Canadian Energy
SERVICES

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FOR IMMEDIATE DISTRIBUTION

Canadian Energy Services & Technology Corp. Announces Results for the Fourth Quarter and the Year Ended December 31, 2016 and Declares Cash Dividend

Canadian Energy Services & Technology Corp. ("**CES**" or the **"Company"**) (**TSX: CEU**)(**OTCQX: CESDF**) is pleased to report on its financial and operating results for the three and twelve months ended December 31, 2016. Further, CES announced today that it will pay a cash dividend of $0.0025 per common share on April 13, 2017 to the shareholders of record at the close of business on March 31, 2017.

The past two years have been extremely challenging as CES has navigated through the protracted industry downturn. CES' 2016 results reflect successful execution in a very difficult environment. In response to the low commodity prices and falling rig counts in the first half of 2016, CES provided additional discounts to our customers and implemented further cost reduction initiatives. During the second half of 2016, a recovery in commodity prices resulted in a pick-up of industry activity and allowed CES to sell increasing volumes of our products across our rationalized cost structure. As a result, CES posted positive Adjusted EBITDAC of $41.1 million in the last six months of the year without price increases. CES also gained market share in all of its segments by demonstrating to customers the benefits of CES' technologies, service and attention to problem solving.

CES generated revenue of $187.7 million during the fourth quarter of 2016 ("Q4 2016"), compared to $165.0 million for the three months ended December 31, 2015 ("Q4 2015") an increase of $22.7 million or 14%. Year-to-date, revenue totaled $567.7 million, compared to $749.6 million for the year ended December 31, 2015, representing a decrease of $181.9 million or 24% on a year-over-year basis. Adjusted EBITDAC for Q4 2016 was $23.8 million representing an increase of $7.4 million or 45% from Q4 2015. Year-to-date, the Company's Adjusted EBITDAC was $50.4 million representing a decrease of $51.2 million or 50%. Year-over-year, the Company's operating results were negatively affected by the current low commodity price environment and by the additional factors outlined below.

Revenue generated in the US for Q4 2016 was $120.9 million compared to $109.9 million for Q4 2015, an increase of $11.0 million or 10%. For the year ended December 31, 2016, US revenues were $371.8 million compared to $514.9 million for the same period in 2015, representing a decrease of $143.1 million, or 28%. US Treatment Points rose 61% in Q4 2016 in comparison to Q4 2015, and by 31% year-over-year, primarily as a result of the Catalyst Acquisition. However, US revenues for both the quarter and year-to-date were negatively affected by the following: a decline in frac related chemical sales as industry activity slowed; operators reducing their chemical usage on wells to try and optimize their chemical spend; customer well shut-ins; and the cumulative effects of the price discounting on all products as customers remained focused on managing near-term cash lifting costs. Revenues in the US were also negatively affected by reduced industry rig counts and the continued difficult pricing environment for the drilling fluids business. For the year ended December 31, 2016, the Company's US revenues were positively impacted on translation by weakness in CAD versus USD over the comparable period in 2015.

Revenue generated in Canada for Q4 2016 was $66.8 million compared to $55.0 million for Q4 2015, an increase of $11.8 million or 21%. For the year ended December 31, 2016, revenue in Canada was $195.9 million compared to $234.7 million in the same period in 2015, representing a decrease of $38.8 million or 17%. Throughout the quarter and year-to-date, PureChem continued to gain market share in Canada in production chemicals as Canadian

Treatment Points have increased from the comparative period, however these gains in market share have been offset by price discounting and customers optimizing their chemical spend. During Q4 2016, the drilling fluids business increased its operating days by 30% over Q4 2015 however this growth was tempered by continued price pressure resulting in additional discounting to customers. Year-to-date, the revenue from the drilling fluids business was negatively affected by the year-over-year decline in drilling activity in Canada and discounting.

Emerging from the protracted downturn, CES' balance sheet is well positioned to capitalize on the improving oilfield activity. At December 31, 2016 CES had cash on the balance sheet, a net $nil draw on its Senior Facility and its $300 million of Senior Notes are not due until April 2020. With the pick-up in oilfield activity in Q1 2017, CES has begun to draw modestly on its Senior Facility and at present has a net draw of approximately $45.0 million on its Amended Senior Facility. In 2017 it is expected EBITDAC will exceed cash interest costs, capital expenditures and dividends.

CES also announced today that it will pay a cash dividend of $0.0025 per common share on April 13, 2017 to the shareholders of record at the close of business on March 31, 2017.

CES Q4 Results Conference Call Details

With respect to the fourth quarter results, CES will host a conference call / webcast at 9:00 pm MT (11:00 am ET) on Friday, March 10, 2017.

North American toll-free: 1-(877) 291-4570
International / Toronto callers: 647-788-4922
Link to Webcast: http://www.canadianenergyservices.com/

Outlook

With the improvement in industry activity in the second half of 2016 and to date in 2017, CES is modestly optimistic with its outlook. If WTI can remain at or above the USD$50/bbl mark most of our customers initiatives are economic and activity should continue to rise in 2017 or at minimum not retrench to first half 2016 levels.

CES believes that over time it can continue to grow its share of the oilfield consumable chemical market. The Catalyst Acquisition in 2016 was another significant step forward in this regard as CES sees the Permian Basin having the most near-term opportunities for growth. CES' strategy is to utilize its decentralized management model; its vertically integrated manufacturing model; its problem solving through science approach; its patented and proprietary technologies; and its superior execution to increase market share. The protracted downturn has made many middlemen, or competitors who are simply resellers of other company's products, redundant. By being basic in the manufacture of the consumable chemicals it sells, CES continues to be price competitive and a technology leader. Recent competitor consolidations and business failures will provide further opportunities for CES in this recovery period. CES believes that its unique value proposition makes it the premier independent provider of technically advanced consumable chemical solutions to the North American oilfield.

CES will continue to assess M&A opportunities that will improve CES' competitive position and enhance profitability. Any acquisitions must meet CES' stringent financial and operational metrics. In its core businesses, CES will focus on growing market share, controlling costs, developing or acquiring new technologies, and making strategic investments as required to position the business to capitalize on the industry rebound.

Business of CES

CES is a leading provider of technically advanced consumable chemical solutions throughout the life-cycle of the oilfield. This includes total 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. At the drill-bit, CES' designed drilling fluids encompass the functions of cleaning the hole, stabilizing the rock drilled, controlling subsurface pressures, enhancing drilling rates, and protecting potential production zones while conserving the environment in the surrounding surface and subsurface area. At the point of completion and stimulation, CES' designed chemicals form a critical component of fracturing solutions or other forms of well stimulation techniques. The shift to horizontal drilling and multi-stage fracturing with long horizontal well completions has been responsible for significant growth in the drilling fluids and completion and stimulation chemicals markets. At the wellhead and pump-jack, CES' designed production and specialty chemicals provide down-hole solutions for production and gathering infrastructure to maximize production and reduce costs of equipment maintenance. Key solutions include corrosion inhibitors, demulsifiers, H_2S scavengers, paraffin control products, surfactants, scale inhibitors, biocides and other specialty products. Further, specialty chemicals are used throughout the pipeline and midstream industry to aid in hydrocarbon movement and manage transportation and processing challenges including corrosion, wax build-up and H_2S.

CES operates in the Western Canadian Sedimentary Basin ("WCSB") and in several basins throughout the United States ("US"), with an emphasis on servicing the ongoing major resource plays. In Canada, CES operates under the trade names Canadian Energy Services, PureChem Services ("PureChem"), Sialco Materials Ltd. ("Sialco"), Clear Environmental Solutions ("Clear"), and EQUAL Transport ("EQUAL"). In the US, CES operates under the trade names AES Drilling Fluids ("AES"), AES Frac Fluids ("AES Frac"), Superior Weighting Products ("Superior Weighting"), JACAM Chemicals ("JACAM"), and Catalyst Oilfield Services ("Catalyst").

The Canadian Energy Services and AES brands are focused on the design and implementation of drilling fluids systems and completion solutions sold directly to oil and gas producers. The Superior Weighting brand custom grinds minerals including barite, which is the weighting agent utilized in most drilling fluid systems. The JACAM, Catalyst, PureChem, and Sialco brands are vertically integrated manufacturers of advanced specialty chemicals. In addition to being basic manufacturers of chemicals, JACAM, Catalyst, and PureChem also have expanding distribution channels into the oilfield.

Two complementary business divisions support the operations and augment the product offerings in the WCSB. Clear is CES' environmental division, providing environmental consulting, water management services, and drilling fluids waste disposal services primarily to oil and gas producers active in the WCSB. EQUAL is CES' transport division, providing its customers with trucks and trailers specifically designed to meet the demanding requirements of off-highway oilfield work in the WCSB. EQUAL transports and handles oilfield produced fluids and supports the oilfield chemical business by hauling, handling, managing and warehousing products.

Led by JACAM's state of the art laboratory in Sterling, Kansas, CES now operates eight separate lab facilities across North America: two in Houston, Texas; two in Midland, Texas; and one in each of Carlyle, Saskatchewan; Delta, British Columbia; and Calgary, Alberta. In 2015, CES significantly expanded its laboratory capabilities in Calgary with the opening of its new laboratory. In the US, CES' main chemical manufacturing and reacting facility is located in Sterling, Kansas with low-temperature reacting and chemical blending capabilities in Midland, Texas and additional chemical blending capabilities in Sonora, Texas. In Canada, CES has an additional chemical manufacturing and reacting facility located in Delta, British Columbia with additional chemical blending capabilities located in Carlyle, Saskatchewan and Nisku, Alberta. CES also leverages third party partner relationships to drive innovation in the consumable fluids and chemicals business.

Financial Highlights

	Three Months Ended December 31,		Year Ended December 31,	
($000's, except per share amounts)	**2016**	2015	**2016**	2015
Revenue	**187,704**	164,958	**567,726**	749,614
Gross margin	**39,983**	24,906	**111,781**	159,659
Cash Gross Margin [(1)]	**49,120**	33,772	**145,990**	191,640
Loss before taxes	**(3,604)**	(173,415)	**(59,056)**	(152,223)
per share – basic	***(0.01)***	*(0.79)*	***(0.24)***	*(0.70)*
per share - diluted	***(0.01)***	*(0.79)*	***(0.24)***	*(0.70)*
Net loss [(2)]	**(3,973)**	(114,402)	**(64,550)**	(92,276)
per share – basic	***(0.02)***	*(0.52)*	***(0.27)***	*(0.42)*
per share - diluted	***(0.02)***	*(0.52)*	***(0.27)***	*(0.42)*
Adjusted EBITDAC [(1)]	**23,838**	16,408	**50,400**	101,635
per share – basic	***0.09***	*0.04*	***0.21***	*0.43*
per share - diluted	***0.09***	*0.04*	***0.21***	*0.43*
Funds Flow From Operations [(1)]	**16,973**	7,844	**20,522**	83,848
per share – basic	***0.06***	*0.04*	***0.08***	*0.38*
per share - diluted	***0.06***	*0.04*	***0.08***	*0.38*
Dividends declared	**1,965**	16,027	**10,736**	69,849
per share	***0.0075***	*0.0730*	***0.0455***	*0.3205*

	Three Months Ended December 31,		Year Ended December 31,	
Shares Outstanding	**2016**	2015	**2016**	2015
End of period	**262,300,999**	220,424,818	**262,300,999**	220,424,818
Weighted average				
- basic	**261,840,909**	219,534,188	**243,171,601**	217,846,960
- diluted	**261,840,909**	219,534,188	**243,171,601**	217,846,960

	As at	
Financial Position ($000's)	**December 31, 2016**	December 31, 2015
Net working capital	**222,323**	230,222
Total assets	**978,959**	931,537
Long-term financial liabilities [(3)]	**306,267**	309,900
Shareholders' equity [(4)]	**568,837**	531,648

Notes:

[1]CES uses certain performance measures that are not recognizable under International Financial Reporting Standards ("IFRS"). These performance measures include net (loss) income before interest, taxes, depreciation and amortization, gains and losses on disposal of assets, goodwill impairment, unrealized foreign exchange gains and losses, unrealized derivative gains and losses, stock-based compensation and other gains and losses not considered reflective of underlying operations, adjusted for specific items that are considered to be non-recurring in nature ("Adjusted EBITDAC"), and Funds Flow From Operations. Management believes that these measures provide supplemental financial information that is useful in the evaluation of CES' operations. Readers should be cautioned, however, that these measures should not be construed as alternatives to measures determined in accordance with IFRS as an indicator of CES' performance. CES' method of calculating these measures may differ from that of other organizations and, accordingly, these may not be comparable. Please refer to the Non-GAAP measures section of CES' MD&A for the three and twelve months ended December 31, 2016.

[2] Represents net loss attributable to the shareholders of the Company

[3] Includes long-term portion of the Deferred acquisition consideration, the Amended Senior Facility, the Senior Notes, vehicle and equipment financing, and finance leases

[4] Represents shareholders' equity attributable to the shareholders of the Company.

Cautionary Statement

Except for the historical and present factual information contained herein, the matters set forth in this press release, may constitute forward-looking information or forward-looking statements (collectively referred to as "forward-looking information") which involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CES, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this press release, such information uses such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", and other similar terminology. This information reflects CES' current expectations regarding future events and operating performance and speaks only as of the date of the press release. Forward-looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the factors discussed below. The management of CES believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking information contained in this document speaks only as of the date of the document, and CES assumes no obligation to publicly update or revise such information to reflect new events or circumstances, except as may be required pursuant to applicable securities laws or regulations. The material assumptions in making forward-looking statements include, but are not limited to, assumptions relating to demand levels and pricing for the oilfield consumable chemical offerings of the Company; fluctuations in the price and demand for oil and natural gas; anticipated activity levels of the Company's significant customers; commodity pricing; general economic and financial market conditions; the successful integration of recent acquisitions; the Company's ability to finance its operations; levels of drilling and other activity in the WCSB, the Permian and other US basins, the effects of seasonal and weather conditions on operations and facilities; changes in laws or regulations; currency exchange fluctuations; the ability of the Company to attract and retain skilled labour and qualified management; and other unforeseen conditions which could impact the Company's business of supplying oilfield consumable chemistry to the Canadian and US markets and the Company's ability to respond to such conditions.

In particular, this press release contains forward-looking information pertaining to the following: the seasonality of CES' business; the anticipated reduction in exposure to the effects of spring break-up in the WCSB; the duration of spring break-up; the certainty and predictability of future cash flows and earnings; the expectation that cash interest costs, maintenance capital and dividends will be fully funded from EBITDAC, with excess cash generated and available sources of capital to fund growth capital and M&A activity; future estimates as to dividend levels; the potential means of funding dividends; the intention to make future dividend payments; the business strategy regarding cash dividend payments in the future; the amount of cash to be conserved based on the new dividend level and the ability to retain such cash to preserve the balance sheet and provide liquidity to fund future growth initiatives; the sufficiency of liquidity and capital resources to meet long-term payment obligations; potential M&A opportunities; the long-term capital investments required for CES to execute on its business plan; the amount of CES' non-acquisition related capital expenditures in 2017, including maintenance capital and discretionary expansion capital and the anticipated timing for spending such capital; the expected timing and cost for completion of expansions at the JACAM, Catalyst, and PureChem facilities; management's opinion of the impact of any potential litigation or disputes; potential outcomes of the CRA's intent to challenge the Canadian tax consequences of the Conversion (as defined herein); the application of critical accounting estimates and judgements; the timing of adoption of new accounting standards and the potential impact of new accounting standards on CES' financial statements; the collectability of accounts receivable; the effectiveness of CES' credit risk mitigation strategies and the results of any U.S. trade credit insurance claims; management's opinion of the impact of self-insuring trade credit insurance; CES' ability to increase or maintain its market share, including expectations that PureChem and JACAM will increase market share in the oilfield consumable chemical market and Catalyst will increase market-share of production and specialty chemicals in the Permian Basin; CES' ability to leverage third party partner relationships to drive innovation in the consumable fluids and chemicals business; supply and demand for CES' products and services, including expectations for growth in CES' production and speciality chemical sales and expected growth in the consumable chemicals market; expectations that CES will rationalize its drilling fluids cost structure; estimated annualized savings as a result of staff reductions, compensation adjustments, and reduced dividend payments; industry activity levels; commodity prices and related pricing pressure; any forward curves for commodity prices; treatment under governmental regulatory and taxation regimes; expectations regarding the impact of proposed changes to Alberta's oil and gas royalty regime; expectations regarding expansion of services in Canada and the U.S.; development of new technologies; expectations regarding CES' growth opportunities in Canada and the U.S.; the effect of acquisitions on the Company including the effect of the Catalyst Acquisition (as defined herein); expectations regarding the performance or expansion of CES' operations; expectations regarding the diversification of operations away from the drill-bit; expectations that competitor consolidation and business failures will provide future opportunities to CES; expectations regarding demand for CES' services and technology; the potential for CES to expand its business as it relates to water usage and handling; investments in research and development and technology advancements; access to debt and capital markets and cost of capital; CES' ability to continue to comply with covenants in debt facilities; and competitive conditions.

CES' actual results could differ materially from those anticipated in the forward-looking information as a result of the following factors: general economic conditions in Canada, the U.S., and internationally; geopolitical risk; fluctuations in demand for consumable fluids and chemical oilfield services, and any downturn in oilfield activity; a decline in activity in the WCSB, the Permian and other basins in which the Company operates; a decline in frac related chemical sales; a decline in operator usage of chemicals on wells; an increase in the number of customer well shut-ins;volatility in market prices for oil, natural gas, and natural gas liquids and the effect of this volatility on the demand for oilfield services generally; the declines in prices for oil, and pricing differentials between world pricing and pricing in North America; competition, and pricing pressures from customers in the current commodity environment; currency risk as a result of fluctuations in value of the U.S. dollar; liabilities and risks, including environmental liabilities and risks inherent in oil and natural gas operations; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel; the collectability of accounts receivable, particularly in the current low oil and natural gas price environment; ability to integrate technological advances and match advances of competitors; availability of capital; uncertainties in weather and temperature affecting the duration of the oilfield service periods and the activities that can be completed; the ability to successfully integrate and achieve synergies from the Company's acquisitions; changes in legislation and the regulatory environment, including uncertainties with respect to oil and gas royalty regimes, programs to reduce greenhouse gas and other emissions and regulations restricting the use of hydraulic fracturing; pipeline capacity and other transportation infrastructure constraints; reassessment and audit risk associated with the Conversion and other tax filing matters; changes and proposed changes to U.S. policies including the potential for tax reform, possible renegotiation of international trade agreements including NAFTA and potential Border Adjustment Tax; divergence in climate change policies between Canada and the U.S.; potential changes to the crude by rail industry;changes to the fiscal regimes applicable to entities operating in the WCSB and the US; access to capital and the liquidity of debt markets; fluctuations in foreign exchange and interest rates, and the other factors considered under "Risk Factors" in CES' Annual Information Form for the year ended December 31, 2016 and "Risks and Uncertainties" in CES' MD&A dated March 9, 2017.

CES has filed its 2016 annual audited consolidated financial statements and notes thereto as at and for year ended December 31, 2016, and accompanying management discussion and analysis in accordance with National Instrument 51-102 - *Continuous Disclosure Obligations* adopted by the Canadian securities regulatory authorities. Additional information about CES will be available on CES' SEDAR profile at www.sedar.com and CES' website at www.CanadianEnergyServices.com.

For further information, please contact:

Tom Simons
President and Chief Executive Officer
Canadian Energy Services & Technology Corp.
(403) 269-2800

Craig F. Nieboer, CA
Chief Financial Officer
Canadian Energy Services & Technology Corp.
(403) 269-2800

Or by email at: info@ceslp.ca

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