



Shermco Industries Completes Acquisition of Magna Electric Corporation

*Combination Creates Leading Provider of Electrical Services
to Energy, Industrial, Utility and Other Sectors Spanning U.S. and Canada*

IRVING, Texas – January 7, 2014 – Shermco Industries, a leading provider of electrical services to energy, utility, infrastructure, industrial and other U.S. companies, today announced that it has completed its acquisition of Magna Electric Corporation (MEC), a leading Canadian electrical power system engineering, testing, construction, manufacturing and commissioning service company based in Saskatchewan.

The combination of Shermco and MEC creates the largest independent electrical testing and maintenance service company in North America, serving energy, industrial and utility customers across the U.S., Canada and other select international markets. MEC provides electrical consulting, manufacturing, construction and field testing/commissioning services that are highly complementary to those provided by Shermco, accelerating Shermco’s strategy to offer a full range of its services to a broad, global customer base. The transaction immediately establishes Shermco in Western Canada, including Saskatchewan, Alberta and Manitoba, and positions the company to address the rapidly growing markets in Canada and the U.S. for electrical services to pipelines, refineries, alternative energy and other sectors. The acquisition of MEC approximately doubles Shermco’s operating scale, brings a complementary customer base and significantly expands the company’s ability to serve trans-border customers and projects. The combined company will have over 1,000 qualified electrical workers in locations across North America.

“MEC has built an outstanding business in the rapidly growing Canadian markets, and we are thrilled to be joining forces with them to further establish Shermco Industries as a global leader in the electrical power maintenance and service industry. The combination uniquely positions Shermco to serve current and future customers across the U.S. and Canada, particularly those with trans-border projects and facilities and those which require large-scale electrical maintenance outages to be completed in minimal timeframes,” said Ron Widup, Shermco President and CEO. “MEC shares our focus on maintaining an exceptional safety culture and providing outstanding customer service. In years past, our two companies have partnered on a number of projects, including the first phase of the Keystone pipeline and Hurricane Sandy disaster recovery efforts. We couldn’t be more excited to be creating a North American powerhouse in electrical testing and maintenance, which we believe is poised to take advantage of powerful forces driving growth in the energy, industrial and other sectors.”

The full MEC workforce and senior management team will be integrated with Shermco and operations at all of MEC's existing facilities are expected to continue.

Kerry Heid, CEO of MEC, commented, "We are very pleased to join the Shermco team and contribute to the significantly expanded scale and extended reach of the combined company. There are tremendous opportunities being created as Canadian companies work to meet strong demand for energy across North America, as well as a wide range of other products and services. By joining forces, we will be better positioned to help our customers meet those critical needs."

In December 2012, Shermco management partnered with funds managed by the GFI Energy Group of Oaktree Capital Management, L.P., an investment group focused on North American power and energy sectors. Oaktree brings significant industry expertise, relationships, resources and financial backing to aid in Shermco's long-term strategy.

Terms of the transaction were not disclosed.

More information about the transaction can be found here: <http://www.shermco.com/Shermco-MEC.aspx>

About Shermco

Shermco Industries is a leading independent provider of safe and reliable acceptance testing, commissioning, maintenance, repair and remanufacturing of electrical equipment and power distribution systems. With service centers located throughout North America, certified technicians and engineers focus on servicing both scheduled and unexpected projects for large commercial, industrial and utility customers. Shermco is a leader in electrical safety and technical training as well as industrial electrical contracting, utility wind turbine maintenance and disaster recovery services. Shermco Industries is a member of the Electrical Apparatus Service Association, American Wind Energy Association, Professional Electrical Apparatus Recyclers League, and the InterNational Electrical Testing Association. For more information about Shermco Industries, visit www.shermco.com

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