ANNUAL INFORMATION FORM

For the fiscal year ended December 31, 2013

Dated: February 12, 2014

Our Life is the Highway™

CONTENTS

IMPORTANT INFORMATION ABOUT THIS DOCUMENT

This Annual Information Form ("**AIF**"), dated February 12, 2014, has been prepared by management of Mullen Group Ltd. ("**Mullen Group**" and/ or the "**Corporation**") for the fiscal year ended December 31, 2013. Unless otherwise specified, information in this AIF is provided as at such date and any reference to "Mullen Group", "we", "us", "our" or the "Corporation" means Mullen Group Ltd., a corporation incorporated under the laws of Alberta and includes its predecessors where the context so requires. All dollar amounts set forth in this AIF are in Canadian dollars, except where otherwise indicated. Any document referred to in this AIF and described as being filed on SEDAR at www.sedar.com may be accessed on our website at www.mullen-group.com or obtained free of charge from our Corporate Investor Services group at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3, telephone 403-995-5200, or ir@mullen-group.com.

Throughout this document we make reference to certain defined terms that may be specific to the Mullen Group and/or the industry in which our services are provided. For your ease of reference, the definition of each such term is provided in the **Glossary of Terms** beginning on page 40. Unless otherwise stated, or the context otherwise requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

ADVISORY:

Forward-looking statements - *This AIF along with other reports and filings made with the securities regulatory authorities, reflect management's expectations regarding Mullen Group's future growth, financial condition, results of operations, performance, business prospects, strategies and opportunities, including statements about the use of our capital expenditure budget, payment of dividends, management's approach to the cyclical and seasonal nature of the oil and natural gas business and mitigation of the impact thereof, and ability to maintain Mullen Group's competitive position, and contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "anticipate", "may", "will", "believe", "expect", "potential", "continue", "view", "objective", "should", "plan", "intend", "ongoing", "estimate", "project" or similar expression are intended to identify forward-looking statements. These statements reflect management's current beliefs and assumptions and are based on information currently available to management.*

The forward-looking statements in this AIF reflect management's current beliefs and assumptions and are based on information currently available to management. Developing forward-looking statements involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to Mullen Group and others that apply to the industry in general. The factors or assumptions on which the forward-looking statements are based include: our projected capital investment, the flexibility of capital spending plans and the associated source of funding, the ability to generate sufficient cash flow from operations to meet current and future obligations and the ability to obtain any approvals as may be required from time to time. Although Mullen Group believes that the expectations and assumptions on which such 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. 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, security holder 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 AIF.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors 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 (www.sedar.com). The forward-looking statements contained in this AIF are made as of the date hereof and Mullen Group undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

CORPORATE STRUCTURE

Mullen Group Ltd. is a company incorporated under the ABCA. We have one class of securities that trade publicly, being our Common Shares that are listed on the TSX under the trading symbol "MTL". Mullen Group's head office and registered office is located at:

Chimney Rock Centre
121A, 31 Southridge Drive
Okotoks, Alberta T1S 2N3
Telephone: 403-995-5200
Canada/U.S.: 1-866-995-7711
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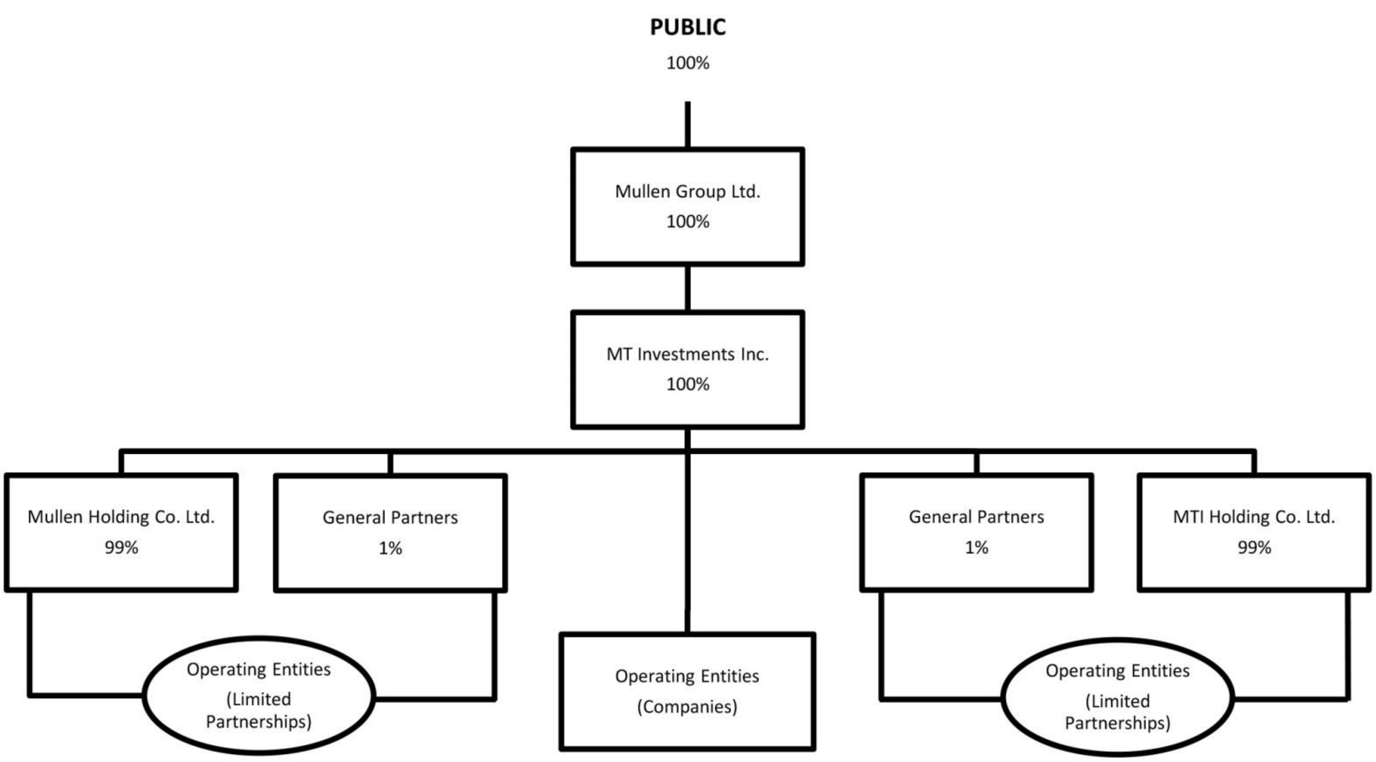
Email: ir@mullen-group.com

A list of Mullen Group's officers, directors and other advisors/service providers appears on the back cover of this AIF.

Through a network of wholly-owned companies and limited partnerships (the "**Operating Entities**"), Mullen Group provides a wide range of specialized transportation and related services to the oil and natural gas industry in western Canada and is one of the leading suppliers of trucking and logistics services in Canada – two sectors of the economy in which Mullen Group has strong business relationships and industry leadership. We have two reportable segments – Oilfield Services and Trucking/Logistics.

Mullen Group operates a decentralized business model that is non-hierarchical in nature. Each Operating Entity operates as a separate business unit under its own brand that is held accountable for its own performance and results. The diagram below depicts Mullen Group's inter-corporate relationships. For simplification, non-material wholly-owned subsidiaries have not been included. A complete list of the Operating Entities is set out on the following page under the heading "Operating Entities".



MT Investments Inc. ("MT")

MT is a corporation, amalgamated under the ABCA. It is a wholly-owned subsidiary of Mullen Group. In addition to directly owning a number of Mullen Group's Operating Entities and other related companies, MT owns a network of real estate holdings and operating facilities that are primarily leased by MT to the Operating Entities on commercially reasonable terms. MT also holds, from time to time, other real estate holdings or operating facilities that Mullen Group considers strategic in facilitating the Operating Entities' organic growth or development of additional service offerings. MT maintains its registered office at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3.

Mullen Holding Co. Ltd. ("Mullen Holdco")

Mullen Holdco is a corporation, incorporated under the ABCA that is a wholly-owned subsidiary of MT. Mullen Holdco is the limited partner of various Operating Entities. It maintains its registered office at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3.

MTI Holding Co. Ltd. ("MTI Holdco")

MTI Holdco is a corporation, incorporated under the ABCA that is a wholly-owned subsidiary of MT. MTI Holdco is the limited partner of various Operating Entities. It maintains its registered office at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3.

General Partners

Each general partner was formed for the sole purpose of acting as the general partner of its respective limited partnership. Each general partner is a corporation incorporated under the ABCA, other than the general partner of Mill Creek Motor Freight L.P., which is incorporated under Ontario law.

Operating Entities

As at the date hereof, the business of Mullen Group is operated through a network of 26 Operating Entities. A general description of each Operating Entity can be found under the heading "Business and Operations" beginning on page 8. The following table provides the name of each Operating Entity, its jurisdiction of incorporation/formation, the percentage of securities indirectly owned by Mullen Group and the operating segment under which its results are reported.

Operating Entity	Jurisdiction of Incorporation/ Formation	Percentage owned by Mullen Group (indirectly)	Segment
Brady Oilfield Services L.P.	Alberta	100%	Oilfield Services
Canadian Dewatering L.P.	Alberta	100%	Oilfield Services
Cascade Carriers L.P.	Alberta	100%	Trucking/Logistics
Cascade Energy Services L.P.	Alberta	100%	Oilfield Services
E-Can Oilfield Services L.P.	Alberta	100%	Oilfield Services
Formula Powell L.P.	Alberta	100%	Oilfield Services
Grimshaw Trucking L.P.	Alberta	100%	Trucking/Logistics
Heavy Crude Hauling L.P.	Alberta	100%	Oilfield Services
Hi-Way 9 Group of Companies, consisting of Hi-Way 9 Express Ltd., Load-Way Ltd. and Streamline Logistics Inc.	Alberta	100%	Trucking/Logistics
Jay's Moving & Storage Ltd.	Saskatchewan	100%	Trucking/Logistics
Kleysen Group L.P.	Alberta	100%	Trucking/Logistics
Majestic Oilfield Services Inc. (formerly known as Panda Tank & Vac Truck Services Inc.)	Alberta	100%	Oilfield Services
Mill Creek Motor Freight L.P.	Alberta	100%	Trucking/Logistics

Operating Entity	Jurisdiction of Incorporation/ Formation	Percentage owned by Mullen Group (indirectly)	Segment
Mullen Oilfield Services L.P.	Alberta	100%	Oilfield Services
Mullen Trucking L.P.	Alberta	100%	Trucking/Logistics
OK Drilling Services L.P.	Alberta	100%	Oilfield Services
Payne Transportation L.P.	Alberta	100%	Trucking/Logistics
Pe Ben Oilfield Services L.P.	Alberta	100%	Oilfield Services
Premay Equipment L.P.	Alberta	100%	Oilfield Services
Premay Pipeline Hauling L.P.	Alberta	100%	Oilfield Services
R. E. Line Trucking (Coleville) Ltd.	Saskatchewan	100%	Oilfield Services
Smook Contractors Ltd.	Manitoba	100%	Trucking/Logistics
Spearing Service L.P.	Alberta	100%	Oilfield Services
Tenold Transportation Limited Partnership	Alberta	100%	Trucking/Logistics
TREO Drilling Services L.P.	Alberta	100%	Oilfield Services
Withers L.P.	Alberta	100%	Oilfield Services

GENERAL DEVELOPMENT

THE EARLY YEARS

The business was originally founded by Roland Mullen in 1949 as a single truck operation. Over the ensuing four decades, the business grew as the economy in western Canada expanded. In 1993 the founding shareholders believed the company could expand further by accessing new capital in the public markets. In December 1993 Mullen Trucking Ltd. met the listing requirements of the TSX and issued Common Shares through a public offering, raising $10.5 million to fund its future growth.

Over the next decade Mullen Trucking Ltd. expanded through a combination of internal growth and acquisitions, capitalizing on the expanding economy in western Canada and the strong growth in the oil and natural gas service sector. During this time Mullen Trucking Ltd. changed its name to Mullen Transportation Inc.

In 2005 Mullen Transportation Inc. converted to an open-ended investment trust known as "Mullen Group Income Fund" and all of its Operating Entities were transformed into limited partnerships. Mullen Group operated under the trust structure until May 2009 when it converted back to the corporation known as "Mullen Group Ltd." in light of the federal government's changes in relation to the tax treatment of income trusts. While the limited partnership structure for the Operating Entities currently remains in place for those entities owned by Mullen Group prior to 2009, newly acquired businesses are typically integrated into the Mullen Group as a corporate Operating Entity.

THREE YEAR HISTORY: 2011 THROUGH 2013

Over the past three years Mullen Group has experienced growth by strategically deploying capital to facilitate internal growth, as well as acquiring three businesses in the Oilfield Services segment and two in the Trucking/Logistics segment.

Acquisition Date	Name	Head Office Location	Service Provided
January 2011	Panda Tank & Vac Truck Services Inc. *(now known as Majestic Oilfield Services Inc.)*	Grande Prairie, AB	Oilfield Services - Fluid Transportation
June 2011	Hi-Way 9 Group of Companies	Drumheller, AB	Trucking/Logistics - Regional Scheduled LTL
September 2011	Polaris Petroleum Ltd. *(operations combined with Cascade Energy Services L.P.)*	Drayton Valley, AB	Oilfield Services - Fluid Transportation
June 2012	Bernie's Hot Oil Service Ltd. *(operations combined with Cascade Energy Services L.P.)*	Swan Hills, AB	Oilfield Services - Fluid Transportation
May 2013	Jay's Moving & Storage Ltd.	Regina, SK	Trucking/Logistics - Regional Scheduled LTL

Further details relating to these acquisitions follow, along with a summary of other factors that have facilitated our growth over the past three years.

2011

Acquisitions

On January 1, 2011, Mullen Group indirectly acquired all the outstanding common shares of Panda Tank & Vac Truck Services Inc. ("**Panda**"), an oilfield fluid transportation company headquartered in Grande Prairie, Alberta. Its financial results from operations are included in the Oilfield Services segment. In June 2011 Mullen Group indirectly acquired the land and buildings operated by Panda.

On June 1, 2011, Mullen Group directly acquired all the outstanding common shares of Hi-Way 9 Express Ltd., Load-Way Ltd., Streamline Logistics Inc. and 1006213 Alberta Ltd. (collectively, "**Hi-Way 9**") and also indirectly acquired the land and buildings operated by Hi-Way 9. Hi-Way 9 is a LTL transportation company operating predominantly within Alberta and its results from operations are included in the Trucking/Logistics segment.

On September 1, 2011, Mullen Group indirectly acquired all the outstanding shares of Polaris Petroleum Ltd. ("**Polaris**"), an oilfield fluid transportation company headquartered in Drayton Valley, Alberta and its financial results from operations were included in the Oilfield Services segment. In 2013 Polaris's operations were combined with Cascade Energy Services L.P.

Capital Expenditures

For the 2011 year our Board authorized an aggregate $75.0 million capital expenditure budget. Such amount excluded the capital required for acquisitions, land and special projects. The capital expenditure budget was allocated as to approximately $60.0 million to the Oilfield Services segment and $15.0 million to the Trucking/Logistics segment.

Internal Reorganizations

On July 1, 2011, the operations of FSJ L.A.N.D. Transport L.P., Swanberg Bros Trucking L.P. and Mullen Oilfield Services L.P. were combined and now operate under Mullen Oilfield Services L.P., whose financial results are included in the Oilfield Services segment.

Return to Shareholders

Mullen Group's share price closed 2011 at $19.65, reflecting an increase of $2.74 over the 2010 closing price of $16.91. In addition, it paid an annual dividend during 2011 of $1.00 per Common Share. The combined capital gain and dividend resulted in a total return to shareholders of $3.74 per Common Share or 22.1 percent.

Transition to IFRS

Effective January 1, 2011, the Mullen Group transitioned its accounting principles to comply with IFRS. Mullen Group's audited consolidated financial statements for the years ended December 31, 2010 and 2009 were prepared in accordance with Canadian GAAP prior to the adoption of IFRS. The adoption date of January 1, 2011, required the restatement of Mullen Group's consolidated financial statements for comparative purposes for its quarter and year ended December 31, 2010, and the restatement of its opening balance sheet as at January 1, 2010. In preparing its opening IFRS consolidated statement of financial position as at January 1, 2010, Mullen Group recognized a $545.5 million reduction in retained earnings. This $545.5 million reduction resulted from a $640.3 million impairment of goodwill (net of tax) less a $94.8 million deemed fair value cost adjustment to land (net of tax). Both adjustments were a direct result of the transition to IFRS. Effective May 4, 2011, Mullen Group's shareholders approved a special resolution whereby the $545.5 million reduction in retained earnings recognized on the transition to IFRS was eliminated through a reduction in stated capital, which resulted in no change to total equity.

2012

Acquisitions

On June 1, 2012, Mullen Group indirectly acquired all of the outstanding shares of Bernie's Hot Oil Service Ltd. ("**Bernie's**"), an oilfield fluid transportation company headquartered in Swan Hills, Alberta. Following acquisition the Bernie's business was integrated into the operations of Cascade Energy Services L.P., whose financial results are included in the Oilfield Services segment.

Capital Expenditures

During 2012 our Board authorized a capital expenditure budget of $100.0 million. This amount did not include the capital utilized for acquisitions, land and special projects. The capital expenditure budget was allocated as to approximately $50.0 million to the Oilfield Services segment, $25.0 million to the Trucking/Logistics segment and $25.0 million for further development of Mullen Group's network of facilities.

Return to Shareholders

Mullen Group's share price closed 2012 at $20.90, reflecting an increase of $1.25 over the 2011 closing price of $19.65. In addition, it paid an annual dividend during 2012 of $1.00 per Common Share. The combined capital gain and dividend resulted in a total return to shareholders of $2.25 per Common Share or 11.5 percent.

2013

Acquisitions

On May 31, 2013, Mullen Group acquired all of the issued and outstanding shares of Jay's Moving & Storage Ltd. ("**Jay's**"), a LTL transportation company operating predominantly within Saskatchewan, Canada. The financial results from Jay's operations are included in the Trucking/Logistics segment.

Capital Expenditures

During 2013 our Board authorized an aggregate $100.0 million capital expenditure budget. The capital expenditure budget was allocated as to approximately $75.0 million to the Oilfield Services segment and $25.0 million to the Trucking/Logistics segment and was primarily used to acquire new equipment for the Operating Entities.

In addition to the $100.0 million budget, MT acquired $47.1 million of real property and facilities 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, which will be developed by Mullen Group to capitalize on future growth opportunities, as well as the purchase of various facilities previously leased from third parties.

Internal Reorganizations

On January 1, 2013, the operations of Polaris were integrated into the operations of Cascade Energy Services L.P., whose financial results are included in the Oilfield Services segment.

On January 1, 2013, the operations of Pro North Oilfield Services were integrated into the operations of Formula Powell L.P., whose financial results are included in the Oilfield Services segment.

Return to Shareholders

Mullen Group's share price closed 2013 at $28.39, reflecting an increase of $7.49 over the 2012 closing price of $20.90. In addition, it paid an annual dividend during 2013 of $1.20 per Common Share. The combined capital gain and dividend resulted in a total return to shareholders of $8.69 per Common Share or 41.6 percent.

Significant Acquisitions

Mullen Group did not complete any significant acquisitions during 2013 for which disclosure was required under part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

CURRENT DEVELOPMENTS

Moving into 2014, our Board has authorized an $100.0 million capital expenditure budget, allocated as to approximately $75.0 million to the Oilfield Services segment and $25.0 million to the Trucking/Logistics segment. These funds will be used to acquire new trucks, trailers and specialized equipment to support the ongoing operations of the Operating Entities. The capital required for acquisitions, the purchase and development of land and other special projects is not included in this $100.0 million budget and will be considered by the Board throughout the year as the need arises. In addition, the Board has announced its intention to continue paying an annual dividend of $1.20 per Common Share. Such dividend will be paid on a monthly basis, subject to Board approval.

BUSINESS AND OPERATIONS

As at the date hereof, Mullen Group conducts its business through the operations of 26 Operating Entities, each of which is operated separately under its own brand and is held accountable for their own performance and profitability. Mullen Group's Corporate Office provides oversight and support to the Operating Entities by coordinating business strategies, monitoring financial and business performance, providing management services, centralized banking and financial expertise and offering shared services such as payroll, human resources 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 primarily leased to the Operating Entities on commercially reasonable terms. The Corporate Office employs approximately 50 people in Okotoks, Alberta.

While the Corporate Office provides the referenced support services, the day-to-day operations of the Operating Entities are the responsibility of each Operating Entity's management team. As at December 31, 2013, Mullen Group actively employed or engaged approximately 6,100 people, including owner operators and dedicated subcontractors. The Operating Entities utilize their own equipment, as well as the services and equipment of owner operators and dedicated subcontractors. Through its Operating Entities, Mullen Group owned or leased the following:

- approximately 2,415 power units and had access to an additional 1,240 power units under contract with owner operators and dedicated subcontractors;
- approximately 7,920 trailers (the vast majority being owned), which include vans, flatbeds, dry bulk trailers, specialized trailers and temperature controlled trailers;
- a fleet of truck mounted drilling units, including 33 hydraulic single rigs capable of coring, surface casing and shallow gas drilling, 13 auger drilling rigs and one dual rotary rig;
- approximately 210 pieces of earthmoving equipment consisting of excavators, dozers, rock trucks and front-end loaders;
- approximately 780 light duty vehicles; and
- approximately 575 trailers and skid mounted dri-prime diesel pumps, 775 submersible pumps, 125 portable diesel generators, 46 sediment control tanks, 19 fusion machines, 65 portable engineered barges and 5 portable dredges.

The Operating Entities are divided into two distinct business segments for reporting purposes – Oilfield Services and Trucking/Logistics. These segments are differentiated by the type of service provided, equipment requirements and customer needs. The table below sets forth the segments' pre-consolidated revenue over the past three years.

($ millions)	2011		2012		2013	
(on a pre-consolidated basis)	Revenue ($)	%	Revenue($)	%	Revenue($)	%
Oilfield Services	903.8	64.9	897.3	62.6	**886.3**	**61.5**
Trucking/Logistics	489.3	35.1	535.6	37.4	**553.9**	**38.5**
Total*	1,393.1	100.0	1,427.6	100.0	**1,437.2**	**100.0**

*consolidated

OILFIELD SERVICES SEGMENT

EQUIPMENT			PERSONNEL	FACILITIES	
POWER UNITS	*TRAILERS*	*OTHER*		*OWNED*	*LEASED*
2,074	***4,261***	***1,867***	***3,195***	***34***	***12***

The oil and natural gas industry represents a crucial segment of the economy providing businesses and consumers with a wide range of energy supplies and related products. Generally speaking, the industry is divided into two segments:

- upstream, which refers to oil and natural gas exploration, drilling and well completions; and
- downstream, referred to as the processing, refining and marketing portion of the industry.

The oil and natural gas service industry provides a wide range of products and services to exploration and production companies and, as such, is highly reliant upon the levels of drilling activity and capital expenditures made by such companies. Exploration and production companies base their drilling and capital expenditure decisions on several factors, including but not limited to, hydrocarbon prices, production levels, pipeline capacity, tax implications and access to capital. They tend to examine long-term fundamentals affecting the foregoing factors before they adjust their capital budgets to reflect those factors. In past years commodity prices and, therefore, the level of drilling, production and exploration activity, have been volatile. As such, Mullen Group manages the business knowing that the oil and natural gas industry is cyclical. These and other risks and uncertainties are discussed beginning on page 24.

Mullen Group's Oilfield Services segment consists of 16 Operating Entities that utilize their highly trained personnel and equipment to provide specialized transportation services, drilling, well-servicing and dewatering services to the oil and natural gas industry. These services include transporting of oversize and overweight shipments, 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.

These services are collectively referred to as Oilfield Services and can generally be grouped into four categories:

Production Services	***Specialized Services***
• well servicing and handling	• water and tailing pond management
• production fluid transportation	• dredging and dewatering services
• disposal of fluids	• pipe stockpiling and stringing services
• frac support	• transporting of oversize and overweight shipments
Drilling Services	***Drilling Related Services***
• setting surface casing	• drilling rig relocation
• conductor pipe setting	• general oilfield hauling
• core drilling	• the transportation, handling and storage of oilfield fluids, tubulars and drilling mud

At December 31, 2013, the Oilfield Services segment employed approximately 2,585 full and part-time employees and further contracted the services of 610 owner operators or dedicated subcontractors. The employees in the Oilfield Services segment operate specialized equipment, which requires unique instruction, training and operating skills. Many employees start in entry-level positions and progress to a more specialized position through ongoing in-house training, on the job experience, as well as outsourced specialized training programs. This segment has many long-term employees, however, this segment faces the same demand for its workers as any other oilfield service company. Some Operating Entities within this segment are subject to collective agreements with their employees. Mullen Group believes that it has fostered a positive working relationship with its employees and contractors.

The Oilfield Services segment maintains a network of full service terminals throughout western Canada, each of which is designed to meet the specific needs of the Operating Entity with an office location and warehousing or service facility as required. While MT owns 34 of these facilities, the Operating Entities lease an additional 12 facilities from third parties.

The following pages provide a summary of the business carried on by the 16 Operating Entities in the Oilfield Services segment.

Production Services

Operating Entities in the Production Services category provide a broad range of specialized services related to the processing and production of both light and heavy oil as well as natural gas liquids in western Canada. Certain Operating Entities in this category provide full service offerings to companies utilizing fracing techniques for drilling purposes. Mullen Group currently has seven Operating Entities that provide services in this area.

Brady Oilfield Services L.P.		***(Founded 1968)***
Equipment[1]	**Personnel**	**Branches**
99 Power Units 162 Trailers	99	Halbrite, SK[2]

Description

Brady Oilfield Services L.P. ("**Brady**"), through its predecessor companies, was acquired by Mullen Group in 2006.

Brady provides a broad range of services related to the production of oil and liquids in the Midale, Weyburn, Hoffer and Estevan fields that are located in southeastern Saskatchewan. Brady utilizes specially designed bulk trailers and personnel to assist oil companies in the handling, transportation and disposal of crude oil and produced water and fluids. In addition, Brady stores, distributes and sells aggregate materials for lease and other site preparation activities for the energy industry.

Brady's fleet includes power units, specialized tanker trailers and auxiliary equipment.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Cascade Energy Services L.P.					*(Founded 1997)*
Equipment[1]	**Personnel**	**Branches**			
337 Power Units	316	Calgary, AB[2]	Drayton Valley, AB	Grande Prairie, AB	Swan Hills, AB
325 Trailers		Wabasca, AB	Brooks, AB	Medicine Hat, AB	Pincher Creek, AB
		Taber, AB	Fort St. John, BC		

Description

Cascade Energy Services L.P. ("**Cascade Energy**") was formed by Mullen Group in 2008 in connection with the acquisition of Cascade Services and Jacar Energy Services.

Cascade Energy provides a wide range of production services related to fluid management for the energy, utility, mining and construction industries in northern British Columbia, Alberta and southwestern Saskatchewan. The northern operations are conducted through its Cascade Services' division while the southern operations are conducted through its Jacar Energy Services' division. On January 1, 2013, Mullen Group completed an internal reorganization that effectively integrated the business of Polaris, a company acquired in 2011, into the operations of Cascade Energy.

Cascade Energy also provides chemical solutions to the oil and natural gas industry and maintains facilities for mixing, storage and transport of such chemicals, as well as on-site frac water storage with 500 barrel frac tanks and frac corrals (*i.e.*, 3,200 cubic metre and 5,500 cubic metre modular frac tanks). Cascade Energy has recently expanded its services, through the integration of the Bernie's operations, to include pressure pipeline testing.

Cascade Energy's fleet is comprised of specialized trucks and auxiliary equipment including hydro-vacuum trucks, pressure trucks, hot oiler units and steam trucks with services ranging from fluid hauling, fluid heating, high pressure cleaning and industrial cleaning in relation to industrial, petroleum exploration, drilling production and processing applications.

E-Can Oilfield Services L.P.					*(Founded 1984)*
Equipment[1]	**Personnel**	**Branches**			
238 Power Units	405	Elk Point, AB[2]	Fort Kent, AB	Wabasca, AB	Sandy Lake, AB
143 Trailers					

Description

The predecessor companies to E-Can Oilfield Services L.P. ("**E-Can**") were acquired by Mullen Group in 2000.

E-Can provides a wide range of oilfield services to the heavy oil industry in Alberta by utilizing its specialized equipment and personnel to assist in the handling, transportation and disposal of fluids associated with the processing and production of heavy oil.

E-Can is a market leader providing customers with well servicing using coiled tubing and flushby units, vacuum, pressure and fluid hauling units, as well as safety and environmental spill clean up services. E-Can operates 30 man and 80 man camps in Sandy Lake and Wabasca, Alberta, respectively.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Heavy Crude Hauling L.P.		*(Founded 1974)*
Equipment[1]	**Personnel**	**Branches**
184 Power Units 199 Trailers	270	Lloydminster, AB[2] Fort Kent, AB

Description

Heavy Crude Hauling L.P. ("**Heavy Crude**"), through its predecessor companies, was acquired by Mullen Group in 2002.

It provides fluid transportation of crude oil, produced water and other fluids for its customers involved in the production of heavy oil in western Canada through the use of its specially designed bulk trailers.

Heavy Crude is one of the largest transporters of fluids in northern Alberta and Saskatchewan, an area which is generally referred to as the Lloydminster heavy oil region. In 2013 Heavy Crude expanded its fleet significantly to meet the needs of a customer in relation to a major crude oil and fluid hauling contract in this region.

Majestic Oilfield Services Inc.		*(Founded 1996)*
Equipment[1]	**Personnel**	**Branches**
81 Power Units 100 Trailers	84	Grande Prairie, AB[2] Grande Cache, AB Fort St. John, BC Dawson Creek, BC

Description

Majestic Oilfield Services Inc. ("**Majestic**"), previously known as Panda Tank & Vac Truck Services Inc., was acquired by Mullen Group in 2011.

Majestic provides transportation and tank farm storage services of various fluids, the transportation of contaminated soil, drill cuttings and sawdust, as well as frac water storage with 3,200 cubic metre and 5,500 cubic metre frac corrals and provide high volume pumps for transferring fluid.

Majestic's company owned fleet includes trucks and trailers mainly consisting of tank trucks, vacuum trucks, hot oilers, heater and pressure units. Majestic also operates various pieces of equipment including end dumps, filtration units and gamma jets. Majestic primarily provides its services in northern and central Alberta and northeastern British Columbia.

R. E. Line Trucking (Coleville) Ltd.		*(Founded 1954)*
Equipment[1]	**Personnel**	**Branches**
75 Power Units 94 Trailers	93	Coleville, SK[2]

Description

R. E. Line Trucking (Coleville) Ltd. ("**RE Line**") was acquired by Mullen Group in 2008.

RE Line provides fluid transportation of crude oil and produced water for its customers within the oil and natural gas industry throughout west central Saskatchewan and east central Alberta. It owns a fleet of frac trailers and bulk trailers that are primarily operated by owner operators.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Spearing Service L.P.					*(Founded 1956)*
Equipment[1]	**Personnel**	**Branches**			
231 Power Units	298	Oxbow, SK[2]	Carlyle, SK	Alameda, SK	Pipestone, MB
494 Trailers		Waskada, MB			

Description

Spearing Service L.P. ("**Spearing**"), through its predecessor companies, was acquired by Mullen Group in 2006.

Spearing specializes in oilfield trucking by providing a broad range of services to oil companies in southeastern Saskatchewan and southwestern Manitoba. Spearing utilizes specially designed equipment to haul crude oil, produced water, natural gas liquids, condensate and other fluids. In addition, Spearing also provides crude oil to rail services in North Dakota, USA.

Spearing's fleet includes company and owner operator tractors, tank trailers, as well as vacuum trucks, steam trucks and hot oiler units. In addition, Spearing services the multi-stage fracs with super heaters, winch tractors and frac tanks.

Specialized Services

Operating Entities in the Specialized Services category provide services to the oil and natural gas, oil sands and mining industries. Their services include dredging and dewatering services, oversize and overweight transportation services, and the transportation, stringing and stockpiling of large diameter oil and natural gas transmission pipe. Mullen Group currently has three Operating Entities that provide services in this area.

Canadian Dewatering L.P.					*(Founded 1972)*
Equipment[1]	**Personnel**	**Branches**			
4 Power Units	251	Edmonton, AB[2]	Calgary, AB	Fort McMurray, AB	Saskatoon, SK
28 Trailers		Surrey, BC	Winnipeg, MB	Yellowknife, NWT	

Description

Canadian Dewatering L.P. ("**Canadian Dewatering**") was formed in stages by Mullen Group acquiring Northern Underwater Systems (N.U.S.) Ltd. in 2004 and combining it in 2006 with the newly acquired Canadian Dewatering Ltd.

Canadian Dewatering provides fluid management services that are utilized by energy companies involved in the development of the oil sands of northern Alberta, well fracturing fluid supply operations, the pulp and paper industry, power generation, the mining industry, general contractors and municipalities in relation to infrastructure development. In 2013 Canadian Dewatering developed a new service whereby water is pumped directly to the well site to enable the fracing process.

Canadian Dewatering's fleet consists of trailers, skid mounted dri-prime diesel pumps, submersible pumps, portable diesel generators and fusion machines. In addition, Canadian Dewatering provides specialized services that include dredging and barge rentals with their fleet of portable engineered barges and portable dredges. Canadian Dewatering also operates its commercial diving operations across western Canada through its Northern Underwater Systems division.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Premay Equipment L.P.					***(Founded 1964)***
Equipment[1]	**Personnel**	**Branches**			
73 Power Units 326 Trailers	142	Edmonton, AB[2] Burnaby, BC	Calgary, AB	Fort McMurray, AB	Regina, SK

Description

The predecessor company to Premay Equipment L.P. ("**Premay Equipment**") was acquired by Mullen Group in 1994.

Premay Equipment provides a wide range of specialized services through the transportation of oversize and overweight modules, vessels, equipment and machinery for clients in the engineering, procurement, construction, mining, and oil and natural gas related industries.

With specialized tractors, off-highway vehicles and trailers, Premay Equipment is a leader in the specialized transportation market in western Canada. Premay Equipment's main facility is fully equipped to perform major repairs to its specialized equipment including its self-propelled modular transporters (SPMT). It also has the capability to design and build new equipment or modify existing components.

Premay Pipeline Hauling L.P.		***(Founded 1986)***
Equipment[1]	**Personnel**	**Branches**
70 Power Units 179 Trailers	132	Edmonton, AB[2]

Description

Premay Pipeline Hauling L.P. ("**Premay Pipeline**"), through its predecessors, was acquired by Mullen Group in 1994 in conjunction with the acquisition of Premay Equipment.

Premay Pipeline provides the mainline large diameter pipeline construction industry with contract services including the hauling, stockpiling and stringing of large diameter oil and natural gas transmission pipe.

The equipment operated by Premay Pipeline is designed to meet the regulatory and legislated requirements of transporting oversized shipments. Trailers are specifically designed to transport lengths of pipe in excess of 80 feet and to maximize payload. Premay Pipeline currently operates a fleet of trucks and trailers, along with a number of cranes/pickers, side booms, vacuum lifts/deckhands and loaders/forklifts/excavators.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Drilling Services

Operating Entities in the Drilling Services category provide drilling services to the oil sands operators and to oil and natural gas companies, including core drilling, conventional drilling to 1,500 metres, and conductor pipe and surface casing setting services. Mullen Group currently has two Operating Entities that provide services in this area.

OK Drilling Services L.P. ***(Founded 1978)***

Equipment[1]	Personnel	Branches
16 Power Units 18 Trailers	30	Red Deer, AB[2]

Description

OK Drilling Services L.P. ("**OK Drilling**"), through its predecessor companies, has been providing the upstream segment of the oil and natural gas drilling industry with services related to the setting of conductor pipe since 1978. This service is required on some well sites prior to a drilling rig being moved onto the lease location. In addition, OK Drilling provides services related to the drilling and setting of surface casing. Typical conductor casings are 403 to 508 millimetres (16 to 20 inch) diameter and are set to a depth of 12 to 36 metres (40 to 118 feet).

OK Drilling operates auger drilling rigs, a dual rotary rig, a fleet of support trucks and trailers and portable welding trucks. In addition, OK Drilling drills piling holes and elevator shafts for the construction industry.

Treo Drilling Services L.P. ***(Founded 1958)***

Equipment[1]	Personnel	Branches	
25 Power Units 77 Trailers	155	Ponoka, AB[2]	Calgary, AB

Description

Treo Drilling Services L.P. ("**Treo**"), through its predecessors, has been servicing the Alberta, British Columbia, and Saskatchewan areas since 1958. Mullen Group made its initial investment in core drilling services in 2003 with the acquisition of Cora Lynn Drilling Co. Ltd. followed by the acquisition of Schmidt Drilling Ltd. in 2005. The combined business operates as Treo.

Treo provides drilling services to the energy and resource sector with a focus on core drilling for the oil sands, primarily during the winter season. With core drilling rigs, including Class III Certified rigs, Treo is a market leader providing customers with core drilling services, which involve drilling and the subsequent recovery of core samples, an essential process service used by exploration and production companies in the analysis and delineation of oil sands deposits in northern Alberta. In addition, it is capable of providing conventional oil and natural gas drilling to depths up to 1,500 metres.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Drilling Related Services

Operating Entities in the Drilling Related Services category service the upstream market, which refers to oil and natural gas exploration, drilling and well completions and, as such, these Operating Entities are highly reliant upon the levels of drilling activity and capital expenditures made by the exploration and production companies. The direct services provided include rig relocation services, the warehousing, transportation, handling and storage of oilfield fluids, drilling mud, and tubulars and general oilfield hauling. Mullen Group currently has four Operating Entities that provide services in this area.

Formula Powell L.P.

(Founded 1970)

Equipment[1]	Personnel	Branches			
220 Power Units	339	Grande Prairie, AB[2]	Edson, AB	High Level, AB	Blackfalds, AB
1,096 Trailers		Slave Lake, AB	Lloydminster, AB	Fort St John, BC	Fort Nelson, BC

Description

Formula Powell L.P. ("**Formula Powell**") was acquired in conjunction with the acquisition of Producer's Oilfield Services Inc. in 2006.

Formula Powell provides a wide range of trucking, warehousing and fluid storage services to customers involved in the oil and natural gas industry in western Canada. It also specializes in the computerized management and warehousing of drilling mud and fluids.

Through a network of terminals strategically located in areas known for high levels of oil and natural gas drilling activity, Formula Powell provides its customers with the necessary trucks and trailers specifically designed to meet the demanding requirements of off-highway oilfield work. In addition, Formula Powell provides tank farms and related services.

Mullen Oilfield Services L.P.

(Founded 1983)

Equipment[1]	Personnel	Branches			
235 Power Units	224	Calgary, AB[2]	Leduc, AB	Grimshaw, AB	Taber, AB
565 Trailers		Fort St. John, BC			

Description

Mullen Oilfield Services L.P. ("**Mullen Oilfield**") was part of Mullen Group's founding operations. It has expanded through the purchase of equipment, terminals and competitors since first commencing operations.

Mullen Oilfield provides specialized oilfield transportation services to companies drilling for oil and natural gas in western Canada, most notably rig moving. This involves the dismantling, hauling and rigging up of drilling rigs in challenging, difficult, mountainous terrain and extreme weather conditions. Customer transportation logistics are pre-planned for each and every job through a network of terminals strategically located in the areas best known for oil and gas exploration activity.

In 2013 Mullen Oilfield entered into an asset purchase agreement whereby it acquired a 45 percent interest in Canol Oilfield Services Inc. ("**Canol**"). Canol is an oilfield transportation company headquartered in Norman Wells, Northwest Territories that provides services in the Canol Shale Oil Region.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Pe Ben Oilfield Services L.P.					*(Founded 1957)*
Equipment[1]	**Personnel**	**Branches**			
100 Power Units 263 Trailers	193	Nisku, AB[2]	Dimsdale, AB	Brooks, AB	Fort Nelson, BC

Description

Pe Ben Oilfield Services L.P. ("**Pe Ben**"), through its predecessor companies, was acquired by Mullen Group in January 2006.

Pe Ben provides transportation and field warehousing of Oil Country Tubular Goods (OCTG) for the oil and natural gas industry as well as general oilfield hauling. Pe Ben's primary business is the transportation, handling and storage of oilfield tubular products. In addition, Pe Ben developed a computerized inventory management system, PipeOnline, which allows customers real-time tracking in relation to their oilfield tubular products.

Withers L.P.					*(Founded 1981)*
Equipment[1]	**Personnel**	**Branches**			
86 Power Units 192 Trailers	164	Grande Prairie, AB[2]	Edson, AB	Edmonton, AB	Provost, AB

Description

Withers L.P. ("**Withers**") was acquired in conjunction with the acquisition of Producer's Oilfield Services Inc. in 2006. Its operations were expanded in 2008 as a result of Mullen Group's acquisition of certain business units from Essential Energy's oilfield transport division.

Withers provides transportation, handling, storage and computerized inventory management of oilfield tubular products for the oil and natural gas industry as well as general oilfield hauling. Withers has expanded their rentals to include frac corrals (*i.e.*, 3,200 cubic metre and 5,500 cubic metre modular frac tanks), which includes expert and experienced teams that provide delivery, set-up and dismantling services.

Competitive Conditions and Industry Position

All the Operating Entities in the Oilfield Services segment operate in a competitive environment with competitors ranging from small local or regional businesses to large international companies. Entry into the business can be difficult due to the large capital requirements, a need for skilled labour and information systems that provide management with job costing analysis. The business is highly competitive requiring the Operating Entities to maintain good relations with both its customers and drivers. The business is also highly regulated requiring strict adherence to safety and governmental standards. In addition, the oil and natural gas drilling industry is characterized by its cyclical activity. Exploration and development drilling can be affected by such factors as oil and natural gas commodity prices and government policies. This in turn directly affects the level of activity in these companies. Companies compete primarily on the basis of their ability to provide customers with a safe, reliable and cost efficient service. Due to the nature of the industry it is imperative that the Operating Entities have access to specialized equipment and experienced, well-trained personnel. Mullen Group believes that its size and terminal locations, accompanied by its operational systems, safety standards and policies, technology solutions and well structured balance sheet provide it with the ability to compete with any carrier in this market. Management believes that it has more equipment and greater capital resources than the majority of its competitors. Furthermore, Mullen Group is positioned to consolidate complimentary or competing firms, if and when, such opportunities exist.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Intangible Properties

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.

Seasonality

Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies with corresponding declines in the demand for the goods and services we supply. This risk and uncertainty is discussed on page 32.

Economic Dependence

The Operating Entities in the Oilfield Services segment provide a wide variety of goods for a broad customer base, which are all related to the oil and natural gas industry along with the oil sands and mining sector. Certain Operating Entities in this segment have entered into longer term contracts or memorandums of understanding with well established customers. This segment's top 10 customers are all well-known companies, most of which are publicly-traded. These top 10 customers accounted for 40.8 percent (2012 – 48.1 percent) of this segment's revenue. During 2013, no one customer in the Oilfield Services segment accounted for more than 10 percent of Mullen Group's total consolidated revenue.

TRUCKING/LOGISTICS SEGMENT

EQUIPMENT			PERSONNEL	FACILITIES	
POWER UNITS	*TRAILERS*	*OTHER*		*OWNED*	*LEASED*
1,578	***3,657***	***1,218***	***2,845***	***18***	***4***

The trucking industry is a valuable contributor to the Canadian economy growing to be the most important mode of commercial transportation in the country. More goods move by truck than by rail and air combined. One of the fastest growing segments in the trucking industry is that of cross border trade between Canada and the United States.

Mullen Group's Trucking/Logistics segment, which consists of 10 Operating Entities, conducts business in Canada, the continental United States and Mexico by offering a diversified range of truckload and 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 and industrial products. This segment also provides direct service to and from Mexico through interline agreements with certified Mexican carriers.

As a provider of trucking and logistics services to customers throughout North America, our results are affected by the state of the economy and the associated demand for freight transportation and logistics services. These and other risks and uncertainties are discussed beginning on page 24.

At December 31, 2013, the Trucking/Logistics segment employed approximately 2,170 full and part-time employees and further contracted the services of 675 owner operators. The employees in the Trucking/Logistics segment operate both specialized and regular highway equipment that requires unique instruction, training and operating skills. While this segment has many long-term employees, it faces the same demand for its workers as any other trucking company. Some Operating Entities within this segment are subject to collective agreements with their employees. Mullen Group believes that it has fostered a positive working relationship with its employees and owner operators.

The Trucking/Logistics segment maintains a network of full service terminals throughout Canada, each of which is designed to meet the specific needs of the Operating Entity with an office location and warehousing or service facility as required. While MT owns 18 of these facilities, the Operating Entities lease an additional four facilities from third parties.

The following pages provide a summary of the business carried on by the 10 Operating Entities in the Trucking/Logistics segment.

Cascade Carriers L.P.		*(Founded 1919)*	
Equipment[1]	**Personnel**	**Branches**	
99 Power Units 409 Trailers	139	Calgary, AB[2]	Sherwood Park, AB

Description

Cascade Carriers L.P. ("**Cascade**"), through its predecessor companies, was acquired by Mullen Group in 1996.

Cascade provides customers in the construction and oil and natural gas industries in western Canada with dry bulk transportation services, hauling a wide variety of commodities including cement, blend, fly ash, sand, salt and lime. Cascade is the primary carrier for Lafarge North America Inc. in Alberta.

Cascade operates one of the largest fleets of pneumatic dry bulk trailers in Canada. Cascade's fleet includes tractors, trailers, portable silos and portable blower units. In addition, Cascade also utilizes specialized cyclone units, spreader units and a pneumatic recovery unit.

Grimshaw Trucking L.P.		*(Founded 1949)*		
Equipment[1]	**Personnel**	**Branches**		
183 Power Units 417 Trailers	363	Edmonton, AB[2]	Fort McMurray, AB	Grande Prairie, AB

Description

Grimshaw Trucking L.P. ("**Grimshaw**"), through its predecessors, was acquired by Mullen Group in 1995 and is known as "Your Gateway to the North™"[3].

Grimshaw provides LTL scheduled deliveries of freight of all kinds to over 330 communities in northern Alberta, British Columbia and the Northwest Territories. Its LTL division is accompanied by a truckload flat deck division, which mainly provides services directly related to the oil sands development near Fort McMurray, Alberta. Approximately 1,225 shipments per day pass through the Edmonton yard and dock for delivery the following morning. Grimshaw maintains a network of 23 service centers, of which three are operated by independent agencies.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

[3] Your Gateway to the North is a trademark of Mullen Group Ltd.

Hi-Way 9 Group of Companies						*(Founded 1969)*
Equipment[1]	**Personnel**	**Branches**				
271 Power Units	509	Drumheller, AB[2]	Calgary, AB	Edmonton, AB	Red Deer, AB	
479 Trailers		Camrose, AB	Stettler, AB	Westlock, AB	Sundre, AB	
		Drayton Valley, AB	Brooks, AB	Lethbridge, AB	Medicine Hat, AB	
		Rocky Mountain House, AB				

Description

The Hi-Way 9 Group of Companies was acquired by Mullen Group in 2011 and the business is operated as Hi-Way 9 Express Ltd., Load-Way Ltd. and Streamline Logistics Inc.

Hi-Way 9 provides LTL and truckload services, processing over 2,500 shipments per day to more than 400 communities in western Canada, with a strong focus on southern Alberta. Other services include dry van and flat deck transportation, as well as freight handling, warehousing and logistics.

Hi-Way 9 has a network of support depots strategically located throughout Alberta. Hi-Way 9 offers flexible transportation solutions to its customers throughout western Canada.

Jay's Moving & Storage Ltd.						*(Founded 1964)*
Equipment[1]	**Personnel**	**Branches**				
215 Power Units	445	Regina, SK[2]	Moose Jaw, SK	Weyburn, SK	Saskatoon, SK	
396 Trailers		Estevan, SK	Prince Albert, SK	Yorkton, SK	Battleford, SK	
		Melville, SK	Swift Current, SK	Calgary, AB		

Description

Jay's was acquired by Mullen Group in 2013.

Jay's is a recognized leader in the LTL transportation business within the Province of Saskatchewan operating out of full service terminals and warehouses. With service to over 480 centers in Saskatchewan, Jay's can reach local markets overnight or on the same day. Jay's has interline connections with leading inter-provincial (extra-provincial) and cross-border carriers. Other services include dry van and temperature controlled transportation, as well as moving services.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Kleysen Group L.P.				*(Founded 1935)*
Equipment[1]	**Personnel**	**Branches**		
275 Power Units 798 Trailers	474	Winnipeg, MB[2] Saskatoon, SK	Thompson, MB Calgary, AB	Esterhazy, SK Edmonton, AB

Description

Kleysen Group L.P. ("**Kleysen**") was formed in 2006 when Mullen Group acquired the Kleysen Group of Companies.

Kleysen is a diversified transportation and logistics provider that offers dry bulk, deck, intermodal, transload, storage and logistics services primarily in the western Canadian marketplace. Its significant rail capabilities, "know how" and substantial storage handling capacity provides Kleysen with the ability to efficiently and effectively service its customers. In addition, Kleysen distributes and markets road salt through its industrial products division operating as Kayway Industries.

Kleysen owns equipment including tractors, trailers, railcars, containers, heavy equipment and other auxiliary equipment. Kleysen also has access to a network of other assets through strategic partner arrangements. Kleysen operates from strategically located facilities.

Mill Creek Motor Freight L.P.		*(Founded 1980)*
Equipment[1]	**Personnel**	**Branches**
107 Power Units 291 Trailers	158	Ayr, ON[2]

Description

The predecessor company to Mill Creek Motor Freight L.P. ("**Mill Creek**") was acquired by Mullen Group in 1999.

Mill Creek provides truckload, LTL van and flatbed service in Canada, the United States and Mexico transporting a wide variety of commodities. Mill Creek offers a total transportation solution with dispatch services that operate 24 hours per day and seven days a week, third party logistics, secure indoor and outdoor storage as well as warehousing and cross docking.

Mill Creek operates a fleet of equipment including tractors, 53-foot logistic vans and flatbeds. Their fleet is equipped with a two-way satellite messaging and tracking system that allows customers to track their shipments on-line. Mill Creek strives to be environmentally responsible and increase fuel efficiencies with on-board auxiliary power units, participation in SmartWay Transport Partnership, onsite recycling and new equipment with above industry environmental standards.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Mullen Trucking L.P.			***(Founded 1949)***
Equipment[1]	**Personnel**	**Branches**	
135 Power Units 412 Trailers	198	Aldersyde, AB[2]	Ayr, ON

Description

Mullen Trucking L.P. ("**Mullen Trucking**") was part of Mullen Group's founding operations. It provides shippers with an irregular-route truckload and LTL transportation service throughout Canada and the continental United States, transporting a wide variety of commodities and mining equipment.

Mullen Trucking offers its customers a range of services utilizing a combination of company operated equipment, owner operators and subcontractors who are approved and certified. Management believes that this combination allows it the flexibility to offer customers a total transportation solution, to maximize equipment utilization and the ability to adjust rapidly to market swings.

Mullen Trucking's fleet includes tractors, trailers including dry van, flat deck and specialized trailers and support equipment. The main facility in Aldersyde, Alberta has rail access and includes a separate storage area for freight storage and transfer.

Payne Transportation L.P.					***(Founded 2000)***
Equipment[1]	**Personnel**	**Branches**			
162 Power Units 274 Trailers	207	Winnipeg, MB[2]	Winkler, MB	Fort Saskatchewan, AB	Houston, TX

Description

The predecessor company to Payne Transportation L.P. ("**Payne**") was acquired in stages with an initial investment in 2000 and subsequent acquisition of the remaining shares in 2005.

Payne focuses on the transportation of truckload and LTL general freight across Canada and the United States transporting a wide range of commodities. Payne also specializes in scheduled, expedited LTL servicing the oil and natural gas industry between Texas, Oklahoma and Louisiana, United States, and the Canadian prairie provinces.

The 2010 acquisitions of GVT Inc. and Ger-Ed Transport Ltd. provided a springboard into the transportation of large agricultural, forestry and construction machinery with a large fleet of double drop trailers.

Smook Contractors Ltd.		***(Founded 1949)***
Equipment[1]	**Personnel**	**Branches**
31 Power Units 62 Trailers	141	Thompson, MB[2]

Description

Smook Contractors Ltd. ("**Smook**") was acquired by Mullen Group in 2010.

Smook is a multi-disciplined civil contractor based in Thompson, Manitoba and services customers throughout northern Manitoba by providing safe, efficient and quality service in areas of aggregate production, drilling and blasting, earth and rock excavation, environmental clean-up and soil remediation, road-building and other related services.

[1] Equipment includes both company owned and owner operator equipment.

[2] Head Office

Tenold Transportation Limited Partnership					***(Founded 1968)***
Equipment[1]	**Personnel**	**Branches**			
100 Power Units	208	Surrey, BC[2]	Weyburn, SK	Edmonton, AB	Winnipeg, MB
119 Trailers		Brampton, ON	Johnstown, ON		

Description

Tenold Transportation Limited Partnership ("**Tenold**"), through its predecessor company, was acquired by Mullen Group in 2005.

Tenold provides its customers with transportation services throughout North America, utilizing flatbed and stepdeck equipment. In addition, Tenold provides logistics, warehousing, distribution and non-transportation services such as cable cutting and reel services to its existing customers in the wire and cable, telephone, hydro and construction industries. Tenold's business model is built around developing unique business relationships with strategic partners – namely, customers, owner operators and subcontractors.

Tenold utilizes owner operators and subcontractors and company-owned equipment and yards to provide a complete range of services supported by Tenold employees. This business model allows Tenold employees to focus on providing quality service to meet the needs and demands of its customers as well as adapt to the rapidly changing market conditions.

Competitive Conditions and Industry Position

The transportation and distribution of freight is a multi-billion dollar business in Canada and is generally described as both highly competitive and fragmented. All the Operating Entities in this segment operate in a competitive environment with competitors ranging from small local or regional businesses to large international companies. The business is highly competitive requiring the Operating Entities to maintain good relations with both its customers and drivers. The business is also highly regulated requiring strict adherence to safety and governmental standards. Due to the nature of the industry, it is imperative that the Operating Entities have access to experienced and well-trained personnel. Mullen Group believes that its size, accompanied by its operational systems, safety standards and policies, technology solutions and well structured balance sheet provide it with the ability to compete with any carrier in this market. Furthermore, Mullen Group is positioned to consolidate complimentary or competing firms, if and when, such opportunities arise.

Intangible Properties

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.

Economic Dependence

The Operating Entities in the Trucking/Logistics segment haul a wide variety of freight for a broad customer base. Certain of these Operating Entities have entered into longer term contracts or master service agreements with well-established customers. The top 10 customers in this segment are all well-known companies, accounting for 33.7 percent (2012 – 32.8 percent) of this segment's revenue in 2013. No one customer in the Trucking/Logistics segment accounted for more than 10 percent of Mullen Group's total consolidated revenue.

ENVIRONMENTAL PROTECTION

Mullen Group's business is impacted by environmental regulations. This risk and uncertainty is discussed beginning on page 31.

PRINCIPAL RISKS AND UNCERTAINTIES

The operational complexities inherent in our business, together with the highly regulated and competitive environment of the industries in which we operate, leave Mullen Group exposed to a number of risks and uncertainties ("**risks**"). Many of these risks, for example, the cyclical nature of the oil and natural gas industry, may be mitigated to a certain degree but still remain outside of our control. Management believes that the risks described below are the ones that could have the most significant impact on Mullen Group. Readers are cautioned that the list of risks is not exhaustive and new information, future events or changing circumstances could affect our operations and financial results, which may reduce or restrict our ability to pay a dividend to our shareholders and may materially affect the market price of our securities.

The transportation business and other activities of Mullen Group are directly affected by fluctuations in the general economy, including the amount of trade between Canada and the United States and the value of the Canadian dollar as compared to the U.S. dollar. Our Oilfield Services segment is directly affected by fluctuations in the levels of oil and natural gas drilling activity, oil sands development and production activity carried on by its customers, which in turn is dictated by numerous factors, including but not limited to world energy prices and government policies.

Mullen Group has a risk management review process to assist in mitigating risk. The risk management review process highlights the significant risks which then leads to mitigation plans through, among other things, the establishment of standards and other controls. Mullen Group has established and enforces a corporate wide code of conduct and ethics through its Behaviour Guide and has instituted an anonymous Whistleblower protocol. The inability to identify, assess and respond to risks through the risk management review process could lead to, among other things, an inability to capture opportunities, recognize threats, inefficiency and non-compliance with laws and regulations.

The most significant risks identified by management are categorized and described as follows:

Strategic	Oil and Natural Gas Drilling Activity
	Oil Sands and Heavy Oil Activity
	Economic Conditions
	Failure to Identify and Realize Anticipated Benefits of Acquisitions and Dispositions
	Competition
	Climate Change Regulations and Carbon Pricing/Taxes
	Changes in Legislation
	Alternatives to and Changing Demand For Petroleum Products
Financial	Foreign Exchange
	Access to Financing
	Reliance on Major Customers
	Interest Rates
	Credit Risk
Operational	Employees and Labour Relations
	Cost Escalation
	Potential Operating Risks and Insurance
	Digital Infrastructure
	Environmental Liability Risks
	Weather and Seasonality
	Business Continuity, Disaster Recovery and Crisis Management
	Access to Parts, Development of New Technology and Relationships with Key Suppliers
	Regulation

STRATEGIC RISKS:

Oil and Natural Gas Drilling Activity

A portion of Mullen Group's operations are directly related to oil and natural gas drilling activity in western Canada, an area known to contain these hydrocarbons. The level of drilling activity by exploration and production companies is based on several factors including, but not limited to, hydrocarbon prices, production levels and access to capital. Oil and natural gas development is also influenced by the long-term takeaway pipeline capacity to transport these products out of western Canada. There can be no certainty that investments will be made, or that approvals by regulators will be forthcoming, to provide this capacity. As a service provider to the oil and natural gas industry, Mullen Group is highly reliant on the levels of capital allocated by oil and natural gas producers to drilling activity in western Canada. In recent years, natural gas prices have been volatile, nearing 10 year lows, thereby reducing the level of natural gas drilling activity. Although recent oil drilling and production activity has increased in western Canada due to a combination of higher oil prices and multi-stage fracturing techniques, oil prices have fluctuated significantly over the past several years, and may remain volatile in the future.

Mullen Group cannot determine with certainty the effect of reduced natural gas drilling activity as this reduction in activity has been more than offset by increased levels of oil-directed drilling activity. A sudden significant or prolonged decline of oil prices may have a negative impact on oil-directed drilling activity that would negatively affect the operations in our Oilfield Services segment as well as our overall financial condition. Conversely, a resurgence of natural gas prices may have a positive impact on the operations in our Oilfield Services segment as well as our overall financial condition.

Mullen Group recognizes the cyclical nature of drilling activity and mitigates the risks associated with this volatility through the combination of a disciplined capital allocation process and a focus on maintaining long-term relationships with large-cap oil and gas companies. We also continually assess the requirements for further investments in our Oilfield Services segment and have diversified our operations to further mitigate this risk.

Oil Sands and Heavy Oil Activity

A portion of Mullen Group's operations are related to the continued development and extraction of oil sands and heavy oil deposits in western Canada. As a service provider to this sector, Mullen Group is reliant on the level of capital expenditures made by oil sands operators and heavy oil producers, who typically base their capital expenditures on several factors including, but not limited to, oil prices, oil price differentials, available heavy oil refinery capacity, takeaway capacity including pipeline and rail infrastructure, access to capital and environmental regulations. These operators and producers tend to examine long-term fundamentals affecting the foregoing factors before they adjust their capital budgets to reflect these assessments. In terms of the effect of environmental regulations, oil sands operations emit greenhouse gases ("**GHG**") and have been the focus of various environmental groups and legislators. As production rises there is a risk that oil sands and heavy oil development may not meet societal expectations and, therefore, may become subject to new environmental regulations, which could negatively affect their future capital expenditures (see ***Climate Change Regulations and Carbon Pricing/Taxes*** on page 27). In addition to GHG emissions regulations, oil sands producers are subject to tailings management regulations, which may become more stringent and require additional capital in order to satisfy. To date, regulations relating to tailings management, such as the Alberta Government's Directive 74, have had no demonstrable or quantifiable negative effect on Mullen Group's business. However, our wholly-owned subsidiary Canadian Dewatering, benefited from those regulations due to the nature of the services they provide. Oil sands and heavy oil development is influenced by the long-term takeaway pipeline capacity to transport these oils out of western Canada. There can be no certainty that investments will be made, or that approvals by regulators will be forthcoming, to provide this capacity. Finally, oil sands development requires significant capital. As such, significant disruptions or volatility in the capital markets may increase oil sands developers' cost of borrowing or affect their ability to access credit and equity capital markets thereby impacting oil sands and heavy oil producers' and developers' operations, which would in turn affect Mullen Group. A significant or prolonged decline in oil prices, new or more stringent environmental regulations, insufficient takeaway capacity or diminished access to capital on the part of oil sands and heavy oil producers, may have a material adverse effect on oil sands and heavy oil producers and, therefore, affect the results of operations of our Oilfield Services segment as well as our overall financial condition.

In consideration of this risk and potential uncertainty Mullen Group endeavours to ensure that its costs and pricing are appropriate for the anticipated level of oil sands and heavy oil activity. In addition, we continually assess the requirements for further investments in our Oilfield Services segment and have diversified our operations to further mitigate this risk.

Economic Conditions

Mullen Group is a provider of trucking and logistics services to customers throughout North America. Our results are affected by the state of the economy, both in North America and globally, and the associated demand for freight transportation and logistics services. Similarly, commodity prices, to which the demand for our Oilfield Services segment is tied, can be affected by the state of those economies. A decline or uncertainty with regard to the health of the North American economy could have a material adverse effect on the operations of our Trucking/Logistics segment and, to a lesser degree, our Oilfield Services segment (to the extent that the economy affects commodity pricing with respect to oil and natural gas, in particular), and our overall financial condition. Such economic uncertainty and decline coupled with depressed commodity prices occurred during the most recent recession. Although the overall health of the North American economy appears to be improving, and with it increasing demand for freight transportation and logistics, uncertainty surrounding the future state of the economy remains.

In consideration of this risk, Mullen Group services an extensive customer base from diverse industries covering a broad geographic area. In addition, we use what we consider to be an appropriate mix of company equipment and contractors to service our customers. During periods of peak demand, Mullen Group tends to use a higher volume of contractors, which yield lower margins, but protects us from the downside risk and fixed costs associated with a larger company equipment fleet during periods of lower demand. These diversification and operating strategies ensure, as much as possible, that Mullen Group is not overly exposed to any single economic trend.

Failure to Identify and Realize Anticipated Benefits of Acquisitions and Dispositions

Mullen Group acquires and disposes of businesses and assets in the ordinary course of business. Our acquisition strategy has been, and will remain, focused primarily on the two segments of the economy where we have strong market penetration and customer relationships, namely, the oil and natural gas services industry and the transportation and distribution of freight within North America. Accordingly, Mullen Group faces competition from both peer group and non-peer group firms for acquisition opportunities. This external competition may hinder our ability to identify and/or consummate future acquisitions successfully. If the prices sought by sellers of these potential acquisitions were to rise or otherwise be deemed unacceptable, Mullen Group may find fewer suitable acquisition opportunities. Furthermore, entities that are acquired may not increase our net income or yield other anticipated benefits. If any one, or a combination, of the above contingencies results in our failure to execute our acquisition strategy successfully in the future, it could limit our ability to continue to grow in terms of revenue, net income and cash flow. In addition, there is a risk of impairment of acquired intangible assets. This risk of impairment exists because the assumptions used in the initial valuation of such intangible assets, such as interest rate or forecasted cash flows, may change when testing for impairment is required.

Achieving the benefits of acquisitions depends, in part, on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters; one such matter being dispositions. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets will be periodically disposed of so that Mullen Group can focus its efforts and resources more efficiently. Depending on the state of the market such non-core assets, if disposed of, could be expected to realize less than their carrying value on our consolidated financial statements.

In consideration of the risk relating to identifying and realizing the benefits of acquisitions and disposals, Mullen Group endeavours to create a balanced and diverse portfolio in its Oilfield Services and Trucking/Logistics segments by using its considerable experience and financial modeling to assess potential targets for, among other things, potential synergies, financial returns, cultural fit and integration.

Competition

The various business segments in which Mullen Group participates are highly competitive. We compete with several large companies in the transportation and energy services industry that may have greater financial and other resources. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of services that compete with those of Mullen Group or that new competitors will not enter our various markets.

In certain aspects of its business, Mullen Group has competitive advantages such as lower overhead costs and specialized regional strengths. We endeavour to use technological change and innovation to remain competitive in our various businesses. Furthermore, the diversity of our Operating Entities and our decentralized business model may diminish the effect that new competitive forces might have on Mullen Group as a whole.

Climate Change Regulations and Carbon Pricing/Taxes

A change in this regulatory regime may impact our customers and our operations. Climate change regulations and carbon taxes may lead to project delays and additional costs to producers affecting both their profitability and their investments in oil and natural gas. Given the evolving nature of the debate related to climate change, it is not currently possible to predict the nature of, or the impact on, Mullen Group and its operations and financial condition.

Changes in Legislation

The operations of Mullen Group are subject to a variety of federal, provincial and local laws, regulations and guidelines. There can be no assurance that such laws, regulations and guidelines, including income tax laws and the status of government programs relating to the oil and natural gas industry, the energy services industry and the transportation industry, and environmental and otherwise applicable operating legislation will not be changed in a manner that adversely affects Mullen Group. Any such change could have a material adverse effect on our business, results of operations and financial condition. Our customers are similarly subject to federal, provincial and local laws, regulations and guidelines and there can be no assurance that the laws, regulations or rules governing our customers will not be changed in a manner that adversely affects them and, thereby, Mullen Group. During 2007 such occurred by virtue of the Alberta Government's decision to change the royalty regime governing the oil and natural gas industry in Alberta. This decision adversely affected drilling activity and consequently the demand for Mullen Group's services and its financial results from operating activities.

The diversity of our Operating Entities and our decentralized business model may diminish the effect that a change in legislation could have on Mullen Group as a whole. This diversification strategy has resulted in Mullen Group investing in several sectors of the economy, most notably in oilfield services and transportation and logistics, as well as in many geographic regions. Mullen Group monitors proposed legislative changes and participates with various industry associations in advocating for reasonable and non-disruptive regulatory changes.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. Mullen Group cannot predict the impact of changing demand for oil and natural gas products, and any major changes could have a material adverse effect on our business, results of operations and financial condition.

FINANCIAL RISKS

Foreign Exchange

Mullen Group has some foreign currency risk. Generally, a stronger Canadian dollar is beneficial to net earnings as it results in an unrealized foreign exchange gain on the U.S. denominated component of the Private Placement Debt, as well as an equivalent reduction in the carrying value of such debt on the balance sheet. However, a stronger Canadian dollar also has the potential to reduce the level of Canadian exports thereby potentially negatively affecting the results of operations in the Trucking/Logistics segment. Conversely, a weakening

Canadian dollar results in an unrealized foreign exchange loss and an equivalent increase in the carrying value related to the U.S. denominated component of the Private Placement Debt. In addition, a weaker Canadian dollar has the potential to increase the level of Canadian exports and thereby potentially positively affect the results of operations in the Trucking/Logistics segment.

At the end of each reporting period Mullen Group recognizes unrealized foreign exchange gains or losses as they relate to assets and liabilities held in foreign currencies. This risk is primarily due to the U.S. denominated component of the Private Placement Debt. As the value of the Canadian dollar declines against the U.S. dollar, the carrying value of the $235.0 million U.S. dollar component of its Private Placement Debt rises resulting in an increased Canadian equivalent liability and an unrealized loss on foreign exchange. At December 31, 2013, assuming all other variables were held constant, a $0.01 weakening of the Canadian 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 Canadian dollar against the U.S. dollar at December 31, 2013 would have had the equal but opposite effect on income before income taxes. Mullen Group is also exposed to foreign exchange risk on the yearly $14.5 million U.S. dollar interest payments related to the U.S. denominated component of the Private Placement Debt. The interest on this debt acts as a hedge against the translation exposure of the U.S. dollar profits generated primarily by the Trucking/Logistics segment. When surplus U.S. cash is generated in this segment, it is used to repay debt interest in the same U.S. currency, thereby effecting a natural hedge.

Access to Financing

Mullen Group may find it necessary in the future to obtain additional debt or equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available when needed or on acceptable terms, which could limit Mullen Group's growth and could have a material adverse effect on its business, results of operations and financial condition.

Mullen Group manages its cash flows diligently to ensure that we maintain what we believe is a suitable level of liquidity and leverage. Our approach to managing liquidity is to ensure, to the extent possible, that we will always have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions. Consistent with others in the industry, Mullen Group monitors capital on the basis of debt-to-equity. This ratio is calculated as total debt divided by shareholders' equity. Total debt is calculated as the total of: current portion of long-term debt, long-term debt and the debt component of Debentures. Equity is comprised of share capital, convertible debentures – equity component, contributed surplus and retained earnings. The debt-to-equity ratio calculation at December 31, 2013 was 0.47:1 (2012 – 0.52:1).

Mullen Group feels it will be able to obtain additional financing when needed, in the amounts required and on acceptable terms, however, there is no assurance that such additional financing will be available when needed or on acceptable terms.

Reliance on Major Customers

There is an inherent risk that arises to all businesses when economic dependence on a major customer hinders a company's ability to maximize profit. The loss of one or more major customers, any significant decrease in services provided, decreases in rates charged, or any other changes to the terms of service with customers, could have a material adverse effect on Mullen Group's business, results of operations and financial condition. Furthermore, a concentration of revenue within a major customer, or a small group of major customers, may lead to an enhanced ability of those customers to influence pricing and other contract terms, which may have a material adverse effect on Mullen Group's results. The top 10 customers of Mullen Group accounted for approximately 31.7 percent of our revenue for the year ended December 31, 2013 (2012 - 36.5 percent), and the largest customer accounted for approximately 7.8 percent (2012 - 8.2 percent) of such revenue. There can be no assurance that our current customers will continue their relationships.

Mullen Group attempts to mitigate this risk through its diversification strategy in an attempt to ensure that Mullen Group, as a whole, does not become reliant on any single customer. Furthermore, we operate a decentralized business model whereby we utilize the expertise of management at each Operating Entity to negotiate its own contracts that have pricing and terms that are competitive according to their specific market and/or geographic region.

Interest Rates

Mullen Group is susceptible to fluctuations in interest rates. Our Bank Credit Facility is issued at variable rates. To the extent Mullen Group utilizes its Bank Credit Facility it would incur a risk of interest rates rising. This facility was available but not drawn on as at December 31, 2013.

Our Private Placement Debt, the Debentures and the majority of our various financing loans are issued at fixed rates, the majority of which mature between 2016 and 2018. Borrowings issued at fixed rates expose Mullen Group to fair value interest rate risk. More specifically, we are susceptible to the opportunity costs associated with interest rate decreases considering that the interest rates on the majority of our borrowings are fixed. Assuming all other variables were held constant, if interest rates increased by 1.0 percent on our $425.6 million debt, Mullen Group would incur additional annual interest expense of approximately $4.3 million. Mullen Group does not hedge interest rates or have any interest rate swaps, but we have mitigated the negative risk of rising interest rates by financing most of our debt at fixed rates.

Credit Risk

Credit risk is the risk of financial loss to Mullen Group if a customer or counterparty to a financial asset fails to meet its contractual obligations. This risk arises predominately from Mullen Group's trade and other receivables from its customers. Substantial portions of our accounts receivable are with customers involved in the oil and natural gas industry, whose revenues may be impacted by fluctuations in commodity prices thereby potentially impacting their ability to meet contractual obligations. Although collection of these receivables could be influenced by economic factors affecting this industry, management considers the risk of a significant loss to be remote at this time. The carrying amount of financial assets represents Mullen Group's maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was as follows:

Carrying amount ($ millions)		**December 31, 2013**		**December 31, 2012**
Cash and cash equivalents	**$**	**58.2**	$	122.8
Trade and other receivables		**234.5**		219.4
Other assets		**1.6**		0.3
	$	**294.3**	$	342.5

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. Mullen Group hauls a wide variety of freight for a broad customer base that spans numerous industries. Our top 10 customers are all well-known, publicly-traded companies. Credit risk related to trade and other receivables is initially managed by each Operating Entity. Each Operating Entity is responsible for reviewing the credit risk for each of their customers before standard payment and delivery terms and conditions are offered. The Operating Entities' review consists of external ratings, when available, and in some cases bank and trade references. Management has established a credit policy under which new customers are analyzed for creditworthiness before Mullen Group extends credit. Mullen Group monitors its trade and other receivables aging on an ongoing basis as part of its process of managing its credit risk and also manages credit risk related to trade and other receivables on a consolidated basis whereby the aggregate exposure to individual customers is reviewed and their credit quality is assessed. In addition, senior executives attend industry forums to assess the creditworthiness of customers related primarily to the oil and natural gas industry. In terms of the credit risk relating to over-reliance on a single customer, no customer accounted for more than 10 percent of our consolidated revenue for the fiscal years ended 2013 and 2012.

OPERATIONAL RISKS

Employees and Labour Relations

The success of Mullen Group is dependent upon attracting and retaining key personnel. Any loss of the services of such persons could have a material adverse effect on our business, results of operations and financial condition. Our ability to expand services will be dependent upon attracting additional qualified employees, which is constrained in times of strong industry activity. The failure to attract and retain a sufficient number of qualified personnel could also have a material adverse affect on our profitability.

The largest components of Mullen Group's overall expenses are salary, wages, benefits and costs of contractors. Any significant increase in these expenses could impact our financial performance. In addition, Mullen Group is at risk if there are any labour disruptions. Some of our Operating Entities are subject to collective agreements with their employees. Any work stoppages or unbudgeted or unexpected increases in compensation could have a material adverse effect on our profitability and reduce cash flow from operating activities.

In order to mitigate this risk, Mullen Group aims to be an employer of choice by offering competitive wages and incentive-based pay, establishing superior safety programs and fostering a strong reputation as an ethical company. These endeavours are designed to attract the best people at every level of our business, establish them in their roles and manage their development, and identify successor candidates for senior roles. In addition to providing specific job-related and safety training, Mullen Group encourages all its employees to continue their education, training and skills upgrading and provides employees with the resources required to achieve and maintain our operational excellence.

Cost Escalation

Cost escalations due to rising costs, the effect of inflation, the price of fuel, equipment and other input costs, insurance costs, interest rates, fluctuations in customers' business cycles and national and regional economic conditions are factors over which Mullen Group has little or no control. Significant increases in fuel prices, equipment prices, other input prices, interest rates or insurance costs, to the extent not offset by increases in transportation rates or contractual surcharges, or disruptions in fuel supply, would reduce profitability and could adversely affect our ability to carry out our strategic plans. Mullen Group cannot predict the impact of future economic conditions and there is no assurance that our operations will continue to be profitable.

To counteract the potential for cost escalation, Mullen Group focuses on operational excellence, synergies between its Operating Entities and cost control. We rely on, among other things, long-term planning, budgeting processes, and internal benchmarking to achieve our profitability targets. Additionally, we mitigate our exposure to rising costs through the implementation of various fuel surcharge programs which pass the majority of cost increases to our customers and have implemented policies that focus on fuel efficiency, including fuel economy, asset utilization and minimizing dead-head mileage, proper repairs and maintenance of equipment, idling and speed policies.

Potential Operating Risks and Insurance

Mullen Group's Oilfield Services' operations are subject to risks inherent in the oil and natural gas industry, such as equipment defects, malfunction, failures and natural disasters. These risks could expose Mullen Group to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution and other environmental damages. In addition, our transportation operations are subject to risks inherent in the transportation industry, including potential liability that could result from, among other things, personal injury or property damage arising from motor vehicle accidents.

Although Mullen Group has obtained insurance coverage against certain of the risks to which it is exposed, such insurance is subject to deductibles and coverage limits and no assurance can be given that such insurance will be adequate to cover our liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If Mullen Group were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if we were to incur such liability at a time when we are not able to obtain liability insurance, our business, results of operations and financial condition could be materially adversely affected.

Mullen Group has insurance and risk management programs in place to protect its assets, operations and employees and also has programs in place to address compliance with current safety and regulatory standards. Each Operating Entity has a health and safety coordinator responsible for maintaining and developing policies and monitoring operations vis-à-vis those policies. The health and safety coordinators are required to report incidents directly to the Senior Vice President of Mullen Group who reports directly to our Chief Executive Officer.

Digital Infrastructure

A well-functioning and efficient IT system is a prerequisite to growth, operational excellence and superior customer service, to aid day-to-day operational management and to provide accurate financial information. Our business involves high transaction volumes, complex logistics, the tracking of thousands of orders and trucks at any given time and the communication with trucks and field personnel in real time. We are therefore heavily dependent on certain software, satellite systems and network infrastructure. A serious prolonged failure in this area may materially affect our business.

Mullen Group's information systems could also be penetrated by outside parties intent on extracting confidential information, corrupting information or disrupting business processes. Such unauthorized access could disrupt our business and could result in the loss of assets, litigation, remediation costs, damage to our reputation and loss of revenue resulting from unauthorized use of confidential information or failure to retain or attract customers following such an event. As part of our entity wide IT risk mitigation policy, Mullen Group engages third party vendors to complete security assessments of the IT systems, consisting of external and internal penetration tests.

At both the corporate level and within the individual Operating Entities, IT systems are subject to stringent guidelines, standardization, vigorous virus and access protection, back-up systems and replicated data. Mullen Group employs project management techniques to manage new software developments and/or system implementations. We have a disaster recovery plan in place that is evaluated periodically and portions thereof are tested on a regular basis. Hosted by a reputable third-party, our main data centre has high levels of durability and redundancy built into it. Additionally, we have a second operational data centre which will allow Mullen Group to continue processing data in the event of a major incident.

Environmental Liability Risks

The risk of incurring environmental liabilities is inherent in oilfield service and transportation operations. Historically, activities associated with such operations and the ownership, management or control of real estate pose an environmental risk. Certain of our Operating Entities will routinely deal with natural gas, oil and other petroleum products. Our operations are subject to numerous laws, regulations and guidelines governing the management, handling, transportation and disposal of non-regulated and regulated substances and otherwise relating to the protection of the environment. These laws, regulations and guidelines include those relating to the remediation of spills, releases, emissions and discharges of regulated substances into the environment and those requiring removal or remediation of pollutants or contaminants. Failure to comply may impose civil and criminal penalties. While certain of our Operating Entities carry significant volumes of dangerous goods, Mullen Group ensures that strict guidelines are met before an Operating Entity and the individual drivers are permitted to manage, handle or transport such dangerous goods. This involves specific insurance requirements, training programs and appropriate permits with the various provinces and states in which our Operating Entities operate.

Mullen Group's customers are subject to various laws, regulations, and guidelines that prescribe, among other things, limits on emissions into the air and discharges into surface and sub-surface waters. While regulatory developments that may follow in subsequent years could have the effect of reducing industry activity, we cannot predict the nature of the restrictions that may be imposed. Mullen Group may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

Mullen Group operates out of numerous owned and leased facilities throughout Canada where storage tanks may be used or may have been used at some prior date. Canadian laws generally impose potential liability on the present or former owners or occupants of properties on which contamination has occurred. Although we are not aware of any contamination which, if remediation or clean-up were required, could have a material adverse effect on Mullen Group, certain facilities have been in operation for many years and, over such time, Mullen Group or the prior owners, operators or custodians of the properties may have generated and disposed of substances which are or may be considered hazardous. There can be no assurance that we will not be required at some future date to comply with new environmental laws, or that our operations, business or assets will not otherwise be further affected by current or future environmental laws.

While Mullen Group maintains liability insurance, including insurance for certain environmental incidents, the insurance is subject to coverage limits and certain of our policies exclude coverage for damages resulting from environmental contamination. There can be no assurance that insurance will continue to be available to Mullen

Group on commercially reasonable terms, that the types of liabilities that we may incur will be covered by our insurance, or that the dollar amount of such liabilities will not exceed our policy limits.

Mullen Group has programs to address compliance with current environmental standards and monitors its practices concerning the handling of environmentally hazardous materials. We endorse a formalized quality program and strive to be the best in class in areas of safety and environmental excellence. We believe in a balanced approach to sustainable development and are committed to best in class environmental management systems and we believe that educating and training people in the discipline of environmental management will motivate every individual to be environmentally aware and responsible. In addition, we work with government, industry groups and the public to improve and develop environmental standards and further understanding of environmental issues. However, there can be no assurance that our procedures will prevent environmental damage from occurring as a result of spills of materials handled by Mullen Group or that such damage has not already occurred. Any such occurrence may have a material adverse effect on our business, results of operations and financial condition.

Weather and Seasonality

Harsh weather conditions can impede the movement of goods and increase the operating costs for the materials that can be transported, which could have a material adverse effect on Mullen Group's business, results of operations and financial condition.

In general, the level of activity in the Canadian oilfield service industry is influenced by seasonal weather patterns 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 with corresponding declines in the demand for the goods and services we supply.

Mullen Group mitigates some of this risk by charging standby fees or by positioning equipment in strategic locations in order to take advantage of good weather conditions when they occur. We also manage this risk by diversifying our operations and by using subcontractors and owner operators, which requires no investment by Mullen Group, to handle seasonal peaks. Mullen Group's growth through acquisition into businesses not directly tied to oil and natural gas drilling activity has lessened the seasonal nature of our overall performance.

Business Continuity, Disaster Recovery and Crisis Management

In the event of a serious incident, the inability to restore or replace critical capacity in a timely manner may impact our business and operations. A serious event could therefore have a material adverse effect on Mullen Group's business, results of operations and financial condition.

This risk is mitigated by the development of business continuity arrangements, including disaster recovery plans and back-up delivery systems, to minimize the significance of any business disruption in the event of a major disaster. Insurance coverage may minimize any losses in certain circumstances.

Access to Parts, Development of New Technology and Relationships with Key Suppliers

Mullen Group's ability to compete and expand is most directly tied to our having access at a reasonable cost to equipment, parts and components, which are at least technologically equivalent to those utilized by competitors, and to the development and acquisition of new and competitive technologies. Although we have individual distribution agreements with various key suppliers, there can be no assurance that those sources of equipment, parts, components or relationships with key suppliers will be maintained. If these are not maintained, our ability to compete may be impaired by virtue of diminished availability and/or increased cost of securing certain equipment and parts. Mullen Group is able to access certain distributors and secure discounts on parts and components that would not be available if it were not for its relationship with certain key suppliers. Should the relationships with key suppliers cease the availability and cost of securing certain equipment and parts may be adversely affected.

Mullen Group assesses its suppliers and endeavours to ensure that its suppliers are financially viable or that suitable alternatives exist if relationships with current suppliers were to become compromised.

Regulation

Notwithstanding that the transportation industry is largely deregulated in terms of entry into the industry, each carrier must obtain a license from, or register with, provincial regulatory authorities in order to carry goods extra-provincially or to transport goods within any province. Licensing is also required from regulatory authorities in the United States for the transportation of goods between Canada and the United States. Changes in regulations applicable to Mullen Group could increase operating costs and have a material adverse effect on our business, results of operations and financial condition. The right to continue to hold applicable licenses and permits is generally subject to maintaining satisfactory compliance with regulatory and safety guidelines, policies and regulations. Although we are committed to compliance and safety through our operational excellence initiatives, there is no assurance that we will be in full compliance at all times with such policies, guidelines and regulations. Consequently, at some future time, Mullen Group could be required to incur significant costs to maintain or improve its compliance record.

Mullen Group monitors regulatory frameworks with a particular focus on over-dimensional freight and transportation of fluids and works, in conjunction with industry associations, to advocate its needs to regulators and ensure that equipment meets regulations and that sufficient capital is invested to meet current and anticipated regulatory requirements.

THE PUBLIC COMPANY

CAPITAL STRUCTURE

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. In 2009 Mullen Group issued Debentures that are convertible into Common Shares at the option of the holder. The material characteristics of these securities are set forth below.

Common Shares

A holder of Common Shares is entitled to one vote per share at meetings of shareholders, to receive dividends, if any, as and when declared by the Board, and to receive pro rata the remaining property and assets of Mullen Group upon its dissolution or winding-up, subject to the rights of shares having priority over the Common Shares. As at January 31, 2014, there were 90,727,413 Common Shares issued and outstanding.

Preferred Shares

While Mullen Group's Articles of Incorporation provide for preferred shares to be issued in one or more series, we have not created any series of Preferred Shares. The number of, and the specific rights, privileges, restrictions and conditions attaching to any such series of Preferred Shares would be determined by the Board prior to the creation and issuance thereof, including any preference rights in relation to the payment of dividends, distribution of assets in the event of liquidation, dissolution or winding-up or such other preferences as may be determined at the time of creation of such series.

Convertible Unsecured Subordinated Debentures

On May 1, 2009, Mullen Group issued the Debentures by way of private placement in the aggregate principal amount of $125.0 million 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. The Debentures are non-redeemable and are subordinated to the 2006 Private Placement Debt, the 2007 Private Placement Debt and the Bank Credit Facility.

Each $1,000 Debenture is convertible into 93.2 Common Shares (such is based on a conversion price of $10.73) at any time at the option of the holders of the Debentures. Thus, at the time of issuance an aggregate of approximately 11.65 million Common Shares could be issued if all holders convert their principal amount. In addition to the principal amount, as Debentures are converted, any accrued and unpaid interest is also converted into Common Shares at a conversion price of $10.73. As at January 31, 2014, Debentures in the aggregate principal amount of $108,305,000, plus accrued and unpaid interest, had been converted into 10,285,575 Common Shares.

On maturity, Mullen Group may, at its option, on not more than 60 days and not less than 40 days prior notice and subject to regulatory approval, elect to satisfy its obligation to repay the principal amount of the Debentures by issuing and delivering that number of freely tradeable Common Shares, obtained by dividing the principal amount of the Debentures by 95.0 percent of the volume weighted average trading price of the Common Shares of Mullen Group on the TSX for the five consecutive trading days ending five trading days preceding the date of maturity.

Effective January 4, 2011, Mullen Group entered into the First Supplemental Trust Indenture providing for the appointment of Valiant as debenture trustee under the Trust Indenture. Further details relating to the Debentures are contained in the Trust Indenture and the First Supplemental Trust Indenture, copies of which are filed on SEDAR at www.sedar.com.

DIVIDENDS

The declaration of dividends is at the sole discretion of the Board. As reflected in the table below, in 2013 Mullen Group increased its annual dividend from a $1.00 to $1.20 per Common Share and commenced the practice of declaring and paying the dividend on a monthly basis rather than on a quarterly basis.

	Record Date	Payment Date	Number of Shares	Amount per Share	Total Dividend
2013	**December 31, 2013**	**January 15, 2014**	**90,662,413**	**$0.10**	**$9,066,241**
	November 30, 2013	**December 16, 2013**	**90,603,401**	**$0.10**	**$9,060,340**
	October 31, 2013	**November 15, 2013**	**90,549,860**	**$0.10**	**$9,054,986**
	September 30, 2013	**October 15, 2013**	**90,419,640**	**$0.10**	**$9,041,964**
	August 31, 2013	**September 16, 2013**	**90,388,751**	**$0.10**	**$9,038,875**
	July 31, 2013	**August 15, 2013**	**90,289,795**	**$0.10**	**$9,028,980**
	June 30, 2013	**July 15, 2013**	**90,172,871**	**$0.10**	**$9,017,287**
	May 31, 2013	**June 17, 2013**	**90,124,301**	**$0.10**	**$9,012,430**
	April 30, 2013	**May 15, 2013**	**90,121,801**	**$0.10**	**$9,012,180**
	March 31, 2013	**April 15, 2013**	**89,643,374**	**$0.10**	**$8,964,337**
	February 28, 2013	**March 15, 2013**	**87,958,736**	**$0.10**	**$8,795,874**
	January 31, 2013	**February 15, 2013**	**87,856,860**	**$0.10**	**$8,785,686**
2012	December 31, 2012	January 15, 2013	87,667,838	$0.25	$21,916,960
	September 30, 2012	October 15, 2012	87,344,876	$0.25	$21,836,219
	June 30, 2012	July 16, 2012	81,107,307	$0.25	$20,276,827
	March 31, 2012	April 16, 2012	81,077,977	$0.25	$20,269,494
2011	December 31, 2011	January 16, 2012	80,837,777	$0.25	$20,209,444
	September 30, 2011	October 17, 2011	80,828,593	$0.25	$20,207,148
	June 30, 2011	July 15, 2011	79,967,923	$0.25	$19,991,981
	March 31, 2011	April 15, 2011	79,388,290	$0.25	$19,847,082

On January 20, 2014, our Board announced its intention to continue the practice of paying annual dividends of $1.20 per Common Share over the course of 2014, such dividends to be paid on a monthly basis, subject to Board approval.

The Board has approved and declared a dividend of $0.10 per Common Share to be paid on February 17, 2014, to the holders of record at the close of business on January 31, 2014. The Board will continue to consider on a monthly basis the amount of and record date of future dividends.

MARKET FOR SECURITIES

Trading Price and Volume of Listed Securities

Mullen Group has one class of securities that is publicly traded, being its Common Shares. The Common Shares are listed on the TSX under the trading symbol "**MTL**". The Debentures are not listed on any stock exchange. The following sets forth trading information for Mullen Group's Common Shares as reported by the TSX during 2013.

Mullen Group Ltd. January 1, 2013 – December 31, 2013	Symbol	Volume	High $	Low $	Close $
January	MTL	5,176,149	23.56	20.60	22.97
February	MTL	4,705,306	22.85	21.09	21.91
March	MTL	3,129,677	22.65	21.36	22.39
April	MTL	4,552,378	22.40	19.85	21.86
May	MTL	4,697,660	21.93	20.56	21.50
June	MTL	3,356,340	23.04	21.22	22.86
July	MTL	3,679,238	25.66	22.65	25.57
August	MTL	3,660,416	25.77	24.35	25.25
September	MTL	2,738,878	26.12	24.30	25.10
October	MTL	4,329,342	28.65	24.96	27.94
November	MTL	3,925,494	29.72	27.26	27.91
December	MTL	2,484,144	28.54	27.36	28.39

Prior Sales

There were no sales of any class of securities of Mullen Group that are outstanding, but not listed or quoted on a marketplace during 2013.

Escrowed Securities

There are no securities of Mullen Group currently held in escrow.

DIRECTORS AND OFFICERS

Directors are elected each year to hold office until the next annual meeting of the shareholders of Mullen Group. The following table sets forth the names, office held with Mullen Group and principal occupation of each director and appointed officer.

Name, Province or State, and Country of Residence	Position and Offices Held	Principal Occupation During the Last Five Years	Date First Elected or Appointed as a Director of Mullen Group
Alan D. Archibald[1, 2, 3] Alberta, Canada	Director	Chief Executive Officer, Northpoint Resources Ltd. (a private oil and gas company).	2003
Greg Bay[1, 2] Alberta, Canada	Director	President, Cypress Capital Management Ltd. (an investment management firm).	2005
Steven C. Grant[1, 2] Texas, U.S.A.	Director	Independent Businessman.	2008
Dennis J. Hoffman, FCA[1, 2] Alberta, Canada	Director	Independent Businessman.	2005
Stephen H. Lockwood, Q.C. Alberta, Canada	President, Co-Chief Executive Officer and Director	President, Co-Chief Executive Officer and Director.	2005
David E. Mullen Alberta, Canada	Director	Chairman and Chief Executive Officer, Cordy Oilfield Services Inc.	2010
Murray K. Mullen Alberta, Canada	Chairman, Chief Executive Officer and Director	Chairman of the Board, Chief Executive Officer and Director.	1986
P. Stephen Clark, CMA Alberta, Canada	Chief Financial Officer	Chief Financial Officer and prior thereto an officer of Mullen Group.	N/A

Notes:
[1] Member of the Audit Committee
[2] Member of the Compensation, Nomination and Governance Committee
[3] Lead Director

The directors and officers of Mullen Group, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,379,441 Common Shares, representing approximately 3.72% of the issued and outstanding Common Shares as at December 31, 2013. The directors and officers of Mullen Group, or associates of such persons, as a group, beneficially owned, or controlled or directed, directly or indirectly, Debentures in the aggregate principal amount of $2.5 million, which are convertible into an aggregate of 232,991 Common Shares at the option of the holder.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of Mullen Group's knowledge, no director or executive officer of Mullen Group is, as of the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer or was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of Mullen Group's knowledge, no director or executive officer of Mullen Group, or shareholder holding a sufficient number of securities of Mullen Group to affect materially the control of Mullen Group is, as of the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of Mullen Group's knowledge, no director or executive officer of Mullen Group, or shareholder holding a sufficient number of securities of Mullen Group to affect materially the control of Mullen Group, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Circumstances may arise from time to time where members of the Board or officers of Mullen Group are also directors or officers of corporations, which have conflicting interests to those of Mullen Group. We monitor these situations in a number of ways including requiring our directors and officers to disclose all other companies in which they serve as an officer or a director. Any conflicts that arise will be resolved in accordance with the procedures and requirements of the ABCA, including the duty of such directors and officers to act honestly and in good faith with a view to the best interests of Mullen Group. As at December 31, 2013, Mullen Group was not aware of any existing or potential material conflict of interest between Mullen Group, or a subsidiary or Operating Entity of Mullen Group, and a director or officer of Mullen Group, or of a subsidiary or Operating Entity of Mullen Group, other than in those cases where members of the Board or officers of Mullen Group are also directors or officers of corporations doing business with Mullen Group. Any such business is done in the normal course of Mullen Group's operations and on the similar terms and conditions as transactions Mullen Group contracts with its other customers.

Audit Committee

The following table provides information relating to each current member of the Audit Committee.

Name, Province or State, and Country of Residence	Independent	Financially Literate	Relevant education and business experience
Alan D. Archibald Alberta, Canada	Yes	Yes	Mr. Archibald is the Chief Executive Officer of Northpoint Resources Ltd. (formerly Northpoint Energy Ltd.). He was the co-founder of Point Energy Group, which created two private exploration and production companies, Northpoint Energy Ltd. and Tripoint Energy Ltd. Mr. Archibald graduated with a Bachelor of Science, Engineering degree in 1980 from Dalhousie University and in 1982 received his Bachelor of Engineering, Mining from the Technical University of Nova Scotia.
Greg Bay Alberta, Canada	Yes	Yes	Mr. Bay is the President of Cypress Capital Management Ltd., an investment firm that he founded in 1998. Mr. Bay graduated with a B.Comm degree in Finance from Brigham Young University in 1980 and earned a Chartered Financial Analyst designation in 1988.
Steven C. Grant Texas, U.S.A.	Yes	Yes	Mr. Grant is an independent businessman who, prior to his retirement in February 2008, was a U.S. based Managing Director of Energy Investment Banking with Raymond James & Associates, a New York Stock Exchange listed investment banking and brokerage firm, a position he held from 1996 through February 2008. Prior to joining Raymond James & Associates, Mr. Grant was the Senior Vice President and Chief Financial Officer of Enterra Corporation, a New York Stock Exchange listed oilfield service company, for a period of nine years. Mr. Grant received his MBA (Finance) from Harvard Graduate School of Business Administration in 1966 and a Bachelor of Arts (Economics) from Yale University in 1964.
Dennis J. Hoffman, FCA Audit Chairman Alberta, Canada	Yes	Yes	Mr. Hoffman is a member of the Canadian and Alberta Institutes of Chartered Accountants. He joined Pricewaterhouse Coopers LLP in June 1970, was admitted to partnership in 1982 and was appointed City Leader of the Calgary Office in 2001, a position he held until his retirement in 2005. Since Mr. Hoffman's retirement he has pursued independent business interests. Mr. Hoffman graduated from the University of Saskatchewan in 1970 with B. Comm and B.Sc degrees. In 2012, Mr. Hoffman was awarded the Fellow of Chartered Accountants designation by the Chartered Accountants of Alberta.

The Audit Committee Mandate is attached to this AIF as Appendix A.

Audit Committee Oversight

During fiscal 2013, the Board accepted all recommendations made by the Audit Committee in relation to the external auditor's nomination and compensation.

Pre-Approval Policies and Procedures

KPMG LLP has been the external auditors for Mullen Group, and its predecessors, since the initial public offering closed in 1993. Each year the Audit Committee approves a schedule summarizing the services to be provided by KMPG LLP, which services it believes will be typical, recurring or otherwise likely to be provided during the upcoming year. The Audit Committee pre-approves fees for audit, audit related services and non-audit services, such as tax advisory or advice on accounting related issues. These fees are presented to the Board for approval.

External Auditor Service Fees

The fees paid by Mullen Group for professional services to its external auditor, during fiscal 2013 and 2012 are included in the table below.

($ thousands)	**2013 $**	**2012 $**
Audit fees[1]	**761**	686
Audit-related fees[2]	**2**	2
Tax fees[3]	**2**	12
All Other fees[4]	**45**	-
Total	**810**	700

Notes:

[1] Audit fees consist of fees paid for the audit of Mullen Group's annual financial statements and the review of quarterly financial reports or services that are normally provided in connection with statutory and regulatory filings or engagements.

[2] Audit-related fees consist of fees paid for assurance and related services that are reasonably related to the performance of the audit or review of Mullen Group's financial statements and are not reported as Audit Fees.

[3] Tax fees consist of fees paid for tax compliance services, tax advice and tax planning. During fiscal 2013 and 2012, the services provided in this category included assistance and advice in relation to the corporate tax and tax planning.

[4] Other fees consist of fees paid for due diligence services.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the past three years, there have been no material interests, direct or indirect, of any senior officer, director, an associate or any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding securities, or any known associate or affiliate of such persons, in any transaction or in any proposed transaction which has materially affected or would materially affect Mullen Group.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by us during, or related to, our most recently completed financial year other than KPMG LLP, our independent auditors. KPMG LLP are the auditors of Mullen Group and have confirmed that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by Mullen Group within the most recently completed financial year, or before the most recently completed financial year that are still material and are still in effect are the following:

- the Amended and Restated 2006 Senior Note Purchase Agreement;
- the Amended and Restated 2007 Senior Note Purchase Agreement;
- the Stock Option Plan;
- the Trust Indenture; and
- the First Supplemental Trust Indenture.

Copies of each of the foregoing are available on SEDAR at www.sedar.com.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Mullen Group and its Operating Entities are involved from time to time in various claims and litigation which arise in the normal course of business. To the knowledge of Mullen Group, there are no significant legal proceedings currently in progress, which exceed 10% of the assets of Mullen Group.

During the year ended December 31, 2013, there were no: (i) penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority during our most recently completed financial year; (ii) other penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements we entered into with a court relating to securities legislation or with a securities regulatory authority during our most recently completed financial year.

TRANSFER AGENTS AND REGISTRARS

Valiant is the transfer agent and registrar for Mullen Group's Common Shares. Valiant is also the trustee for the Debentures. Valiant's offices are located in Calgary and Edmonton, Alberta; Vancouver, British Columbia; and Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to Mullen Group may be found on SEDAR at www.sedar.com, and on Mullen Group's website at www.mullen-group.com. Additional information, including directors' and officers' remuneration and indebtedness, if any, principal holders of Mullen Group's securities and securities issued and authorized for issuance under our equity compensation plans is contained in our 2013 proxy materials relating to our most recently held shareholders' meeting. Additional information will be provided in our 2014 proxy materials relating to our 2014 shareholders' meeting. Additional financial information is contained in the 2013 Financial Statements and the 2013 MD&A.

GLOSSARY OF TERMS

*"**2006 Private Placement Debt**"* means Mullen Group's long-term debt consisting of 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 and CDN. $70.0 million of Series D Notes that matures between 2016 and 2018;

*"**2007 Private Placement Debt**"* means Mullen Group's long-term debt consisting of U.S. $85.0 million of Series E Notes and CDN. $20.0 million of Series F Notes that matures in 2017;

*"**2013 Financial Statements**"* means the 2013 audited annual consolidated financial statements of Mullen Group for the year ended December 31, 2013, and the accompanying Notes to such consolidated financial statements;

*"**2013 MD&A**"* means Mullen Group's annual management's discussion and analysis for the year ended December 31, 2013;

*"**ABCA**"* means the *Business Corporations Act (Alberta)* R.S.A. 2000, c. B-9, as amended from time to time;

*"**Amended and Restated 2006 Senior Note Purchase Agreement**"* means the amended and restated note purchase agreement dated June 29, 2006, as amended May 31, 2007 and restated as of May 1, 2009, in relation to the 2006 Private Placement Debt;

*"**Amended and Restated 2007 Senior Note Purchase Agreement**"* means the amended and restated note purchase agreement dated May 31, 2007, and restated as of May 1, 2009, in relation to the 2007 Private Placement Debt;

*"**Bank Credit Facility**"* means the $75.0 million revolving demand unsecured credit facility entered into by Mullen Group with the Royal Bank of Canada on July 30, 2012;

*"**Board**"* means the board of directors of Mullen Group;

*"**Canadian GAAP**"* means Canadian generally accepted accounting principles;

*"**Common Shares**"* means the Common Shares in the share capital of Mullen Group;

*"**Debentures**"* mean the convertible unsecured subordinated debentures of Mullen Group issued by way of private placement on May 1, 2009;

*"**First Supplemental Trust Indenture**"* means the first supplemental trust indenture between Mullen Group and Valiant dated January 4, 2011, providing for the appointment of Valiant as debenture trustee under the Trust Indenture;

*"**IFRS**"* means International Financial Reporting Standards;

*"**LTL**"* means less-than-truckload;

*"**Operating Entities**"* means the indirectly, wholly-owned companies and limited partnerships that carry on the business of Mullen Group;

"**Power Units**" refer to heavy duty commercial vehicles, such as trucks and tractors;

"**Private Placement Debt**" means collectively the 2006 Private Placement Debt and the 2007 Private Placement Debt;

"**Stock Option Plan**" means the Stock Option Plan approved by Mullen Group shareholders on May 1, 2009;

*"**Trust Indenture**"* means the trust indenture between Mullen Group and CIBC Mellon Trust Company dated May 1, 2009, providing for the issuance of the Debentures, as amended by the First Supplemental Trust Indenture;

*"**TSX**"* means the Toronto Stock Exchange; and

*"**Valiant**"* means Valiant Trust Company.

APPENDIX A – AUDIT COMMITTEE MANDATE

Purpose

The audit committee (the "**Audit Committee**") is a committee of the Board of Mullen Group established to assist the Board in fulfilling its oversight responsibilities in relation to the accounting, internal controls, financial reporting and regulatory processes of Mullen Group and the auditing of its financial statements. Its primary functions are to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the integrity of the financial information provided to Mullen Group shareholders, regulatory bodies and other interested parties; (ii) compliance with accounting and finance based regulatory requirements; (iii) the internal financial control systems established by management; (iv) the work of the external auditors, including their qualifications and independence from Mullen Group; and (v) the audit process.

1. Composition and Terms of Office

    a. The Board shall appoint from its members, on an annual basis, not less than three directors to serve on the Audit Committee. Such appointment shall typically take place at the first directors' meeting held after the date of the annual general meeting, and the appointed members shall normally hold office for a one year period.

    b. Each committee member shall qualify as an "**independent director**" and shall be "**financially literate**" for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation.

    c. The Chairman of the Audit Committee (the "**Audit Chairman**") shall be appointed by the Board on the recommendation of the committee members. The Audit Chairman may be removed and replaced by the Board at any time.

    d. Where a vacancy occurs on the Audit Committee it may be filled by the Board. Any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Audit Committee upon ceasing to be a member of the Board.

2. Meetings

    a. The Audit Committee shall meet at least four times per year. The meetings will be scheduled to permit timely review of the interim and annual financial statements and reports. Additional meetings may be held as deemed necessary by the Audit Chairman or as requested by any two members of the Audit Committee or by the outside internal control auditors (if any have been retained) or the external auditors.

    b. A quorum for a meeting shall be a majority of the Audit Committee members.

    c. If the Audit Chairman is not present at any meeting of the Audit Committee, one of the other committee members shall be chosen by the Audit Committee to preside at the meeting.

    d. A member may in any manner waive notice of a meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

    e. The Corporate Secretary or some other person designated by the Audit Committee shall be Secretary to the Audit Committee.

    f. Minutes of the Audit Committee meetings shall be provided to all committee members and the external auditors. The full Board shall be kept informed of the Audit Committee's activities by presentation of a report, verbal or otherwise, at the next Board meeting following each Audit Committee meeting.

3. Attendance at Meetings

a. Certain members of management are expected to be available to attend meetings or portions thereof, as determined by the Audit Chairman. The Committee is authorized to request the presence, at any meeting, of a representative from the external auditors, senior management, outside internal auditors (if any have been retained), legal counsel or anyone else who could contribute substantively to the subject of the meeting.

b. The Audit Chairman shall have the right to determine who shall and who shall not be present at any time during a meeting of the Audit Committee.

c. Directors, who are not members of the Audit Committee, may be invited to attend Audit Committee meetings on an ad hoc basis.

4. Duties and Responsibilities

In carrying out its mandate, the Audit Committee is expected to:

a. Financial Control and Reporting Systems

i. Discuss guidelines and policies with respect to risk assessment and risk management, including the processes management uses to assess and manage Mullen Group's risk; review reports from management outlining any significant changes in financial risks or exposures facing Mullen Group; and discuss major financial risk exposures and steps management has taken to monitor and manage such exposures.

ii. Review reports from management and/or the external auditors in relation to changes in accounting policies or financial reporting requirements.

iii. Review reports on the sufficiency of Mullen Group's internal control over financial reporting and disclosure controls and procedures from management and/or the annual report of the outside internal control auditor, if any has been retained by Mullen Group

iv. Review any new appointments to executive positions with financial reporting responsibilities and review and approve Mullen Group's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

v. Satisfy itself that Mullen Group has appropriate systems of internal control for the safeguarding of assets and for financial reporting necessary to ensure compliance with legal and regulatory requirements.

vi. Receive and review reports from Mullen Group's Disclosure Committee.

vii. Meet in-camera with the outside internal control auditor, if any, on an annual basis, without management present.

viii. Meet in-camera with each of the CEOs, the CFO and the external auditors on a quarterly basis. In-camera session with the external auditors shall take place in closed sessions without management present.

b. Quarterly Financial Review

i. Review the external auditor's interim review findings reports, including whether any limitations were placed on the scope or nature of the audit procedures.

ii. Review the quarterly financial statements, management's discussion and analysis and associated press release with management and the external auditors, and formally recommend their approval to the Board (such approval to include the authorization for public release).

iii. Review any changes in accounting policies or financial reporting requirements that may affect the current period's financial statements.

c. Annual Financial Statements and Other Financial Information

i. Review summaries of material transactions and other complex matters whose treatment in the annual financial statements merits advance consideration.

ii. Review the external auditor's annual review findings report, including whether any limitations were placed on the scope or nature of the audit procedures.

iii. Review the annual audited financial statements, management's discussion and analysis and associated press release with management and the external auditors, and formally recommend their approval to the Board (such approval to include the authorization for public release).

iv. Review the Information Circular and Annual Information Form as to financial information or other material information or content within the Audit Committee's purview with management, and formally recommend their approval to the Board.

v. Review any other information circular or prospectus as to financial information or other material information or content within the Audit Committee's purview with management, and formally recommend their approval to the Board.

d. External Auditors, Audit Plan and non-Audit Services

i. Recommend to the Board each year

A. the external auditor to be nominated for appointment as external auditors of Mullen Group, and

B. their terms of engagement and remuneration.

This recommendation will be presented to shareholders for ratification at the annual general meeting.

ii. Have a clear understanding with the external auditor that it must maintain an open and transparent relationship with the committee and the ultimate accountability of the external auditor is to the Audit Committee as representatives of its shareholders.

iii. Review the audit plan for the ensuing year with management and the external auditors, and formally recommend its approval to the Board.

iv. Pre-approve all non-audit services to be provided to Mullen Group by the external auditor.

v. Take all reasonable steps to satisfy itself that the external auditor does not provide non-audit services or otherwise operate in a way that would disqualify it as independent under section 161 of the ABCA or Rule 204 of the Canadian Institute of Chartered Accountants.

vi. Perform an evaluation of the external auditor on an annual basis, which review considers

A. the output quality and cost effectiveness of the external auditor; and

B. the relationship between the auditor and executive management to ensure an appropriate balance between independence and objectivity, while working together with management in an environment of constructive challenge.

e. Whistleblower Policy (the "**Guide**")

i. The Audit Committee shall oversee Mullen Group's established facility for the anonymous submission, retention and treatment of complaints received from employees or other interested parties regarding questionable accounting matters, internal accounting controls or auditing matters in accordance with the applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation.

ii. The Audit Chairman will be responsible for investigating and resolving all reported complaints and allegations concerning Mullen Group's accounting practices, internal accounting controls or auditing matters. The Audit Chairman shall provide a quarterly report, verbal or otherwise, to the Audit Committee and the Board. The Audit Chairman, at his sole discretion, may delegate the investigation and resolution of complaints to the CEOs or the CFO.

f. Other Matters

i. The Audit Committee shall annually review:

A. its mandate; and

B. the adequacy of insurance coverage including directors' and officers' liability coverage.

ii. The Audit Committee is empowered to review the appropriateness and effectiveness of any activity or business practice (including related party transactions), which impacts the financial integrity of Mullen Group, and all employees shall be required to co-operate with the Audit Committee.

5. Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in its mandate, it is not the duty of the Audit Committee to prepare financial statements or plan and conduct audits. These are the responsibilities of management and the external Auditors, respectively. The Audit Committee's responsibility is to satisfy itself that Mullen Group's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

6. Delegation of Duties

The Audit Committee, upon approval by a majority of the members of such committee, may delegate authority and duties to subcommittees or individual members of the Audit Committee as it considers appropriate. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services, bearing in mind that such services do not compromise the independence of the external auditor.

7. Work Plan

The Audit Committee, in consultation with the Board and management, shall develop and maintain an Audit Committee work plan setting out the scheduled business to be conducted at the Audit Committee's regular meetings throughout the fiscal year on all matters within its mandate and any other matters as may be determined to be necessary or appropriate.

CORPORATE INFORMATION

DIRECTORS | OFFICERS

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

Alan D. Archibald
Lead Director

Greg Bay, CFA
Director

Steven C. Grant
Director

Dennis J. Hoffman, FCA
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

EXECUTIVE

Murray K. Mullen

Stephen H. Lockwood

P. Stephen Clark

Richard J. Maloney

CORPORATE OFFICE

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

BANKER

The Royal Bank of Canada
Calgary, Alberta

LAWYERS

Burnet, Duckworth & Palmer LLP
Calgary, Alberta

AUDITORS

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)

ONLINE INFORMATION

To receive news releases by email, or to review this report online, please visit Mullen Group's website at www.mullen-group.com and refer to the Disclosure Documents located under the Investors' Tab.