



Press Release

Decision from Canadian Court in AutoDriller Litigation

FOR IMMEDIATE RELEASE

CALGARY, Alberta (July 5, 2013) – Pason Systems Inc. (TSX: PSI) (“Pason” or the “Company”) announced today that a judgment against Pason has been issued from the Federal Court of Canada, Trial Division in the ongoing patent dispute with the Company’s primary competitor around Pason’s automatic driller product (the “AutoDriller”).

The plaintiff was awarded damages in the amount of \$52.9 million, plus interest and court costs. The amounts of interest and court costs will be determined upon further submissions to the Court.

The Company is reviewing the lengthy and complex judgment and is considering its legal options including post-judgment motions and appeals to the Federal Court of Appeal. The Company believes this judgment will have no material adverse impact on its day-to-day business operations in light of the April 19, 2013 expiration of the patent at issue.

Litigation between the Company and the plaintiff regarding the AutoDriller has been ongoing since 2003. The plaintiff has alleged that the Company’s AutoDriller infringes on a patent owned by the plaintiff (the “142 Patent”) which also expired on April 19, 2013. The original suit was filed in Colorado and included a jury trial in 2008 and subsequent bench trial in 2011, with a resulting judgment entered on June 18, 2012. That judgment from the Colorado court is on appeal to the US Court of Appeals for the Federal Circuit where a decision is pending. That Colorado case relates only to the technology used in Pason’s AutoDriller in the US prior to March 2009. The plaintiff is also challenging Pason’s use in the US of its modified technology implemented in March 2009 in a case commenced in Texas in 2012. Pleadings have been exchanged in that Texas case and pre-trial hearings have been tentatively scheduled for the fall of 2013.

The Canadian case, that is the subject of the judgment identified in this press release, has been ongoing since 2005. It represents the plaintiff’s parallel suit based on the equivalent Canadian registration of the 142 Patent.

As at March 31, 2013, the Company had reserved \$53.1 million in its consolidated financial statements for the three AutoDriller cases described above.



Pason Systems Inc.

Pason Systems Inc. is a leading provider of instrumentation systems to land-based and offshore drilling rigs worldwide. The company's rental solutions, which include data acquisition, wellsite reporting, remote communications, and web-based information management, maximize rig uptime, improve work efficiency, and minimize operating costs. Pason's common shares trade on the Toronto Stock Exchange under the symbol PSI.

For more information about Pason Systems Inc., visit the company's website at www.pason.com or contact:

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Certain information regarding the Company contained herein may constitute forward-looking information under applicable securities law. The words "anticipate", "expect", "believe", "may", "should", "will", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information and statements. Forward-looking statements in this document may include statements, express or implied, regarding the financial position of the Company and the impact of the subject matter of the press release and expected impact of future commitments. These forward-looking statements are based upon various underlying factors and assumptions, including those with regards to the Company's assets, liabilities, business prospects and opportunities; and estimates of the financial and operational performance of Pason.

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Forward-looking information and statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking information and statements. Risk factors that could cause actual results



or events to differ materially from current expectations include, among others, the ability of Pason to successfully implement its strategic initiatives (including litigation strategy) and whether such strategic initiatives will yield the expected benefits, the operating performance of Pason's assets and businesses, the price of energy commodities, competitive factors in the energy industry, changes in laws and regulations affecting Pason's businesses, the actions of litigants and other claimants, technological developments, and general economic conditions.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such forward looking statements, although considered reasonable by management as of the date hereof, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

Additional information on risks and uncertainties and other factors that could affect Pason's operations or financial results are included in Pason's reports on file with the Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or through Pason's website (www.pason.com). Furthermore, any forward looking statements contained in this news release are made as of the date of this news release, and Pason does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.