



**PRESS RELEASE
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March 1, 2013

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**CANADIAN ENERGY SERVICES & TECHNOLOGY CORP. ANNOUNCES STRATEGIC
ACQUISITION OF JACAM CHEMICAL COMPANY INC.'S BUSINESS ASSETS**

Canadian Energy Services & Technology Corp. ("CESTC" or the "**Corporation**") (TSX: CEU and OTCQX:CESDF) is pleased to announce that it has acquired the production and specialty oilfield chemical business of JACAM Chemical Company, Inc. ("**JACAM**") and its subsidiaries (the "**JACAM Acquisition**") pursuant to the terms of an asset purchase agreement dated March 1, 2013 (the "**Asset Purchase Agreement**"). The total purchase price is US\$240.0 million including the issuance of US\$60.0 million in common shares ("**Common Shares**") of CESTC (being 5,454,545 Common Shares) to JACAM.

CESTC is also pleased to announce that it has entered into an engagement letter with Scotiabank and RBC Capital Markets as Joint Bookrunners, whereby they will lead a syndicate of underwriters with respect to a proposed private placement financing of senior unsecured notes (the "**Note Offering**"). Scotiabank and RBC Capital Markets have also acted as financial advisors to CESTC.

JACAM is a private company that manufactures and distributes oilfield related specialty chemicals. JACAM designs and manufactures its products in Sterling, Kansas which also serves as its corporate head office. JACAM was established in 1982 and provides its products and delivers services to a large number of companies in the oil and natural gas business. JACAM's customers are predominantly producers but JACAM also sells products to service companies and to the pipeline industry. JACAM has over 350 employees and operates in Kansas, Oklahoma, Texas, New Mexico, Colorado, Wyoming, Montana, Utah, California, and North Dakota.

Tom Simons, President and Chief Executive Officer of CESTC, stated that "The JACAM Acquisition is a transformational step forward in achieving our goal of being a leading provider of technically advanced consumable chemical solutions throughout the life-cycle of the oilfield. We now have significant offerings at the drill-bit; for completions and stimulations; at the wellhead or pump-jack; and through to the pipeline and mid-stream market. The JACAM Acquisition further vertically integrates us with a modern, zero emissions chemical blending and reacting manufacturing facility located in the middle of the growing US market. The facility has been constructed over the last six years and has been sized and engineered to accommodate material future throughput. We have acquired the technical capability, the manufacturing capability and the sales platform from which we can grow and expand our US production and specialty chemical business. The JACAM Acquisition also compliments our PureChem business unit in Canada and will augment its already substantial product line and capabilities. Consistent with our approach in our previous acquisitions, the founders of JACAM and the key staff will be joining CESTC, and will play leadership roles in the further development and execution of our expansion strategy."

Gene Zaid, JACAM's founder and CEO said, "Like JACAM, CESTC believes that technology, innovation and product development are the best ways to create and deliver value to the customer. By joining together in a shared commitment to solving problems for our customers, we will now be able to offer problem solving solutions from the drill bit all the way to the pipeline and all points in between. The collective strengths of our two companies will generate enormous opportunities for growth and expansion."

JACAM Acquisition – Details

Total consideration for the JACAM Acquisition is expected to be US\$240.0 million (the "**Purchase Price**"), subject to certain customary adjustments to the cash portion of the Purchase Price, which Purchase Price consists of the issuance of US\$60.0 million in Common Shares to JACAM (being 5,454,545 Common Shares) and US\$170.0 million paid in cash. The final US\$10.0 million is payable in cash within 60 days of March 1, 2013.

JACAM generated approximately US\$96.3 million in revenue and US\$25.2 million of normalized EBITDA for the trailing twelve month period ended December 31, 2012.

The effective date of the JACAM Acquisition is March 1, 2013. As part of the JACAM Acquisition, CESTC will acquire approximately US\$19.0 million of net current assets including accounts receivable, prepaid expenses, and product inventory and approximately US\$37.0 million of fixed assets consisting of real estate and equipment. Included in the fixed assets are two chemical blending and reacting plants located in Sterling, Kansas (the "**Manufacturing Plants**").

CESTC has entered into employment agreements with key members of management and a retention plan has been implemented with other key employees of JACAM which is expected to allow for a seamless integration and insure continued growth of the production and speciality chemical business.

CESTC has arranged for bank financing of CAD\$160.0 million (the "**Bridge Loan**") to initially finance, in combination with existing cash and credit facilities, the cash portion of the Purchase Price for the period between the closing of the JACAM Acquisition and the closing of the proposed Note Offering. The Bridge Loan is expected to be fully repaid upon closing of the proposed Note Offering, and in any event is required to be repaid on or prior to February 26, 2014. The Bridge Loan is fully secured against the assets of CESTC and its subsidiaries and provides for increases in the interest rate applicable to amounts drawn under the Bridge Loan every three (3) months until the Bridge Loan is repaid.

Details of the terms of the JACAM Acquisition are set out in the Asset Purchase Agreement that will be filed by CESTC on SEDAR (www.sedar.com).

JACAM Acquisition – Strategic Rationale

The successful completion of the JACAM Acquisition and the merger of JACAM into CESTC's operations is a transformational step forward in the evolution of CESTC into a full-cycle manufacturer and supplier of engineered chemical and consumable solutions to the North American oil and gas business.

- The JACAM Acquisition is strategically aligned with CESTC's long-term business plan to pursue growth opportunities in the U.S.; become more vertically integrated in the oilfield consumable chemicals business; and to provide consumable product offerings throughout the oil and gas product lifecycle. 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. The JACAM Acquisition is consistent with CESTC's strategy to focus on consumable products with superior outcomes for customers through technology and high levels of customer service.

- The production and specialty chemicals space is highly concentrated and continues to grow as operators face the challenges of maintaining the productivity of wells, and shipping their product to market. A recent research report published by the Freedonia Group Inc. indicates the production and specialty chemical market is growing 8.9% per year and it further estimates the North American market to grow to US\$28 billion by 2016.
- The JACAM Acquisition provides CESTC with an expanded list of speciality chemical products. JACAM has over 400 proprietary products it manufactures and distributes, 8 trademarked solutions, and 29 U.S. registered patents. JACAM has custom developed these products and solutions by listening to their customer's challenges and then designing solutions in their state-of-the-art research and development laboratory. CESTC expects to bring many of these products to the Canadian market and expand JACAM's reach into other parts of the U.S. market.
- The JACAM Acquisition adds over 300 customers to CESTC. JACAM's customers are predominantly oil and natural gas producers but its clientele also includes other service companies and pipeline companies. CESTC expects it will be able to augment the current JACAM customer list.
- From its head office in Sterling Kansas, JACAM manages over 350 employees with operations in ten states: Kansas, Oklahoma, Texas, New Mexico, Colorado, Wyoming, Montana, Utah, California, and North Dakota.
- JACAM has built its business on similar principles CESTC has employed. JACAM designs, builds, and delivers products and services that solve customer problems. JACAM's founder and leader of the last 30 years, Gene Zaid, PhD will continue on as CEO of the JACAM business unit and will also assume a leading role in developing new technologies and products for CESTC. Gene Zaid will also be granted observer status at all CESTC board meetings. Jason West, President of JACAM, will also continue in his role at JACAM and will join the board of directors of CESTC as a non-independent director.
- The JACAM Acquisition is completely complimentary to CESTC's existing production and speciality chemical business unit, PureChem. PureChem has been executing an organic growth strategy in Canada and has made significant progress since its inception two years ago. PureChem has 65 dedicated staff throughout Western Canada and as an EBITDA break-even operation had sales of CAD\$24 million in 2012. PureChem's chemical blending manufacturing facility is located in Carlyle, Saskatchewan.
- The JACAM Acquisition complements CESTC's current U.S. drilling fluids footprint which has been built-out through its subsidiary, AES Drilling Fluids, LLC ("AES"). The JACAM Acquisition expands the scale, infrastructure, and operational and management capabilities of CESTC within the U.S. market.
- The JACAM Acquisition comes complete with the Manufacturing Plants strategically located in the heart of the on-shore U.S. oilfield. The larger and newer facility, which is the North facility, started construction in 2006. It is a state-of-the-art facility with significant upside throughput capacity and has been built as a "zero-emissions" facility. JACAM had gross sales of US\$96

million in 2012, and the facility in its current configuration is estimated to be operating at approximately 20% through-put capacity leaving room for significant production volume increases if sales warrant. Future additional capacity can be added as required incrementally through a modular build-out, as there is significant undeveloped land at the site.

- Management of CESTC expects the JACAM Acquisition to be accretive to CESTC's gross margin, cash flow, and EBITDA metrics as well as on a per share basis.
- After completion of the JACAM Acquisition, and based on the premise that 2013 drilling activity as a whole across the Canadian and U.S. markets remains fairly consistent with activity levels achieved in 2012, CESTC's expected range of consolidated gross revenue for 2013 will be approximately CAD\$580 million to CAD\$620 million and expected consolidated EBITDA will be approximately CAD\$95 million to CAD\$105 million.

With respect to the JACAM Acquisition, CESTC will host a conference call / webcast at 9am MST (11am EST) on Monday, March 4, 2013.

North American toll-free: 1-866-226-1792

International / Toronto callers: 416-340-2216

Link to Webcast: <http://www.canadianenergyservices.com/>

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

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About Canadian Energy Services & Technology Corp.

CESTC's business is focused on the design and delivery of technically advanced fluids for the North American oil and gas industry. 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 and production fluids 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 at CESTC's website at www.CanadianEnergyServices.com.

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Non-IFRS Measure

CESTC uses certain performance measures that are not recognizable under International Financial Reporting Standards (“IFRS”). These performance measures include EBITDA. 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 effect of the JACAM Acquisition on the Corporation, the Corporation’s plans to integrate JACAM with the operations of CESTC and management of CESTC’s expectation of the effect of the JACAM Acquisition on CESTC’s gross margin, cash flow, revenues, EBITDA and net income, the proposed Note Offering, including the use of proceeds in respect of any such Note Offering, the timing for repayment of the Bridge Loan, and drilling activity across the Canadian and US markets. Material assumptions and factors that could cause actual results to differ materially from such forward-looking information include the successful integration of JACAM employees and customers with CESTC, the state of the capital markets in Canada and the US, drilling activity in Canada and the US and the ability of CESTC to complete the Note Offering or otherwise secure financing to repay the Bridge Loan. Although the Corporation 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 Corporation 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.

Market and Industry Data

This news release contains certain market and industry data that has been obtained from third party sources. While the Corporation believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Corporation has not independently verified any of the data from third party sources referred to in this news release or ascertained the underlying assumptions relied upon by such sources.