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FOR IMMEDIATE DISTRIBUTION

CES ENERGY SOLUTIONS CORP. ANNOUNCES STRONG 2021 RESULTS AND DECLARES A CASH DIVIDEND

CES Energy Solutions Corp. ("CES" or the **"**Company") (**TSX: CEU) (OTC: CESDF)** announced today the Company's results for the three and twelve months ended December 31, 2021. Further, CES announced today that it will pay a cash dividend of $0.016 per common share on April 15, 2022 to the shareholders of record at the close of business on March 31, 2022.

Fourth Quarter and Year End Highlights

- **Record quarterly revenue of $367.8 million in Q4 2021, and annual revenue of $1.2 billion in 2021;**
- **Adjusted EBITDAC of $47.8 million in Q4 2021, and $156.1 million in 2021;**
- **Funds Flow from Operations of $33.5 million in Q4 2021, and $117.3 million in 2021;**
- **Re-instituted dividend of $0.06 per share on an annualized basis;**
- **Repurchased 3.9% of outstanding shares at average price of $1.60 per share in 2021;**
- **Working Capital Surplus exceeded Total Debt, net of cash, at December 31, 2021 by $20.4 million.**

CES is pleased to announce strong Q4 2021 financial results, demonstrating record quarterly revenues and another consecutive quarter of solid margins and surplus free cash flow generation. The Company continues to focus on strategic investments in working capital as supply chain constraints persist, while preserving a strong balance sheet and liquidity metrics in the current rising cost environment. Revenue for the quarter was $367.8 million, representing a sequential increase of $53.4 million or 17.0% over $314.4 million in Q3 2021, and Adjusted EBITDAC was $47.8 million, representing a $5.8 million or 13.8% increase over $42.0 million in Q3 2021. CES generated annual revenue of $1,196.4 million, an increase of $308.4 million or 34.7% from $888.0 million in 2020, and Adjusted EBITDAC of $156.2 million, compared to $102.2 million in 2020.

Backed by strong energy market fundamentals, CES realized revenue growth throughout its business lines during the fourth quarter as it was able to leverage its established infrastructure, strong industry positioning, committed employees, and strategic investments in key raw materials. The continued positive momentum demonstrated in the quarter has been bolstered by improvements in rig activity, higher production volumes, pricing increases, and strategic procurement initiatives that are expected to continue into 2022.

As industry activity levels continued to improve during Q4, CES remained disciplined on capital expenditures during the quarter, retaining substantial liquidity. The Company made strategic use of its balance sheet to support higher accounts receivable levels associated with increasing revenue, and financed key surplus raw materials purchases in a rapidly evolving supply chain environment to avoid constraints on key inputs and mitigate product cost inflation. CES exited the quarter with a net draw on its Senior Facility of $110.1 million (December 31, 2020 - net cash balance of $18.3 million) and Total Debt, net of cash, of $439.4 million (December 31, 2020 - $299.7 million), of which $288.0 million relates to Senior Notes which don't mature until October 21, 2024. At December 31, 2021, CES' Senior Facility had a maximum available draw of approximately C$ equivalent $232.5 million providing ample liquidity to support increasing business activity levels. The increases realized during the quarter were primarily driven by strategic investments in working capital to support strong sequential revenue growth, combined with dividends paid out during the quarter totaling $4.1 million and the repurchase of 2.4 million common shares under the Company's NCIB program for $4.5 million, at an average price of 1.88 per share. Working Capital Surplus exceeded Total Debt, net of cash, at December 31, 2021 by $20.4 million (December 31, 2020 - Net Debt of $26.4 million). As at this date, the Company had a net draw on its Senior Facility of approximately $133.0 million in support of working capital levels associated with strong revenue growth and continued strategic investment in surplus inventory levels.

In the fourth quarter, CES generated revenue of $367.8 million, an increase of $155.0 million or 72.8% compared to $212.8 million in revenue for Q4 2020 and a sequential increase of $53.4 million or 17.0% compared to $314.4 million in revenue for Q3 2021. For the year ended December 31, 2021, CES generated revenue of $1,196.4 million, an increase of $308.4 million or 34.7% from $888.0 million in 2020. As producers' capital spending improved and production levels increased, activity and industry rig counts have seen a significant uptick from the lows seen during the height of the COVID-19 pandemic in 2020 and are now approaching pre-pandemic levels.

Revenue generated in the US during Q4 2021 was $233.8 million, representing a sequential increase of $36.9 million or 18.7% from Q3 2021 and an increase of $96.5 million or 70.4% from the comparative period in 2020. US revenues were positively impacted by increased industry activity and the return toward pre-pandemic production levels, along with a significant increase in bulk product sales in the production chemicals division. US land drilling activity in Q4 2021 has improved by 83.8% from Q4 2020 and by 12.3% on a sequential quarterly basis. For the year ended December 31, 2021, revenue generated in the US increased by 28.8% to $774.1 million relative to 2020. CES continues its strong industry positioning, with a US Drilling Fluids Market Share of 17.6% for Q4 2021.

Revenue generated in Canada during Q4 2021 was $134.0 million, representing a sequential increase of $16.5 million or 14.1%, and an increase of $58.4 million or 77.3% from the 2020 comparative period. Canadian revenues benefited from increased rig counts on improvement in land drilling activity of 80.2% as compared to Q4 2020 and by 7.5% on a sequential quarterly basis, as well as from the reversal of temporary production shut-ins. For the year ended December 31, 2021, revenue generated in Canada increased 47.1% to $422.3 million relative to 2020.

CES achieved Adjusted EBITDAC of $47.8 million in Q4 2021, representing an increase of $23.1 million or 93.7% over $24.7 million in Q4 2020 and an increase of $5.8 million or 13.6% over $42.0 million in Q3 2021. Adjusted EBITDAC as a percentage of revenue of 13.0% achieved in Q4 2021 represented a significant improvement from the 11.6% recorded in Q4 2020 as the Company benefited from strong competitive positioning, pricing increases, improved production levels and increased drilling activity in both the US and Canada, and was inline with the 13.4% in Q3 2021 on account of rising costs associated with supply chain pressure. For the twelve months ended December 31, 2021, CES achieved Adjusted EBITDAC of $156.2 million, compared to $102.2 million in 2020 as a result of higher period over period revenues driven by the factors described above. Margins for both the three and twelve month periods experienced compression as product and labour costs increased, the impact of which was partially offset as a result of higher activity levels and the preservation of G&A at prudent levels.

Net income for the three months ended December 31, 2021 was $24.7 million compared to $40.5 million in Q4 2020. Lower net income for the period was driven by a smaller deferred tax recovery in Q4 2021 of $9.2 million, as compared to $44.4 million in Q4 2020, partially offset by higher industry activity levels and associated revenues. CES no longer recognized a benefit from the Canada Emergency Wage Subsidy ("CEWS") program in Q4 2021, compared to $2.9 million in Q4 2020. Net income for the year ended December 31, 2021 was $49.9 million compared to a net loss of $222.9 million for the year ended December 31,

2020. Net loss for the year ended December 31, 2020 was impacted by $18.9 million of inventory valuation write-downs, additional bad debt allowances and restructuring costs recorded in light of the challenging global oilfield market, coupled with a $248.9 million goodwill impairment.

On September 1, 2021, the Company completed an amendment and two-year extension of its existing syndicated Senior Facility (the "Senior Facility"). The amendment took effect September 1, 2021 and will remain in effect until maturity on September 28, 2024, subject to certain terms and conditions, and the Senior Facility may be extended by one year upon agreement of the lenders and the Company. The Senior Facility is comprised of a Canadian facility of $145.0 million and a US facility of US$70.0 million. The principal amendment made to the Senior Facility was to shift availability to the US through an increase to the US facility from US$50.0 million to US$70.0 million and a corresponding reduction in the Canadian facility from $170.0 million to $145.0 million, for a total facility size of approximately C$ equivalent $232.5 million. The agreement also preserves the Company's ability to use proceeds under the Senior Facility to repurchase or redeem a portion of the Company's outstanding senior unsecured notes, subject to minimum liquidity requirements. Other terms and conditions from the amendment remain materially consistent with those of the previous Senior Facility. Subsequent to December 31, 2021 the company amended its Senior Facility to exercise $30.0 million of available accordion capacity, increasing the maximum amount available on the Canadian facility from $145.0 million to $175.0 million, for a total facility size of approximately C$ equivalent $262.5 million. All other terms and conditions remain unchanged.

Outlook

The global supply-demand balance for energy continues to be very constructive with demand approaching pre-COVID levels and tempered supply increases governed by healthy returns, particularly in CES' North American target markets. As the global economic recovery continued to gain momentum, increased activity and demand have led to improving commodity prices, production levels and drilling activity. We expect the growth in activity to continue into 2022, moderated by ongoing challenges with availability of labour and supply chain constraints. CES is optimistic in its outlook for 2022 as it expects to benefit from elevated upstream activity and improved pricing across North America by capitalizing on its established infrastructure, industry leading positioning, vertically integrated business model, and strategic procurement practices. While the challenges surrounding the global supply chain market are expected to persist into 2022, CES remains confident that a combination of proactive inventory procurement practices, targeted pricing increases and working capital focus will help to mitigate the impact of the elevated cost environment.

CES believes it will continue to capitalize on its asset light, consumable chemical business model and its ability to maintain a prudent cost structure in this industry activity level environment. CES' counter cyclical leverage model was tested during the pandemic and demonstrated its ability to remain resilient despite declines in industry activity. As industry activity has continued to improve, the Company has made strategic investments in working capital to manage global supply chain challenges, and will continue to focus on working capital optimization and balance sheet strength and liquidity as the year progresses.

CES has proactively managed both the duration and the flexibility of its debt. In September 2021, CES successfully amended and extended its Senior Facility to September 2024. In October 2017, CES successfully re-financed and reduced its coupon on its previously outstanding $300.0 million Senior Notes by issuing new 6.375% Senior Notes, which mature in October 2024.

CES expects 2022 capital expenditures to be approximately $40.0 million, of which $20.0 million is maintenance and $20.0 million is earmarked for expansion. CES plans to continue its disciplined and prudent approach to capital expenditures in 2022 and will adjust its plans as required to support growth throughout the divisions.

CES' underlying business model is capex light and asset light, enabling generation of significant surplus free cash flow. As our customers increasingly regulate their business models to maintain spending within cash flows, we believe that CES will be able to leverage its established infrastructure, business model, and nimble customer-oriented culture to deliver superior products and services to the industry. CES sees the consumable chemical market increasing its share of the oilfield spend as operators continue to: drill longer reach laterals and drill them faster; expand and optimize the utilization of pad drilling; increase the intensity and size of their fracs; and require increasingly technical and specialized chemical treatments to effectively maintain existing cash flow generating wells and treat growing production volumes and water cuts from new wells.

CES' strategy is to continue to use its decentralized management model; its vertically integrated manufacturing model; its problem solving through science approach; its patented and proprietary technologies; and its superior people and execution to increase market share. By being basic in the manufacture of the consumable chemicals it sells, CES' vertically integrated business model enables it to be price competitive and a technology leader. Operators require increasingly technical solutions and deeper customer-centric coverage models to meet their needs. CES believes that its unique value proposition makes it the premier independent provider of technically advanced consumable chemical solutions to the North American oilfield. In its core businesses, CES will focus on profitably growing market share, controlling costs and managing working capital, developing or acquiring new technologies and making strategic investments as required to position the business to capitalize on current and future opportunities.

Conference Call Details

With respect to the fourth quarter results, CES will host a conference call / webcast at 9:00 am MT (11:00 am ET) on Friday, March 11, 2022. A recording of the live audio webcast of the conference call will also be available on our website at www.cesenergysolutions.com. The webcast will be archived for approximately 90 days.

North American toll-free: 1-(800)-319-4610
International / Toronto callers: (416)-915-3239
Link to Webcast: http://www.cesenergysolutions.com/

Financial Highlights

	Three Months Ended December 31,			Year Ended December 31,		
($000s, except per share amounts)	**2021**	2020	%Change	**2021**	2020	%Change
Revenue						
United States[2]	**233,842**	137,262	70 %	**774,112**	600,898	29 %
Canada[2]	**133,952**	75,552	77 %	**422,308**	287,149	47 %
Total Revenue	**367,794**	212,814	73 %	**1,196,420**	888,047	34.7 %
Net income (loss)	**24,723**	40,453	(39)%	**49,884**	(222,903)	nmf
per share – basic	***0.10***	*0.15*	*(38)%*	***0.20***	*(0.85)*	*nmf*
per share - diluted	***0.09***	*0.15*	*(37)%*	***0.19***	*(0.85)*	*nmf*
Adjusted EBITDAC[3]	**47,758**	24,651	94 %	**156,156**	102,168	53 %
Adjusted EBITDAC[3] % of Revenue	***13.0 %***	*11.6 %*	1.4 %	***13.1 %***	*11.5 %*	1.5 %
Cash provided by (used in) operating activities	**(39,506)**	14	nmf	**(74,405)**	156,679	(147)%
Funds Flow From Operations[4]	**33,534**	17,194	95 %	**117,254**	72,353	62 %
Capital expenditures						
Expansion Capital[2]	**8,648**	1,559	455 %	**17,900**	14,885	20 %
Maintenance Capital[2]	**3,470**	832	317 %	**11,465**	8,063	42 %
Total capital expenditures	**12,118**	2,391	407 %	**29,365**	22,948	28 %
Dividends declared	**4,061**	—	—%	**8,139**	2,948	176 %
per share	***0.0160***	—	—%	***0.0320***	*0.0113*	184 %
Common Shares Outstanding						
End of period	**253,830,896**	258,264,857		**253,830,896**	258,264,857	
Weighted average - basic	**255,742,883**	260,997,098		**255,269,304**	263,065,652	
Weighted average - diluted	**262,693,594**	269,504,464		**263,378,254**	263,065,652	

	As at				
Financial Position ($000s)	**December 31, 2021**	September 30, 2021	%Change	December 31, 2020	%Change
Total assets	**1,087,598**	992,511	10 %	857,888	27 %
Long-term financial liabilities[1]	**423,077**	356,610	19 %	298,776	42 %
Total Debt, net of cash[5]	**439,392**	372,108	18 %	299,677	47 %
Working Capital Surplus[5]	**459,754**	386,476	19 %	273,313	68 %
Net Debt[5]	**(20,362)**	(14,368)	42 %	26,364	nmf
Shareholders' equity	**486,675**	471,190	3 %	455,663	7 %

Notes:

[1]Includes the long-term portion of the Senior Facility, the Senior Notes, lease obligations and cash settled incentive obligations.

[2]Supplementary financial measure. Supplementary Financial Measures are provided herein because Management believes they assist the reader in understanding CES' results. Refer to "Non-GAAP Measures and Other Financial Measures" for further detail.

[3]Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for Adjusted EBITDAC is Net income (loss). Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" herein.

[4]Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for Funds flow from operations is Cash provided by (used in) operating activities. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" herein.

[5]Non-GAAP measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for Total Debt, net of cash, Net Debt and Working Capital Surplus is Long-term financial liabilities. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" herein.

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 remedial 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 all major basins throughout the United States ("US"), including the Permian, Eagleford, Bakken, Marcellus and Scoop/Stack, as well as in the Western Canadian Sedimentary Basin ("WCSB") with an emphasis on servicing the ongoing major resource plays: Montney, Duvernay, Deep Basin and SAGD. In the US, CES operates under the trade names AES Drilling Fluids ("AES"), Jacam Catalyst ("Jacam Catalyst"), Superior Weighting Products ("Superior Weighting") and StimWrx Energy Services ("StimWrx"). In Canada, CES operates under the trade names Canadian Energy Services, PureChem Services ("PureChem"), StimWrx, Sialco Materials ("Sialco"), and Clear Environmental Solutions ("Clear"). In Oman, CES operates under the trade name CES Operations.

Following a series of transformative acquisitions, including the purchase of Jacam Chemicals ("Jacam") in 2013 and Catalyst Oilfield Services ("Catalyst") in 2016, the Company has been focused on integrating these businesses into its existing operations and driving efficiencies and organic growth. On December 31, 2020, the Company completed an internal organization, which combined the retail businesses of Jacam and Catalyst to form Jacam Catalyst, LLC.

The Jacam Catalyst, PureChem, and Sialco brands are vertically integrated manufacturers of advanced specialty chemicals. In addition to being basic in the manufacture of oilfield chemicals, Jacam Catalyst and PureChem have expanded distribution channels into the oilfield. The StimWrx brand provides near matrix stimulation and remediation of oil, gas, and injection wells in Western Canada and the US. 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.

Clear is a complimentary business division that supports the operations and augments the product offerings in the WCSB. Clear is CES' environmental division, providing environmental consulting, water management and water transfer services, and drilling fluids waste disposal services primarily to oil and gas producers active in the WCSB.

CES continues to invest in research and development of new technologies and in the top-end scientific talent that can develop and refine these technologies. CES operates nine separate lab facilities across North America: two in Houston, Texas; one in Midland, Texas; one in Gardendale, Texas; one in Sterling, Kansas; and one in each of Calgary, Alberta; Grande Prairie, Alberta; Carlyle, Saskatchewan; and Delta, British Columbia. In the US, CES' main chemical manufacturing and reacting facility is located in Sterling, Kansas with additional low-temperature reaction and chemical blending capabilities just outside of Midland, Texas and chemical blending capabilities in Sonora, Texas. In Canada, CES has a chemical manufacturing and reacting facility located in Delta, British Columbia with additional chemical blending capabilities located in Carlyle, Saskatchewan, Nisku, Alberta, and

Grande Prairie, Alberta. CES also leverages third party partner relationships to drive innovation in the consumable fluids and chemicals business.

Non-GAAP Measures and Other Financial Measures

CES uses certain supplementary information and measures not recognized under IFRS where management believes they assist the reader in understanding CES' results. These measures are calculated by CES on a consistent basis unless otherwise specifically explained. These measures do not have a standardized meaning under IFRS and may therefore not be comparable to similar measures used by other issuers.

Non-GAAP financial measures and non-GAAP ratios have the definition set out in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure". The non-GAAP measures, non-GAAP ratios and supplementary financial measures used in this news release, with IFRS measures, are the most appropriate measures for reviewing and understanding the Company's financial results. The non-GAAP measures and non-GAAP ratios are further defined as follows:

EBITDAC - is a non-GAAP measure that has been reconciled to net income (loss) for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. EBITDAC is defined as net income before interest, taxes, depreciation and amortization, finance costs, other income (loss), stock-based compensation and impairment of goodwill, which are not reflective of underlying operations. EBITDAC includes government relief subsidies received to help mitigate the impact of the COVID-19 pandemic. EBITDAC is a metric used to assess the financial performance of an entity's operations. Management believes that this metric provides an indication of the results generated by the Company's business activities prior to how these activities are financed, how the Company is taxed in various jurisdictions, and how the results are impacted by foreign exchange and non-cash charges. This non-GAAP financial measure is also used by management as a key performance metric supporting decision making and assessing divisional results.

Adjusted EBITDAC - is a non-GAAP measure that is defined as EBITDAC noted above, adjusted for specific items that are considered to be non-recurring in nature. Management believes that this metric is relevant when assessing normalized operating performance.

Adjusted EBITDAC % of Revenue - is a non-GAAP ratio calculated as Adjusted EBITDAC divided by revenue. Management believes that this metric is a useful measure of the Company's normalized operating performance relative to its top line revenue generation and a key industry performance measure.

Readers are cautioned that EBITDAC and Adjusted EBITDAC should not be considered to be more meaningful than net income (loss) determined in accordance with IFRS.

EBITDAC, Adjusted EBITDAC, and Adjusted EBITDAC % of Revenue are calculated as follows:

	Three Months Ended December 31,		Year Ended December 31,	
$000s	**2021**	2020	**2021**	2020
Net income (loss)	**24,723**	40,453	**49,884**	(222,903)
Add back (deduct):				
Depreciation on property and equipment in cost of sales	**11,499**	11,832	**45,924**	51,724
Depreciation on property and equipment in G&A	**1,581**	1,856	**6,899**	8,347
Amortization on intangible assets in G&A	**3,791**	3,793	**15,155**	15,440
Current income tax expense	**1,705**	740	**4,282**	2,342
Deferred income tax recovery	**(9,210)**	(44,360)	**(1,835)**	(56,240)
Stock-based compensation	**3,867**	2,950	**13,637**	11,543
Finance costs	**5,300**	6,388	**22,389**	24,864
Other income	**(327)**	(31)	**(564)**	(703)
Impairment of goodwill	**-**	-	**-**	248,905
EBITDAC	**42,929**	23,621	**155,771**	83,319
Add back (deduct):				
Inventory valuation write-downs	**-**	-	**-**	12,283
Additional bad debt allowance	**-**	668	**-**	3,795
Restructuring costs	**-**	362	**-**	2,771
Management transition costs	**4,829**	-	**4,829**	-
Gain on sale of building	**-**	-	**(4,444)**	-
Adjusted EBITDAC	**47,758**	24,651	**156,156**	102,168
Adjusted EBITDAC % of Revenue	**13.0%**	11.6%	**13.1%**	11.5%

Funds Flow From Operations - is a non-GAAP measure that has been reconciled to Cash provided by (used in) operating activities for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. Funds flow from operations is defined as cash flow from operations before changes in non-cash operating working capital and represents the Company's after tax operating cash flows. This measure is not intended to be considered more meaningful than cash provided by operating activities, comprehensive income (loss), or other measures of financial performance calculated in accordance with IFRS. Funds Flow From Operations is used by management to assess operating performance and leverage, and is calculated as follows:

	Three Months Ended December 31,		Year Ended December 31,	
$000's	**2021**	2020	**2021**	2020
Cash provided by operating activities	**(39,506)**	14	**(74,405)**	156,679
Adjust for:				
Change in non-cash operating working capital	**73,040**	17,180	**191,659**	(84,326)
Funds Flow From Operations	**33,534**	17,194	**117,254**	72,353

Working Capital Surplus **-** Working Capital Surplus is a non-GAAP measure that is calculated as current assets less current liabilities, excluding the current portion of finance lease obligations. Management believes that this metric is a key measure to assess operating performance and leverage of the Company and uses it to monitor its capital structure.

Net Debt and Total Debt **-** Net Debt and Total Debt are non-GAAP measures that Management believes are key metrics to assess liquidity of the Company and uses them to monitor its capital structure. Net debt represents Total Debt, which includes the Senior Facility, the Senior Notes, both current and non-current portions of lease obligations, non-current portion of cash settled incentive obligations, offset by the Company's cash position, less Working Capital Surplus.

Readers are cautioned that Total Debt, Working Capital Surplus, and Net Debt should not be construed as alternative measures to Long-term financial liabilities determined in accordance with IFRS. Total Debt, Working Capital Surplus, and Net Debt are calculated as follows:

	As at	
$000's	**December 31, 2021**	December 31, 2020
Long-term financial liabilities[(1)]	**423,077**	298,776
Current portion of finance lease obligations	**16,315**	19,152
Total Debt	**439,392**	317,928
Cash	**-**	(18,251)
Total Debt, net of cash	**439,392**	299,677
Deduct Working Capital Surplus:		
Current assets	**619,201**	355,288
Current liabilities[(2)]	**(159,447)**	(81,975)
Working Capital Surplus	**459,754**	273,313
Net Debt	**(20,362)**	26,364

[1]Includes long-term portion of the Senior Facility, the Senior Notes, lease obligations, and cash settled incentive obligations.
[2]Excludes current portion of lease liabilities.

Supplementary Financial Measures

A supplementary financial measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Company; (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio. Supplementary financial measures found within this news release are as follows:

Revenue - United States - comprises a component of total revenue, as determined in accordance with IFRS, and is calculated as revenue recorded from the Company's US divisions.

Revenue - Canada - comprises a component of total revenue, as determined in accordance with IFRS, and is calculated as revenue recorded from the Company's Canadian divisions.

Expansion Capital - comprises a component of total investment in property and equipment as determined in accordance with IFRS, and represents the amount of capital expenditure that has been or will be incurred to grow or expand the business or would otherwise improve the productive capacity of the operations of the business.

Maintenance Capital - comprises a component of total investment in property and equipment as determined in accordance with IFRS, and represents the amount of capital expenditure that has been or will be incurred to sustain the current level of operations.

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 certainty and predictability of future cash flows and earnings; expectations that EBITDAC will exceed the sum of expenditures on interest, taxes and capital expenditures; expectations of capital expenditures in 2021; expectations that EBITDAC will provide sufficient free cash flow to pay down the Company's Senior Facility and add cash to the balance sheet; expectations regarding improving industry conditions and the Company's ability to generate free cash flow to sustain the quarterly dividend; expectations regarding the impact of the COVID-19 pandemic on CES' operations and the oil and natural gas industry generally; CES' ability to execute on financial goals relating to its balance sheet, liquidity, working capital and cost structure; expectations regarding the performance of CES' business model and counter cyclical balance sheet during downturns; expectations regarding CES' ability to qualify and participate in various government support programs including the Canadian Government's CEWS program; expectations that CES will continue to remain open and fully operating during the COVID-19 pandemic; expectations regarding the availability and distribution of COVID-19 vaccines and the corresponding impact on government mandated travel and gathering restrictions, increased demand for fossil-fuels, improving commodity prices, increased production levels and drilling activity; expectations regarding reduced capital expenditures by CES' customers and the quantum of shut-in production by CES' customers; expectations that CES' financial position will provide a competitive advantage in a recovery; the sufficiency of liquidity and capital resources to meet long-term payment obligations; 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, that Catalyst will increase market-share of production and specialty chemicals in the Permian Basin, and that AES will increase drilling fluids market share in the Permian Basin; optimism with respect to future prospects for CES; impact of CES' vertically integrated business model on future financial performance; 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 specialty chemical sales, expected growth in the consumable chemicals market; industry activity levels; commodity prices; uncertainty surrounding the duration and severity of a low oil and natural gas price environment; development of new technologies; expectations regarding CES' growth opportunities in Canada the US and overseas; expectations regarding the performance or expansion of CES' operations and working capital optimization; expectations regarding end markets for production chemicals and drilling fluids in Canada and the US; expectations regarding the impact of production curtailment policies; expectations regarding demand for CES' services and technology; investments in research and development and technology advancements; access to debt and capital markets and cost of capital; expectations regarding capital allocation including the use of surplus free cash flow, the purchase of CES' common shares by CES pursuant to the NCIB, debt reduction through the repayment of the Company's Senior Facility or repurchases of the Company's Senior Notes, investments in current operations, issuing dividends, or market acquisitions; 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 the US, Canada, and internationally; geopolitical risk; fluctuations in demand for consumable fluids and chemical oilfield services, oilfield activity in the Permian, the WCSB, 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; a shift in types of wells drilled; 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; declines in prices for natural gas, natural gas liquids, oil, and pricing differentials between world pricing; pricing in North America and pricing in Canada; impacts of production level decisions among OPEC+ members and the potential demand impacts of COVID-19; competition, and pricing pressures from customers in the current commodity environment; the degree and severity of the COVID-19 pandemic, including government laws and regulations implemented in response to the pandemic and the resulting impact on the demand for oil and natural gas; government support programs implemented in response to the COVID-19 pandemic and potential changes to the qualification criteria and amount of available support; political and societal unrest that may impact CES' operations as well as impact the market for oil and natural gas generally; currency risk as a result of fluctuations in value of the US 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, shipping containers and skilled management, technical and field personnel; the collectability of accounts receivable, ability to integrate technological advances and match advances of competitors; ability to protect the Company's proprietary technologies; 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, carbon pricing schemes, and regulations restricting the use of hydraulic fracturing; pipeline capacity and other transportation infrastructure constraints; government mandated production curtailments; reassessment and audit risk and other tax filing matters; changes and proposed changes to US policies including tax policies or policies relating to the oil and gas industry; international and domestic trade disputes, including restrictions on the transportation of oil and natural gas and regulations governing the sale and export of oil, natural gas and refined petroleum products; the impact of climate change policies in regions which CES operates; the impact and speed of adoption of low carbon technologies; potential changes to the crude by rail industry; changes to the fiscal regimes applicable to entities operating in the US and the WCSB; supply chain disruptions including those caused by global pandemics or disease or from geopolitical unrest, conflict and blockades; the impact of the conflict in Ukraine on supply chains, commodity prices, and the global economy; access to capital and the liquidity of debt markets; fluctuations in foreign exchange and interest rates; CES' ability to maintain adequate insurance at rates it considers reasonable and commercially justifiable; and the other factors considered under "Risk Factors" in CES' Annual Information Form for the year ended December 31, 2021 dated March 10, 2022, and "Risks and Uncertainties" in CES' MD&A for the three and twelve months ended December 31, 2021, dated March 10, 2022.

For further information, please contact:

Ken Zinger
President and Chief Executive Officer
CES Energy Solutions Corp.
(403) 269-2800

Anthony Aulicino
Chief Financial Officer
CES Energy Solutions Corp.
(403) 269-2800

Or by email at: info@ceslp.ca

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