



OMNI ENERGY SERVICES CORP. (NASDAQ: OMNI)
Reiterate Speculative Buy

Share Statistics	
Symbol	OMNI
Last Trade (9/22/05)	\$3.09
High/ Low 52 weeks	\$1.21/\$4.94
Average Volume (3m)	360,937
Market Capitalization	\$43.3 Mn
Shares Outstanding	14.0 Mn

Source: Yahoo Finance, SEC Filings

Material Event Update

Omni Energy Services Corp. ("OMNI" or "The Company") executed a letter of intent for the acquisition of Preheat, Inc., a leading Gulf Coast lessor of oilfield equipment and provider of specialized oilfield and environmental services. The purchase price includes a combination of \$16.0 million of cash, \$2.5 million of OMNI's common stock, \$4.0 million of promissory notes and the assumption of approximately \$1.5 million of long-term debt.

Preheat maintains an extensive fleet of rental equipment for various oilfield and commercial applications including waterblasters, vac pacs, explosion-proof pressure washers, and reverse osmosis water purifiers. Additionally, Preheat offers stress-relieving services, wellhead installation and drilling rig cleaning and maintenance services. For the twelve-month period ended June 30, 2005, Preheat's revenues were approximately \$20 million.

OMNI is experiencing growing demand for its environmental services and this translates into ever increasing utilization of the Company's rental equipment fleet. Further, this transaction enables OMNI to expand the rental packages to customers. The transaction is anticipated to be immediately accretive to earnings.

The deal is expected to close during the fourth quarter of 2005. As a condition to the closing, Preheat is required to have on hand at closing a minimum of \$4.5 million of excess working capital.

Kipley J. Lytel, CFA, is a senior partner with money management firm Montecito Capital Management. For over three years, Mr. Lytel served as a lead securities analyst for M.L. Stern & Company. Previously, he performed portfolio management and analyst coverage during his employment with two hedge funds, Pacific Strategic Fund Group and DD Capital Management. His background has been marked by his experience as a Generalist, with analyst coverage spanning numerous industries, including: telecommunications & wireless, health care, retail, consumer products, technology, gaming and energy (E&P).

Mr. Lytel has over fifteen years of investment finance experience, with expertise in equity valuation, credit analysis, private placements, and buy/sell recommendations. He received his Masters of Business Administration (MBA) from the Peter F. Drucker School of Management at Claremont Graduate University, where he also received his undergraduate Bachelors of Arts (BA) degree in Economics. Mr. Lytel holds the Chartered Financial Analyst® designation, is an active member of CFA Institute and the Los Angeles Society of Financial Analysts (LASFA). He served as a grader/senior grader in the CFA® Examination Grading Program for CFA Institute and has been a Regional Expert for CFA Institute's advisory panel on investment management.

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