



CES ENERGY SOLUTIONS CORP. TO AMEND NOTE INDENTURE

CES Energy Solutions Corp. (“CES” or the “Company”) (**TSX: CEU**) (**OTC: CESDF**) is pleased to announce that it has entered into support agreements with certain holders (the “Consenting Noteholders”) of its 6.375% senior notes due October 21, 2024 (the “Notes”) representing a majority in aggregate principal amount of outstanding Notes, to consent to the amendment (the “Amendment”) of the trust indenture dated October 20, 2017, as supplemented, governing the Notes (the “Indenture”). The Consenting Noteholders’ consents will be sufficient to enable the Company to implement the Amendment without undertaking a more formal consent solicitation of all of the holders of the Notes (the “Noteholders”), although all Noteholders will be afforded the opportunity to consent should they wish to do so.

The Amendment, when implemented, will permit the Company and any of its restricted subsidiaries to incur indebtedness under any credit facilities in an aggregate amount at any time outstanding, not to exceed the greater of (a) \$400 million or (b) 30% of consolidated tangible assets (as defined in the Indenture) of the Company, replacing the current limitations of the greater of (a) \$265 million or (b) 1.5x consolidated cash flow (as defined in the Indenture) of the Company. The increase in this permitted indebtedness is aligned with the increased financial scale of the Company and the strength of its balance sheet, thereby providing flexibility to support the current and future liquidity requirements of the Company’s growing business.

“We are very pleased that the Consenting Noteholders have agreed to support certain amendments to afford the Company financial flexibility to continue executing our business model in this robust environment as this is a clear vote of confidence in our strategic plan. The existing Indenture was created in 2017, when CES generated \$1.0 billion in revenue versus the \$1.7 billion in revenue implied by annualizing our Q2 2022 results. These increased revenue levels necessitated an update to the Indenture to support the potential future needs of our much larger Company. With this incremental available liquidity, together with our record-setting financial performance announced today, the Company is in an enviable position to deliver on its strategic objectives and generate greater shareholder value”, said Ken Zinger, CEO of CES Energy Solutions.

Notwithstanding that a formal consent solicitation of Noteholders will not be undertaken in respect of the Amendment, all Noteholders will be afforded the opportunity to consent provided that such consents are received by Computershare Trust Company of Canada on or prior to 4:00 p.m. (Calgary time) on August 19, 2022. Regardless of whether a Noteholder provides a consent, the Company intends to provide all Noteholders of record as of August 8, 2022 with the same consent fee of \$10.00 for each \$1,000 principal amount of Notes, conditional upon and payable following the implementation of the Amendment. The payment date for the consent fee is expected to be August 23, 2022. The Amendment will be implemented pursuant to a fifth supplemental indenture to the Indenture, a copy of which will be distributed to all Noteholders.

About CES Energy Solutions 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.cesenergysolutions.com.

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: cesinfo@ceslp.ca

Forward Looking Information

This press release contains certain forward-looking statements and forward-looking information ("forward-looking information") within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should" or similar words suggesting future outcomes. In particular, this press release includes, without limitation, forward-looking information relating to the Company's: expectations regarding the adoption of the Amendment, the payment of a consent fee and the expected timing thereof, the strength of the Company's balance sheet, the achievement of the Company's strategic objectives, expectations regarding revenue for 2022, and the generation of shareholder value. CES believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Forward-looking information is based on various assumptions. Those assumptions are based on information currently available to CES. Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties some of which are described herein. Any forward-looking information is made as of the date hereof and, except as required by law, CES assumes no obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

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