



**Canadian Energy**  
SERVICES

**PRESS RELEASE  
FOR IMMEDIATE DISTRIBUTION**

**March 10, 2017**

NOT FOR DISSEMINATION INTO THE UNITED STATES OF AMERICA OR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR TO U.S. HOLDERS.

**CANADIAN ENERGY SERVICES & TECHNOLOGY CORP. ANNOUNCES  
PROPOSED OFFERING OF \$300 MILLION SENIOR UNSECURED NOTES AND  
TENDER OFFER FOR EXISTING 7.375% NOTES**

**Canadian Energy Services & Technology Corp.** (“CES” or the “Corporation”) (TSX: CEU) (OTCQX: CESDF) announced today that it intends to conduct a private placement offering (the “Offering”) of \$300.0 million aggregate principal amount of Senior Unsecured Notes due 2025 (the “Notes”). Subject to completion of the Offering, CES will use the net proceeds from the Offering, plus additional amounts available under its credit facility, to purchase for cash any and all of its outstanding \$300.0 million, 7.375% Senior Unsecured Notes due April, 2020 with CUSIP number 13566WAA6 (the “7.375% Notes”) from the holders thereof (the “Holders”).

CES has engaged Scotia Capital Inc. and RBC Dominion Securities Inc. to lead a syndicate of underwriters to conduct the Offering of the Notes. The Notes will be guaranteed on a senior unsecured basis by current and future subsidiaries of CES that also guarantee the Corporation’s credit facility. Specific terms of the Notes, including the interest rate will be determined at a time prior to the issuance of the Notes. The Notes will be offered to qualified buyers in Canada and the United States pursuant to exemptions from applicable prospectus and registration requirements under Canadian provincial securities laws and United States securities laws. Upon completion of the Offering CES will have extended the maturity profile of its senior note indebtedness to 2025.

CES also announced today that it has commenced an offer to purchase (the “Tender Offer”) for cash any and all of its outstanding \$300.0 million 7.375% Notes from Holders eligible to participate in the Tender Offer. The terms and conditions of the Tender Offer are set forth in the offer to purchase dated March 10, 2017 (the “Offer to Purchase”) and in the related letter of transmittal (“Letter of Transmittal”), along with any amendments and supplements thereto, which Holders are urged to read carefully before making any decision with respect to the Tender Offer. The closing of the Tender Offer will be subject to a number of conditions, including the successful completion by CES of the Offering.

**The Tender Offer is not being made in the United States or to, or for the account or benefit of, “U.S. holders” (as defined in the cross-border exemptions of the United States Securities Act of 1933, as amended (the “Securities Act”), and the United States Securities Exchange Act of 1934, as amended). Holders of 7.375% Notes with addresses in the United States or who are U.S. holders are excluded from, and are not eligible to participate in or tender their 7.375% Notes in the Tender**

**Offer. Any tenders of 7.375% Notes from the United States or from, or for the account or benefit of, Holders of 7.375% Notes with addresses in the United States or who are U.S. holders will not be accepted in the Tender Offer and no payments of the Tender Offer consideration will be made into the United States or to, or for the account or benefit of, such Holders.**

The Tender Offer will expire at 12:00 p.m., Toronto time, on March 24, 2017, unless extended (such date and time, as the same may be extended, the “Expiration Time”). Holders who tender (and do not withdraw) their 7.375% Notes on or prior to the Expiration Time will receive \$1,042.00 for each \$1,000 principal amount of 7.375% Notes accepted for purchase. Accrued and unpaid interest, up to, but not including, the payment date, which is expected to be March 28, 2017, will be paid in cash on all tendered 7.375% Notes accepted by CES for purchase in the Tender Offer. 7.375% Notes tendered may not be withdrawn on or following the Expiration Time except as may be required by law.

Following completion of the Offering and the Tender Offer, CES intends to redeem, in accordance with the terms of the trust indenture governing the 7.375% Notes, all of the 7.375% Notes which are not tendered to the Tender Offer prior to the Expiration Time (the “Redemption”).

CES has retained Scotia Capital Inc. to act as Dealer Manager in connection with the Tender Offer. Copies of the Offer to Purchase and the related Letter of Transmittal may be obtained from Kingsdale Advisors, the Depositary and Information Agent for the Tender Offer, by phone at (866) 229-8874 or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com). Questions regarding the Tender Offer may be directed to the Depositary and Information Agent at this phone number. Questions regarding the Tender Offer may also be directed to the Dealer Manager at (416) 863-7257 attention Michael Lay.

The Notes sold pursuant to the Offering will be sold on a private placement basis only in an “offshore transaction” (as defined in Regulation S) in Canada to persons other than U.S. Persons in reliance on Regulation S and in the United States to “qualified institutional buyers” (as defined in Rule 144A (“Rule 144A”) promulgated under the Securities Act) in accordance with Rule 144A. The offer and sale of the Notes have not been and will not be registered under the Securities Act, or applicable state securities laws, and the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. The Notes have not been and will not be qualified for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of the Notes in Canada will be made on a basis exempt from the prospectus requirements of such securities laws.

This press release does not constitute an offer to sell or purchase, or a solicitation of an offer to sell or purchase, any securities, including any Notes or 7.375% Notes. No offer, solicitation, purchase or sale will be made in any jurisdiction, or to or from any person in which such offer, solicitation, purchase or sale would be unlawful, including, without limitation, the United States and to, from, or for the account or benefit of, any Holders of 7.375% Notes with addresses in the United States or who are U.S. holders. Any tenders of 7.375% Notes from the United States or from, or for the account or benefit of, Holders of 7.375% Notes with addresses in the United States or who are U.S. holders will not be accepted in the Tender Offer and no payments of the Tender Offer consideration will be made into the United States or to, or for the account or benefit of, such Holders. The Offer of the Notes will be made only pursuant to an offering memorandum when available.

## **About Canadian Energy Services & Technology Corp.**

CES is a leading provider of technically advanced consumable chemical solutions throughout the lifecycle of the oilfield. This includes solutions at the drill-bit, at the point of completion and stimulation, at the wellhead and pump-jack, and finally through to the pipeline and midstream market. CES' business model is relatively asset light and requires limited re-investment capital to grow. As a result, CES has been able to capitalize on the growing market demand for drilling fluids and production and specialty chemicals in North America while generating free cash flow.

Additional information about CES is available at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [www.CanadianEnergyServices.com](http://www.CanadianEnergyServices.com).

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### **Forward Looking Information**

*Certain information included in this Press Release is forward-looking, within the meaning of applicable Canadian and United States securities laws. Much of this information can be identified by looking for words such as "believe", "expects", "expected", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words. Forward-looking information in this Press Release includes, but is not limited to, statements concerning the proposed sale of Notes, the net proceeds from the Offering, the use of proceeds from the Offering, the completion of the Tender Offer, the proposed Redemption, the manner and timing of the completion of such transactions and the impact of such transactions on CES. CES believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.*

*Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this Press Release. While CES believes that the expectations and material factors and assumptions reflected in its forward-looking statements are reasonable as at the date hereof, there can be no assurance that any of these expectations, factors or assumptions will prove to be correct. In particular, in presenting its forward-looking statements, CES has made assumptions respecting, among other things: the anticipated range of interest rates that CES will be able to obtain for the Notes; the anticipated timing of the completion of the Offering, the timing, success and completion of the Tender Offer and the Redemption; the relative stability of general North American economic conditions; the continued improvement of industry conditions; oil and gas supply and demand conditions in 2017; internal capital expenditure programs and other expenditures by oil and gas exploration and production companies; areas of industry activity; regulatory and legislative conditions; commodity prices, in particular oil and natural gas; future expected cash flows; foreign currency exchange rates and interest rates; and future performance and operations of joint ventures and partnership arrangements.*

*Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties. Such forward-looking information necessarily involves known and unknown risks and uncertainties, which may cause CES' actual results to differ materially from any projections of future results expressed or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: potential changes in the regulatory and legislative environment; political uncertainty and instability in North America and internationally and changes in political leadership in North America and elsewhere; volatility in commodity prices and foreign currency exchange, interest and tax rates; the ability of CES to retain qualified personnel; the existence of competitors, technological changes and developments in the oilfield industry; further negative downturns in industry conditions; operating risks inherent in the oilfield services industry; variations in internal capital expenditure programs and other expenditures by oil and gas exploration and production companies; volatility in supply and demand for commodities, in particular oil and natural gas; and changes in general economic conditions including the capital and credit markets; risks relating to completion of the Offering, Tender Offer and the Redemption and the ability to satisfy the conditions of the Offer, Tender Offer and the Redemption, and the risks identified in other factors considered under "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2016 and "Risks and Uncertainties" in the related MD&A both of which are available on the SEDAR website ([www.sedar.com](http://www.sedar.com)). CES cautions that the forgoing list of assumptions, risks and uncertainties is not exhaustive. Any forward-looking information is made as of the date hereof and, except as required by law, CES does not undertake any obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.*

**THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**

**NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE NOTES OR THE 7.375% NOTES OR DETERMINED IF THIS RELEASE IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**