



Canadian Energy SERVICES

**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

August 1, 2016

Canadian Energy Services & Technology Corp. Announces Acquisition of Catalyst Oilfield Services, LLC

Canadian Energy Services & Technology Corp. (“CES” or the “Company”) (TSX: CEU)(OTCQX: CESDF) is pleased to announce that it has completed the acquisition (the “**Acquisition**”) of all of the production and specialty chemical business assets of Catalyst Oilfield Services, LLC. (“**Catalyst**”). The acquisition of Catalyst will accelerate the expansion of the Company’s US production and specialty chemicals operations with particular focus in West Texas and the Permian Basin. The effective date of the Acquisition is August 1, 2016. Customary to previous acquisitions completed by CES, consideration will be a combination of cash and CES common shares escrowed over a three year period. In addition, key employees of Catalyst have agreed to employment contracts along with non-compete and non-solicit commitments. Established in 2005, and headquartered just outside of Midland Texas in Gardendale, Catalyst is a West Texas based private company that provides production and specialty chemical solutions for a number of leading oil and natural gas companies.

“We are very excited to add the best independent West Texas based production and specialty chemical company to our team,” said Tom Simons, President and CEO of CES. “In particular we look forward to working with Catalyst’s top-tier leadership and their team. Catalyst has great customers in what we believe is the most prolific on-shore basin in North America. We also see many opportunities and synergies as we combine Catalyst with our JACAM operations. As we stated when we raised equity a few months ago, we hoped we could deploy much of that capital towards an acquisition that would accelerate growth for us in the Permian and advance our drive to be the clear number three oilfield chemical company in North America. By adding Catalyst we think we have accomplished that.”

“We are very excited to be joining forces with CES,” said Trey Womack, President of Catalyst. “CES shares our same company values and passion for excellence and is an oilfield leader for vertical chemical integration. They have grown by integrating the entrepreneurial spirit of individual companies into an organization that inspires growth through both guided autonomy and supportive cooperation. CES brings to Catalyst tremendous technical support with unique product offerings like solid chemistry and extended control corrosion inhibitors like SuperCorr® which will benefit our customers tremendously. Our combined locations, products and people create synergies, not duplications.”

Strategic Rationale of the Acquisition

Catalyst will continue to operate under its current well established brand. Sales and operations will be coordinated and optimized alongside CES’s JACAM division. Catalyst will leverage CES’ vertical integration and unique technologies like solid chemistry and SuperCorr® to better meet the needs of its customers.

Catalyst will significantly expand CES’ position and market-share of production and specialty chemicals in West Texas, selling into the production, fracturing and pipeline verticals. Catalyst has over 180 customers with particular concentration of both accounts and sales in the Delaware Basin.

CES will add Catalyst's 150 person strong experienced work force and senior leadership with extensive breadth and depth of knowledge and experience in oilfield chemicals.

CES will add Catalyst's low temperature reacting and chemical blending facility located in Gardendale, Texas, as well as 8 other stock points in Texas and New Mexico.

CES will add Catalyst's extensive line of over 300 finished products many of them proprietary and designed for the unique down-hole challenges in West Texas.

CES will add Catalyst's expansive fleet of 62 treater trucks and delivery trucks to ensure reliable operational support of its chemical programs.

CES will add Catalyst's Gardendale laboratory which employs 12 engineers/chemists/technicians to evaluate and develop products. They will support Catalyst's and JACAM's customers and sales force in providing the most cost effective solutions to each application.

CES expects the Catalyst Acquisition to be accretive to CES' cash flow from operations; EBITDAC; and net income.

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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 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 Measures

CES uses certain performance measures that are not recognizable under International Financial Reporting Standards ("IFRS"). These performance measures include EBITDA and EBITDAC. 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.

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 opportunities and synergies from combining Catalyst's operations with JACAM's operations; the expansion of the Company's US production and specialty chemicals operations as a result of the Acquisition, including industry position relative to competitors; the Company's plans to integrate Catalyst with the operations of CES and JACAM and management's expectation of the effect of the Catalyst Acquisition and on CES' cash flow, EBITDAC and net income and strategic position in certain market segments, in particular West Texas and the Permian basin. Material assumptions and factors that could cause actual results to differ materially from such forward-looking information include market and industry conditions affecting CES' operations, the successful integration of Catalyst's employees and customers with CES and JACAM and the ability for CES to sell Catalyst's services and products into the United States production and specialty chemical markets. 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.