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FOR IMMEDIATE DISTRIBUTION

CES ENERGY SOLUTIONS CORP. ANNOUNCES STRONG Q3 2022 RESULTS WITH RECORD REVENUE AND ADJUSTED EBITDAC, AND AN INCREASED DIVIDEND

CES Energy Solutions Corp. ("CES" or the "Company") (**TSX: CEU) (OTC: CESDF)** announced today the Company's results for the three and nine months ended September 30, 2022, along with a 25% increase to its quarterly dividend from $0.016 per share to $0.020 per share, which will take effect and be paid on the Company's next scheduled dividend payment of January 13, 2023 to the shareholders of record at the close of business on December 30, 2022.

Third Quarter Highlights

- Record quarterly revenue of $524.7 million, increased 21% sequentially and 67% year over year
- Record Adjusted EBITDAC of $73.3 million, increased 20% sequentially and 74% year over year, representing a 14.0% margin
- Record Funds Flow from Operations of $48.9 million
- Leverage reduced to 2.5x Total Debt/Adjusted EBITDAC from 2.7x at June 30, 2022 and 3.0x at March 31, 2022
- Working Capital Surplus exceeded Total Debt at September 30, 2022 by $100.2 million
- Paid quarterly dividend of $0.06 per share on an annualized basis, representing a 10% payout ratio

CES is pleased to announce strong Q3 2022 financial results, demonstrating record quarterly revenue and Adjusted EBITDAC, strong margins and Funds Flow from Operations as the Company continues to demonstrate increased activity and pricing levels across its business lines.

Revenue for the quarter achieved another consecutive record high at $524.7 million, representing a sequential increase of $91.1 million or 21% relative to CES' previous record of $433.7 million in Q2 2022. Adjusted EBITDAC for the quarter was a record $73.3 million, compared to CES' previous record of $61.0 million in Q2 2022. CES continues to realize significant revenue growth driven by increased pricing, strong activity levels, and attractive industry positioning throughout the business. Industry conditions continue to provide a supportive backdrop for the Company as the supply demand balance in the sector, activity levels, rig counts and production levels have all improved year over year.

These solid financial results reflect CES' ability to leverage its established infrastructure, strong industry positioning and dedicated people to capitalize on the constructive environment in the broader industry. CES remains confident in its ability to continue generating strong surplus free cash flow and on November 10, 2022, the Company's Board of Directors approved a 25% increase to the quarterly dividend from $0.016 per share to $0.020 per share, resulting in an annualized dividend of $0.080 per share. The increased dividend returns additional value to shareholders while preserving the strength of the Company's balance sheet and maintaining ample liquidity to fund capital allocation alternatives. The new dividend payment amount will be paid on the Company's next scheduled dividend payment date of January 13, 2023 to the shareholders of record at the close of business on December 30, 2022.

CES exited the quarter with a net draw on its Senior Facility of $220.8 million (December 31, 2021 - $110.1 million), and Total Debt of $565.9 million (December 31, 2021 - $439.4 million), of which $288.0 million relates to Senior Notes which mature on October 21, 2024. The increases realized during the period were primarily driven by required working capital build, combined with dividends paid out year to date totaling $12.2 million. During the nine months ended September 30, 2022, the Company amended its Senior Facility to increase the available capacity to approximately C$ equivalent $425.0 million from C$ equivalent $232.5 million, while all other terms and conditions remain substantively unchanged. Working Capital Surplus exceeded Total Debt at September 30, 2022 by $100.2 million (December 31, 2021 - $20.4 million). As at the date of this MD&A, the Company had a net draw on its Senior Facility of approximately $218.0 million.

Third Quarter and Year to Date Results

In the third quarter CES generated revenue of $524.7 million, representing a sequential increase of $91.1 million or 21% compared to Q2 2022, as the Company experienced revenue growth throughout the business and also benefited from the expected seasonal uptick in activity typically seen from Q2 to Q3 in Canada. Q3 2022 revenue also represented an increase of 67% compared to Q3 2021 as activity levels have seen a significant increase year over year. For the nine months ended September 30, 2022, CES generated revenue of $1,359.6 million, an increase of $531.0 million or 64% relative to the nine months ended September 30, 2021. As producers' capital spending increased and production levels have improved year over year, activity and industry rig counts have seen a significant uptick since the comparative periods, which were still highly impacted by the COVID-19 pandemic.

Revenue generated in the US during Q3 2022 was $349.5 million, representing a sequential increase of 16% compared to Q2 2022 and an increase of 77% compared to Q3 2021. For the nine months ended September 30, 2022, revenue generated in the US was up 66% to $898.5 million relative to the nine months ended September 30, 2021. US revenues for both the three and nine month periods were positively impacted by increased industry activity, higher production levels and improved pricing year over year. US land drilling activity in Q3 2022 improved by 6% on a sequential quarterly basis and by 53% from Q3 2021. CES also saw a sequential and year over year improvement in its strong industry positioning, with a US Drilling Fluids Market Share of 18% for Q3 2022.

Revenue generated in Canada during Q3 2022 was $175.2 million, representing a sequential increase of 31% compared to Q2 2022 and an increase of 49% from Q3 2021. For the nine months ended September 30, 2022, revenue generated in Canada was up 60% to $461.2 million relative to the nine months ended September 30, 2021. Canadian revenues were positively impacted by a 60% improvement in rig counts on a sequential quarterly basis with the regular pickup in activity expected seasonally in Canada, and benefited from a 31% increase in rig counts relative to Q3 2021, with drilling and production levels up year over year in both the three and nine month periods. Canadian Drilling Fluids Market Share for Q3 2022 was up on a sequential and year over year basis as well, at 37% for Q3 2022.

CES achieved a record Adjusted EBITDAC of $73.3 million in Q3 2022, representing a sequential increase of 20% compared to Q2 2022 and an increase of 74% compared to Q3 2021. Adjusted EBITDAC as a percentage of revenue of 14.0% achieved in Q3 2022 was in line with the 14.1% recorded in Q2 2022 and up from the 13.4% recorded in Q3 2021. The Company has been effective in implementing further pricing increases where warranted and maintaining prudent G&A levels, which combined with increased scale to deliver continued strong margins for Q3 2022. For the nine months ended September 30, 2022, Adjusted EBITDAC was up 63% to $176.8 million. For both the three and nine month periods, Adjusted EBITDAC improved on significantly higher industry activity levels and improved pricing year over year.

Net income for the three months ended September 30, 2022 was $24.5 million compared to $13.4 million in Q3 2021. Net income for the nine months ended September 30, 2022 was $54.8 million compared to $25.2 million for the nine months ended September 30, 2021. Net income more than doubled for both periods, primarily as a result of significantly higher industry activity levels year over year. CES no longer recognized a benefit from the Canada Emergency Wage Subsidy ("CEWS") program in 2022, compared to $0.7 million and $5.6 million for the three and nine months ended September 30, 2021.

CES generated a record $48.9 million in Funds Flow from Operations in Q3 2022, up 6.1% from $46.1 million generated in Q2 2022 and 40.1% from $34.9 million generated in Q3 2021. For the nine months ended September 30, 2022 CES generated Funds Flow from Operations of $128.1 million, compared to $83.7 million in the nine months ended September 30, 2021. Funds Flow from Operations excludes the impact of working capital investment, and is reflective of strong surplus free cash flow generation amid significant improvements in market conditions in the quarter and year to date relative to the comparative periods.

As at September 30, 2022, CES had a Working Capital Surplus of $666.1 million, which has increased from $574.6 at June 30, 2022 and from $459.8 million at December 31, 2021. The build is commensurate with the increased financial scale of the Company and associated revenue growth, with accounts receivable increasing by 18% and inventory increasing by 16% from June 30, 2022, to support the 21% sequential growth in revenue and corresponding collection cycles. Working Capital Surplus was also impacted by the significant appreciation in the USD quarter over quarter, which contributed $27.8 million to the build upon revaluation of working capital balances held in the US. 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.

CES exited the quarter with a net draw on its Senior Facility of $220.8 million (December 31, 2021 - $110.1 million), and Total Debt of $565.9 million (December 31, 2021 - $439.4 million), of which $288.0 million relates to Senior Notes which mature on October 21, 2024. The increases realized during the period were primarily driven by required working capital build as described above, combined with dividends paid out year to date totaling $12.2 million. Total Debt/Adjusted EBITDAC represented 2.5x at September 30, 2022, compared to 2.7x at June 30, 2022 and 3.0x at March 31, 2022. During the nine months ended September 30, 2022, the Company amended its Senior Facility to increase the available capacity to approximately C$ equivalent $425.0 million from C$ equivalent $232.5 million, while all other terms and conditions remain substantively unchanged. Working Capital Surplus exceeded Total Debt at September 30, 2022 by $100.2 million (December 31, 2021 - $20.4 million). As at the date of this MD&A, the Company had a net draw on its Senior Facility of approximately $218.0 million.

During Q3 2022, under its NCIB program the Company purchased 550,000 common shares at an average price of $2.20 per share for a total of $1.2 million. Since inception of the Company's NCIB programs on July 17, 2018, and up to September 30, 2022, the Company has repurchased 30,819,857 common shares at an average price of $2.00 per share for a total amount of $61.6 million. Subsequent to September 30, 2022, the Company has repurchased 844,500 additional shares at a weighted average price of $2.45 per share for a total of $2.1 million, bringing the total year to date amount of repurchased common shares to 1,537,500 at a weighted average price of $2.32 per share for a total of $3.6 million.

Outlook

The recovery in global energy demand combined with several years of lower investment in the upstream oil and gas sector have resulted in reduced inventories of oil and natural gas and higher commodity prices, providing a supportive outlook for the sector in CES' North American target market. Increased activity and demand have led to improved production levels, drilling activity and commodity prices. We expect current strong activity levels to continue through the balance of 2022 and into 2023, moderated by challenges with availability of labour and supply chain constraints. Further, broad economic concerns exist with respect to recession risk, rising interest rates and geopolitical instability, which may impact customer spending plans. CES is optimistic in its outlook for the remainder of the year and into next year as it expects to benefit from elevated upstream activity and continued strength in commodity pricing across North America by capitalizing on its established infrastructure, industry leading positioning, vertically integrated business model, and strategic procurement practices.

Commensurate with current record revenue levels, CES expects 2022 capital expenditures to be approximately $50.0 million, of which $25.0 million is maintenance and $25.0 million is earmarked for expansion. CES plans to continue its disciplined and prudent approach to capital expenditures 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. In light of the growth in activity and revenue levels seen through 2022 to date, during the year the Company proactively increased the available capacity on its Senior Facility to approximately C$ equivalent $425.0 million from C$ equivalent $232.5 million to support its growth trajectory. 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. To support growth in the business and related working capital needs CES routinely considers its capital structure, including further increasing the capacity of its Senior Facility, refinancing of the Company's Senior Notes, and other potential financing options.

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 third quarter results, CES will host a conference call / webcast at 8:00 am MT (10:00 am ET) on Friday, November 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

($000s, except per share amounts)	Three Months Ended September 30, 2022	2021	%Change	Nine Months Ended September 30, 2022	2021	%Change
Revenue						
United States[1]	**349,503**	196,966	77 %	**898,466**	540,270	66 %
Canada[1]	**175,214**	117,429	49 %	**461,182**	288,356	60 %
Total Revenue	**524,717**	314,395	67 %	**1,359,648**	828,626	64 %
Net income	**24,455**	13,372	83 %	**54,810**	25,161	118 %
per share – basic	***0.10***	*0.05*	*82 %*	***0.21***	*0.10*	*118 %*
per share - diluted	***0.09***	*0.05*	*84 %*	***0.21***	*0.10*	*119 %*
Adjusted EBITDAC[2]	**73,289**	42,035	74 %	**176,773**	108,398	63 %
Adjusted EBITDAC[2] % of Revenue	***14.0 %***	*13.4 %*	0.6 %	***13.0 %***	*13.1 %*	(0.1)%
Cash provided by (used in) operating activities	**(16,258)**	(45,883)	(65)%	**(41,522)**	(34,899)	19 %
Funds Flow From Operations[3]	**48,868**	34,887	40 %	**128,128**	83,720	53 %
Capital expenditures						
Expansion Capital[1]	**10,489**	5,064	107 %	**21,266**	9,252	130 %
Maintenance Capital[1]	**4,491**	4,735	(5)%	**13,544**	7,996	69 %
Total capital expenditures	**14,980**	9,799	53 %	**34,810**	17,248	102 %
Dividends declared	**4,092**	4,078	0 %	**12,269**	4,078	201 %
per share	***0.016***	*0.016*	—%	***0.048***	*0.016*	200 %
Common Shares Outstanding						
End of period	**255,728,104**	254,871,878		**255,728,104**	254,871,878	
Weighted average - basic	**256,246,967**	255,194,323		**255,288,039**	255,109,710	
Weighted average - diluted	**262,332,402**	263,284,730		**261,758,242**	263,608,982	

Financial Position ($000s)	As at **September 30, 2022**	June 30, 2022	%Change	December 31, 2021	%Change
Total assets	**1,392,967**	1,265,455	10 %	1,087,598	28 %
Long-term financial liabilities[4]	**543,787**	500,828	9 %	423,077	29 %
Total Debt[5]	**565,918**	521,246	9 %	439,392	29 %
Working Capital Surplus[5]	**666,109**	574,585	16 %	459,754	45 %
Net Debt[5]	**(100,191)**	(53,339)	88 %	(20,362)	392 %
Shareholders' equity	**584,205**	521,204	12 %	486,675	20 %

Notes:

[1]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.

[2]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.

[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 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.

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

[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 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 September 30,		Nine Months Ended September 30,	
$000s	**2022**	2021	**2022**	2021
Net income	**24,455**	13,372	**54,810**	25,161
Add back (deduct):				
Depreciation on property and equipment in cost of sales	**12,950**	11,275	**37,275**	34,425
Depreciation on property and equipment in G&A	**1,881**	1,735	**5,422**	5,318
Amortization on intangible assets in G&A	**4,132**	3,797	**12,117**	11,364
Current income tax expense	**2,113**	824	**5,013**	2,577
Deferred income tax expense	**5,982**	3,339	**16,824**	7,375
Stock-based compensation	**2,961**	2,505	**10,865**	9,770
Finance costs	**18,680**	5,334	**33,907**	17,089
Other expense (income)	**135**	(146)	**540**	(237)
EBITDAC	**73,289**	42,035	**176,773**	112,842
Add back (deduct):				
Gain on sale of building	**-**	-	**-**	(4,444)
Adjusted EBITDAC	**73,289**	42,035	**176,773**	108,398

Distributable Earnings - is a non-GAAP measure that is defined as cash provided by operating activities, adjusted for change in non-cash operating working capital less Maintenance Capital and repayment of lease obligations. Distributable Earnings is a measure used by Management and investors to analyze the amount of funds available to distribute to shareholders as dividends or through the NCIB program before consideration of funds required for growth purposes.

Dividend Payout Ratio - is a non-GAAP ratio that is defined as dividends declared as a percentage of Distributable Earnings. Management believes it is a useful measure of the proportion of available funds committed to being returned to shareholders in the form of a dividend relative to the Company's total Distributable Earnings.

Readers are cautioned that Distributable Earnings should not be considered to be more meaningful than cash provided by operating activities determined in accordance with IFRS. Distributable Earnings and Dividend Payout Ratio are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
$000's	**2022**	2021	**2022**	2021
Cash provided by (used in) operating activities	**(16,258)**	(45,883)	**(41,522)**	(34,899)
Adjust for:				
Change in non-cash operating working capital	**65,126**	80,770	**169,650**	118,619
Less: Maintenance Capital [(1)]	**(4,491)**	(4,735)	**(13,544)**	(7,996)
Less: Repayment of lease obligations	**(5,178)**	(4,353)	**(15,466)**	(14,395)
Distributable Earnings	**39,199**	25,799	**99,118**	61,329
Dividends declared	**4,092**	4,078	**12,269**	4,078
Dividend Payout Ratio	**10%**	16%	**12%**	7%

[1]*Supplementary Financial Measure. Supplementary Financial Measures are provided herein because Management believes they assist the reader in understanding CES' results.*

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 September 30,		Nine Months Ended September 30,	
$000's	**2022**	2021	**2022**	2021
Cash provided by (used in) operating activities	**(16,258)**	(45,883)	**(41,522)**	(34,899)
Adjust for:				
Change in non-cash operating working capital	**65,126**	80,770	**169,650**	118,619
Funds Flow From Operations	**48,868**	34,887	**128,128**	83,720

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	**September 30, 2022**	December 31, 2021
Long-term financial liabilities[1]	**543,787**	423,077
Current portion of finance lease obligations	**20,584**	16,315
Current portion of deferred acquisition consideration	**1,547**	-
Total Debt	**565,918**	439,392
Deduct Working Capital Surplus:		
Current assets	**907,051**	619,201
Current liabilities[2]	**(240,942)**	(159,447)
Working Capital Surplus	**666,109**	459,754
Net Debt	**(100,191)**	(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.*

Total Debt/Adjusted EBITDAC – is a non-GAAP ratio that Management believes to be a useful measure of the Company's liquidity and leverage levels, and is calculated as Total Debt divided by Adjusted EBITDAC for the most recently ended four quarters. Total Debt and Adjusted EBITDAC are 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. Total Debt and Adjusted EBITDAC are calculated as outlined above.

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 2022; expectations that Adjusted EBITDAC will provide sufficient free cash flow to pay down the Company's Senior Facility and add cash to the balance sheet; expectations regarding the adoption of the Amendment, the strength of the Company's balance sheet, the achievement of the Company's strategic objectives, and the generation of shareholder value; expectations regarding improving industry conditions and the Company's ability to generate free cash flow to sustain and increase the quarterly dividend; 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 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; 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; 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 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; competition, and pricing pressures from customers in the current commodity environment; 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 nine months ended September 30, 2022, dated November 10, 2022.

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