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CES ENERGY SOLUTIONS CORP. ANNOUNCES STRONG Q1 2022 RESULTS

CES Energy Solutions Corp. ("CES" or the "Company") (**TSX: CEU) (OTC: CESDF)** announced today the Company's results for the three months ended March 31, 2022.

First Quarter Highlights

- Record quarterly revenue of $401.3 million
- Adjusted EBITDAC of $42.5 million
- Funds Flow from Operations of $33.1 million
- Paid quarterly dividend of $0.06 per share on an annualized basis, representing a 16% payout ratio
- Working Capital Surplus exceeded Total Debt at March 31, 2022 by $19.0 million
- Completed the acquisition of the business assets of Proflow Solutions LLC

CES is pleased to announce strong Q1 2022 financial results, demonstrating record quarterly revenue, strong surplus free cash flow generation, and realization of pricing-related margin improvement during the latter part of the quarter.

Revenue for the quarter was $401.3 million, representing a sequential increase of $33.5 million or 9% relative to CES' previous record of $367.8 million in Q4 2021. Adjusted EBITDAC was $42.5 million, compared to $47.8 million in Q4 2021 as margins were temporarily impacted by a lag between pricing increases and product cost inflation, up until the latter part of the quarter, when established price increases began to offset cost inflation.

Backed by continued strong energy market fundamentals, CES realized revenue growth throughout its business lines during the first quarter as it was able to leverage its established infrastructure, strong industry positioning, committed employees, and strategic investments in key raw materials. Focus on strategic investments in working capital continued into the quarter as supply chain challenges persisted, albeit at more muted levels toward the end of the quarter. CES was able to use its strong balance sheet and liquidity to support the incremental inventory and strong revenue growth. The continued positive momentum demonstrated in the quarter has been bolstered by improvements in rig activity, higher production volumes, the implementation of pricing increases, and strategic procurement initiatives that are expected to continue throughout 2022.

As industry activity levels continued to improve during Q1, 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 critical inputs and mitigate product cost inflation. CES exited the quarter with a net draw on its Senior Facility of $148.7 million (December 31, 2021 - $110.1 million) and Total Debt of $487.2 million (December 31, 2021 - $439.4 million), of which $288.0 million relates to Senior Notes which don't mature until October 21, 2024. At March 31, 2022, CES' Senior Facility had a maximum available draw of approximately C$ equivalent $262.5 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 strategic acquisition of the business assets of Proflow Solutions LLC for $13.6 million, with $9.6 million paid in cash on close and for other post close working capital adjustments. Working Capital Surplus of $506.2 million exceeded Total Debt of $487.2 million at March 31, 2022 by $19.0 million (December 31, 2021 - $20.4 million). As at this date, the Company had a net draw on its Senior Facility of approximately $162.0 million in support of working capital levels associated with strong revenue growth and continued strategic investment in surplus inventory levels.

First Quarter Results

In the first quarter, CES generated revenue of $401.3 million, an increase of $140.7 million or 54% compared to Q1 2021 and a sequential increase of $33.5 million or 9% compared to Q4 2021. As producers' capital spending increased and production levels improved, activity and industry rig counts have seen a significant uptick from the comparative period which was still highly impacted by the COVID-19 pandemic.

Revenue generated in the US during Q1 2022 was $248.8 million, representing a sequential increase of 6% compared to Q4 2021 and an increase of 48% compared to Q1 2021. US revenues were positively impacted by increased industry activity and the return toward pre-pandemic production levels and beyond in areas such as the Permian Basin, while also benefitting from a favourable product mix. US land drilling activity in Q1 2022 improved by 13% on a sequential quarterly basis and by 63% from Q1 2021. CES continued its strong industry positioning, with a US Drilling Fluids Market Share of 18% for Q1 2022.

Revenue generated in Canada during Q1 2022 was $152.5 million, representing a sequential increase of 14% compared to Q4 2021 and an increase of 65% from Q1 2021. Canadian revenues benefited from a 21% increase in rig counts on a sequential quarterly basis and 38% as compared to Q1 2021, as well as strong production levels.

CES achieved Adjusted EBITDAC of $42.5 million in Q1 2022, representing a decrease of 11.1% compared to Q4 2021 and an increase of 23.6% compared to Q1 2021. Adjusted EBITDAC as a percentage of revenue of 10.6% achieved in Q1 2022 was down from the 13.0% recorded in Q4 2021 and the 13.2% recorded in Q1 2021 as the Company worked to implement price increases to offset increased product costs throughout the quarter. Margins for the quarter experienced temporary compression as product and labour costs increased, the impact of which was partially offset by higher activity levels, preservation of prudent G&A levels, and realization of additional price increases toward the latter part of the quarter.

Net income for the three months ended March 31, 2022 was $10.3 million compared to $5.1 million in Q1 2021. Higher net income for the period was driven by increased industry activity levels and associated revenues along with the preservation of a prudent cost structure, despite rising product costs. CES no longer recognized a benefit from the Canada Emergency Wage Subsidy ("CEWS") program in Q1 2022, compared to $1.7 million in Q1 2021.

CES generated $33.1 million in Funds flow from Operations in Q1 2022, in line with the $33.5 million generated in Q4 2021 and up from the $25.7 million generated in Q1 2021. Funds flow from Operations excludes the impact of working capital investment and is reflective of strong surplus free cash flow generation amid continued improvements in market conditions in the quarter relative to the comparative period.

As at March 31, 2022, CES had a Working Capital Surplus of $506.2 million, which has increased from $459.8 million at December 31, 2021 as CES has strategically used its balance sheet to further finance investments in inventory beyond normal carrying volumes, in order to meet the increasing needs of existing and new customers, manage cost inflation, and mitigate the effects of global supply chain constraints. In addition, accounts receivable increased by 18% from December 31, 2021, to support significant increases in revenue and corresponding collection cycles. The Company continues to focus on working capital optimization and to benefit from the high quality of its customers and diligent internal credit monitoring processes.

On February 1, 2022, through a US subsidiary, CES closed the acquisition of all of the business assets of Proflow Solutions LLC ("Proflow") for an aggregate purchase price of $13.6 million, consisting of $8.3 million in cash paid on the date of the acquisition, $1.3 million in cash paid for other post close working capital adjustments during the quarter, and $4.1 million in deferred consideration to be settled on the first, second, and third anniversaries of the date of acquisition, subject to meeting certain requirements. Proflow is an oilfield chemical provider and service company that operates across the Gulf of Mexico providing production chemicals for the upstream oil and gas industry along with account management services. CES believes that the Proflow acquisition will accelerate expansion of US production and specialty chemicals operations into the offshore market with a particular focus in the Gulf of Mexico.

Outlook

The global supply-demand balance for energy continues to be very constructive with demand surpassing pre-COVID levels and tempered supply increases governed by healthy returns, particularly in CES' North American target markets. As the global economic recovery has gained momentum, increased activity and demand have led to improving commodity prices, production levels and drilling activity. The ongoing military conflict in Ukraine has further exacerbated persistent global supply and demand imbalances and is likely to create continued volatility in global oil prices in the near term. We expect the strong activity levels to continue through the balance of 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 throughout 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. 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 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, excluding amounts related to business acquisitions. 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 divisions.

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 and in February 2022, the Company proactively added $30.0 million of incremental capacity to the Senior Facility. 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' underlying business model is capex light and asset light, enabling generation of significant surplus free cash flow. As our customers endeavor to maintain or grow production in the current environment, CES will 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.

Conference Call Details

With respect to the first quarter results, CES will host a conference call / webcast at 9:00 am MT (11:00 am ET) on Friday, May 13, 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

($000s, except per share amounts)	Three Months Ended March 31, **2022**	2021	%Change
Revenue			
United States[2]	**248,796**	168,047	48 %
Canada[2]	**152,485**	92,579	65 %
Total Revenue	**401,281**	260,626	54 %
Net income (loss)	**10,250**	5,122	100 %
per share – basic	***0.04***	*0.02*	*101 %*
per share - diluted	***0.04***	*0.02*	*102 %*
Adjusted EBITDAC[3]	**42,457**	34,358	24 %
Adjusted EBITDAC[3] % of Revenue	***10.6 %***	*13.2 %*	(2.6)%
Cash provided by (used in) operating activities	**(12,435)**	(5,782)	115 %
Funds Flow From Operations[4]	**33,119**	25,742	29 %
Capital expenditures			
Expansion Capital[2]	**5,240**	2,036	157 %
Maintenance Capital[2]	**3,275**	943	247 %
Total capital expenditures	**8,515**	2,979	186 %
Dividends declared	**4,078**	—	nmf
per share	***0.0160***	—	nmf
Common Shares Outstanding			
End of period	**254,863,235**	254,415,334	
Weighted average - basic	**254,024,573**	255,244,854	
Weighted average - diluted	**260,718,253**	263,748,333	

Financial Position ($000s)	As at **March 31, 2022**	December 31, 2021	%Change
Total assets	**1,162,218**	1,087,598	7 %
Long-term financial liabilities[1]	**467,641**	423,077	11 %
Total Debt[5]	**487,207**	439,392	11 %
Working Capital Surplus[5]	**506,227**	459,754	10 %
Net Debt[5]	**(19,020)**	(20,362)	(7)%
Shareholders' equity	**484,517**	486,675	(0)%

Notes:

[1]Includes the long-term portion of the Senior Facility, the Senior Notes, lease obligations, deferred acquisition consideration 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. 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. Key solutions include corrosion inhibitors, demulsifiers, H2S 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 H2S.

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 LLC ("Jacam Catalyst"), Proflow Solutions ("Proflow"), and Superior Weighting Products ("Superior Weighting"). In Canada, CES operates under the trade names Canadian Energy Services, PureChem Services ("PureChem"), StimWrx Energy Services Ltd. ("StimWrx"), Sialco Materials Ltd. ("Sialco"), and Clear Environmental Solutions ("Clear").

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 March 31,	
$000s	**2022**	2021
Net income	**10,250**	5,122
Add back (deduct):		
Depreciation on property and equipment in cost of sales	**12,052**	11,847
Depreciation on property and equipment in G&A	**1,672**	1,799
Amortization on intangible assets in G&A	**4,153**	3,912
Current income tax expense	**1,259**	900
Deferred income tax expense	**4,508**	1,701
Stock-based compensation	**4,643**	3,397
Finance costs	**3,995**	5,743
Other income	**(75)**	(63)
EBITDAC & Adjusted EBITDAC	**42,457**	34,358
Adjusted EBITDAC % of Revenue	**10.6%**	11.5%
Adjusted EBITDAC per share - basic	***0.17***	*0.14*
Adjusted EBITDAC per share - diluted	***0.16***	*0.13*

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 March 31,	
$000's	**2022**	2021
Cash used in operating activities	**(12,435)**	(5,782)
Adjust for:		
Change in non-cash operating working capital	**45,554**	31,524
Funds Flow From Operations	**33,119**	25,742

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	**March 31, 2022**	December 31, 2021
Long-term financial liabilities(1)	**467,641**	423,077
Current portion of finance lease obligations	**18,156**	16,315
Current portion of deferred acquisition consideration	**1,410**	-
Total Debt	**487,207**	439,392
Deduct Working Capital Surplus:		
Current assets	**694,699**	619,201
Current liabilities(2)	**(188,472)**	(159,447)
Working Capital Surplus	**506,227**	459,754
Net Debt	**(19,020)**	(20,362)

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

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; 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 the impact of conflict (including the conflict in Ukraine) and global unrest on commodity prices as well as CES' business and operations; 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 months ended March 31, 2022, dated May 12, 2022.

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