



Pictured is a Compass three-stage, sweet natural gas compressor and inlet separator. With its Exterran deal, Compass will be able to reach areas of the United States and internationally that it couldn't before.

Move supports Compass' United States expansion plan. By DJ Slater

Compass to acquire Exterran U.S. compression assets

Compass Energy Systems' footprint is about to get much bigger following its move to acquire U.S. natural gas compression assets from Exterran Corp. Through an asset purchase agreement, Compass will acquire Exterran's U.S. compressor package fabrication business.

The acquisition, which closes in the fourth quarter of this year, includes Exterran's Brittmoore Road facility in Houston, Texas, as well as a team of Exterran compression employees, equipment and components.

"In our industry, Exterran has a strong legacy," said John Forgeron, Compass president. "We're building a similar legacy in Canada."

Compass, headquartered in Calgary, Alberta, Canada, is a private company that specializes in designing and fabricating natural gas compression and process package systems for a global customer base. The company has a sales office in Dallas, Texas and parts and service locations in Alberta (Clairmont, Spruce Grove), British Columbia (Fort St. John) and the United States (Greeley, Colorado; Casper, Wyoming; and Dickinson, North Dakota).

Compass has a 19-year history filled with packaging agreements with major OEM suppliers. This acquisition lifts many of the territory restrictions and most importantly,

gives Compass access to Ariel worldwide. Compass can now reach areas of the United States and internationally that were not accessible to them before and can compete with southern compression suppliers that specialize in warm-weather packages.

"The warm-weather expertise is something we never had," Forgeron said. "We've always wanted to be better situated in the U.S. and this acquisition gives us access to the Port of Houston which will help grow our U.S. and international business."

The next steps before the official closing of the deal involve working through an integration plan with the senior management teams from both companies.

From theory to reality

Part of that senior management team is Bill Moore, the company's chief operating officer. Forgeron credits Moore with the genesis of the deal and retells the story in this fashion: Moore approached him last year after noticing that Exterran expressed interest in leaving the U.S. compression business. While it seemed unlikely, Forgeron knew they had to take a shot. It ticked every box Compass was looking for to help accomplish their strategic business goals.

As the momentum built, the marketplace took a sharp turn downward, with COVID-19



Compass is known for its compressor packages, such as this 3750 hp (2796 kW) package.

also joining the fray, leaving Forgeron wondering if this move remained possible given the new reality.

"It is risky to do an acquisition in current market conditions," he said. "But this acquisition will give us access to the largest compressor market in the world. It will significantly increase our U.S. footprint and our ability to provide top-quality compression and process equipment to clients across the United States and around the world."

Andrew Way, Exterran's president and CEO, echoed Forgeron's sentiments on the deal, stating through a press release that Exterran is pleased with the sale of its U.S. compressor fabrication business and that it'll serve as a positive move for his company, as well as his employees and customers. **CT2**