



PRESS RELEASE

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CANADIAN ENERGY SERVICES & TECHNOLOGY CORP. ANNOUNCES CLOSING OF SENIOR NOTES AND THE ACQUISITIONS OF RHEOTECH DRILLING FLUIDS SERVICES INC. AND CANWELL ENVIRO-INDUSTRIES LTD.

Canadian Energy Services & Technology Corp. (“CESTC” or the “**Company**”) (TSX: CEU) (OTCQX: CESDF) is pleased to announce that the offering of \$75 million principal amount of CESTC’s 7.375% senior unsecured notes due April 17, 2020 (the “**Notes**”) at a premium price of \$1,057.50 per \$1,000 principal amount of Notes has been completed (the “**Note Offering**”). In addition, CESTC announced that effective July 1, 2014 it has acquired the drilling fluids business assets of Rheotech Drilling Fluids Services Inc. (“**Rheotech**” and the “**Rheotech Acquisition**”), and all of the production and specialty chemical business assets of Canwell Enviro-Industries Ltd. (“**Canwell**” and the “**Canwell Acquisition**”).

Notes Offering

Scotiabank and RBC Capital Markets acted as joint bookrunners for the Note Offering, in a syndicate that included HSBC Securities (Canada) Inc.

CESTC intends to use the net proceeds from the Note Offering to repay outstanding indebtedness under CESTC’s senior credit facility, to fund the announced Rheotech Acquisition and Canwell Acquisition in addition to future acquisitions and growth objectives, and for general corporate purposes.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) or any 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 (as defined in the Regulation S under the Securities Act), absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any Notes in the United States, nor shall there be any offer or sale of any Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The previously announced bought deal financing of 2,150,000 common shares at \$32.65 per common share for gross proceeds of approximately \$70 million (the “**Equity Offering**”) is expected to close on or about July 11, 2014.

Rheotech Acquisition

Established in 1987, Rheotech is a Western Canadian Sedimentary Basin (“WCSB”) based private drilling fluids company that provides drilling fluid solutions for several leading oil and natural gas companies with a focus on both steam-assisted gravity drainage (“SAGD”) and deep long-reach horizontal drilling.

Strategic Rationale of the Rheotech Acquisition

Successful completion of the Rheotech Acquisition is expected to strengthen CESTC’s position as the leading drilling fluids provider in the WCSB.

The Rheotech Acquisition expands the scale and operational capabilities of CESTC within the WCSB and in particular increases CESTC’s position in SAGD and in deep long-reach horizontal drilling work.

At closing, Rheotech was providing drilling fluids products and services to twenty-two active drilling rigs.

CESTC will add Rheotech’s key field, technical and sales focused drilling fluids employees, expanding CESTC’s capabilities to effectively reach and service customers.

Customary to previous acquisitions completed by CESTC, key employees have agreed to employment contracts along with non-compete and non-solicit commitments.

Management of CESTC expects the Rheotech Acquisition to be accretive to CESTC’s cash flow from operations; net income before interest, taxes, depreciation and amortization, and stock-based compensation (“EBITDAC”); and net income.

Canwell Acquisition

Established in 1985, Canwell is a privately held company that specializes in the delivery of comprehensive, full service H₂S scavenging programs to the WCSB oil and gas industry with a particular focus on the oilsands. Canwell’s core product offering is a line of scavengers which are formulated, and blended from its in-house facility in Nisku, Alberta and marketed under the brand name Cansweet. Each chemical product is blended with Canwell’s patented anti-crystallization additives which prevents spent or reacted products from solidifying. Canwell’s integrated treatment solutions include the design of engineered process systems, specialized chemical formulations and thorough infield start-up assistance and service; including the handling of spent product.

Strategic Rationale of the Acquisition

Canwell will be integrated into and operate as part of the Company’s PureChem division. Its addition is expected to strengthen CESTC’s position as a growing provider of production and specialty chemicals in the WCSB.

The Canwell Acquisition expands the scale and operational capabilities of PureChem within the WCSB and in particular provides an entry for PureChem in the oilsands production and specialty chemicals market.

The Canwell Acquisition will provide another sales conduit for the unique JACAM Chemical products into the WCSB.

CESTC will add Canwell's blending and distribution facility located in Nisku, Alberta.

CESTC will add Canwell's key field, technical and sales focused employees, expanding PureChem's capabilities to effectively reach and service customers.

Customary to previous acquisitions completed by CESTC, key employees have agreed to employment contracts along with non-compete and non-solicit commitments.

Management of CESTC expects the Canwell Acquisition to be accretive to CESTC's cash flow from operations; EBITDAC; and net income.

Updated Guidance

Based on the Rheotech and Canwell Acquisitions and results of operations to-date, CESTC is updating its expected guidance for the twelve months ended December 31, 2014. CESTC's expected range of consolidated gross revenue for 2014 will be approximately \$820 million to \$880 million and expected consolidated EBITDAC will be approximately \$145 million to \$160 million.

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About Canadian Energy Services & Technology Corp.

CESTC is a leading provider of technically advanced consumable chemical solutions throughout the life-cycle 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. CESTC's business model requires limited re-investment capital to grow. As a result, CESTC 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. CESTC returns much of this free cash flow back to shareholders through its monthly dividend. Additional information about CESTC is available at www.sedar.com or on the Company's website at www.CanadianEnergyServices.com.

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

Non-GAAP Measure

CESTC uses certain performance measures that are not recognizable under International Financial Reporting Standards (“IFRS”). These performance measures include EBITDA and EBITDAC. Management believes that this measure provides supplemental financial information that is useful in the evaluation of CESTC’s 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 CESTC’s performance. CESTC’s method of calculating these measures may differ from that of other organizations and, accordingly, these may not be comparable.

Forward-Looking Information

This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release includes statements with respect to the use of proceeds from the Note Offering, the anticipated timing of closing of the Equity Offering, the Company’s plans to integrate Rheotech and Canwell with the operations of CESTC and management of CESTC’s expectation of the effect of the Rheotech Acquisition and Canwell Acquisition on CESTC’s cash flow, EBITDA and net income and strategic position in certain market segments. Material assumptions and factors that could cause actual results to differ materially from such forward-looking information include market and industry conditions affecting CESTC’s operations, regulatory approvals for the Equity Offering not being granted to CESTC on the anticipated timing or at all, the successful integration of Rheotech and Canwell employees and customers with CESTC, the number of operating drilling rigs in the WCSB, or the ability for CESTC to sell Rheotech and Canwell’s services and products in the WCSB. Although the Company believes that the material assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.