

CALFRAC ANNOUNCES INCREASED SUPPORT FOR RECAPITALIZATION TRANSACTION AND REMINDS NOTEHOLDERS OF PARTICIPATION IN THE 1.5 LIEN NOTE OFFERING

CALGARY, AB, July 22, 2020 – Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX:CFW) is pleased to announce that it has additional support for the Company's previously announced recapitalization transaction (the "**Recapitalization Transaction**") to be implemented pursuant to a plan of arrangement under the *Canada Business Corporations Act* (the "**Plan of Arrangement**"), as more particularly described in the Company's July 14, 2020 press release (the "**July 14 Press Release**").

The Recapitalization Transaction now has the support of holders (the "**Supporting Noteholders**") of approximately 66% of the Company's outstanding 8.5% senior unsecured notes due 2026 (the "**Senior Unsecured Notes**") as compared to the 50% support disclosed in the July 14 Press Release. The Supporting Noteholders have entered into support agreements with the Company and have agreed to vote in favour of and support the Recapitalization Transaction and Plan of Arrangement, subject to certain conditions.

Calfrac also reminds holders of Senior Unsecured Notes (the "**Senior Unsecured Noteholders**") of the opportunity to participate in the issuance of 10% senior secured convertible payment-in-kind notes of Calfrac (the "**1.5 Lien Notes**") and the pool of 6% pro forma common shares of Calfrac ("**Common Shares**") available to Senior Unsecured Noteholders who commit to vote in favour of the Plan of Arrangement prior to the early consent deadline, each as further described below.

Offering of 1.5 Lien Notes

With respect to the offering of \$60 million of the 1.5 Lien Notes (the "**Offering**") that was first announced in the July 14 Press Release, \$45 million of 1.5 Lien Notes (the "**Initial Commitment**") will be issued to: (i) G2S2 Capital Inc., or an affiliate thereof ("**G2S2**") as to approximately \$18 million of 1.5 Lien Notes; (ii) members of a supporting ad hoc committee of noteholders (the "**Ad Hoc Committee**") as to approximately \$14 million of 1.5 Lien Notes; and (iii) MATCO Investments Ltd. ("**MATCO**") as to approximately \$13 million of 1.5 Lien Notes (G2S2, the Ad Hoc Committee and MATCO collectively, the "**Initial Commitment Parties**"), provided that the Company may allocate up to \$6 million of such Initial Commitment (together with the associated backstop commitment) to holders of Senior Unsecured Notes on or before July 31, 2020 pursuant to the Direct Option, as defined and described below. The remaining \$15 million of the Offering will be made available for subscription by eligible Senior Unsecured Noteholders (which may include the Initial Commitment Parties, to the extent they are a Senior Unsecured Noteholder) on a pro rata basis to their ownership of Senior Unsecured Notes (the "**Pro Rata Option**"), also as described below.

Direct Option

The Company is seeking to allocate up to \$6 million (the "**Direct Option**") of the Initial Commitment to those Senior Unsecured Noteholders who hold the remaining approximately 50% of Senior Unsecured Notes which were not previously subject to a support agreement on July 13, 2020 (which may include the Initial Commitment Parties in respect of any Senior Unsecured Notes acquired after July 13, 2020), provided any such Senior Unsecured Noteholders: (i) meet certain eligibility requirements for the purposes of applicable securities laws; (ii) hold at least US\$1.0 million of face value of Senior Unsecured Notes (the "**Face Amount**"); and (iii) have the power and authority to vote (or direct the voting in respect of) such Senior Unsecured Notes as at the record date of July 13, 2020.

Each such eligible Senior Unsecured Noteholder who wishes to subscribe for 1.5 Lien Notes under the Direct Option may, for each US\$1.0 million Face Amount of Senior Unsecured Notes held, subscribe for **\$75,000** of 1.5 Lien Notes (issued in increments of \$1,000). In the event that Senior Unsecured Noteholders holding more than US\$80 million in Face Amount elect to participate in the Direct Option, the portion of the Direct Option available to each participating Senior Unsecured Noteholder shall be pro rated on the basis of the Face Amount of the Senior Unsecured Notes committed by such participating Senior Unsecured Noteholder to the Direct Option divided by the total Face Amount of all Senior Unsecured Notes that have been committed by all participating Senior Unsecured Noteholders to the Direct Option.

In order to participate in the Direct Option, a Senior Unsecured Noteholder must execute and submit to the Company a joinder to the Company's support agreement with the Ad Hoc Committee and a joinder to the commitment letter with the Initial Commitment Parties (the "**Commitment Letter**") (each in the forms filed on SEDAR) no later than 5:00 p.m. (Mountain time) on July 31, 2020. Any Senior Unsecured Noteholders wishing to participate in the Direct Option should contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000 as soon as possible.

Those Senior Unsecured Noteholders who participate in the Direct Option (the "**Additional Commitment Parties**") shall, along with certain Initial Commitment Parties, based on their respective commitments under the Commitment Letter, have a shortfall commitment and right to participate in connection with any portion of the \$15 million Pro Rata Option (as described below) not taken up by other Senior Unsecured Noteholders, all as further described in the Commitment Letter. The Additional Commitment Parties, along with certain Initial Commitment Parties, shall also be entitled to share pro rata in the aggregate commitment fee of \$1.5 million, payable in Common Shares of Calfrac pursuant to the Plan of Arrangement (the "**Commitment Consideration Shares**").

Pro Rata Option

Under the Pro Rata Option, each eligible Senior Unsecured Noteholder will be provided with the opportunity to subscribe for its pro rata portion of the remaining \$15 million of 1.5 Lien Notes, based on Senior Unsecured Notes held as at a participation record date. The details of the Pro Rata Option, including eligibility requirements, the participation record date and the deadline for participation will all be described in Calfrac's management information circular in respect of the Recapitalization Transaction (the "**Circular**"), which is expected to be mailed to all Senior Unsecured Noteholders and shareholders of the Company in mid-August.

Early Consent Consideration

As previously announced, all Senior Unsecured Noteholders that submit voting instructions to vote in favour of the Plan of Arrangement prior to an early consent date to be determined and set out in the Circular will receive, in addition to the consideration made available to all Senior Unsecured Noteholders, early consent consideration equal to 6% of the pro forma Common Shares of Calfrac issued and outstanding following the implementation of the Plan of Arrangement (the "**Early Consent Consideration**") (prior to any dilution from the Commitment Consideration Shares and the conversion of the 1.5 Lien Notes). The Early Consent Consideration is in addition to the 86% pro forma Common Shares of Calfrac that all Senior Unsecured Noteholders will receive upon the exchange of Senior Unsecured Notes pursuant to the implementation of the Plan of Arrangement (prior to any dilution from the Commitment Consideration Shares and the conversion of the 1.5 Lien Notes).

Any Senior Unsecured Noteholders who has further questions with respect to participation in the Direct Option or the Pro Rata Option, or who wishes to provide their early consent to the Recapitalization

Transaction and the Plan of Arrangement should contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000 as soon as possible.

Subject to the satisfaction of certain conditions, the Plan of Arrangement is expected to be implemented in September 2020. The Recapitalization Transaction and the Offering remains subject to certain conditions, including obtaining required governmental, court, regulatory, and third party consents and approvals, as applicable, that may be required. The Company can give no assurances that the Recapitalization Transaction and the Offering will be completed.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

All references to "\$" are to Canadian dollars, unless otherwise indicated.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the completion of the proposed Recapitalization Transaction and the Offering, and the Company's intentions and expectations.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Recapitalization Transaction and the Offering will be completed as proposed; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; default under the Company's credit facilities and/or the Company's senior notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not

limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing shareholders and holders of Unsecured Notes to vote in favour of the Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Recapitalization Transaction or the Offering, global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 10, 2020 and filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.