and without limitation, this MD&A contains forward-looking statements within the meaning of applicable Canadian Securities laws, and specific details of the forward-looking statements can be found beginning on page 44.

GENERAL

This MD&A for the three and nine month periods ended September 30, 2013, should be read in conjunction with (i) the audited annual consolidated financial statements of Mullen Group for the fiscal year ended December 31, 2012 (the "**Annual Financial Statements**"), together with the Management's Discussion and Analysis thereon (the "**2012 MD&A**"), and (ii) the unaudited condensed interim consolidated financial statements for the three and nine month periods ended September 30, 2013, (the "**Interim Financial Statements**"). The Annual Financial Statements, 2012 MD&A and the Interim Financial Statements may be found on SEDAR at www.sedar.com and on Mullen Group's website at www.mullen-group.com. These documents are also available upon request, free of charge, from Mullen Group's Corporate Investor Services group at ir@mullen-group.com. All amounts contained in this MD&A are in Canadian funds unless otherwise indicated.

ACCOUNTING PRINCIPLES

The Interim Financial Statements have been prepared in compliance with International Accounting Standards ("**IAS**") 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements.

This MD&A and the Interim Financial Statements were reviewed by Mullen Group's Audit Committee on October 22, 2013, and approved by Mullen Group's Board of Directors (the "**Board**") on October 23, 2013.

Mullen Group reports on certain key financial performance measures that are used by management to evaluate the performance of Mullen Group. These key 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 International Financial Reporting Standards ("**IFRS**") and interpretations of the International Financial Reporting Interpretation Committee ("**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] and net debt[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. Readers are cautioned that these Non-GAAP Terms should not replace net income, earnings per share, purchases and proceeds on sale of property, plant and equipment and debt as indicators of Canadian GAAP performance. The Annual Financial Statements are presented in Canadian dollars, which is the functional currency of the Corporation and each of its Operating Entities.

EXECUTIVE SUMMARY

A summary of Mullen Group's financial and operating results for the period ended September 30, 2013, is set forth below.

For the three month period ended September 30, 2013, Mullen Group generated consolidated revenue of $374.0 million, operating income[1] of $85.8 million and earnings per share of $0.56, which are all record results when compared to any previous third quarter. Mullen Group generated net cash from operating activities of $54.3 million, which was used, among other things, to acquire net property, plant and equipment of $30.0 million, pay dividends of $27.1 million and pay interest obligations of $3.5 million.

Mullen Group's consolidated revenue of $374.0 million was an increase of $38.6 million, or 11.5 percent, from the $335.4 million generated in 2012. The majority of this increase in revenue was directly attributable to the Oilfield Services segment that contributed revenue of $229.0 million, an increase of $26.1 million from 2012, due to an increase in demand for services tied to the build out of new pipeline capacity, other infrastructure related projects in western Canada and the hauling of heavy crude oil in the Lloydminster region as well as a moderate increase in services that support drilling activity in the western Canada sedimentary basin ("**WCSB**"). The Trucking/Logistics segment contributed revenue of $145.6 million, which was an increase of $11.9 million over the prior year period, which was primarily due to the incremental revenue generated from the acquisition of Jay's Moving & Storage Ltd. ("**Jay's**").

Mullen Group's operating income[1] increased by $15.4 million, or 21.9 percent, to $85.8 million from the $70.4 million generated in 2012. Operating income[1] in the Oilfield Services segment accounted for $13.8 million of the increase, the Trucking/Logistics segment accounted for $0.5 million and Corporate costs declined by $1.1 million.

Overall, we are very pleased with Mullen Group's performance for the three month period ended September 30. As expected, Premay Pipeline Hauling L.P. ("**Premay Pipeline**") reported strong results for the quarter as did Canadian Dewatering L.P. ("**Canadian Dewatering**"), which is once again fully focused on its core business of large industrial pump rentals and developing water management solutions for the energy, industrial and municipal sectors. In addition, our businesses that support drilling activity in northwest Alberta and northeast British Columbia reported slight increases in revenue as activity levels started to show signs of marginal improvement

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

near the last half of the quarter. Heavy Crude Hauling L.P. ("**Heavy Crude**") also reported increased revenue from the major fluid hauling contract awarded earlier this year. The increase in revenue within our Trucking/Logistics segment was primarily attributable to the acquisition of Jay's earlier this year, while the combined effect of all the other operating entities remained relatively flat, which is consistent with a slow growth economy.

In the third quarter of 2013, Mullen Group generated net income of $51.2 million or $0.56 per share, an increase of $8.3 million, or 19.3 percent, compared to $42.9 million or $0.52 per share in 2012. The $8.3 million increase in net income was mainly attributable to Mullen Group's strong operating performance, which contributed $15.4 million of additional operating income[1]. This increase was partially offset by a $3.1 million negative variance in unrealized foreign exchange and a $1.1 million negative variance in the fair value of investments. Adjusting Mullen Group's net income and earnings per share to eliminate the impact of unrealized foreign exchange and change in the fair value of investments results in adjusted net income of $43.1 million and adjusted earnings per share of $0.47 for 2013 as compared to $30.8 million and $0.37 per share in 2012, respectively. These adjustments more clearly reflect earnings from an operating perspective.

Mullen Group's consolidated revenue in the first nine months of 2013 decreased by $11.7 million, or 1.1 percent, to $1,069.8 million as compared to $1,081.5 million in 2012. The majority of this decrease in revenue, specifically $29.8 million, was directly attributable to the reduction in revenue from Canadian Dewatering, as a result of its completion of the non-recurring Thin Fine Tailings ("**TFT**") barge system project. On a comparative basis, after adjusting for the non-recurring TFT barge system project revenue, Mullen Group's revenue from its core business increased $18.1 million, or 1.7 percent. Operating income[1] increased to $229.6 million, up 3.1 percent from $222.6 million in 2012. Net income increased to $123.0 million, up 12.7 percent from $109.1 million in 2012.

At the beginning of 2013 it was our view that the last half of 2013 would be a little better than the first half of 2013 owing largely to what we saw as improving industry fundamentals within the oil and natural gas sector as the year progressed. Despite a slow growth economy, it would appear that our projections are being validated as Mullen Group has been the benefactor of the build out of Canada's transmission pipeline systems; the continued development of Canada's oil sands and heavy oil resources; and the continued deployment of capital by our customers to the Deep Basin, Montney and Duvernay resource plays. Moreover, Mullen Group's record operating results in the third quarter speak to the continued execution of our strategy by operating a diverse group of decentralized, self-managed business units; the continuous pursuit of operational excellence; and a disciplined approach to the deployment of capital. Specifically, over the past two years we have deployed roughly $200.0 million of capital to ensure our existing operating businesses have the best equipment available to operate in this very competitive environment and it would seem that our strategy is paying off.

OUTLOOK

Our financial results for the third quarter, as we anticipated, were significantly higher than last year principally due to increased pipeline activity, the strong performance of Canadian Dewatering and the improved performance of those Operating Entities leveraged to drilling activity in western Canada. Our Trucking/Logistics segment showed marginal improvement, a reflection of a slow growth economy and the acquisition of Jay's. These results are generally consistent with our previously stated expectations contained in the Outlook section of our Interim Report to shareholders for the period ended June 30, 2013.

For the balance of 2013 we anticipate drilling activity in western Canada to remain at or near current levels primarily due to the positive near term outlook for crude oil, which continues to trade at approximately the $100 U.S. per barrel level; strong netbacks associated with oil production; as well as continued positive news as it relates to the future exports of Canadian natural gas through west coast LNG facilities. These trends are enabling, at least some, oil and gas companies limited access to the capital market, which we believe is supportive of drilling activity in the near term. In terms of the overall economic outlook we continue to believe that economic growth will be moderate, which suggests that growth in our Trucking/Logistics segment will remain challenging. In the fourth quarter, we do not expect results from pipeline activity or Canadian Dewatering to be as strong as the third quarter of 2013 due to seasonal slowdowns. Mullen Group maintains a strong balance sheet, including $50.2 million of cash and a $75.0 million credit facility that remains undrawn allowing the opportunity to continue investing in our Operating Entities as well as pursue growth through acquisition.

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

CORPORATE OVERVIEW

Summary Description of Business

Mullen Group is a publicly-traded company listed on the Toronto Stock Exchange ("**TSX**") under the symbol "**MTL**". Mullen Group owns a network of independently operated businesses. Mullen Group is recognized as the largest provider 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 Mullen Group has strong business relationships and industry leadership. The business of Mullen Group is operated through indirectly wholly-owned companies and limited partnerships (the "**Operating Entities**"). These Operating Entities are divided into two distinct operating segments – Oilfield Services and Trucking/Logistics. The segments are differentiated by the type of service provided, equipment requirements and customer needs. Mullen Group's Corporate Office provides the capital and financial expertise, technology and systems support, shared services and strategic planning for the Operating Entities. 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.

As at September 30, 2013, the Oilfield Services segment consisted of 16 Operating Entities, which utilize their highly trained personnel 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, drilling rig relocation services, 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 and pond reclamation services.

Oilfield Services segment – Operating Entities:	
Brady Oilfield Services L.P.	OK Drilling Services L.P.
Canadian Dewatering L.P.	Pe Ben Oilfield Services L.P.
Cascade Energy Services L.P. (1)	Premay Equipment L.P.
E-Can Oilfield Services L.P.	Premay Pipeline Hauling L.P.
Formula Powell L.P. (2)	R. E. Line Trucking (Coleville) Ltd.
Heavy Crude Hauling L.P.	Spearing Service L.P.
Majestic Oilfield Services Inc. (3)	TREO Drilling Services L.P.
Mullen Oilfield Services L.P.	Withers L.P.

(1) On January 1, 2013, the operations of Polaris Petroleum Ltd. were combined with Cascade Energy Services L.P.
(2) On January 1, 2013, the operations of Pro North Oilfield Services were combined with Formula Powell L.P.
(3) On August 15, 2013, Panda Tank & Vac Truck Services Inc. changed its name to Majestic Oilfield Services Inc.

As at September 30, 2013, the Trucking/Logistics segment consisted of 10 Operating Entities, offering a diversified range of truckload and less-than-truckload ("**LTL**") general freight services to customers in Canada, the United States and Mexico. 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 Entities:	
Cascade Carriers L.P.	Mill Creek Motor Freight L.P.
Grimshaw Trucking L.P.	Mullen Trucking L.P.
Hi-Way 9 Group of Companies	Payne Transportation L.P.
Jay's Moving & Storage Ltd.[(1)]	Smook Contractors Ltd.
Kleysen Group L.P.	Tenold Transportation Limited Partnership

[(1)] Acquired May 31, 2013

Capital Allocations

Acquisitions

On May 31, 2013, Mullen Group acquired Jay's for cash consideration of $21.6 million, consisting of $15.7 million for the outstanding common shares and $5.9 million of associated debt. Jay's is a LTL transportation company operating predominantly within Saskatchewan, Canada. Mullen Group acquired Jay's as part of its strategy to invest in the transportation sector in western Canada. The results from Jay's operations are included in the Trucking/Logistics segment.

On June 1, 2012, Mullen Group acquired Bernie's Hot Oil Service Ltd. ("**Bernie's**"), an oilfield fluid transportation company located in Swan Hills, Alberta, for cash consideration of $8.6 million, consisting of $5.8 million for the outstanding common shares and $2.8 million of associated debt. Mullen Group acquired Bernie's as part of its strategy to invest in the energy sector. Bernie's has been integrated into the operations of Cascade Energy Services L.P., whose financial results are included in the Oilfield Services segment.

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 January 15, 2013, Mullen Group's Board approved an $80.0 million net capital expenditures[1] budget for 2013 for allocation to those Operating Entities that need new capital to grow or sustaining capital to meet their ongoing customer needs. On July 24, 2013, Mullen Group's Board increased its net capital expenditures[1] budget for 2013 by $20.0 million to $100.0 million. The majority of this increase will be allocated towards the purchase of specialized operating equipment within the Oilfield Services segment. As a result, Mullen Group expects to allocate $75.0 million to the Oilfield Services segment and $25.0 million to the Trucking/Logistics segment. The capital required for acquisitions, real property and facilities and other special projects is not included in this $100.0 million budget and will be authorized by the Board as the need arises.

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

In the first nine months of 2013, net capital expenditures[1] were $92.7 million, consisting of $58.9 million of operating equipment and $33.8 million of real property and facilities, as compared to $85.9 million in 2012. The $6.8 million year over year increase was mainly due to the additional real property and facilities acquired by the Corporate Office. This increase was somewhat offset by a decrease in net capital expenditures[1] in both the Oilfield Services and Trucking/Logistics segments, which primarily resulted from the timing between when capital expenditures were ordered compared to when equipment was received from suppliers.

In the first nine months of 2013, the Corporate Office acquired $32.6 million (2012 - $11.0 million) of real property and facilities through its subsidiary MT to expand its network of real estate holdings, most notably in Fort McMurray, Fort Saskatchewan and Drayton Valley, Alberta; and Fort St. John, British Columbia. This additional real property and facilities included the purchase of strategic parcels of land that will be developed by the Corporate Office to capitalize on future growth opportunities, as well as the purchase of various facilities, some of which had been leased from third parties thereby reducing the Corporation's rental costs.

Gross capital expenditures on a consolidated basis were $101.5 million in the first nine months of 2013 as compared to $98.8 million in 2012. These capital expenditures were comprised of $52.5 million in the Oilfield Services segment (2012 - $62.2 million), $16.7 million in the Trucking/Logistics segment (2012 - $24.6 million) and $33.3 million in the Corporate Office (2012 - $12.0 million). Gross dispositions on a consolidated basis were $8.8 million in the first nine months of 2013 as compared to $12.9 million in 2012. These gross dispositions were comprised of $7.5 million in the Oilfield Services segment (2012 - $8.3 million), $1.9 million in the Trucking/Logistics segment (2012 - $1.8 million) and $0.4 million in the Corporate Office (2012 - $2.8 million).

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

SELECTED FINANCIAL HIGHLIGHTS

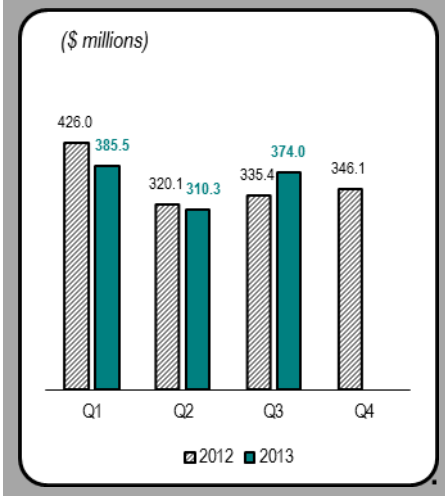
(unaudited) *($ millions, except share price and per share amounts)*	Three month periods ended September 30			Nine month periods ended September 30		
	2013	**2012**	**% Change**	**2013**	**2012**	**% Change**
Financial Results						
Revenue	**$ 374.0**	$ 335.4	11.5	**$ 1,069.8**	$ 1,081.5	(1.1)
Operating income[1]	**85.8**	70.4	21.9	**229.6**	222.6	3.1
Unrealized foreign exchange (gain) loss	**(5.1)**	(8.2)	(37.8)	**8.3**	(7.9)	(205.1)
Decrease (increase) in fair value of investments	**(4.3)**	(5.4)	(20.4)	**(25.1)**	0.7	3,685.7
Net income	**51.2**	42.9	19.3	**123.0**	109.1	12.7
Net income – adjusted[1]	**43.1**	30.8	39.9	**109.5**	103.3	6.0
Net cash from operating activities	**54.3**	74.5	(27.1)	**146.8**	212.2	(30.8)
Cash dividends declared to common shareholders	**27.1**	21.8	24.3	**80.7**	62.3	29.5
Financial Position						
Long-term debt (includes the current portion thereof and the debt component of Debentures)	**$ 418.0**	$ 433.7	(3.6)	**$ 418.0**	$ 433.7	(3.6)
Total assets	**1,591.8**	1,562.2	1.9	**1,591.8**	1,562.2	1.9
Share Information						
Cash dividends declared per Common Share	**$ 0.30**	$ 0.25	20.0	**$ 0.90**	$ 0.75	20.0
Earnings per share – basic	**$ 0.56**	$ 0.52	7.7	**$ 1.37**	$ 1.34	2.2
Earnings per share – diluted	**$ 0.56**	$ 0.49	14.3	**$ 1.36**	$ 1.27	7.1
Earnings per share – adjusted[1]	**$ 0.47**	$ 0.37	27.0	**$ 1.22**	$ 1.27	(3.9)
Share price – September 30	**$ 25.10**	$ 23.30	7.7	**$ 25.10**	$ 23.30	7.7
Other Information						
Net property, plant and equipment additions	**$ 30.0**	$ 33.6	(10.7)	**$ 92.7**	$ 85.9	7.9
Acquisitions	**$ —**	$ —	—	**$ 15.7**	$ 5.8	170.7

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

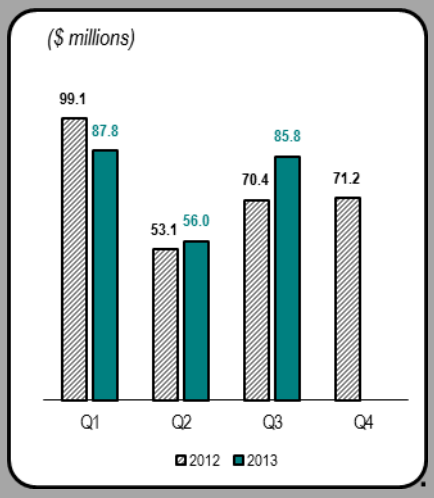
CONSOLIDATED FINANCIAL RESULTS – THREE MONTH PERIOD ENDED SEPTEMBER 30, 2013

Summary – Trailing Seven Quarters

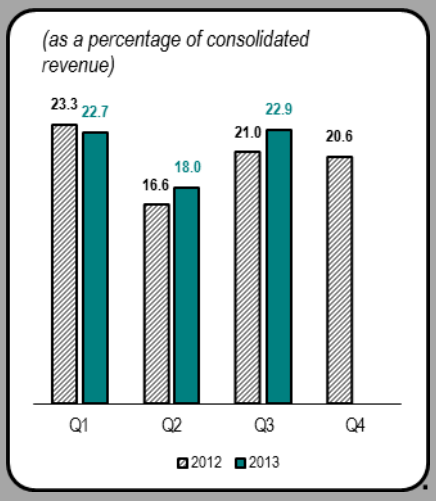
Consolidated Revenue



Operating Income



Operating Margin



Mullen Group continues to perform well in a flat economy that is characterized by competitive pricing and increased competition in certain markets. This performance is due, in part, to Mullen Group's effective deployment of capital in areas of greater activity such as the oil sands and pipeline infrastructure development, heavy oil regions of Alberta and certain natural gas drilling areas. In addition, Mullen Group remained focused on cost controls.

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**").*

Q3 Consolidated Revenue *(unaudited)* *($ millions)*	**2013**		**2012**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**232.2**	**62.1**	201.8	60.2	30.4	15.1
Contractors	**140.3**	**37.5**	132.1	39.4	8.2	6.2
Other	**1.5**	**0.4**	1.5	0.4	—	—
Total	**374.0**	**100.0**	335.4	100.0	38.6	11.5

Mullen Group's consolidated revenue in the third quarter increased by $38.6 million, or 11.5 percent, to $374.0 million as compared to $335.4 million in 2012. The $374.0 million was the highest level recorded for any third quarter period. The majority of the $38.6 million increase in revenue was directly attributable to the Oilfield Services segment. Revenue in the Oilfield Services segment increased by $26.1 million, or 12.9 percent, to $229.0 million as compared to $202.9 million in the same period one year earlier. Operating Entities in this segment benefited from modestly improved industry conditions. The $26.1 million increase in segment revenue was primarily due to an increase in revenue generated by those Operating Entities providing services associated

with large diameter pipeline construction projects and other specialized services, as well as increased revenue generated by Heavy Crude as a result of it being awarded a major crude oil and fluid hauling contract in the Lloydminster region.

Revenue in the Trucking/Logistics segment increased by $11.9 million, or 8.9 percent, to $145.6 million from $133.7 million in the same period one year earlier. This $11.9 million increase was due to incremental revenue resulting from the acquisition of Jay's and increased demand for certain services within this segment as well as a $0.6 million increase in fuel surcharge revenue. These increases were partially offset by decreased demand for over-dimensional and heavy haul freight services related to the construction of oil sands infrastructure and in the mining sector.

Revenue related to Company Equipment increased by $30.4 million, or 15.1 percent, to $232.2 million as compared to $201.8 million in 2012. Revenue related to Company Equipment represented 62.1 percent of consolidated revenue in the current period compared to 60.2 percent in 2012. Revenue related to Contractors increased by $8.2 million, or 6.2 percent, to $140.3 million as compared to $132.1 million in 2012, and represented 37.5 percent of consolidated revenue in the current period as compared to 39.4 percent in 2012.

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, taxes, 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.*

Q3 Consolidated Direct Operating Expenses *(unaudited)* *($ millions)*	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**62.4**	**26.9**	54.8	27.2	7.6	13.9
Fuel	**19.9**	**8.6**	17.4	8.6	2.5	14.4
Repairs and maintenance	**32.9**	**14.2**	31.4	15.6	1.5	4.8
Operating supplies	**18.2**	**7.8**	16.7	8.3	1.5	9.0
Other	**10.1**	**4.3**	8.7	4.2	1.4	16.1
	143.5	**61.8**	129.0	63.9	14.5	11.2
Contractors	**104.4**	**74.4**	98.2	74.3	6.2	6.3
Total	**247.9**	**66.3**	227.2	67.7	20.7	9.1

**as a percentage of respective Consolidated revenue*

DOE were $247.9 million in the third quarter as compared to $227.2 million in 2012. The increase of $20.7 million, or 9.1 percent, was directly related to the $38.6 million increase in consolidated revenue. As a percentage of revenue these expenses decreased by 1.4 percent to 66.3 percent compared to 67.7 percent in 2012.

In 2013 DOE associated with Company Equipment increased to $143.5 million from $129.0 million in 2012. The increase of $14.5 million, or 11.2 percent, was directly related to the increase in Company revenue, most notably from the increase in revenue generated by Premay Pipeline, which provides services associated with large diameter pipeline construction projects, as well as increased DOE associated with the acquisition of Jay's. As a percentage of Company revenue these expenses decreased to 61.8 percent compared to 63.9 percent in 2012. Company expenses as a percentage of Company revenue improved by 2.1 percent primarily due to a combination of the following:

- the increased margin resulting from revenue related to large diameter pipeline construction projects and other specialized services, most notably dewatering services;

- slightly improved industry conditions in the Oilfield Services segment; and
- a lower margin generated by the Trucking/Logistics segment.

DOE Contractors expense in the third quarter increased by $6.2 million to $104.4 million, as compared to $98.2 million in 2012. The $6.2 million increase was directly related to the $8.2 million increase in Contractors revenue. As a percentage of Contractors revenue, DOE Contractors expense increased by 0.1 percent to 74.4 percent as the 1.3 percent increase experienced by the Oilfield Services segment was largely offset by a decrease in the Trucking/Logistics segment.

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.*

Q3 Consolidated Selling and Administrative Expenses						
(unaudited)						
($ millions)	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**19.4**	**5.2**	19.2	5.7	0.2	1.0
Communications, utilities and general supplies	**9.5**	**2.5**	8.9	2.7	0.6	6.7
Profit share	**7.0**	**1.9**	5.4	1.6	1.6	29.6
Foreign exchange	**0.5**	**0.1**	0.4	0.1	0.1	25.0
Stock-based compensation	**0.6**	**0.2**	1.1	0.3	(0.5)	(45.5)
Rent and other	**3.3**	**0.9**	2.8	0.9	0.5	17.9
Total	**40.3**	**10.8**	37.8	11.3	2.5	6.6

**as a percentage of Consolidated revenue*

S&A expenses were $40.3 million in the third quarter as compared to $37.8 million in 2012. The increase of $2.5 million was mainly attributable to a $1.6 million increase in profit share expense, which resulted from higher profits being generated in certain Operating Entities as well as incremental S&A expenses resulting from the acquisition of Jay's. S&A expenses as a percentage of consolidated revenue decreased by 0.5 percent to 10.8 percent in comparison to 11.3 percent in 2012, primarily due to the overall fixed nature of these expenses relative to the $38.6 million increase in consolidated revenue.

Operating Income

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

Q3 Consolidated Operating Income						
(unaudited)						
($ millions)	**2013**		**2012**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Oilfield Services	**60.2**	**70.2**	46.4	65.9	13.8	29.7
Trucking/Logistics	**26.7**	**31.1**	26.2	37.2	0.5	1.9
Corporate	**(1.1)**	**(1.3)**	(2.2)	(3.1)	1.1	50.0
Total	**85.8**	**100.0**	70.4	100.0	15.4	21.9

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

Operating income[1] for the third quarter increased to $85.8 million, or 21.9 percent, compared to $70.4 million generated in the same period last year. The $85.8 million was the highest level recorded for any third quarter

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

period. The increase of $15.4 million was primarily due to the Oilfield Services segment that experienced a $13.8 million increase in operating income[1]. The Trucking/Logistics segment experienced a $0.5 million increase in operating income[1]. Corporate costs declined by $1.1 million on a year over year basis. Pricing remained competitive throughout the quarter, however, the focus on cost control and the effective deployment of capital in prior periods, allowed Mullen Group to expand margins. As a percentage of consolidated revenue, operating income[1] increased to 22.9 percent as compared to 21.0 percent in 2012. This 1.9 percent increase in operating margin was due to the combination of:

- a greater proportion of higher margin revenue, such as services associated with large diameter pipeline construction projects and dewatering services; and

- the continued focus on cost control by those Operating Entities that continue to operate in a competitive pricing environment.

Depreciation on Property, Plant and Equipment

Depreciation on property, plant and equipment was $17.6 million in the third quarter as compared to $16.4 million in 2012. The increase of $1.2 million was attributable to a greater amount of depreciation being recorded in both operating segments. Depreciation in the Oilfield Services segment increased by $0.7 million due to the capital expenditures made by those Operating Entities involved in the transportation of fluids and the servicing of wells. Somewhat offsetting this increase 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. Depreciation in the Trucking/Logistics segment increased by $0.5 million due to the additional depreciation expense resulting from the acquisition of Jay's. Depreciation in the Corporate Office increased slightly on a year over year basis primarily as a result of capital expenditures related to facilities.

Amortization on 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. Amortization on intangible assets was $3.8 million in the third quarter as compared to $4.6 million in 2012. This $0.8 million decrease resulted from the reduction in amortization recorded on certain Operating Entities' intangible assets that have become fully amortized being partially offset by the additional amortization recorded on the intangible assets associated with the Jay's acquisition.

Finance Costs

Finance costs mainly consist of:

- interest expense on financial liabilities, including:
  - the U.S. $100.0 million of Series A Notes, U.S. $50.0 million of Series B Notes, CDN. $70.0 million of Series C Notes, CDN. $70.0 million of Series D Notes, U.S. $85.0 million of Series E Notes, and CDN. $20.0 million of Series F 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 $6.4 million in the third quarter as compared to $8.4 million in 2012. This $2.0 million decrease was mainly attributable to lower interest expense being recorded on the Debentures due to conversions.

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

Unrealized Foreign Exchange (Gain) Loss

Mullen Group recognizes unrealized foreign exchange gains or losses at the end of each reporting period related to its $235.0 million of U.S. dollar denominated Private Placement Debt. As such, Mullen Group is exposed to a degree of foreign currency risk. Assuming all other variables are held constant, a $0.01 weakening of the CDN. dollar against the U.S. dollar would have decreased income before income taxes by approximately $2.4 million. Similarly, a $0.01 strengthening of the CDN. dollar against the U.S. dollar would have an equal but opposite effect on income before income taxes.

(unaudited) ***($ millions, except exchange rate amount)***	**2013**			**2012**		
	U.S. $ Debt	**Exchange Rate**	**CDN $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN $ Equivalent**
Ending – September 30	**235.0**	**1.0303**	**242.1**	235.0	0.9832	231.1
Beginning – June 30	**235.0**	**1.0518**	**247.2**	235.0	1.0181	239.3
Unrealized foreign exchange (gain) loss			**(5.1)**			(8.2)

In the third quarter of 2013, Mullen Group recorded an unrealized foreign exchange gain of $5.1 million. In the third quarter of 2012, Mullen Group recorded an unrealized foreign exchange gain of $8.2 million related to the Corporation's $235.0 million of U.S. dollar denominated debt.

Other (Income) Expense

Other (income) expense consists of the change in fair value of investments, the gain or loss on sale of property, plant and equipment and earnings from equity investments. Other income in the third quarter of 2013 was $3.8 million, a $1.7 million negative variance from the $5.5 million of other income recorded in 2012. The $1.7 million negative variance was due to the factors set forth below.

Change in Fair Value of Investments (negative variance of $1.1 million). Mullen Group periodically invests in certain private and public corporations. In the third quarter of 2013, Mullen Group recorded an increase in the fair value of investments of $4.3 million compared to a $5.4 million increase in the same period of 2012. There were no investments purchased or sold in either the third quarter of 2013 or 2012.

Gain or loss on Sale of Property, Plant and Equipment (negative variance of $0.8 million). In the third quarter of 2013, Mullen Group recognized a loss of $0.7 million on sale of property, plant and equipment on total consolidated proceeds on sale of $4.0 million as compared to a $0.1 million gain on sale of property, plant and equipment on total consolidated proceeds on sale of $3.4 million for the same period in 2012. The $0.7 million loss on sale of property, plant and equipment in 2013 mainly resulted from the sale of older assets by Operating Entities within the Oilfield Services segment.

Earnings from Equity Investment (positive variance of $0.2 million). In the third quarter of 2013, Mullen Group recognized $0.2 million of earnings from an equity investment. There was no equity investment in 2012. On January 1, 2013, Mullen Group entered into a unanimous shareholders agreement and an asset purchase agreement whereby it sold certain operating assets to Canol Oilfield Services Inc. ("**Canol**") in exchange for a $1.2 million promissory note and a 45.0 percent equity interest in Canol. Canol is an oilfield transportation company headquartered in Norman Wells, Northwest Territories and is strategically located in the Canol Shale Oil Region. Mullen Group acquired this equity interest in Canol as part of its strategy to invest in the energy sector.

Income Taxes

(unaudited) *($ millions)*	Three month periods ended September 30	
	2013	**2012**
Income before income taxes	**$ 66.9**	$ 54.7
Combined statutory tax rate	**25%**	25%
Expected income tax	**16.7**	13.7
Add (deduct):		
Non-taxable portion of unrealized foreign exchange gain	**(0.7)**	(1.0)
Non-taxable portion of the change in fair value of investments	**(0.5)**	(0.7)
Stock-based compensation expense	**0.1**	0.3
Other	**0.1**	(0.5)
Income tax expense	**$ 15.7**	$ 11.8

Income tax expense was $15.7 million in the third quarter as compared to $11.8 million in 2012. The increase of $3.9 million was mainly attributable to the greater amount of income generated in the third quarter of 2013 as compared to the same period in 2012.

Net Income

(unaudited) *($ millions, except share and per share amounts)*	Three month periods ended September 30		
	2013	**2012**	**% Change**
Net income	**$ 51.2**	$ 42.9	19.3
Weighted average number of Common Shares outstanding	**90,324,000**	82,337,020	9.7
Earnings per share – basic	**$ 0.56**	$ 0.52	7.7

Net income was $51.2 million in the third quarter as compared to $42.9 million in 2012. This $8.3 million increase in net income was mainly attributable to Mullen Group's strong operating performance that contributed $15.4 million of additional operating income[1]. Other factors contributing to the increase in net income included:

- a $2.0 million decrease in finance costs;
- a $0.8 million decrease in amortization on intangibles; and
- a $0.2 million increase in earnings from equity investment.

Somewhat offsetting the above factors were:

- a $3.9 million increase in income tax expense;
- a $3.1 million negative variance in unrealized foreign exchange;
- a $1.2 million increase in depreciation on property, plant and equipment;
- a $1.1 million negative variance in the fair value of investments; and
- a $0.8 million increase in loss on sale of property, plant and equipment.

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

Basic earnings per share increased to $0.56 in the third quarter from $0.52 in 2012. The $0.56 was the highest level recorded for any third quarter period. This resulted from the effect of the increase in net income combined with an increase in the weighted average number of Common Shares outstanding. The weighted average number of Common Shares outstanding increased on a year over year basis from 82,337,020 to 90,324,000 as a result of the issuance of Common Shares on the conversion of Debentures and the exercise of stock options.

Net Income – Adjusted and Earnings per Share – Adjusted

The following chart illustrates net income and basic earnings per share before considering the impact of both 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 September 30**	
	2013	**2012**
Income before income taxes	**$ 66.9**	$ 54.7
Add (deduct):		
Unrealized foreign exchange gain	**(5.1)**	(8.2)
Change in fair value of investments	**(4.3)**	(5.4)
Income before income taxes – adjusted	**57.5**	41.1
Income tax rate	**25%**	25%
Computed expected income tax expense	**14.4**	10.3
Net income – adjusted[1]	**43.1**	30.8
Weighted average number of Common Shares outstanding – basic	**90,324,000**	82,337,020
Earnings per share – adjusted[1]	**$ 0.47**	$ 0.37

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

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SEGMENTED INFORMATION – THREE MONTH PERIOD ENDED SEPTEMBER 30, 2013

Three month period ended September 30, 2013 ***(unaudited)*** ***($ millions)***	**Oilfield Services**	**Trucking /Logistics**	**Corporate and intersegment eliminations**	**Total**
	$	**$**	**$**	**$**
Revenue	**229.0**	**145.6**	**(0.6)**	**374.0**
Direct operating expenses	**147.7**	**102.5**	**(2.3)**	**247.9**
Selling and administrative expenses	**21.1**	**16.4**	**2.8**	**40.3**
Operating income[1]	**60.2**	**26.7**	**(1.1)**	**85.8**

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

Three month period ended September 30, 2012 ***(unaudited)*** ***($ millions)***	**Oilfield Services**	**Trucking /Logistics**	**Corporate and intersegment eliminations**	**Total**
	$	$	$	$
Revenue	202.9	133.7	(1.2)	335.4
Direct operating expenses	136.3	93.1	(2.2)	227.2
Selling and administrative expenses	20.2	14.4	3.2	37.8
Operating income[1]	46.4	26.2	(2.2)	70.4

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

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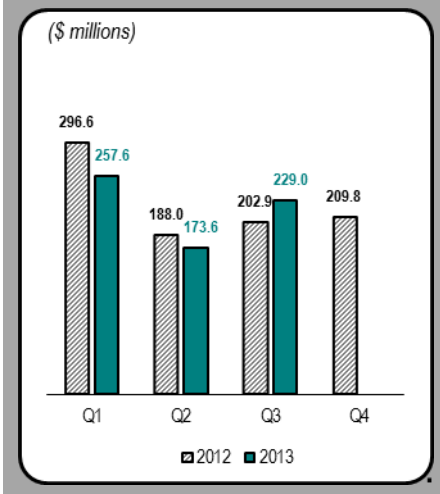
OILFIELD SERVICES SEGMENT

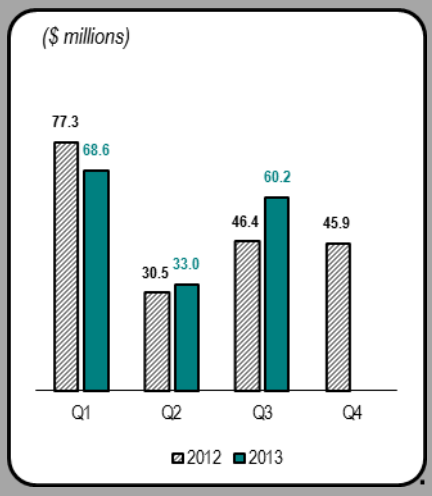
Mullen Group provides the energy sector in northern and western Canada with a wide range of services related to the drilling for oil and natural gas, oil and natural gas production, oil sands infrastructure development and capital projects. At September 30, 2013, the Oilfield Services segment was comprised of 16 Operating Entities, utilizing both Company Equipment and Contractors. On January 1, 2013, the operations of Polaris Petroleum Ltd. were combined with Cascade Energy Services L.P. and the operations of Pro North Oilfield Services were combined with Formula Powell L.P. On August 15, 2013, Panda Tank & Vac Truck Services Inc. changed its name to Majestic Oilfield Services Inc. A more detailed description of Mullen Group's Operating Entities is set forth in the notes to the Annual Financial Statements and Mullen Group's Annual Information Form, both of which are dated February 20, 2013 and are available on SEDAR at www.sedar.com, Mullen Group's website at www.mullen-group.com or on request, free of charge, from Mullen Group's Corporate Investor Services group at ir@mullen-group.com.

Summary – Trailing Seven Quarters

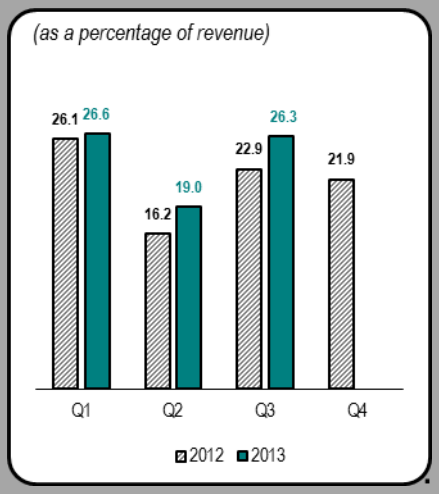
Revenue



Operating Income



Operating Margin



Revenue

Q3 Revenue – Oilfield Services *(unaudited)* *($ millions)*	2013		2012		Change	
	$	%	$	%	$	%
Company	**159.3**	**69.6**	140.4	69.2	18.9	13.5
Contractors	**68.6**	**30.0**	61.4	30.3	7.2	11.7
Other	**1.1**	**0.4**	1.1	0.5	—	—
Total	**229.0**	**100.0**	202.9	100.0	26.1	12.9

The Oilfield Services segment generated 61.1 percent of pre-consolidated revenue for the third quarter as compared to 60.3 percent in 2012. Revenue in this segment increased by $26.1 million, or 12.9 percent, to $229.0 million as compared to $202.9 million in 2012. The $26.1 million increase in segment revenue was primarily due to:

- an increase in revenue generated by those Operating Entities providing services associated with large diameter pipeline construction projects and other specialized services;
- an increase in revenue generated by Heavy Crude as a result of a major crude oil and fluid hauling contract in the Lloydminster region; and

- an increase in drilling activity in western Canada and its impact on those Operating Entities most directly tied to oil and natural gas drilling activity.

These increases were somewhat offset by lower demand for fluid hauling and related production services in southeast Saskatchewan.

Drilling activity in the WCSB, as reported in terms of active rig count, total wells drilled and length of metres drilled within such wells, increased slightly in the third quarter of 2013 as compared to the prior year. Industry statistics indicate that the average active rig count was 340 rigs during the quarter as compared to 331 active rigs in 2012, an increase of 9 rigs or 2.7 percent. In addition, total wells drilled for the third quarter of 2013 increased by 5.8 percent to 3,295 wells drilled in the period as compared to 3,114 wells drilled in 2012. The length of metres drilled within such wells increased by 8.6 percent during the period to 6.56 million metres as compared to 6.04 million metres in 2012. Specific factors affecting the Oilfield Services segment's revenue in the quarter were:

- a $17.6 million increase in revenue generated by those Operating Entities providing services related to large diameter pipeline construction projects and specialized services, most notably dewatering services;

- a $6.0 million increase in revenue generated by those Operating Entities most directly tied to oil and natural gas drilling activity;

- a $2.2 million increase in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells; and

- a $0.3 million decrease in revenue generated by those Operating Entities providing drilling services.

Direct Operating Expenses

Q3 Direct Operating Expenses – Oilfield Services

(unaudited) ***($ millions)***	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**41.1**	**25.8**	38.9	27.7	2.2	5.7
Fuel	**11.5**	**7.2**	10.9	7.8	0.6	5.5
Repairs and maintenance	**23.4**	**14.7**	22.7	16.2	0.7	3.1
Operating supplies	**14.7**	**9.2**	14.2	10.1	0.5	3.5
Other	**5.4**	**3.4**	4.2	2.9	1.2	28.6
	96.1	**60.3**	90.9	64.7	5.2	5.7
Contractors	**51.6**	**75.2**	45.4	73.9	6.2	13.7
Total	**147.7**	**64.5**	136.3	67.2	11.4	8.4

**as a percentage of respective Oilfield Services revenue*

DOE were $147.7 million in the third quarter as compared to $136.3 million in 2012. The increase of $11.4 million, or 8.4 percent, was directly related to the $26.1 million increase in segment revenue during the quarter. As a percentage of revenue these expenses decreased by 2.7 percent to 64.5 percent as compared to 67.2 percent in 2012.

In 2013 DOE associated with Company Equipment increased to $96.1 million from $90.9 million in 2012. The increase of $5.2 million, or 5.7 percent, was directly related to the increase in Company revenue. As a percentage of Company revenue these expenses decreased to 60.3 percent as compared to 64.7 percent in 2012. Company expenses as a percentage of Company revenue decreased by 4.4 percent primarily due to:

- the increased margin resulting from revenue related to large diameter pipeline construction projects and specialized services; and

- the increased margin resulting from slightly improved industry conditions that resulted in increased drilling activity, which positively affected the demand for drilling related services and to a lesser degree demand for fluid transportation and well servicing services.

DOE Contractors expense in the third quarter increased by $6.2 million to $51.6 million, as compared to $45.4 million in 2012. As a percentage of Contractors revenue, DOE Contractors expense increased slightly to 75.2 percent as compared to 73.9 percent in 2012 primarily due to the increased use of subcontractors in certain markets.

Selling and Administrative Expenses

Q3 Selling and Administrative Expenses – Oilfield Services *(unaudited)* *($ millions)*	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**10.0**	**4.4**	10.1	5.0	(0.1)	(1.0)
Communications, utilities and general supplies	**4.8**	**2.1**	5.0	2.5	(0.2)	(4.0)
Profit share	**4.7**	**2.1**	3.0	1.5	1.7	56.7
Rent and other	**1.6**	**0.6**	2.1	1.0	(0.5)	(23.8)
Total	**21.1**	**9.2**	20.2	10.0	0.9	4.5

**as a percentage of total Oilfield Services revenue*

S&A expenses were $21.1 million in the third quarter as compared to $20.2 million in 2012. The increase of $0.9 million was mainly attributable to a $1.7 million increase in profit share expense, which resulted from higher profits being generated in certain Operating Entities. This increase was somewhat offset by a $0.5 million decrease in rent and other expenses. S&A expenses as a percentage of segment revenue decreased by 0.8 percent to 9.2 percent in comparison to 10.0 percent in 2012, due to the overall fixed nature of these expenses relative to the $26.1 million increase in segment revenue.

Operating Income

Operating income[1] in the third quarter increased 29.7 percent to $60.2 million. The $13.8 million year over year increase can primarily be attributed to the net effect of the following:

- a $9.9 million increase relating to those Operating Entities leveraged to the oil sands and pipeline construction projects;
- a $3.5 million increase from Operating Entities tied to drilling related activity;
- a $0.5 million increase in those Operating Entities involved in the transportation of fluids and servicing of wells; and
- a $0.1 million decrease from Operating Entities providing drilling services, including core drilling services.

Operating income[1] represented as a percentage of segment revenue, increased to 26.3 percent in the third quarter from 22.9 percent in 2012. The 3.4 percent increase in operating margin was mainly due to higher margin revenue derived from increased pipeline construction and specialized services.

Capital Expenditures

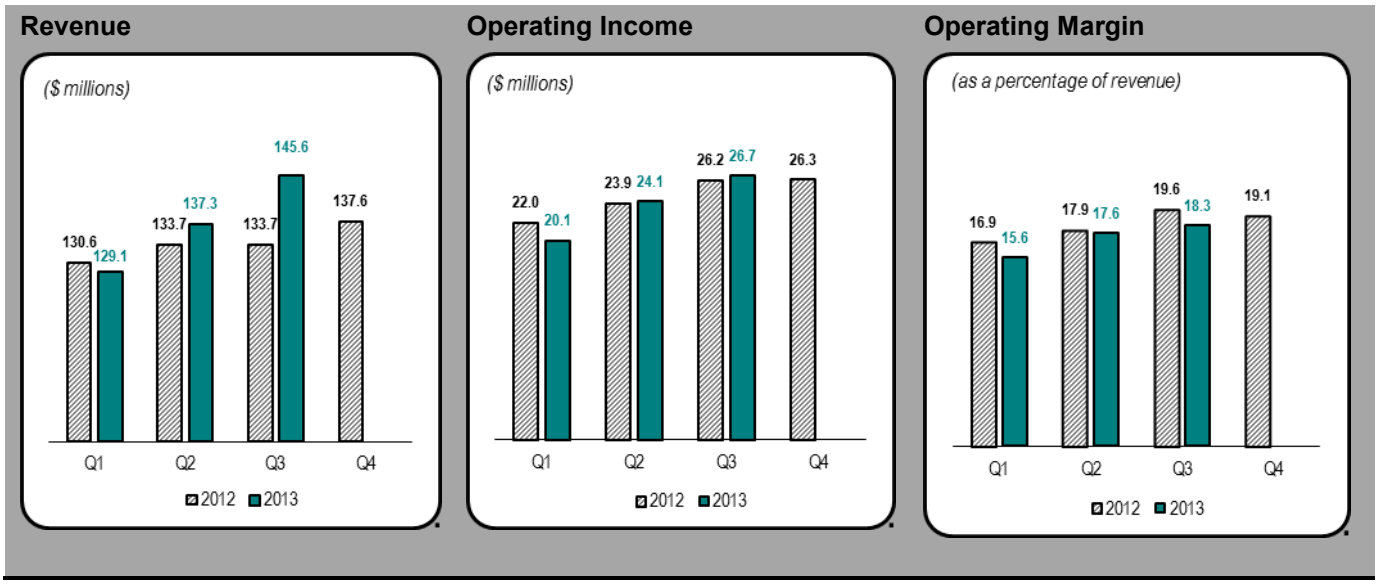
Net capital expenditures[1] were $14.1 million in the third quarter as compared to $22.8 million in 2012. The Oilfield Services segment had gross capital expenditures of $17.4 million and dispositions of $3.3 million for net capital expenditures[1] of $14.1 million in 2013. Gross capital expenditures mainly consisted of additional equipment for those Operating Entities involved in the transportation of fluids and the servicing of wells. Gross capital expenditures also consisted of acquiring additional specialized fluid management equipment to meet customer demand. The majority of the dispositions related to the sale of older trucks and trailers. In 2012 gross capital expenditures were $25.7 million and dispositions were $2.9 million for net capital expenditures[1] of $22.8 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. and Mexico. At September 30, 2013, the Trucking/Logistics segment was comprised of 10 Operating Entities, utilizing both Company Equipment and Contractors. A more detailed description of Mullen Group's Operating Entities is set forth in the notes to the Annual Financial Statements and Mullen Group's Annual Information Form dated February 20, 2013, both of which are available on SEDAR at www.sedar.com, Mullen Group's website at www.mullen-group.com or on request, free of charge, from Mullen Group's Corporate Investor Services group at ir@mullen-group.com.

Summary – Trailing Seven Quarters



Revenue

Q3 Revenue – Trucking/Logistics *(unaudited)* *($ millions)*	2013		2012		Change	
	$	%	$	%	$	%
Company	**72.9**	**50.1**	61.3	45.8	11.6	18.9
Contractors	**72.6**	**49.9**	72.1	53.9	0.5	0.7
Other	**0.1**	—	0.3	0.3	(0.2)	(66.7)
Total	**145.6**	**100.0**	133.7	100.0	11.9	8.9

The Trucking/Logistics segment generated 38.9 percent of pre-consolidated revenue for the third quarter as compared to 39.7 percent in 2012. This segment continues to operate in a competitive pricing environment, which is reflective of a modest growth economy.

Revenue in this segment increased by $11.9 million, or 8.9 percent, to $145.6 million as compared to $133.7 million in 2012. This increase was due to the incremental revenue resulting from the acquisition of Jay's and increased demand for certain services within this segment, as well as a $0.6 million increase in fuel surcharge revenue. Fuel surcharge revenue increased to $13.6 million from $13.0 million in 2012. These increases were partially offset by decreased demand for over-dimensional and heavy haul freight services.

Direct Operating Expenses

Q3 Direct Operating Expenses – Trucking/Logistics *(unaudited)* *($ millions)*	2013		2012		Change	
	$	%*	$	%*	$	%
Company						
Wages and benefits	**21.4**	**29.4**	15.9	25.9	5.5	34.6
Fuel	**8.4**	**11.5**	6.6	10.8	1.8	27.3
Repairs and maintenance	**9.5**	**13.0**	8.6	14.0	0.9	10.5
Operating supplies	**3.4**	**4.7**	2.4	3.9	1.0	41.7
Other	**6.1**	**8.3**	5.5	9.0	0.6	10.9
	48.8	**66.9**	39.0	63.6	9.8	25.1
Contractors	**53.7**	**74.0**	54.1	75.0	(0.4)	(0.7)
Total	**102.5**	**70.4**	93.1	69.6	9.4	10.1

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

DOE in the third quarter were $102.5 million as compared to $93.1 million in 2012. The increase of $9.4 million, or 10.1 percent, was due to higher DOE associated with Company Equipment that was partially offset by a slight reduction in DOE associated with Contractors. Overall, as a percentage of revenue these expenses increased by 0.8 percent to 70.4 percent as compared to 69.6 percent in 2012.

DOE related to Company Equipment increased by $9.8 million to $48.8 million from $39.0 million, primarily due to the incremental DOE resulting from the acquisition of Jay's. In terms of a percentage of revenue, DOE Company increased by 3.3 percent to 66.9 percent as compared to 63.6 percent in 2012. This increase as a percentage of Company revenue was due to the combined effect of the following:

- wages and benefit expenses that increased by 3.5 percent to 29.4 percent of Company revenue, or $21.4 million, as compared to 25.9 percent or $15.9 million in 2012, due to wage increases in certain Operating Entities to remain competitive as well as the acquisition of Jay's whose LTL operations are comparatively more labour intense;

- fuel expenses that increased by 0.7 percent of Company revenue to 11.5 percent, or $8.4 million, as compared to 10.8 percent or $6.6 million in 2012, as a result of the change in diesel fuel prices;

- operating supplies that increased by 0.8 percent of Company revenue to 4.7 percent, or $3.4 million, as compared to 3.9 percent or $2.4 million in 2012, mainly due to an increase in sale of industrial and aggregate products; and

- other expenses that decreased by 0.7 percent to 8.3 percent of Company revenue, or $6.1 million, as compared to 9.0 percent or $5.5 million in 2012, as a result of on-going efforts to reduce costs.

DOE Contractors expense in the third quarter decreased by $0.4 million to $53.7 million, as compared to $54.1 million in 2012. As a percentage of Contractors revenue, DOE Contractors expense decreased to 74.0 percent as compared to 75.0 percent in 2012 due to the decrease use of subcontractors in certain markets.

Selling and Administrative Expenses

Q3 Selling and Administrative Expenses – Trucking/Logistics *(unaudited)* *($ millions)*	2013		2012		Change	
	$	%*	$	%*	$	%
Wages and benefits	**9.1**	**6.3**	7.8	5.8	1.3	16.7
Communications, utilities and general supplies	**3.8**	**2.6**	3.3	2.5	0.5	15.2
Profit share	**2.3**	**1.6**	2.3	1.7	—	—
Foreign exchange	**0.3**	**0.2**	0.4	0.3	(0.1)	(25.0)
Rent and other	**0.9**	**0.6**	0.6	0.5	0.3	50.0
Total	**16.4**	**11.3**	14.4	10.8	2.0	13.9

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

S&A expenses were $16.4 million in the third quarter as compared to $14.4 million in 2012. The increase of $2.0 million was primarily due to the acquisition of Jay's. S&A expenses as a percentage of segment revenue increased by 0.5 percent to 11.3 percent in comparison to 10.8 percent in 2012.

Operating Income

Operating income[1] for the third quarter increased to $26.7 million, or 1.9 percent, compared to $26.2 million generated in the same period last year. The increase of $0.5 million resulted primarily from the acquisition of Jay's that was partially offset by lower margins experienced by those Operating Entities that provide over-dimensional and heavy haul freight services. As a percentage of segment revenue, operating income[1] decreased to 18.3 percent as compared to 19.6 percent in 2012.

Capital Expenditures

Net capital expenditures[1] were $5.4 million in the third quarter as compared to $8.9 million in 2012. The Trucking/Logistics segment had gross capital expenditures of $6.4 million and dispositions of $1.0 million for net capital expenditures[1] of $5.4 million in 2013. Gross capital expenditures mainly consisted of the purchase of trucks and trailers, as well as various pieces of operating equipment. In 2012 gross capital expenditures were $9.4 million and dispositions were $0.5 million for net capital expenditures[1] of $8.9 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 incurred a net operating loss of $1.1 million in the third quarter of 2013 as compared to a $2.2 million loss in 2012. The $1.1 million decrease was mainly attributable to an increase in the costs recovered from Operating Entities and from a reduction in stock-based compensation expense.

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

CONSOLIDATED FINANCIAL RESULTS – NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

Revenue

Consolidated Revenue **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2013**		**2012**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**651.0**	**60.9**	663.6	61.4	(12.6)	(1.9)
Contractors	**415.0**	**38.8**	413.0	38.2	2.0	0.5
Other	**3.8**	**0.3**	4.9	0.4	(1.1)	(22.4)
Total	**1,069.8**	**100.0**	1,081.5	100.0	(11.7)	(1.1)

Mullen Group's consolidated revenue in the first nine months of 2013 decreased by $11.7 million, or 1.1 percent, to $1,069.8 million as compared to $1,081.5 million in 2012. The majority of this decrease in revenue, specifically $29.8 million, was directly attributable to the reduction in revenue from Canadian Dewatering, as a result of its completion of the non-recurring TFT barge system project. On a comparative basis, after adjusting for the non-recurring TFT barge system project revenue, Mullen Group's revenue from its core business increased $18.1 million, or 1.7 percent.

Revenue in the Oilfield Services segment decreased by $27.3 million, or 4.0 percent, to $660.2 million as compared to $687.5 million in the same period one year earlier. This decrease includes the $29.8 million reduction from the non-recurring TFT barge system project. On a comparative basis, revenue from this segment's core business increased by $2.5 million, or 0.4 percent, from the same period one year earlier. This $2.5 million increase was due to the net effect of the following:

- an increase in revenue related to pipeline construction projects and other specialized transportation services;
- increased revenue realized by certain Operating Entities tied to the Alberta oil sands, such as core drilling;
- an increase in revenue generated by Heavy Crude as a result of a major crude oil and fluid hauling contract in the Lloydminster region;
- a reduction in drilling activity, particularly in the first half of 2013, in western Canada and its impact on those Operating Entities most directly tied to oil and natural gas drilling activity, most notably rig relocation services; and
- a challenging operating environment in the first half of 2013 in western Canada resulting from the combination of competitive pricing, continued pipeline and infrastructure bottlenecks in certain markets as well as weather and flood related issues.

Revenue in the Trucking/Logistics segment increased by $14.0 million, or 3.5 percent, to $412.0 million from $398.0 million in the same period one year earlier. This $14.0 million increase was largely due to incremental revenue resulting from the acquisition of Jay's as well as increased demand for most services within this segment. These increases were partially offset by decreased demand for over-dimensional and heavy haul freight services related to the construction of oil sands infrastructure and in the mining sector and a $0.1 million decrease in fuel surcharge revenue.

Revenue related to Company Equipment decreased by $12.6 million, or 1.9 percent, to $651.0 million as compared to $663.6 million in 2012. The majority of this decrease, specifically $29.8 million, was directly attributable to the completion of the non-recurring TFT barge system project. Revenue related to Company Equipment represented 60.9 percent of consolidated revenue in the current period compared to 61.4 percent in 2012. Revenue related to Contractors increased by $2.0 million, or 0.5 percent, to $415.0 million as compared to $413.0 million in 2012, and represented 38.8 percent of consolidated revenue in the current period compared to 38.2 percent in 2012.

Direct Operating Expenses

Consolidated Direct Operating Expenses **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**177.1**	**27.2**	171.2	25.8	5.9	3.4
Fuel	**60.4**	**9.3**	58.9	8.9	1.5	2.5
Repairs and maintenance	**93.7**	**14.4**	92.2	13.9	1.5	1.6
Operating supplies	**54.8**	**8.4**	85.9	12.9	(31.1)	(36.2)
Other	**29.0**	**4.5**	27.2	4.1	1.8	6.6
	415.0	**63.8**	435.4	65.6	(20.4)	(4.7)
Contractors	**310.9**	**74.9**	309.5	74.9	1.4	0.5
Total	**725.9**	**67.9**	744.9	68.9	(19.0)	(2.6)

**as a percentage of respective Consolidated revenue*

DOE were $725.9 million in the first nine months of 2013 as compared to $744.9 million in 2012. The decrease of $19.0 million, or 2.6 percent, was directly related to the decrease in segment revenue during the period. The majority of the DOE reduction, specifically $31.7 million, was directly attributable to the completion of the non-recurring TFT barge system project. As a percentage of revenue these expenses decreased by 1.0 percent to 67.9 percent compared to 68.9 percent in 2012.

In 2013 DOE associated with Company Equipment decreased to $415.0 million from $435.4 million in 2012. The decrease of $20.4 million, or 4.7 percent, was directly related to the decrease in Company revenue, most notably from the completion of the TFT barge system project. As a percentage of Company revenue these expenses decreased to 63.8 percent compared to 65.6 percent in 2012. Company expenses as a percentage of Company revenue decreased by 1.8 percent primarily due to the net effect of the factors set forth below.

- The absence of the lower margin revenue that was associated with the non-recurring TFT barge system project. This project consumed $31.7 million of operating supplies in 2012 as compared to no operating supplies in 2013.

- The increased margin resulting from revenue related to large diameter pipeline construction projects and other specialized services, most notably dewatering services.

- The decreased margin resulting from a generally more competitive environment in the Trucking/Logistics segment.

DOE Contractors expense in the first nine months of 2013 increased by $1.4 million to $310.9 million, as compared to $309.5 million in 2012 due to the $2.0 million increase in Contractors revenue. As a percentage of Contractors revenue, DOE Contractors expense remained stable at 74.9 percent.

Selling and Administrative Expenses

Consolidated Selling and Administrative Expenses **Nine month periods ended September 30** **(*unaudited*)** ***($ millions)***	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**59.2**	**5.5**	57.9	5.4	1.3	2.2
Communications, utilities and general supplies	**28.7**	**2.7**	27.7	2.6	1.0	3.6
Profit share	**16.5**	**1.5**	16.3	1.5	0.2	1.2
Foreign exchange	**(0.7)**	**(0.1)**	0.5	—	(1.2)	(240.0)
Stock-based compensation	**1.8**	**0.2**	2.4	0.2	(0.6)	(25.0)
Rent and other	**8.8**	**0.9**	9.2	0.8	(0.4)	(4.3)
Total	**114.3**	**10.7**	114.0	10.5	0.3	0.3

**as a percentage of Consolidated revenue*

S&A expenses were $114.3 million in the first nine months of 2013 as compared to $114.0 million in 2012. The increase of $0.3 million was mainly attributable to incremental S&A expenses resulting from the acquisition of Jay's. In addition, Mullen Group realized a $1.2 million positive variance in foreign exchange. S&A expenses as a percentage of consolidated revenue increased by 0.2 percent to 10.7 percent in comparison to 10.5 percent in 2012, primarily due to the overall fixed nature of these expenses relative to the $11.7 million decrease in consolidated revenue.

Operating Income

Operating income[1] for the first nine months of 2013 increased to $229.6 million, or 3.1 percent, compared to $222.6 million generated in the same period last year. The increase of $7.0 million was primarily due to the Oilfield Services segment that realized a $7.6 million increase in operating income[1]. The Trucking/Logistics segment realized a $1.2 million decrease in operating income[1]. Corporate costs declined by $0.6 million on a year over year basis. As a percentage of revenue, operating income[1] increased to 21.5 percent as compared to 20.6 percent in 2012. This 0.9 percent increase in operating margin was directly attributable to the increased margin resulting from revenue related to large diameter pipeline construction projects and other specialized services as well as the completion of the TFT barge system project that occurred in the second quarter of 2012. On a comparative basis, after adjusting for revenue and expenses related to the non-recurring TFT barge system project, consolidated operating margin was 21.3 percent.

Depreciation on Property, Plant and Equipment

Depreciation on property, plant and equipment was $51.0 million in the first nine months of 2013 as compared to $47.3 million in 2012. The increase of $3.7 million was attributable to a greater amount of depreciation being recorded in both operating segments. Depreciation in the Oilfield Services segment increased by $2.3 million due to the capital expenditures made by those Operating Entities involved in the transportation of fluids and the servicing of wells and from acquiring specialized equipment to service the demand within Alberta's oil sands. Somewhat offsetting these increases was a decrease in depreciation due to the sale of certain assets by Operating Entities combined with the Corporation's declining balance method of depreciation. Depreciation in the Trucking/Logistics segment increased by $1.2 million due to the capital expenditures made by the Operating Entities within this segment. Depreciation also increased in 2013 due to the incremental depreciation recorded on the Bernie's and Jay's acquisitions. Depreciation in the Corporate Office increased slightly on a year over year basis primarily as a result of capital expenditures related to facilities.

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

Amortization on Intangible Assets

Amortization on intangible assets were $12.9 million in the first nine months of 2013 as compared to $13.7 million in 2012. This $0.8 million decrease mainly resulted from the reduction in amortization recorded on certain Operating Entities intangible assets that have become fully amortized being somewhat offset by the additional amortization recorded on the intangible assets associated with the Bernie's and Jay's acquisitions.

Finance Costs

Finance costs were $19.7 million in the first nine months of 2013 as compared to $25.8 million in 2012. This $6.1 million decrease was mainly attributable to lower interest expense being recorded on the Debentures due to conversions.

Unrealized Foreign Exchange Loss (Gain)

(unaudited) ***($ millions, except exchange rate amount)***	**2013**			**2012**		
	U.S. $ Debt	**Exchange Rate**	**CDN $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN $ Equivalent**
Ending – September 30	**235.0**	**1.0303**	**242.1**	235.0	0.9832	231.1
Beginning – January 1	**235.0**	**0.9949**	**233.8**	235.0	1.0170	239.0
Unrealized foreign exchange loss (gain)			**8.3**			(7.9)

In the first nine months of 2013, Mullen Group recorded an unrealized foreign exchange loss of $8.3 million. This was due to the impact of the change over the period in the value of the CDN. dollar relative to the U.S. dollar on the Corporation's $235.0 million of U.S. dollar denominated debt. For the same period in 2012 there was an unrealized foreign exchange gain of $7.9 million related to the Corporation's $235.0 million of U.S. dollar denominated debt.

Other (Income) Expense

Other income in the first nine months of 2013 was $25.1 million, a $23.8 million positive variance from the $1.3 million of other income recorded in 2012. The $23.8 million positive variance was due to the factors set forth below.

Change in fair value of investments (positive variance of $25.8 million). In the first nine months of 2013, Mullen Group recorded an increase in the fair value of investments of $25.1 million as compared to a $0.7 million decrease in the same period in 2012. This increase was mainly attributable to the year over year change in the value of Mullen Group's investment in Logan International Inc., a TSX listed company. There were no investments purchased or sold during the nine month period ended September 30, 2013.

Gain or loss on sale of property, plant and equipment (negative variance of $2.9 million). In the first nine months of 2013, Mullen Group recognized a loss of $0.9 million on sale of property, plant and equipment on consolidated proceeds on sale of $8.8 million as compared to a $2.0 million gain on consolidated proceeds on sale of $12.9 million for the same period in 2012.

Earnings from Equity Investment (positive variance of $0.9 million). In the first nine months of 2013, Mullen Group recognized $0.9 million of earnings from its equity investment in Canol. There was no equity investment in 2012.

Income Taxes

(unaudited) *($ millions)*	Nine month periods ended September 30	
	2013	**2012**
Income before income taxes	**$ 162.8**	$ 145.0
Combined statutory tax rate	**25%**	25%
Expected income tax	**40.7**	36.3
Add (deduct):		
Non-taxable portion of unrealized foreign exchange loss (gain)	**1.0**	(1.0)
Non-taxable portion of the change in fair value of investments	**(3.1)**	0.1
Stock-based compensation expense	**0.4**	0.6
Other	**0.8**	(0.1)
Income tax expense	**$ 39.8**	$ 35.9

Income tax expense was $39.8 million in the first nine months of 2013 as compared to $35.9 million in 2012. The increase of $3.9 million was mainly attributable to the increased income generated in 2013 as compared to 2012.

Net Income

(unaudited) *($ millions, except share and per share amounts)*	Nine month periods ended September 30		
	2013	**2012**	**% Change**
Net income	**$ 123.0**	$ 109.1	12.7
Weighted average number of Common Shares outstanding	**89,495,754**	81,475,605	9.8
Earnings per share – basic	**$ 1.37**	$ 1.34	2.2

Net income was $123.0 million in the first nine months of 2013 as compared to $109.1 million in 2012. The factors contributing to the increase in net income include:

- a $25.8 million year over year positive variance in the fair value of investments;
- a $7.0 million increase in operating income[1];
- a $6.1 million decrease in finance costs;
- a $0.9 million increase in earnings from equity investment; and
- a $0.8 million decrease in amortization on intangibles.

Somewhat offsetting the above factors were:

- a $16.2 million negative variance in unrealized foreign exchange;
- a $3.9 million increase in income tax expense;
- a $3.7 million increase in depreciation on property, plant and equipment; and
- a $2.9 million increase in loss on sale of property, plant and equipment.

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

Basic earnings per share increased to $1.37 from $1.34 in 2012, which resulted from the combined effect of the $13.9 million increase in net income and an increase in the weighted average number of Common Shares outstanding. The weighted average number of Common Shares outstanding increased on a year over year basis from 81,475,605 to 89,495,754 due to the issuance of Common Shares on the conversion of Debentures and from the exercise of stock options.

Net Income – Adjusted and Earnings per Share – Adjusted

The following chart illustrates net income and basic earnings per share before considering the impact of both 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)***	**Nine month periods ended September 30**	
	2013	**2012**
Income before income taxes	**$ 162.8**	$ 145.0
Add (deduct):		
Unrealized foreign exchange loss (gain)	**8.3**	(7.9)
Change in fair value of investments	**(25.1)**	0.7
Income before income taxes – adjusted	**146.0**	137.8
Income tax rate	**25%**	25%
Computed expected income tax expense	**36.5**	34.5
Net income – adjusted[1]	**109.5**	103.3
Weighted average number of Common Shares outstanding – basic	**89,495,754**	81,475,605
Earnings per share – adjusted[1]	**$ 1.22**	$ 1.27

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

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SEGMENTED INFORMATION – NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

Nine month period ended September 30, 2013 *(unaudited)* *($ millions)*	Oilfield Services	Trucking /Logistics	Corporate and intersegment eliminations	Total
	$	$	$	$
Revenue	**660.2**	**412.0**	**(2.4)**	**1,069.8**
Direct operating expenses	**435.8**	**296.6**	**(6.5)**	**725.9**
Selling and administrative expenses	**62.6**	**44.5**	**7.2**	**114.3**
Operating income[1]	**161.8**	**70.9**	**(3.1)**	**229.6**

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

Nine month period ended September 30, 2012 *(unaudited)* *($ millions)*	Oilfield Services	Trucking /Logistics	Corporate and intersegment eliminations	Total
	$	$	$	$
Revenue	687.5	398.0	(4.0)	1,081.5
Direct operating expenses	469.8	283.5	(8.4)	744.9
Selling and administrative expenses	63.5	42.4	8.1	114.0
Operating income[1]	154.2	72.1	(3.7)	222.6

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

OILFIELD SERVICES SEGMENT

Revenue

Revenue – Oilfield Services **Nine month periods ended September 30** *(unaudited)* *($ millions)*	2013		2012		Change	
	$	%	$	%	$	%
Company	**454.8**	**68.9**	480.9	69.9	(26.1)	(5.4)
Contractors	**202.7**	**30.7**	203.1	29.5	(0.4)	(0.2)
Other	**2.7**	**0.4**	3.5	0.6	(0.8)	(22.9)
Total	**660.2**	**100.0**	687.5	100.0	(27.3)	(4.0)

The Oilfield Services segment generated 61.6 percent of pre-consolidated revenue in the first nine months of 2013 as compared to 63.3 percent in 2012. Revenue in this segment decreased by $27.3 million, or 4.0 percent, to $660.2 million as compared to $687.5 million in 2012. This decrease was primarily due to the $29.8 million reduction in revenue from Canadian Dewatering as a result of its completion of the TFT barge system project. On a comparative basis, after adjusting for the non-recurring TFT barge system project revenue, this segment's revenue from its core business increased by $2.5 million, or 0.4 percent. This $2.5 million increase was due to the combination of the following:

- an increase in revenue generated by those Operating Entities providing services associated with large diameter pipeline construction projects and other specialized services;

- an increase in revenue generated by Heavy Crude as a result of it being awarded a major crude oil and fluid hauling contract in the Lloydminster region;

- a reduction in drilling activity in western Canada in the first half of the year and its impact on those Operating Entities most directly tied to oil and natural gas drilling activity, most notably rig relocation services; and

- a challenging operating environment in western Canada, particularly in the first six months of the year, resulting from the combination of competitive pricing, pipeline and infrastructure bottlenecks in certain markets as well as weather and flood related issues.

Drilling activity in the WCSB, as reported in terms of active rig count, total wells drilled and length of metres drilled within such wells, were largely flat in the first nine months of 2013 as compared to the prior year with a trend towards increased activity during the third quarter. Industry statistics indicate that the average active rig count was 329 rigs during the first nine months of 2013 as compared to 350 active rigs in 2012, a decrease of 21 rigs or 6.0 percent. In addition, total wells drilled in 2013 decreased by 0.2 percent to 8,114 wells drilled in the period as compared to 8,129 wells drilled in 2012. The length of metres drilled within such wells increased by 2.2 percent during the period to 16.50 million metres as compared to 16.15 million metres in 2012. Specific factors affecting the Oilfield Services segment's revenue in the period were:

- a $26.0 million increase in revenue generated by those Operating Entities providing specialized services to the oil sands and large diameter pipeline construction projects;

- a $2.7 million increase in revenue generated by those Operating Entities providing drilling services including core drilling for the oil sands;

- a $29.8 million decrease in revenue due to the completion of the design, build and commissioning of the TFT barge system project for a large oil sands customer during the second quarter of 2012;

- a $15.8 million decrease in revenue generated by those Operating Entities involved in the transportation of fluids and servicing of wells; and

- a $12.2 million decrease in revenue generated by those Operating Entities most directly tied to oil and natural gas drilling activity.

Direct Operating Expenses

Direct Operating Expenses – Oilfield Services **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**121.4**	**26.7**	123.3	25.6	(1.9)	(1.5)
Fuel	**36.5**	**8.0**	37.7	7.8	(1.2)	(3.2)
Repairs and maintenance	**66.6**	**14.6**	66.5	13.8	0.1	0.2
Operating supplies	**41.6**	**9.1**	74.9	15.6	(33.3)	(44.5)
Other	**16.6**	**3.8**	15.1	3.2	1.5	9.9
	282.7	**62.2**	317.5	66.0	(34.8)	(11.0)
Contractors	**153.1**	**75.5**	152.3	75.0	0.8	0.5
Total	**435.8**	**66.0**	469.8	68.3	(34.0)	(7.2)

**as a percentage of respective Oilfield Services revenue*

DOE were $435.8 million in the first nine months of 2013 as compared to $469.8 million in 2012. The decrease of $34.0 million, or 7.2 percent, was directly related to the decrease in segment revenue during the period. The majority of this reduction, specifically $31.7 million, was directly attributable to the completion of the TFT barge system project. As a percentage of revenue these expenses decreased by 2.3 percent to 66.0 percent compared to 68.3 percent in 2012.

In the first nine months of 2013 DOE associated with Company Equipment decreased to $282.7 million from $317.5 million in 2012. The decrease of $34.8 million, or 11.0 percent, was directly related to the decrease in Company revenue, most notably from the completion of the TFT barge system project. As a percentage of Company revenue these expenses decreased to 62.2 percent compared to 66.0 percent in 2012. Company expenses as a percentage of Company revenue decreased by 3.8 percent primarily due to the factors set forth below.

- The absence of the lower margin revenue that was associated with the non-recurring TFT barge system project. This project consumed $31.7 million of operating supplies in 2012 as compared to no operating supplies in 2013.

- The increase of margin generated on revenue related to large diameter pipeline construction projects and other specialized services.

- The increased margin resulting from these two factors was somewhat offset by the generally more competitive operating environment that affected the demand and pricing for most other services, most notably rig relocation services in the first half of 2013.

DOE Contractors expense in the first nine months of 2013 increased by $0.8 million to $153.1 million, as compared to $152.3 million in 2012. As a percentage of Contractors revenue, DOE Contractors expense increased to 75.5 percent as compared to 75.0 percent in 2012 due to the increased use of subcontractors in certain markets.

Selling and Administrative Expenses

Selling and Administrative Expenses – Oilfield Services
Nine month periods ended September 30

(unaudited) ***($ millions)***	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**31.0**	**4.7**	31.0	4.5	—	—
Communications, utilities and general supplies	**15.8**	**2.4**	16.3	2.4	(0.5)	(3.1)
Profit share	**10.6**	**1.6**	9.9	1.4	0.7	7.1
Rent and other	**5.2**	**0.8**	6.3	0.9	(1.1)	(17.5)
Total	**62.6**	**9.5**	63.5	9.2	(0.9)	(1.4)

**as a percentage of total Oilfield Services revenue*

S&A expenses were $62.6 million in the first nine months of 2013 as compared to $63.5 million in 2012. The decrease of $0.9 million was mainly attributable to a $1.1 million reduction in rent and other expenses that was somewhat offset by a $0.7 million increase in profit share expense, which resulted from higher profits being generated in certain Operating Entities. S&A expenses as a percentage of segment revenue increased by 0.3 percent to 9.5 percent in comparison to 9.2 percent in 2012, primarily due to the overall fixed nature of these expenses relative to the $27.3 million decrease in segment revenue.

Operating Income

Operating income[1] in the first nine months of 2013 increased 4.9 percent to $161.8 million. The $7.6 million year over year increase can primarily be attributed to the net effect of the following:

- an $18.5 million increase relating to those Operating Entities leveraged to the oil sands and pipeline construction projects;

- a $1.6 million increase from Operating Entities providing drilling services, including core drilling services;

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

- a $1.5 million increase due to the recognition of a net operating loss that resulted from the completion of the TFT barge system project in the second quarter of 2012;

- an $8.9 million decrease in those Operating Entities involved in the transportation of fluids and servicing of wells; and

- a $5.1 million decrease from Operating Entities tied to drilling related activity, most notably from rig relocation services.

Operating income[1] represented as a percentage of segment revenue, increased to 24.5 percent in the first nine months of 2013 from 22.4 percent in 2012. The 2.1 percent increase in operating margin was a direct result of the combined effect of the completion of the TFT barge system project and increased pipeline construction activity that was partially offset by a decrease in drilling activity in the first half of 2013 that resulted in lower demand and a more competitive operating environment. On a comparative basis, after adjusting for revenue and expenses related to the non-recurring TFT barge system project, consolidated operating margin was 23.7 percent.

Capital Expenditures

Net capital expenditures[1] were $45.0 million in the first nine months of 2013 as compared to $53.9 million in 2012. The Oilfield Services segment had gross capital expenditures of $52.5 million and dispositions of $7.5 million for net capital expenditures[1] of $45.0 million in 2013. Gross capital expenditures mainly consisted of acquiring additional equipment for those Operating Entities involved in the transportation of fluids and the servicing of wells, including a significant number of trailers for the expansion of Mullen Group's fleet, most notably with Heavy Crude to satisfy the increased demand resulting from its major crude oil and fluid hauling contract in the Lloydminster region. Gross capital expenditures also consisted of acquiring specialized equipment to service the demand for dewatering and other specialized services within Alberta's oil sands. The majority of the dispositions related to the sale of older trucks and trailers. In 2012 gross capital expenditures were $62.2 million and dispositions were $8.3 million for net capital expenditures[1] of $53.9 million.

TRUCKING/LOGISTICS SEGMENT

Revenue

Revenue – Trucking/Logistics **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2013**		**2012**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**196.2**	**47.6**	182.7	45.9	13.5	7.4
Contractors	**215.3**	**52.3**	214.6	53.9	0.7	0.3
Other	**0.5**	**0.1**	0.7	0.2	(0.2)	(28.6)
Total	**412.0**	**100.0**	398.0	100.0	14.0	3.5

The Trucking/Logistics segment generated 38.4 percent of pre-consolidated revenue in the first nine months of 2013 as compared to 36.7 percent in 2012. Revenue in this segment increased by $14.0 million, or 3.5 percent, to $412.0 million as compared to $398.0 million in 2012. This increase was due to the incremental revenue generated by the acquisition of Jay's as well as increased demand for most services within this segment. These increases were partially offset by decreased demand for over-dimensional and heavy haul freight services as well as a $0.1 million decrease in fuel surcharge revenue. Fuel surcharge revenue decreased to $41.1 million from $41.2 million in 2012.

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

Direct Operating Expenses

Direct Operating Expenses – Trucking/Logistics **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2013**		**2012**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**55.7**	**28.4**	47.9	26.2	7.8	16.3
Fuel	**23.9**	**12.2**	21.3	11.7	2.6	12.2
Repairs and maintenance	**27.1**	**13.8**	25.7	14.1	1.4	5.4
Operating supplies	**13.1**	**6.7**	10.9	6.0	2.2	20.2
Other	**16.0**	**8.1**	15.9	8.6	0.1	0.6
	135.8	**69.2**	121.7	66.6	14.1	11.6
Contractors	**160.8**	**74.7**	161.8	75.4	(1.0)	(0.6)
Total	**296.6**	**72.0**	283.5	71.2	13.1	4.6

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

DOE in the first nine months of 2013 were $296.6 million as compared to $283.5 million in 2012. The increase of $13.1 million, or 4.6 percent, was due to higher DOE associated with Company Equipment that was partially offset by a reduction in DOE associated with Contractors. Overall as a percentage of revenue these expenses increased by 0.8 percent to 72.0 percent as compared to 71.2 percent in 2012.

DOE related to Company Equipment increased by $14.1 million to $135.8 million from $121.7 million, primarily due to incremental DOE resulting from the acquisition of Jay's. In terms of a percentage of revenue, DOE Company increased to 69.2 percent as compared to 66.6 percent in 2012. This 2.6 percent increase as a percentage of Company revenue was due to the combined effect of the following:

- wages and benefit expenses that increased by 2.2 percent to 28.4 percent of Company revenue, or $55.7 million, as compared to 26.2 percent or $47.9 million in 2012, due to wage increases in certain Operating Entities to remain competitive as well as the acquisition of Jay's whose LTL operations are comparatively more labour intense;

- operating supplies that increased by 0.7 percent of Company revenue to 6.7 percent, or $13.1 million, as compared to 6.0 percent or $10.9 million in 2012, mainly due to an increase in the sale of industrial and aggregate products;

- fuel expenses that increased by 0.5 percent of Company revenue to 12.2 percent, or $23.9 million, as compared to 11.7 percent or $21.3 million in 2012, due to the combination of a change in diesel fuel prices and a slight decrease in fuel surcharge revenue;

- repair and maintenance expenses that decreased by 0.3 percent to 13.8 percent of Company revenue, or $27.1 million, as compared to 14.1 percent or $25.7 million in 2012, as a result of on-going efforts to reduce costs and the purchase of new equipment; and

- other expenses that decreased by 0.5 percent to 8.1 percent of Company revenue, or $16.0 million, as compared to 8.6 percent or $15.9 million in 2012, as a result of on-going efforts to reduce costs.

DOE Contractors expense in the first nine months of 2013 decreased by $1.0 million to $160.8 million, as compared to $161.8 million in 2012 primarily as a result of a reduction in the costs of Contractors as a percentage of segment revenue. As a percentage of Contractors revenue, DOE Contractors expense decreased by 0.7 percent to 74.7 percent as compared to 75.4 percent in 2012 due to the decreased use of subcontractors in certain markets.

Selling and Administrative Expenses

Selling and Administrative Expenses – Trucking/Logistics Nine month periods ended September 30 *(unaudited)* *($ millions)*	2013		2012		Change	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**25.4**	**6.2**	23.8	6.0	1.6	6.7
Communications, utilities and general supplies	**11.0**	**2.7**	10.3	2.6	0.7	6.8
Profit share	**5.9**	**1.4**	6.4	1.6	(0.5)	(7.8)
Foreign exchange	**(0.4)**	**(0.1)**	0.2	0.1	(0.6)	(300.0)
Rent and other	**2.6**	**0.6**	1.7	0.4	0.9	52.9
Total	**44.5**	**10.8**	42.4	10.7	2.1	5.0

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

S&A expenses were $44.5 million in the first nine months of 2013 as compared to $42.4 million in 2012. The increase of $2.1 million was primarily due to the acquisition of Jay's that was partially offset by a $0.6 million year over year positive variance in foreign exchange. S&A expenses as a percentage of segment revenue increased by 0.1 percent to 10.8 percent in comparison to 10.7 percent in 2012.

Operating Income

Operating income[1] for the first nine months of 2013 decreased by $1.2 million to $70.9 million, or 1.7 percent, compared to $72.1 million generated in the same period last year. As a percentage of segment revenue, operating income[1] decreased to 17.2 percent as compared to 18.1 percent in 2012. This 0.9 percent decrease in operating margin was primarily due to higher DOE Company expenses.

Capital Expenditures

Net capital expenditures[1] were $14.8 million in the first nine months of 2013 as compared to $22.8 million in 2012. The Trucking/Logistics segment had gross capital expenditures of $16.7 million and dispositions of $1.9 million for net capital expenditures[1] of $14.8 million in 2013. Gross capital expenditures mainly consisted of the purchase of trucks and trailers as well as various pieces of operating equipment. In 2012 gross capital expenditures were $24.6 million and dispositions were $1.8 million for net capital expenditures[1] of $22.8 million.

CORPORATE

The Corporate Office incurred a net operating loss of $3.1 million in the first nine months of 2013 as compared to a $3.7 million net operating loss in 2012. The $0.6 million reduction was mainly attributable to an increase in costs recovered from Operating Entities, a positive variance on foreign exchange and a reduction in stock-based compensation expense. These factors were somewhat offset by a refund of capital taxes in 2012.

[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)*	Nine month periods ended September 30	
	2013	**2012**
Net cash from operating activities	**$ 146.8**	$ 212.2
Net cash used in financing activities	**(110.4)**	(85.9)
Net cash used in investing activities	**(109.4)**	(89.3)
Change in cash and cash equivalents	**(73.0)**	37.0
Effect of exchange rate fluctuations on cash held	**0.4**	(0.4)
Cash and cash equivalents, beginning of period	**122.8**	65.9
Cash and cash equivalents, end of period	**$ 50.2**	$ 102.5

Sources and Uses of Cash

Net cash from operating activities was $146.8 million in the first nine months of 2013 as compared to $212.2 million in 2012. The decrease of $65.4 million, or 30.8 percent, was due to a $47.9 million change in non-cash working capital items from operating activities in 2013 as compared to 2012 and a $23.1 million increase in income taxes paid. These items were somewhat offset by the $7.0 million increase in operating income[1]. The $47.9 million rise in non-cash working capital was due to the increase in revenue during the most recent quarter. The increase in income taxes paid was due to the greater amount of income generated by Mullen Group on a year over year basis, as well as the impact of the tax law enacted by the Canadian federal government that gradually eliminates the deferral of tax by a corporation with operating partnerships having fiscal periods different from the corporation's tax year.

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

Changes in Non-Cash Working Capital Items from Operating Activities

(unaudited) *($ millions)*	Nine month periods ended September 30		
	2013	**2012**	**Variance**
	$	**$**	**$**
Sources (uses) of cash			
Trade and other receivables	**(23.7)**	34.3	(58.0)
Inventory	**(0.6)**	6.8	(7.4)
Prepaid expenses	**(1.7)**	(1.5)	(0.2)
Accounts payable and accrued liabilities	**6.1**	(11.6)	17.7
Total sources (uses) of cash from non-cash working capital items	**(19.9)**	28.0	(47.9)

In the first nine months of 2013, Mullen Group used $19.9 million of cash from changes in non-cash working capital items from operating activities as compared to generating $28.0 million of cash in 2012. This $47.9 million variance was mainly due to the factors listed below.

- A variance of $58.0 million in trade and other receivables that resulted from the combined effect of a $23.7 million use of cash in 2013 as compared to a $34.3 million source of cash in 2012. In 2013 the $23.7 million use of cash was due to Mullen Group generating more receivables than it collected during the period, mainly due to the revenue growth experienced in the third quarter of 2013. In 2012 the $34.3 million source of cash was due to Mullen Group collecting more receivables than it generated during the period, mainly due to collecting the receivable associated with the completion of the TFT barge system project.

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

- A variance of $7.4 million in inventory that resulted from the combined effect of a $0.6 million use of cash in 2013 and a $6.8 million source of cash in 2012. In 2013 inventory increased slightly during the period resulting in a use of cash. In 2012 inventory decreased by $6.8 million, mainly resulting from the completion of the TFT barge system project.

- A variance of $0.2 million in prepaid expenses that resulted from the combined effect of a $1.7 million use of cash in 2013 and a $1.5 million use of cash in 2012.

Somewhat offsetting these items was the following:

- A variance of $17.7 million in accounts payable and accrued liabilities that resulted from the combined effect of a $6.1 million source of cash in 2013 and an $11.6 million use of cash in 2012. In 2013 the $6.1 million source of cash was due to Mullen Group paying less of its payables than it incurred during the period. In 2012 the $11.6 million use of cash was due to the completion of the TFT barge system project, which resulted in a reduction in accounts payable during the period.

Net cash used in financing activities were $110.4 million in the first nine months of 2013 as compared to $85.9 million in 2012. This $24.5 million increase was mainly due to the factors set forth below.

- An additional $32.9 million of dividends paid to shareholders in 2013 as compared to 2012, which resulted from two factors. First, the Board's decision to declare and pay dividends of $0.10 per Common Share on a monthly basis in 2013 as compared to paying $0.25 per Common Share on a quarterly basis in 2012. This change resulted in a 20.0 percent increase in the amount of dividends declared on a year over year basis. Second, the number of Common Shares outstanding increased primarily due to the conversion of Debentures.

- A $2.0 million increase in the repayment of long-term debt and loans in 2013 as compared to 2012. The increase of $2.0 million was mainly due to repaying $5.9 million of debt assumed in the Jay's acquisition in 2013 as compared to repaying a mortgage of $3.2 million on land and buildings in 2012.

These increases were somewhat offset by an additional $5.4 million of cash received from the exercise of stock options and a $4.8 million reduction in the amount of interest paid in 2013 as compared to 2012. The $4.8 million reduction in the amount of interest paid was mainly due to the conversion of Debentures, which resulted in lower interest being paid in 2013.

Net cash used in investing activities were $109.4 million in the first nine months of 2013 as compared to $89.3 million in 2012. This $20.1 million increase was mainly due to the factors set forth below.

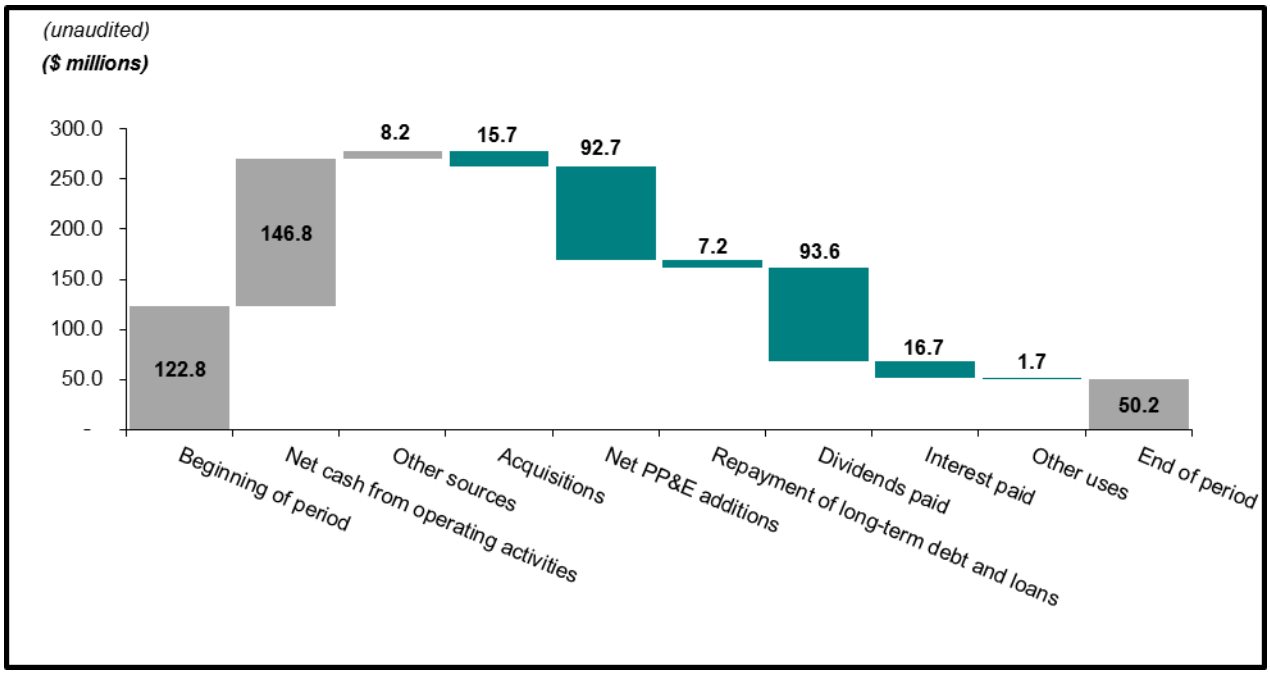
- A $9.9 million increase in acquisition costs whereby $15.7 million of cash was used to fund the 2013 acquisition of Jay's as compared to using $5.8 million of cash in 2012 to fund the acquisition of Bernie's.

- A $6.8 million increase to acquire net property, plant and equipment. In 2013 Mullen Group acquired $92.7 million of net property, plant and equipment as compared to $85.9 million in 2012.

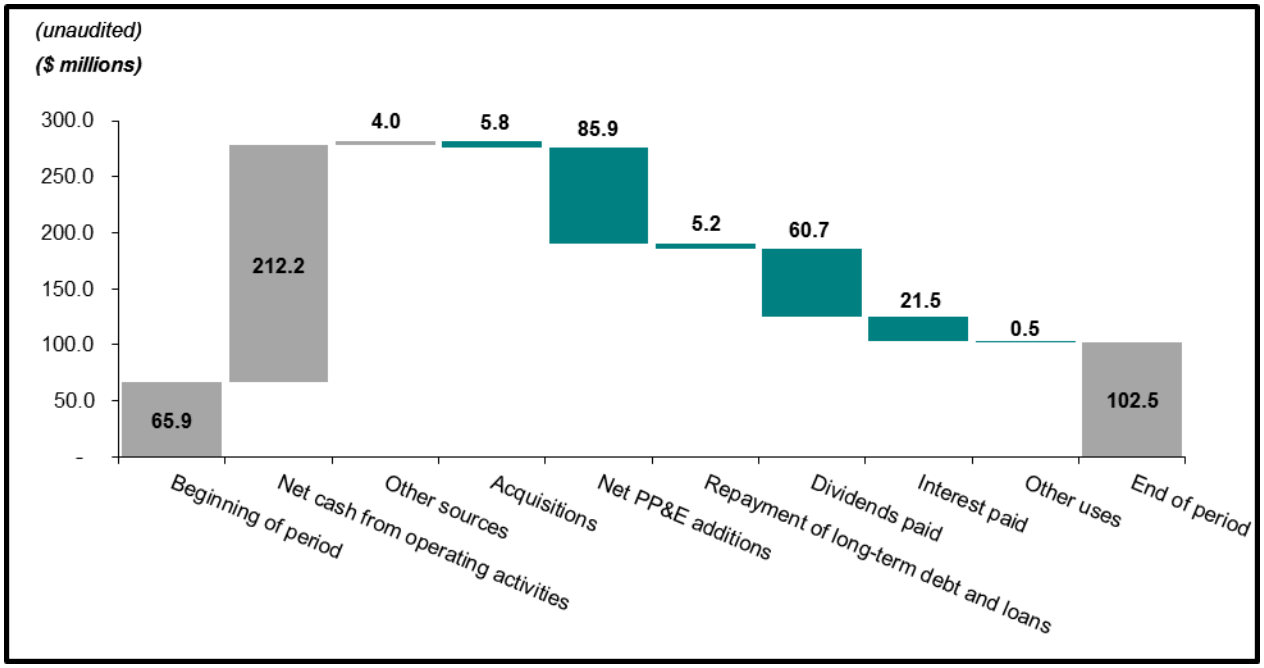
- A $1.3 million increase in other assets that was mainly due to the promissory note issued in relation to the equity investment in Canol.

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

Nine month period ended September 30, 2013



Nine month period ended September 30, 2012



In addition to the $146.8 million (2012 - $212.2 million) of net cash from operating activities, Mullen Group also received $8.2 million (2012 - $4.0 million) of cash from other sources, which mainly consisted of the exercise of stock options and interest income generated on cash and cash equivalents. Cash was used to pay dividends totalling $93.6 million (2012 – $60.7 million), fund acquisitions of $15.7 million (2012 – $5.8 million), acquire net property, plant and equipment of $92.7 million (2012 – $85.9 million), pay interest obligations of $16.7 million (2012 – $21.5 million) and repay long-term debt and loans of $7.2 million (2012 – $5.2 million).

At September 30, 2013, Mullen Group had $218.6 million of working capital, which included $50.2 million of cash and cash equivalents and $0.3 million representing the current portion of long-term debt. Mullen Group also had access to additional funding of $75.0 million from its July 30, 2012, 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 2013 are available to finance Mullen Group's ongoing working capital requirements, dividends declared by the Board, its 2013 capital expenditure budget, as well as various special projects and acquisition opportunities.

On January 15, 2013, Mullen Group's Board announced its intention to increase the annual dividend from $1.00 per Common Share to $1.20 per Common Share. In making its decision, the Board considered a wide range of economic issues, commodity pricing predictions and forecasted drilling activity for the WCSB. The Board also announced that the dividend would be paid on a monthly basis rather than on a quarterly basis. Mullen Group commenced the monthly dividend by declaring a $0.10 per Common Share dividend in January 2013 payable on February 15, 2013. The Board will determine on a monthly basis the amount of and the record date for the monthly dividend. At September 30, 2013, Mullen Group had 90,419,640 Common Shares outstanding and a dividend payable of $9.0 million. During the first nine months of 2012, Mullen Group declared and paid quarterly dividends of $0.25 per Common Share.

The following table provides a history of dividends declared on a year over year basis.

Dividends Per Common Share:
($ millions, except per share amounts)

Record Date	Payment Date		Amount Per Share		Total Dividends
September 30, 2013	**October 15, 2013**	**$**	**0.10**	**$**	**9.0**
August 31, 2013	**September 16, 2013**	**$**	**0.10**	**$**	**9.0**
July 31, 2013	**August 15, 2013**	**$**	**0.10**	**$**	**9.0**
June 30, 2013	**July 15, 2013**	**$**	**0.10**	**$**	**9.0**
May 31, 2013	**June 17, 2013**	**$**	**0.10**	**$**	**9.0**
April 30, 2013	**May 15, 2013**	**$**	**0.10**	**$**	**9.0**
March 31, 2013	**April 15, 2013**	**$**	**0.10**	**$**	**9.0**
February 28, 2013	**March 15, 2013**	**$**	**0.10**	**$**	**8.8**
January 31, 2013	**February 15, 2013**	**$**	**0.10**	**$**	**8.8**
December 31, 2012	January 15, 2013	$	0.25	$	21.9
September 30, 2012	October 15, 2012	$	0.25	$	21.8
June 30, 2012	July 16, 2012	$	0.25	$	20.3
March 31, 2012	April 16, 2012	$	0.25	$	20.3

Debt

As at September 30, 2013, Mullen Group had net debt[1] outstanding of $199.1 million, which consisted of total debt of $418.0 million less working capital (excluding the current portion of long-term debt) of $218.9 million. Total Debt is comprised of the Private Placement Debt, Debentures and Various Financing Loans. The following chart summarizes Mullen Group's total and net debt[1] as at September 30, 2013, and December 31, 2012:

(unaudited) *($ millions)*	September 30, 2013 U.S. Dollar	September 30, 2013 CDN. Dollar Equivalent	December 31, 2012 U.S. Dollar	December 31, 2012 CDN. Dollar Equivalent
Private Placement Debt:				
Series A – matures June 30, 2016	**$ 100.0**	**$ 103.0**	$ 100.0	$ 99.5
Series B – matures June 30, 2018	**50.0**	**51.5**	50.0	49.7
Series C – matures June 30, 2016	**—**	**70.0**	—	70.0
Series D – matures June 30, 2018	**—**	**70.0**	—	70.0
Series E – matures September 27, 2017	**85.0**	**87.6**	85.0	84.6
Series F – matures September 27, 2017	**—**	**20.0**	—	20.0
Bank Credit Facility	**—**	**—**	—	—
Various Financing Loans	**—**	**0.3**	—	1.6
Less:				
Unamortized debt issuance costs	**—**	**(0.9)**	—	(1.1)
Long-term debt (including the current portion)	**235.0**	**401.5**	235.0	394.3
Debentures – debt component	**—**	**16.5**	—	39.8
Total debt	**$ 235.0**	**$ 418.0**	$ 235.0	$ 434.1
Less:				
Working capital (excluding the current portion of long-term debt)		**218.9**		239.5
Net debt[(1)]		**$ 199.1**		$ 194.6

[(1)] 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. 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.

Total debt to operating cash flow was calculated as follows:

Total debt to operating cash flow	**September 30 2013**	**June 30 2013**	**March 31 2013**	**December 31 2012**
Total debt	**$ 404.5**	$ 409.7	$ 401.1	$ 396.7
Operating cash flow	**$ 303.9**	$ 289.1	$ 286.1	$ 297.4
Total debt to operating cash flow	**1.33:1**	1.42:1	1.40:1	1.33:1

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

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 chart below, is in compliance with both of the aforementioned covenants.

Financial Covenants	Financial Covenant Threshold	September 30 2013	June 30 2013	March 31 2013	December 31 2012
Private Placement Debt Covenants					
(a) Total debt to operating cash flow cannot exceed	3.50:1	**1.33:1**	1.42:1	1.40:1	1.33:1
(b) Total earnings available for fixed charges to total fixed charges cannot be less than	1.75:1	**9.08:1**	8.65:1	8.58:1	8.84:1

Mullen Group's debt-to-equity ratio at September 30, 2013, was 0.46:1 compared to 0.52:1 at December 31, 2012. This decrease in the debt-to-equity ratio was due to a combination of a $16.1 million decrease in long-term debt (including the current portion) and a $75.2 million increase in equity compared to December 31, 2012. The $16.1 million decrease in long-term debt was mainly due to a $23.3 million reduction in the debt component of Debentures due to conversions in 2013 and the repayments on certain Various Financing Loans. These items were somewhat offset by the effect of the $8.3 million unrealized foreign exchange loss on the Corporation's U.S. dollar denominated debt. The $75.2 million increase in equity mainly resulted from the $123.0 million of net income recognized in 2013, a $24.1 million increase from the conversion of Debentures and $7.0 million from the exercise of stock options. These items were somewhat offset by $80.7 million of dividends declared to shareholders in 2013.

Contractual Obligations

An overview of Mullen Group's contractual obligations can be found on page 28 of the 2012 MD&A. As at September 30, 2013, 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 of Directors of Mullen Group prior to the creation and issuance thereof. As at the date hereof, no series of Preferred Shares had been created.

Common Shares

Common Shares Authorized: Unlimited Number	# of Common Shares		Amount *($ millions)*
Balance at December 31, 2012	87,667,838	$	720.8
Common Shares issued on conversion of Debentures	2,324,629		25.2
Common Shares issued on exercise of stock options	427,173		9.4
Balance at September 30, 2013	**90,419,640**	**$**	**755.4**

At September 30, 2013, Mullen Group had 90,419,640 Common Shares outstanding representing $755.4 million in share capital, an increase of $34.6 million as compared to $720.8 million at December 31, 2012. This increase was mainly due to an additional $25.2 million recorded on the issuance of 2,324,629 Common Shares in relation to the conversion of 24,535 Debentures including accrued and unpaid interest and $9.4 million recorded on the issuance of 427,173 Common Shares in relation to the exercise of stock options during the period.

Convertible Unsecured Subordinated Debentures

On May 1, 2009, Mullen Group issued the 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:

		September 30, 2013		December 31, 2012	
Year of Maturity	**Nominal Interest Rate**	**Face Value**	**Carrying Amount**	**Face Value**	**Carrying Amount**
2018	10%	**$ 17,145**	**$ 16,468**	$ 41,680	$ 39,773

As at September 30, 2013, on a cumulative basis, a total of 107,855 Debentures representing $107.9 million of aggregate principal amount had been converted into 10,243,022 Common Shares of Mullen Group. As such, Mullen Group had 17,145 Debentures outstanding that could be converted into an aggregate of approximately 1,597,914 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, 2012	2,389,485	$ 18.54
Granted	210,000	22.86
Exercised	(427,173)	(16.48)
Forfeited	(128,258)	(20.24)
Outstanding – September 30, 2013	**2,044,054**	**$ 19.30**
Exercisable – September 30, 2013	**584,054**	**$ 16.54**

The total number of options available to be issued under the stock option plan cannot exceed 4,000,000. On January 25, 2013, Mullen Group issued 210,000 stock options under its stock option plan at an exercise price of $22.86 with a vesting date of January 25, 2016. In the first nine months of 2013, there were 427,173 stock options exercised and 128,258 stock options forfeited. As at September 30, 2013, Mullen Group had 2,044,054 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. Mullen Group's 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]	2013			2012				2011
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
($ millions, except per share amounts)	**$**	**$**	**$**	**$**	$	$	$	$	$
Revenue	**1,415.9**	**374.0**	**310.3**	**385.5**	346.1	335.4	320.1	426.0	394.1
Operating income[2]	**300.8**	**85.8**	**56.0**	**87.8**	71.2	70.4	53.1	99.1	83.8
Net income	**144.8**	**51.2**	**27.4**	**44.4**	21.8	42.9	7.4	58.8	47.5
Earnings per share									
Basic	**1.61**	**0.56**	**0.30**	**0.50**	0.25	0.52	0.09	0.73	0.59
Diluted	**1.60**	**0.56**	**0.30**	**0.49**	0.25	0.49	0.09	0.67	0.54
Other Information									
Unrealized foreign exchange loss (gain)	**11.0**	**(5.1)**	**8.4**	**5.0**	2.7	(8.2)	4.9	(4.6)	(7.3)
Decrease (increase) in fair value of investments	**(19.1)**	**(4.3)**	**(16.3)**	**(4.5)**	6.0	(5.4)	7.1	(1.0)	—

(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".*

Mullen Group's consolidated revenue in the third quarter increased by $38.6 million, or 11.5 percent, to $374.0 million as compared to $335.4 million in 2012. The increase of $38.6 million was attributable to greater revenue experienced in both the Oilfield Services and Trucking/Logistics segments. Revenue in the Oilfield Services segment increased by $26.1 million and was mainly due to greater demand for services related to large diameter pipeline construction projects, the incremental revenue generated from a new crude oil and fluid hauling contract in the Lloydminster region and from additional revenue generated from those Operating Entities most directly tied to oil and natural gas drilling activity in western Canada. The Trucking/Logistics segment experienced an $11.9 million increase in revenue mainly due to the incremental revenue generated from the acquisition of Jay's. Net income in the third quarter of 2013 was $51.2 million, an increase of $8.3 million as compared to the $42.9 million generated in 2012. The $8.3 million increase in net income was mainly attributable to a $15.4 million increase in operating income[1]. This increase was partially offset by a $3.9 million increase in income tax expense and a $3.1 million negative variance in unrealized foreign exchange. As a result, basic earnings per share in the third quarter of 2013 was $0.56, an increase of $0.04 as compared to the $0.52 generated in 2012.

The $9.8 million decrease in revenue in the second quarter of 2013, as compared to 2012 was due to a $14.4 million decline in revenue in the Oilfield Services segment. The $14.4 million decrease in revenue

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

experienced by the Oilfield Services segment mainly resulted from the completion of the TFT barge system project, which contributed $8.0 million of revenue in 2012 as well as a year over year decrease in demand for drilling rig relocation services. These decreases were somewhat offset by greater demand for pipeline stringing services, which resulted from certain ongoing large diameter pipeline construction projects, as well as increased revenue generated by Heavy Crude as a result of its major crude oil and fluid hauling contract in the Lloydminster region. The Trucking/Logistics segment experienced a $3.6 million increase in revenue by virtue of the incremental revenue generated from the acquisition of Jay's. Net income in the second quarter of 2013 was $27.4 million, an increase of $20.0 million as compared to the $7.4 million generated in 2012. The $20.0 million increase in net income was mainly attributable to a $23.4 million increase in the fair value of investments. As a result, basic earnings per share in the second quarter of 2013 was $0.30, an increase of $0.21 as compared to the $0.09 generated in 2012.

The $40.5 million decrease in revenue in the first quarter of 2013, as compared to 2012, was mainly attributable to a decline in revenue in the Oilfield Services segment. The decrease in revenue experienced by the Oilfield Services segment mainly resulted from the completion of the TFT barge system project during the second quarter of 2012, a year over year decrease in drilling activity in western Canada coupled with a more competitive pricing environment. These decreases were somewhat offset by an increase in revenue generated by the commencement of certain pipeline construction projects as well as stronger demand for core drilling within the oil sands region of Alberta. The Trucking/Logistics segment experienced a slight decline in revenue by virtue of lower demand for transportation services in western Canada. Net income in the first quarter of 2013 was $44.4 million, a decrease of $14.4 million as compared to the $58.8 million generated in 2012. The $14.4 million decrease in net income was mainly attributable to a $9.6 million negative variance in unrealized foreign exchange and an $11.3 million decrease in operating income[1]. These decreases were somewhat offset by the $3.5 million positive variance in the fair value of investments. As a result, basic earnings per share in the first quarter of 2013 was $0.50, a decrease of $0.23 as compared to the $0.73 generated in 2012.

The $48.0 million decrease in revenue in the fourth quarter of 2012, as compared to 2011, was attributable to a decline in revenue in the Oilfield Services segment. The decrease in revenue experienced by the Oilfield Services segment mainly resulted from the completion of the TFT barge system project, delays in pipeline construction projects and a year over year decrease in drilling activity in western Canada. The Trucking/Logistics segment revenue remained consistent in the fourth quarter of 2012, as compared to the same period in 2011. Net income in the fourth quarter of 2012 was $21.8 million, a decrease of $25.7 million as compared to the $47.5 million generated in 2011. The $25.7 million decrease in net income was mainly attributable to a $10.0 million negative variance in unrealized foreign exchange, a $6.0 million year over year decrease in the fair value of investments and a $12.6 million decrease in operating income[1]. As a result, basic earnings per share in the fourth quarter of 2012 was $0.25, a decrease of $0.34 as compared to the $0.59 generated in 2011.

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[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 46 of the 2012 MD&A. As at September 30, 2013, 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 47 of the 2012 MD&A. As at September 30, 2013, 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 Canadian GAAP 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 56 of the 2012 MD&A. As at September 30, 2013, Mullen Group's critical accounting estimates have not changed significantly from such description.

CHANGES IN ACCOUNTING POLICIES

New Canadian GAAP Pronouncements

A description of new IFRS pronouncements can be found on page 59 of the 2012 MD&A. As at September 30, 2013, there are no IFRS or IFRIC interpretations that are newly pronounced or effective for the first time since January 1, 2013, that had a material impact on Mullen Group.

Effective January 1, 2013, Mullen Group adopted IFRS 10 – Consolidated Financial Statements; IFRS 11 – Joint Arrangements; IFRS 12 – Disclosure of Interests in Other Entities; and IFRS 13 – Fair Value Measurement. IFRS 10, 11 and 12 were applied retrospectively. IFRS 13 was applied prospectively.

IFRS 10 establishes the principles under which Mullen Group is required to present its consolidated financial statements. IFRS 10 introduces a new control model that is applicable to all investees, requiring the consolidation of an investee when Mullen Group has control or de facto control of an entity. Mullen Group assessed the impact of this change in control framework and concluded this standard does not have a material effect on Mullen Group.

IFRS 11 establishes the principles under which Mullen Group accounts for its interest in a joint arrangement. Mullen Group classifies its interest in joint arrangements as either joint operations or joint ventures. The classification of a joint arrangement as either a joint operation or a joint venture is determined by Mullen Group's power over the relevant activities and exposure to variability in returns arising from the arrangement. Joint ventures are accounted for using the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures (amended in 2011). Mullen Group's share of the joint venture's financial results is recognized in the Statement of Comprehensive Income within other (income) expense and the corresponding carrying amount is recognized in the Statement of Financial Position within investments. Mullen Group assessed the impact of this change and concluded this standard does not have a material effect on Mullen Group.

IFRS 12 establishes the disclosure requirements for Mullen Group's interests in subsidiaries, joint arrangements, associates or other unconsolidated investments. Mullen Group assessed the impact of this change in disclosure requirements and concluded this standard does not have a material effect on Mullen Group.

IFRS 13 replaces individual regulations governing the determination and disclosure regarding items that are measured at fair value. The standard does not introduce any significant new valuation methodologies, however, it does introduce new disclosure requirements. As a result, Mullen Group discloses the fair value of certain assets and liabilities on a quarterly basis.

DISCLOSURE AND INTERNAL CONTROLS

Disclosure Controls and Internal Controls over Financial Reporting

As at September 30, 2013, 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**"), the Co-Chief Executive Officer ("**Co-CEO**") and the Chief Financial Officer ("**CFO**"). Based on this evaluation, the CEO, Co-CEO and the CFO concluded that, as at September 30, 2013, 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 Canadian GAAP. 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, Co-CEO and CFO, management conducted an evaluation of the effectiveness of its internal control over financial reporting.

Based on this evaluation, management concluded that internal control over financial reporting was effective as at September 30, 2013, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. In 2013 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, Co-CEO and CFO have filed certifications with the Canadian securities regulators regarding the quality of Mullen Group's public disclosures relating to its fiscal 2013 reports.

FORWARD-LOOKING INFORMATION STATEMENT

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

- Mullen Group's expectation that for the balance of 2013 drilling activity in western Canada will remain at or near current levels, as referred to in the Outlook section beginning on page 3;

- Mullen Group's expectation that growth in the Trucking/Logistics segment will remain challenging, as referred to in the Outlook section beginning on page 3;

- Mullen Group's expectation that demand for pipeline construction services and the services offered by Canadian Dewatering will not be as strong in the fourth quarter as compared to the third quarter, as referred to in the Outlook section beginning on page 3;

- Mullen Group's expectation to allocate the $100.0 million capital expenditure budget approved by the Board for 2013 on the basis of $75.0 million to the Oilfield Services segment and $25.0 million to the Trucking/Logistics segment referred to under the Capital Expenditures section beginning on page 5; and

- Mullen Group's intent to use working capital, the Bank Credit Facility (as defined on page 37), and the anticipated cash flow from operating activities in 2013 to finance ongoing working capital requirements, dividends declared by the Board, and its 2013 capital expenditures budget referred to under the Capital Resources and Liquidity section beginning on page 34.

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 for drilling activity in western Canada to remain at or near current levels for the balance of 2013 is based on the assumption that the positive near term outlook for crude oil, strong netbacks associated with oil production, as well as the positive outlook for future exports of Canadian natural gas through west coast LNG terminals will continue to support current drilling activity.

- Mullen Group's expectation that growth within the Trucking/Logistics segment will remain challenging is based on the assumption that there will be limited growth within the overall Canadian economy.

- Mullen Group's expectation that demand for pipeline construction services and for services offered by Canadian Dewatering will not be as strong in the fourth quarter is based on the assumption that the seasonal slowdown of these services will continue for the remainder of 2013.

- Mullen Group's expectation to allocate $75.0 million of capital to the Oilfield Services segment and $25.0 million of capital to the Trucking/Logistics segment is based on the assumption that its Operating Entities will require capital to acquire new trucks, trailers and specialized equipment to support their ongoing operations.

- Mullen Group's intention to use working capital, the Bank Credit Facility, and the anticipated cash flow from operating activities in 2013 to finance ongoing working capital requirements, dividends declared by the Board and its 2013 capital expenditures budget is based on the assumption that its access to cash will exceed its expected requirements.

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 and risks that could affect the operations or financial results of Mullen Group are included 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 and net debt are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. These Non-GAAP Terms may not be comparable to similar measures presented by other issuers. Investors are cautioned that these indicators should not replace net income, earnings per share, purchases of property, plant and equipment, proceeds on sale of property, plant and equipment and debt as indicators of Canadian GAAP performance.

Operating Income

Operating income is defined as net income before depreciation on property, plant and equipment, amortization on intangible assets, finance costs, 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 the results generated by Mullen Group's principal business activities and the performance of its operations 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 September 30		Nine month periods ended September 30	
	2013	**2012**	**2013**	**2012**
Net income	**$ 51.2**	$ 42.9	**$ 123.0**	$ 109.1
Add (deduct):				
Income tax expense	**15.7**	11.8	**39.8**	35.9
Unrealized foreign exchange (gain) loss	**(5.1)**	(8.2)	**8.3**	(7.9)
Other (income) expense	**(3.8)**	(5.5)	**(25.1)**	(1.3)
Finance costs	**6.4**	8.4	**19.7**	25.8
Depreciation on property, plant and equipment	**17.6**	16.4	**51.0**	47.3
Amortization on intangible assets	**3.8**	4.6	**12.9**	13.7
Operating income	**$ 85.8**	$ 70.4	**$ 229.6**	$ 222.6

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 unrealized foreign exchange gains and losses and from the change in fair value of investments. See pages 14 and 27 for detailed calculations of net income – adjusted and earnings per share – adjusted on a quarterly and 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.

(unaudited) *($ millions)*	Three month periods ended September 30		Nine month periods ended September 30	
	2013	**2012**	**2013**	**2012**
Purchase of property, plant and equipment	**$ 34.0**	$ 37.0	**$ 101.5**	$ 98.8
Proceeds on sale of property, plant and equipment	**(4.0)**	(3.4)	**(8.8)**	(12.9)
Net capital expenditures	**$ 30.0**	$ 33.6	**$ 92.7**	$ 85.9

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).

(unaudited) *($ millions)*	**September 30, 2013**	**December 31, 2012**
Long-term debt	**$ 401.2**	$ 392.8
Convertible debentures - debt component	**16.5**	39.8
Total debt	**417.7**	432.6
Less working capital:		
Current assets	**348.2**	387.1
Current liabilities	**(129.6)**	(149.1)
Total working capital	**218.6**	238.0
Net debt	**$ 199.1**	$ 194.6

This MD&A contains information as of October 23, 2013.

SEPTEMBER 30, 2013

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited) *(thousands)*	Note	September 30 2013	December 31 2012
Assets			
Current assets:			
Cash and cash equivalents		**$ 50,144**	$ 122,772
Trade and other receivables		**247,789**	219,423
Inventory		**32,977**	32,097
Prepaid expenses		**12,657**	10,663
Current tax receivable		**4,672**	2,083
		348,239	387,038
Non-current assets:			
Property, plant and equipment		**895,279**	843,318
Goodwill		**244,440**	239,595
Intangible assets		**45,615**	52,985
Investments		**53,641**	27,612
Deferred tax assets		**2,986**	5,029
Other assets		**1,568**	327
		1,243,529	1,168,866
Total Assets		**$ 1,591,768**	$ 1,555,904
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 115,768**	$ 104,810
Dividends payable	6	**9,042**	21,917
Current tax payable		**4,579**	20,902
Current portion of long-term debt	**8**	**273**	1,471
		129,662	149,100
Non-current liabilities:			
Long-term debt	**8**	**401,250**	392,814
Convertible debentures – debt component	9	**16,468**	39,773
Deferred tax liabilities		**142,092**	147,092
		559,810	579,679
Equity:			
Share capital	**10**	**755,441**	720,836
Convertible debentures – equity component	9	**758**	1,843
Contributed surplus		**11,529**	12,125
Retained earnings		**134,568**	92,321
		902,296	827,125
Total Liabilities and Equity		**$ 1,591,768**	$ 1,555,904

The notes which begin on page 53 are an integral part of these condensed interim consolidated financial statements.

Approved by the Board of Directors on October 23, 2013, 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 September 30 2013	Three month periods ended September 30 2012	Nine month periods ended September 30 2013	Nine month periods ended September 30 2012
Revenue		**$ 373,934**	$ 335,359	**$ 1,069,778**	$ 1,081,474
Direct operating expenses		**247,860**	227,149	**725,888**	744,887
Selling and administrative expenses		**40,203**	37,768	**114,254**	113,966
		85,871	70,442	**229,636**	222,621
Depreciation on property, plant and equipment		**17,596**	16,394	**51,001**	47,309
Amortization on intangible assets		**3,753**	4,647	**12,870**	13,724
Finance costs		**6,375**	8,353	**19,714**	25,813
Unrealized foreign exchange (gain) loss	**8**	**(5,053)**	(8,202)	**8,319**	(7,943)
Other (income) expense	**13**	**(3,730)**	(5,533)	**(25,061)**	(1,325)
Income before income taxes		**66,930**	54,783	**162,793**	145,043
Income tax expense	7	**15,767**	11,820	**39,849**	35,904
Net income and total comprehensive income		**$ 51,163**	$ 42,963	**$ 122,944**	$ 109,139
Earnings per share:	**11**				
Basic		**$ 0.56**	$ 0.52	**$ 1.37**	$ 1.34
Diluted		**$ 0.56**	$ 0.49	**$ 1.36**	$ 1.27
Weighted average number of Common Shares outstanding:	**11**				
Basic		**90,324**	82,337	**89,496**	81,476
Diluted		**92,399**	91,604	**92,280**	91,463

The notes which begin on page 53 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, 2013	**$ 720,836**	**$ 1,843**	**$ 12,125**	**$ 92,321**	**$ 827,125**
Total comprehensive income for the period	**—**	**—**	**—**	**122,944**	**122,944**
Common Shares issued on conversion of convertible debentures	**25,217**	**(1,085)**	**—**	**—**	**24,132**
Stock-based compensation expense	**—**	**—**	**1,752**	**—**	**1,752**
Common Shares issued on exercise of stock options	**9,388**	**—**	**(2,348)**	**—**	**7,040**
Dividends declared to common shareholders	**—**	**—**	**—**	**(80,697)**	**(80,697)**
Balance at September 30, 2013	**$ 755,441**	**$ 758**	**$ 11,529**	**$ 134,568**	**$ 902,296**

(unaudited) (*thousands*)	Share capital	Convertible debentures – equity component	Contributed surplus	Retained earnings	Total
Balance at January 1, 2012	$ 641,918	$ 4,826	$ 11,844	$ 45,711	$ 704,299
Total comprehensive income for the period	—	—	—	109,139	109,139
Common Shares issued on conversion of convertible debentures	69,377	(2,983)	—	—	66,394
Stock-based compensation expense	—	—	2,378	—	2,378
Common Shares issued on exercise of stock options	2,310	—	(707)	—	1,603
Dividends declared to common shareholders	—	—	—	(62,382)	(62,382)
Balance at September 30, 2012	$ 713,605	$ 1,843	$ 13,515	$ 92,468	$ 821,431

The notes which begin on page 53 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited) *(thousands)*	Note	Nine month periods ended September 30 2013	2012
Cash provided by (used in):			
Cash flows from operating activities:			
Net income		**$ 122,944**	$ 109,139
Adjustments for:			
Depreciation on property, plant and equipment		**51,001**	47,309
Amortization on intangible assets		**12,870**	13,724
Finance costs		**19,714**	25,813
Stock-based compensation expense		**1,752**	2,378
Foreign exchange		**7,914**	(7,528)
Change in fair value of investments		**(25,141)**	658
Loss (gain) on sale of property, plant and equipment		**945**	(1,983)
Earnings from equity investment		**(865)**	—
Income tax expense		**39,849**	35,904
		230,983	225,414
Changes in non-cash working capital items from operating activities:			
Trade and other receivables		**(23,717)**	34,303
Inventory		**(610)**	6,837
Prepaid expenses		**(1,721)**	(1,491)
Accounts payable and accrued liabilities		**6,125**	(11,613)
Cash generated from operating activities		**211,060**	253,450
Income tax paid		**(64,300)**	(41,203)
Net cash from operating activities		**146,760**	212,247
Cash flows from financing activities:			
Cash dividends paid to common shareholders		**(93,572)**	(60,755)
Interest paid		**(16,734)**	(21,488)
Repayment of long-term debt and loans		**(7,185)**	(5,243)
Net proceeds from Common Share issuances		**7,040**	1,603
Changes in non-cash working capital items from financing activities		**78**	(61)
Net cash used in financing activities		**(110,373)**	(85,944)
Cash flows from investing activities:			
Acquisitions	5	**(15,665)**	(5,781)
Purchase of property, plant and equipment		**(101,478)**	(98,826)
Proceeds on sale of property, plant and equipment		**8,755**	12,917
Purchases of investments		**(23)**	—
Interest received		**672**	615
Other assets		**(1,241)**	(27)
Changes in non-cash working capital items from investing activities		**(440)**	1,759
Net cash used in investing activities		**(109,420)**	(89,343)
Change in cash and cash equivalents		**(73,033)**	36,960
Cash and cash equivalents at January 1		**122,772**	65,934
Effect of exchange rate fluctuations on cash held		**405**	(415)
Cash and cash equivalents at September 30		**$ 50,144**	$ 102,479

The notes which begin on page 53 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 with International Financial Reporting Standards ("**IFRS**") and comply with International Accounting Standard 34 Interim Financial Reporting. These Interim Financial Statements should not be compared to financial statements prepared prior to January 1, 2011, as those financial statements were prepared in accordance with accounting policies and practices in effect prior to the adoption of IFRS.

(b) Basis of Measurement

These Interim Financial Statements have been prepared on the historical cost basis except for investments, 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, 2012, (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) Changes in Accounting Practices

Effective January 1, 2013, Mullen Group adopted IFRS 10 – Consolidated Financial Statements; IFRS 11 – Joint Arrangements; IFRS 12 – Disclosure of Interests in Other Entities; and IFRS 13 – Fair Value Measurement. IFRS 10, 11 and 12 were applied retrospectively. IFRS 13 was applied prospectively.

IFRS 10 establishes the principles under which Mullen Group is required to present its consolidated financial statements. IFRS 10 introduces a new control model that is applicable to all investees, requiring the consolidation of an investee when Mullen Group has control or de facto control of an entity. Mullen Group assessed the impact of this change in control framework and concluded this standard does not have a material effect on Mullen Group.

IFRS 11 establishes the principles under which Mullen Group accounts for its interest in a joint arrangement. Mullen Group classifies its interest in joint arrangements as either joint operations or joint ventures. The classification of a joint arrangement as either a joint operation or a joint venture is determined by Mullen Group's power over the relevant activities and exposure to variability in returns arising from the arrangement. Joint ventures are accounted for using the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures (amended in 2011). Mullen Group's share of the joint venture's financial results is recognized in the Statement of Comprehensive Income within other (income) expense and the corresponding carrying amount is recognized in the Statement of Financial Position within investments. Mullen Group assessed the impact of this change and concluded this standard does not have a material effect on Mullen Group.

IFRS 12 establishes the disclosure requirements for Mullen Group's interests in subsidiaries, joint arrangements, associates or other unconsolidated investments. Mullen Group assessed the impact of this change in disclosure requirements and concluded this standard does not have a material effect on Mullen Group.

IFRS 13 replaces individual regulations governing the determination and disclosure regarding items that are measured at fair value. This standard does not introduce any significant new valuation methodologies, however, it does introduce new disclosure requirements. As a result, Mullen Group discloses the fair value of certain assets and liabilities on a quarterly basis. ▶ **For more information refer to Note 4.**

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 consolidated statement of financial position.

September 30, 2013 Financial Instrument	Fair Value Hierarchy		Carrying Amount		Fair Value
Investments	Level 1	$	53,641	$	53,641
Private Placement Debt	Level 2	$	401,207	$	416,203
Debentures – debt component	Level 2	$	16,468	$	19,865

5. Acquisition

On May 31, 2013, Mullen Group acquired all the outstanding common shares of Jay's Moving & Storage Ltd. ("**Jay's**") for net cash consideration of $15.7 million. Jay's is a less-than-truckload transportation company operating predominantly within Saskatchewan, Canada. Mullen Group acquired Jay's as part of its strategy to invest in the transportation sector in western Canada. The results from operations are included in the Trucking/Logistics segment.

This acquisition has been accounted for by the acquisition method, and results of operations have been included in these Interim Financial Statements 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.

At June 30, 2013, the amounts recorded on the Jay's acquisition were based upon preliminary information. As at September 30, 2013, the accounting for the acquisition of Jay's was finalized and no significant changes were made to the amounts originally presented at June 30, 2013.

6. Dividends Payable

For the nine month period ended September 30, 2013, Mullen Group declared dividends totalling $0.90 per Common Share (2012 – $0.75 per Common Share). In 2013, Mullen Group commenced declaring and paying dividends on a monthly basis rather than on a quarterly basis as in 2012. Mullen Group commenced

the monthly dividend by declaring a $0.10 per Common Share dividend in January 2013 payable on February 15, 2013. At September 30, 2013, Mullen Group had dividends payable of $9.0 million (2012 $21.8 million) and had 90,419,640 Common Shares outstanding. The following table provides a history of dividends declared during 2013 and 2012.

Dividends Per Share:

Record Date	Payment Date		Amount Per Share		Total Dividends Paid
September 30, 2013	**October 15, 2013**	**$**	**0.10**	**$**	**9,042**
August 31, 2013	**September 16, 2013**	**$**	**0.10**	**$**	**9,039**
July 31, 2013	**August 15, 2013**	**$**	**0.10**	**$**	**9,029**
June 30, 2013	**July 15, 2013**	**$**	**0.10**	**$**	**9,017**
May 31, 2013	**June 17, 2013**	**$**	**0.10**	**$**	**9,012**
April 30, 2013	**May 15, 2013**	**$**	**0.10**	**$**	**9,012**
March 31, 2013	**April 15, 2013**	**$**	**0.10**	**$**	**8,964**
February 28, 2013	**March 15, 2013**	**$**	**0.10**	**$**	**8,796**
January 31, 2013	**February 15, 2013**	**$**	**0.10**	**$**	**8,786**
December 31, 2012	January 15, 2013	$	0.25	$	21,917
September 30, 2012	October 15, 2012	$	0.25	$	21,836
June 30, 2012	July 16, 2012	$	0.25	$	20,277
March 31, 2012	April 16, 2012	$	0.25	$	20,269

7. 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 September 30				Nine month periods ended September 30			
		2013		**2012**		**2013**		**2012**
Income before income taxes	**$**	**66,930**	$	54,783	**$**	**162,793**	$	145,043
Combined statutory tax rate		**25%**		25%		**25%**		25%
Expected income tax		**16,732**		13,696		**40,698**		36,261
Add (deduct):								
Non-taxable portion of unrealized foreign exchange (gain) loss		**(631)**		(1,025)		**1,040**		(993)
Non-taxable portion of the change in fair value of investments		**(544)**		(684)		**(3,143)**		82
Stock-based compensation expense		**144**		274		**438**		612
Other		**66**		(441)		**816**		(58)
Income tax expense	**$**	**15,767**	$	11,820	**$**	**39,849**	$	35,904

8. 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 September 30, 2013, 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 $3.0 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 A	$	100,000 U.S.	June 30, 2016	6.29%
Series B	$	50,000 U.S.	June 30, 2018	6.39%
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%

[1] *Interest is payable semi-annually.*

Mullen Group's unamortized debt issuance costs of $0.9 million related to Private Placement Debt have been netted against its carrying value at September 30, 2013 (December 31, 2012 – $1.1 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 has debt comprised of various financing loans, which are secured by specific operating equipment (collectively, the "**Various Financing Loans**").

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

		September 30, 2013		December 31, 2012
Current liabilities:				
Bank Credit Facility	**$**	**—**	$	—
Various Financing Loans		**273**		1,471
		273		1,471
Non-current liabilities:				
Private Placement Debt		**401,207**		392,700
Various Financing Loans		**43**		114
		401,250		392,814
	$	**401,523**	$	394,285

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

			September 30, 2013		December 31, 2012	
	Year of Maturity	Nominal Interest Rate	Face Value	Carrying Amount	Face Value	Carrying Amount
			$	$	$	$
Bank Credit Facility	—	Variable	—	—	—	—
Private Placement Debt	2016 - 2018	5.47%-6.39%	**402,121**	**401,207**	393,801	392,700
Various Financing Loans	2013 - 2014	4.6%-6.3%	**316**	**316**	1,585	1,585
			402,437	**401,523**	395,386	394,285

For the nine month period ended September 30, 2013, Mullen Group recorded an unrealized foreign exchange loss of $8.3 million. This was due to the impact of the change over the period in the value of the CDN. dollar relative to the U.S. dollar on the Corporation's $235.0 million of U.S. dollar denominated debt as summarized in the table below.

(*thousands, except exchange rate amount*)		U.S. $ Debt	Exchange Rate		CDN. $ Equivalent
September 30, 2013 – ending balance	$	**235,000**	**1.0303**	$	**242,120**
December 31, 2012 – beginning balance		235,000	0.9949		233,801
Unrealized foreign exchange loss in 2013				**$**	**8,319**

For the same period in 2012 there was an unrealized foreign exchange gain of $7.9 million related to the Corporation's $235.0 million of U.S. dollar denominated Private Placement Debt.

9. Convertible Unsecured Subordinated Debentures

Mullen Group has issued an aggregate principal amount of $125.0 million of convertible unsecured subordinated debentures (the "**Debentures**") 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 in 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. 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.

The equity portion of the Debentures are reclassified to share capital as the Debentures are converted into Common Shares. For the nine month period ended September 30, 2013, 24,535 Debentures (2012 – 67,500) were converted into 2,324,629 Common Shares (2012 – 6,417,456) of Mullen Group. As at September 30, 2013, Mullen Group had 17,145 Debentures outstanding, which would be converted into an aggregate of approximately 1,597,914 Common Shares of the Corporation if all holders converted their principal amount.

The details of the Debentures are as follows:

		September 30, 2013		December 31, 2012	
Year of Maturity	**Nominal Interest Rate**	**Face Value**	**Carrying Amount**	**Face Value**	**Carrying Amount**
2018	10%	**$ 17,145**	**$ 16,468**	$ 41,680	$ 39,773

The cumulative carrying amount of the Debentures for the periods set forth below is as follows:

	Cumulative as at	
	September 30, 2013	**December 31, 2012**
Proceeds from issue of Debentures	**$ 125,000**	$ 125,000
Debt issuance costs	**(2,335)**	(2,335)
Net proceeds	**122,665**	122,665
Amount classified as equity	**(7,200)**	(7,200)
Debentures converted to Common Shares	**(107,855)**	(83,320)
Accretion on debt	**8,858**	7,628
Carrying amount of Debentures	**$ 16,468**	$ 39,773

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. All of the issued Common Shares of Mullen Group are fully paid.

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.

	# of Common Shares	
	2013	**2012**
Issued Common Shares at January 1	**87,667,838**	80,837,777
Stock options exercised	**427,173**	89,643
Common Shares issued on conversion of Debentures	**2,324,629**	6,417,456
Issued Common Shares at September 30	**90,419,640**	87,344,876

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 nine month periods ended September 30, 2013, were $51.2 million and $123.0 million (2012 – $42.9 million and $109.1 million), respectively. The weighted average number of Common Shares outstanding for the three and nine month periods ended September 30, 2013 and 2012 was calculated as follows:

		Three month periods ended September 30		Nine month periods ended September 30	
	Note	**2013**	**2012**	**2013**	**2012**
Issued Common Shares at beginning of period	**10**	**90,172,871**	81,107,307	**87,667,838**	80,837,777
Effect of stock options exercised		**74,756**	20,141	**254,206**	25,338
Effect of Debentures converted		**76,373**	1,209,572	**1,573,710**	612,490
Weighted average number of Common Shares at end of period – basic		**90,324,000**	82,337,020	**89,495,754**	81,475,605

(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 September 30				Nine month periods ended September 30			
		2013		**2012**		**2013**		**2012**
Net income	**$**	**51,163**	$	42,963	**$**	**122,944**	$	109,139
Effect on finance costs from conversion of Debentures (net of tax)		**368**		2,216		**2,504**		6,649
Net income – adjusted	**$**	**51,531**	$	45,179	**$**	**125,448**	$	115,788

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

	Three month periods ended September 30		Nine month periods ended September 30	
	2013	**2012**	**2013**	**2012**
Weighted average number of Common Shares – basic	**90,324,000**	82,337,020	**89,495,754**	81,475,605
Effect of "in the money" stock options	**437,674**	409,262	**435,009**	297,753
Effect of conversion of Debentures	**1,637,179**	8,857,260	**2,348,833**	9,689,543
Weighted average number of Common Shares at end of period – diluted	**92,398,853**	91,603,542	**92,279,596**	91,462,901

For the nine month period ended September 30, 2013, 640,000 stock options were excluded from the diluted weighted average number of Common Shares calculation as their effect would have been anti-dilutive as compared to 490,000 stock options excluded from both the three and nine month periods in 2012. The average market value of the Corporation's Common Shares for the purposes of calculating

the dilutive effect of share options was based on quoted market prices for the periods ended September 30, 2013 and 2012.

For all the periods listed above, 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. Mullen Group's 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 September 30		Nine month periods ended September 30	
	2013	**2012**	**2013**	**2012**
Change in fair value of investments	**$ (4,348)**	$ (5,473)	**$ (25,141)**	$ 658
Loss (gain) on sale of property, plant and equipment	**793**	(60)	**945**	(1,983)
Earnings from equity investment	**(175)**	**—**	**(865)**	**—**
	$ (3,730)	$ (5,533)	**$ (25,061)**	$ (1,325)

Earnings from Equity Investment. For the three and nine month periods ended September 30, 2013, Mullen Group recognized $0.2 million and $0.9 million of earnings from an equity investment, respectively. There were no equity investments in 2012. On January 1, 2013, Mullen Group entered into a unanimous shareholders agreement and an asset purchase agreement whereby it sold certain operating assets to Canol Oilfield Services Inc. ("**Canol**") in exchange for a $1.2 million promissory note and a 45.0 percent equity interest in Canol. Canol is an oilfield transportation company headquartered in Norman Wells, Northwest Territories and is strategically located in the Canol Shale Oil Region. Mullen Group acquired an equity interest in Canol as part of its strategy to invest in the energy sector.

14. Operating Segments

Mullen Group has two operating segments. 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 in Canada, the United States and Mexico. The following provides financial results by segment:

				Intersegment eliminations		
Three month period ended September 30, 2013	**Oilfield Services**	**Trucking/ Logistics**	**Corporate**	**Oilfield Services**	**Trucking/ Logistics**	**Total**
Revenue	**$ 228,993**	**$ 145,642**	**$ 255**	**$ (234)**	**$ (722)**	**$ 373,934**
Income before income taxes	**42,354**	**19,054**	**5,522**	**—**	**—**	**66,930**
Depreciation on property, plant and equipment	**12,391**	**4,131**	**1,074**	**—**	**—**	**17,596**
Amortization on intangible assets	**2,712**	**1,041**	**—**	**—**	**—**	**3,753**
Capital expenditures [1]	**17,423**	**6,373**	**10,766**	**(1)**	**(540)**	**34,021**
Total assets at September 30, 2013	**$ 818,464**	**$ 316,284**	**$ 457,020**	**$ —**	**$ —**	**$ 1,591,768**

[1] *Excludes business acquisitions*

				Intersegment eliminations		
Three month period ended September 30, 2012	**Oilfield Services**	**Trucking/ Logistics**	**Corporate**	**Oilfield Services**	**Trucking/ Logistics**	**Total**
Revenue	$ 202,933	$ 133,659	$ 213	$ (595)	$ (851)	$ 335,359
Income before income taxes	29,022	19,152	6,609	—	—	54,783
Depreciation on property, plant and equipment	11,685	3,658	1,051	—	—	16,394
Amortization on intangible assets	3,442	1,205	—	—	—	4,647
Capital expenditures [1]	25,693	9,388	1,987	(45)	—	37,023
Total assets at December 31, 2012	$ 801,395	$ 282,998	$ 471,511	$ —	$ —	$ 1,555,904

[1] *Excludes business acquisitions*

Nine month period ended September 30, 2013	Oilfield Services	Trucking/ Logistics	Corporate	Intersegment eliminations: Oilfield Services	Intersegment eliminations: Trucking/ Logistics	Total
Revenue	**$ 660,237**	**$ 411,994**	**$ 600**	**$ (933)**	**$ (2,120)**	**$ 1,069,778**
Income before income taxes	**109,043**	**49,366**	**4,384**	**—**	**—**	**162,793**
Depreciation on property, plant and equipment	**36,543**	**11,361**	**3,097**	**—**	**—**	**51,001**
Amortization on intangible assets	**9,525**	**3,345**	**—**	**—**	**—**	**12,870**
Capital expenditures [1]	**52,564**	**16,673**	**33,349**	**(564)**	**(544)**	**101,478**
Total assets at September 30, 2013	**$ 818,464**	**$ 316,284**	**$ 457,020**	**$ —**	**$ —**	**$ 1,591,768**

[1] *Excludes business acquisitions*

Nine month period ended September 30, 2012	Oilfield Services	Trucking/ Logistics	Corporate	Intersegment eliminations: Oilfield Services	Intersegment eliminations: Trucking/ Logistics	Total
Revenue	$ 687,540	$ 398,002	$ 657	$ (1,456)	$ (3,269)	$ 1,081,474
Income (loss) before income taxes	103,953	52,008	(10,918)	—	—	145,043
Depreciation on property, plant and equipment	34,272	10,121	2,916	—	—	47,309
Amortization on intangible assets	10,053	3,671	—	—	—	13,724
Capital expenditures [1]	62,265	24,564	12,074	(77)	—	98,826
Total assets at December 31, 2012	$ 801,395	$ 282,998	$ 471,511	$ —	$ —	$ 1,555,904

[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 Co-CEO. 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.

CORPORATE INFORMATION

DIRECTORS AND OFFICERS

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

Alan D. Archibald (1), (4)
Lead Director

Greg Bay, CFA (2), (4)
Director

Steven C. Grant (2), (4)
Director

Dennis J. Hoffman, FCA(2), (3)
Director

Stephen H. Lockwood, Q.C.
President,
Co-Chief Executive Officer and Director

David E. Mullen
Director

P. Stephen Clark, CMA
Chief Financial Officer

Roberta A. Wheatcroft
Corporate Secretary

(1) Chairman of the Compensation, Nomination and Governance Committee

(2) Member of the Compensation, Nomination and Governance Committee

(3) Chairman of the Audit Committee

(4) Member of the Audit Committee

CORPORATE OFFICE

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BANKER

The Royal Bank of Canada
Calgary, Alberta

LAWYERS

Burnet, Duckworth & Palmer LLP
Calgary, Alberta

AUDITORS

KPMG 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

Mullen Group

MTL

20 Years Public
(1993 - 2013)