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FOR IMMEDIATE DISTRIBUTION

CES ENERGY SOLUTIONS CORP. ANNOUNCES STRONG 2022 RESULTS WITH RECORD REVENUE AND ADJUSTED EBITDAC 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, 2022. Further, CES announced today that it will pay a cash dividend of $0.020 per common share on April 14, 2023 to the shareholders of record at the close of business on March 31, 2023.

Fourth Quarter Highlights

- Record quarterly revenue of $562.7 million, increased 7% sequentially and 53% year over year, completing record annual revenue of $1.9 billion in 2022
- Record Adjusted EBITDAC of $80.2 million in Q4 2022, increased 9% sequentially and 68% year over year, representing a 14.3% margin, completing record Adjusted EBITDAC of $257.0 million in 2022
- Record Funds Flow from Operations of $66.9 million in Q4 2022 and $195.0 million in 2022
- Leverage reduced to 2.17x Total Debt/Adjusted EBITDAC from 2.52x at September 30, 2022 and 2.81x at December 31, 2021
- Working Capital Surplus exceeded Total Debt at December 31, 2022 by $133.6 million
- Declared quarterly dividend of $0.068 per share on an annualized basis, representing an 11% payout ratio

CES is pleased to announce strong Q4 2022 financial results, demonstrating record quarterly revenue and Adjusted EBITDAC, strong margins and Funds Flow from Operations as the Company continues to demonstrate increased pricing and activity levels across its business lines. 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.

Revenue for the quarter reached another consecutive record high at $562.7 million, representing a sequential increase of $38.0 million or 7% relative to CES' previous record of $524.7 million in Q3 2022. Adjusted EBITDAC for the quarter was a record $80.2 million and a 14.3% margin, compared to $73.3 million and 14.0% in Q3 2022. CES continues to realize significant revenue growth driven by increased pricing, scale and industry positioning throughout the business. Industry conditions provided a supportive backdrop for the Company underpinned by year over year improvements in supply demand balance, service intensity, activity levels, rig counts and production levels.

CES exited the quarter with a net draw on its syndicated senior facility (the "Senior Facility") of $208.5 million compared to $220.8 million at September 30, 2022. Total Debt at December 31, 2022 was $557.5 million compared to $565.9 million at September 30, 2022 of which $288.0 million relates to Senior Notes which mature on October 21, 2024. During the twelve months ended December 31, 2022, the Company amended its Senior Facility to increase the available capacity to approximately C$ 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 December 31, 2022 by $133.6 million (September 30, 2022 - $100.2 million).

As at the date of this MD&A, the Company had a net draw on its Senior Facility of approximately $158.0 million representing a reduction of approximately $50.5 million since December 31, 2022. These reduced draw levels reflect the onset of strong free cash flow generation from record revenue levels supported by CES' capex-light business model and stabilizing end market activity levels.

Fourth Quarter and Annual Results

In the fourth quarter CES generated revenue of $562.7 million, representing a sequential increase of $38.0 million or 7% compared to Q3 2022, as the Company experienced revenue growth throughout the business. Q4 2022 revenue also represented an increase of 53% compared to Q4 2021 as activity levels have seen a significant increase year over year. For the twelve months ended December 31, 2022, CES generated revenue of $1.9 billion, an increase of $725.9 million or 61% relative to the twelve months ended December 31, 2021. As producers' capital spending increased and production levels have improved year over year, pricing, activity and industry rig counts have seen a significant uptick since the comparative periods.

Revenue generated in the US during Q4 2022 was $378.5 million, representing a sequential increase of $29.0 million or 8% compared to Q3 2022 and an increase of 62% compared to Q4 2021. For the twelve months ended December 31, 2022, revenue generated in the US was up 65% to $1.3 billion relative to the twelve months ended December 31, 2021. US revenues for both the three and twelve month periods were positively impacted by increased industry activity, higher production levels and improved pricing year over year. US land drilling activity in Q4 2022 improved by 2% on a sequential quarterly basis and by 39% from Q4 2021. CES also saw a sequential and year over year improvement in its strong industry positioning, with a US Drilling Fluids Market Share of 19% for Q4 2022 and an average of 18% for the year.

Revenue generated in Canada during Q4 2022 was $184.2 million, representing a sequential increase of $9.0 million or 5% compared to Q3 2022 and an increase of 38% from Q4 2021. For the twelve months ended December 31, 2022, revenue generated in Canada was up 53% to $645.4 million relative to the twelve months ended December 31, 2021. Canadian revenues benefited from a 20% increase in rig counts relative to Q4 2021 and a 32% increase year over year, with drilling and production levels up year over year in both the three and twelve month periods. Canadian Drilling Fluids Market Share for Q4 2022 was up on a sequential and year over year basis as well, at 38% for Q4 2022 and an average of 36% for the year.

CES achieved record Adjusted EBITDAC of $80.2 million in Q4 2022, representing a sequential increase of 9% compared to Q3 2022 and an increase of 68% compared to Q4 2021. Adjusted EBITDAC as a percentage of revenue of 14.3% achieved in Q4 2022 was up from the 14.0% recorded in Q3 2022 and up from the 13.0% recorded in Q4 2021. The Company has been effective in implementing pricing increases and maintaining prudent G&A levels, which combined with increased scale to deliver record Adjusted EBITDAC and continued strong margins for Q4 2022. For the year ended December 31, 2022, Adjusted EBITDAC was up 65% from $156.2 million in 2021 to $257.0 million. For both the three and twelve month periods, Adjusted EBITDAC improved on significantly higher industry activity levels and improved pricing year over year.

Net income for the three months ended December 31, 2022 was $40.4 million compared to $24.7 million in Q4 2021. Net income for the twelve months ended December 31, 2022 was $95.2 million compared to $49.9 million for the twelve months ended December 31, 2021. Net income nearly 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 $0.12 million and $5.4 million for the three and twelve months ended December 31, 2021, respectively.

CES generated a record $66.9 million in Funds Flow from Operations in Q4 2022, up 37% from $48.9 million generated in Q3 2022 and 100% from $33.5 million generated in Q4 2021. For the twelve months ended December 31, 2022 CES generated Funds Flow from Operations of $195.0 million, compared to $117.3 million in the twelve months ended December 31, 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 relative to the comparative periods.

As at December 31, 2022, CES had a Working Capital Surplus of $691.1 million, which has increased from $666.1 million at September 30, 2022 and from $459.8 million at December 31, 2021. The build during the year is commensurate with the increased financial scale of the Company and associated revenue growth, with accounts receivable increasing by 55% and inventory increasing by 57% from December 31, 2021, to support the 61% year over year growth in revenue and corresponding collection cycles. Working Capital Surplus was also impacted by the significant appreciation in the USD during the year, which contributed $28.0 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 syndicated senior facility (the "Senior Facility") of $208.5 million compared to $220.8 million at September 30, 2022 and $110.1 million at December 31, 2021. Total Debt of $557.5 million at December 31, 2022 compared to $565.9 million at September 30, 2022 and $439.4 million at December 31, 2021, of which $288.0 million relates to Senior Notes which mature on October 21, 2024. The increases realized during the year were primarily driven by required working capital build as described above, combined with dividends paid out year to date totaling $16.3 million. During the twelve months ended December 31, 2022, the Company amended its Senior Facility to increase the available capacity to approximately C$ equivalent $425.0 million from C$ equivalent $232.5 million at December 31, 2021, while all other terms and conditions remain substantively unchanged. Working Capital Surplus exceeded Total Debt at December 31, 2022 by $133.6 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 $158.0 million.

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.

During Q4 2022, under its NCIB program the Company purchased 1,438,500 common shares at an average price of $2.60 per share for a total of $3.7 million. During the twelve months ended December 31, 2022, the Company purchased 2,131,500 common shares at an average price of $2.46 per share for a total of $5.2 million. Since inception of the Company's NCIB programs on July 17, 2018, and up to December 31, 2022, the Company has repurchased 32,258,357 common shares at an average price of $2.03 per share for a total amount of $65.3 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 a balanced market for oil and natural gas, higher commodity prices, and 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 2023, moderated by potential 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 2023 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 2023 capital expenditures to be approximately $55.0 million split evenly between maintenance and expansion capital. 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 in 2022, 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 prioritizes cash flow and as significant surplus free cash flow is generated from current record revenue levels, CES intends to continue to reduce leverage and assess increases to its dividend and share buyback activity.

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 fourth quarter results, CES will host a conference call / webcast at 9:00 am MT (11:00 am ET) on Friday, March 10, 2023. 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 December 31, **2022**	2021	%Change	Twelve Months Ended December 31, **2022**	2021	%Change
Revenue						
United States[(1)]	**378,478**	233,842	62 %	**1,276,944**	774,112	65 %
Canada[(1)]	**184,193**	133,952	38 %	**645,375**	422,308	53 %
Total Revenue	**562,671**	367,794	53 %	**1,922,319**	1,196,420	61 %
Net income	**40,408**	24,723	63 %	**95,218**	49,884	91 %
per share – basic	***0.16***	*0.10*	*60 %*	***0.37***	*0.20*	*85 %*
per share - diluted	***0.15***	*0.09*	*67 %*	***0.36***	*0.19*	*89 %*
Adjusted EBITDAC[(2)]	**80,249**	47,758	68 %	**257,022**	156,156	65 %
Adjusted EBITDAC[(2)] % of Revenue	***14.3 %***	*13.0 %*	1.3 %	***13.4 %***	*13.1 %*	0.3 %
Cash provided by (used in) operating activities	**38,784**	(39,506)	nmf	**(2,738)**	(74,405)	(96)%
Funds Flow From Operations[(3)]	**66,892**	33,534	99 %	**195,020**	117,254	66 %
Capital expenditures						
Expansion Capital[(1)]	**7,448**	8,648	(14)%	**28,714**	17,900	60 %
Maintenance Capital[(1)]	**7,568**	3,470	118 %	**21,112**	11,465	84 %
Total capital expenditures	**15,016**	12,118	24 %	**49,826**	29,365	70 %
Dividends declared	**5,090**	4,061	25 %	**17,359**	8,139	113 %
per share	***0.020***	*0.016*	25 %	***0.068***	*0.032*	113 %
Common Shares Outstanding						
End of period	**254,515,682**	253,830,896		**254,515,682**	253,830,896	
End of year - fully diluted[(4)]	**260,438,045**	260,434,918		**260,438,045**	260,434,918	
Weighted average - basic	**255,031,387**	255,742,883		**255,223,348**	255,269,304	
Weighted average - diluted	**261,003,345**	262,693,594		**261,567,966**	263,378,254	

Financial Position ($000s)	**December 31, 2022**	September 30, 2022	%Change	December 31, 2021	%Change
Total assets	**1,411,003**	1,392,967	1 %	1,087,598	30 %
Long-term financial liabilities[(5)]	**532,771**	543,787	(2)%	423,077	26 %
Total Debt[(6)]	**557,531**	565,918	(1)%	439,392	27 %
Working Capital Surplus[(6)]	**691,096**	666,109	4 %	459,754	50 %
Net Debt[(6)]	**(133,565)**	(100,191)	33 %	(20,362)	556 %
Shareholders' equity	**609,049**	584,205	4 %	486,675	25 %

[1]*Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A 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" contained 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" contained 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 Shares Outstanding, End of period - fully diluted is Common Shares outstanding. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" contained herein.*

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

[6]*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" contained 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, 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 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 MD&A, 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 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 determined in accordance with IFRS.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
$000s	**2022**	2021	**2022**	2021
Net income	**40,408**	24,723	**95,218**	49,884
Add back (deduct):				
Depreciation on property and equipment in cost of sales	**13,427**	11,499	**50,702**	45,924
Depreciation on property and equipment in G&A	**2,058**	1,581	**7,480**	6,899
Amortization on intangible assets in G&A	**4,185**	3,791	**16,302**	15,155
Current income tax expense	**1,924**	1,705	**6,937**	4,282
Deferred income tax expense (recovery)	**7,775**	(9,210)	**24,599**	(1,835)
Stock-based compensation	**4,687**	3,867	**15,552**	13,637
Finance costs	**5,661**	5,300	**39,568**	22,389
Other loss (income)	**124**	(327)	**664**	(564)
EBITDAC	**80,249**	42,929	**257,022**	155,771
Add back (deduct):				
Management transition costs	—	4,829	—	4,829
Gain on sale of building	—	—	—	(4,444)
Adjusted EBITDAC	**80,249**	47,758	**257,022**	156,156

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 December 31,		Twelve Months Ended December 31,	
$000's	**2022**	2021	**2022**	2021
Cash provided by (used in) operating activities	**38,784**	(39,506)	**(2,738)**	(74,405)
Adjust for:				
Change in non-cash operating working capital	**28,108**	73,040	**197,758**	191,659
Less: Maintenance Capital (1)	**(7,568)**	(3,470)	**(21,112)**	(11,464)
Less: Repayment of lease obligations	**(4,915)**	(4,966)	**(20,381)**	(19,361)
Distributable Earnings	**54,409**	25,098	**153,527**	86,429
Dividends declared	**5,090**	4,061	**17,359**	8,139
Dividend Payout Ratio	**9%**	16%	**11%**	9%

[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 December 31,		Twelve Months Ended December 31,	
$000's	**2022**	2021	**2022**	2021
Cash provided by (used in) operating activities	**38,784**	(39,506)	**(2,738)**	(74,405)
Adjust for:				
Change in non-cash operating working capital	**28,108**	73,040	**197,758**	191,659
Funds Flow From Operations	**66,892**	33,534	**195,020**	117,254

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, 2022**	December 31, 2021
Long-term financial liabilities[1]	**532,771**	423,077
Current portion of finance lease obligations	**23,231**	16,315
Current portion of deferred acquisition consideration	**1,529**	-
Total Debt	**557,531**	439,392
Deduct Working Capital Surplus:		
Current assets	**933,680**	619,201
Current liabilities[2]	**(242,584)**	(159,447)
Working Capital Surplus	**691,096**	459,754
Net Debt	**(133,565)**	(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.

Shares outstanding, End of period - fully diluted - Shares outstanding, End of period - fully diluted is a non-GAAP measure that has been reconciled to Common Shares outstanding for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. This measure is not intended to be considered more meaningful than Common shares outstanding. Management believes that this metric is a key measure to assess the total potential shares outstanding for the financial periods and is calculated as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	**2022**	2021
Common shares outstanding	**254,515,682**	253,830,896	**254,515,682**	253,830,896
Restricted share units	**5,922,363**	6,604,022	**5,922,363**	6,604,022
Shares outstanding, end of period - fully diluted	**260,438,045**	260,434,918	**260,438,045**	260,434,918

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 press 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 2023; 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 CES' revenue and free cash flow generation and the potential use of such free cash flow including to increase its dividend or repurchase the common shares of the Company; expectations regarding the stabilization of end market activity levels; 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; 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, downturn in oilfield activity; 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, and oil, and pricing differentials between world pricing, pricing in North America, and pricing in Canada; competition, and pricing pressures from customers in the current commodity environment; conflict, war and political and societal unrest that may impact CES' operations, supply chains 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 and regulations restricting the use of hydraulic fracturing; pipeline capacity and other transportation infrastructure constraints; changes to 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 the 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 WCSB; 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, 2022 dated March 9, 2023, and "Risks and Uncertainties" in CES' MD&A for the three and twelve months ended December 31, 2022, dated March 9, 2023.

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