DIRECTORS' CIRCULAR

RECOMMENDING

REJECTION

of the unsolicited offer by

THRC HOLDINGS L.P.,

an affiliate of Wilks Brothers, LLC

to purchase all of the Common Shares of

CALFRAC WELL SERVICES LTD.

The Board has unanimously concluded that the Wilks Brothers Offer is not in the best interests of Calfrac or its Shareholders.

The Amended Recapitalization Transaction is a better proposal and overall solution.

The Board unanimously recommends that you <u>REJECT</u> the Wilks Brothers Offer and <u>DO NOT TENDER</u> your Common Shares

September 24, 2020

These materials are important and require your immediate attention. They require shareholders of Calfrac to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. If you have any questions or require additional information, please contact our Proxy, Information and Exchange Agent, Kingsdale Advisors, by: (i) telephone, toll-free in North America at 1-877-659-1822 or collect call outside North America at 1-416-867-2272; or (ii) e-mail to contactus@kingsdaleadvisors.com.

Any questions and requests for assistance may be directed to:

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SUMMARY

The information set out below is intended as a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Directors' Circular. This Directors' Circular should be read carefully and in its entirety as it provides important information regarding Calfrac and the Wilks Brothers Offer. Capitalized terms used below will have the meanings given to them in the accompanying Directors' Circular.

Unanimous Recommendation of the Board:	The Board, on unanimous recommendation of the Special Committee, has unanimously determined that the Wilks Brothers Offer is not in the best interests of Calfrac or its Shareholders. Accordingly, for the reasons described in more detail below, the Board **UNANIMOUSLY** recommends that you **REJECT** the Wilks Brothers Offer, **TAKE NO ACTION** and **NOT TENDER** your Common Shares to the Wilks Brothers Offer.

Calfrac's Amended Recapitalization Transaction:	Calfrac has announced the Amended Recapitalization Transaction, which Shareholders should support and vote in favour of because:
	
	• Calfrac's Amended Recapitalization Transaction provides Shareholders with improved economics and greater optionality and certainty, including:
	  o the option of electing to receive cash consideration of $0.15 per Common Share (subject to proration) **AND** receiving two (2) Warrants for each Common Share held, exercisable at a price of $0.05 per Common Share (on a pre-consolidation basis) for a term of three years; or
	  o the option of retaining your Common Shares **AND** receiving two (2) Warrants for each Common Share held, exercisable at a price of $0.05 per Common Share (on a pre-consolidation basis) for a term of three years;
	
	• through the receipt of Warrants, existing Shareholders will have the opportunity to participate in the future upside of Calfrac's business as market conditions recover, without being required to commit any funds at this time;
	
	• the Amended Recapitalization Transaction preserves Calfrac's ability to pursue and consummate future value-enhancing or change of control transactions, in more advantageous market conditions;
	
	• the Amended Recapitalization Transaction preserves Calfrac's independence, free of competitor control;
	
	• the Amended Recapitalization Transaction is the only viable transaction available to Calfrac and provides the highest level of consideration that Shareholders can expect to receive in connection with an executable recapitalization or restructuring;
	
	• the Amended Recapitalization Transaction is supported by Initial Consenting Noteholders holding the majority of the Senior Unsecured Notes. The Initial Consenting Noteholders have agreed to the enhanced economics for Shareholders under the Amended Recapitalization Transaction with a view to completing the transaction on a consensual and efficient basis in the CBCA proceedings for the benefit of the Company and all stakeholders; and
	
	• the Company believes that the Amended Recapitalization Transaction represents the highest available value for Shareholders in the circumstances and understands that the Initial Consenting Noteholders are not prepared to provide additional value to junior and subordinate claimholders where the Senior Unsecured Notes cannot be repaid in full.

Potential Consequences of a Failure to Complete the Amended Recapitalization Transaction:	Calfrac is of the view that the Amended Recapitalization Transaction is the best and only viable alternative for Shareholders. • Calfrac reminds Shareholders of the fact that it is in default of the June 15, 2020 interest payment owing under the Senior Unsecured Notes, and the Company does not have the financial ability to repay in full the US$431.8 million in principal, plus accrued interest, outstanding under the Senior Unsecured Notes. Holders of the majority of the Senior Unsecured Notes have advised Calfrac <u>in writing</u> that, if the Recapitalization Transaction is not completed, they intend to exercise all rights and remedies available to them to cause the Recapitalization Transaction (i.e. without the amendments subsequently negotiated in the Amended Recapitalization Transaction) to be implemented through proceedings under the CCAA. <u>Such Noteholders also confirmed in writing that they would not support the Wilks Brothers Proposal in the event the Recapitalization Transaction was not approved</u>. • Based on the unequivocal position and legal rights of such holders of Senior Unsecured Notes, the Board sought to negotiate an amendment to the Recapitalization Transaction to provide for improved economics and greater optionality and certainty for Shareholders in a transaction that would be supported by the Senior Unsecured Noteholders, which amendment is reflected in the Amended Recapitalization Transaction. <u>The support of Senior Unsecured Noteholders is required to complete any material transaction in respect of Calfrac</u>. • As a condition of entering into the Amended Recapitalization Transaction, the Initial Consenting Noteholders required that, in the event the Amended Recapitalization Transaction is not implemented, upon the request of the Initial Consenting Noteholders, the Company will implement the original Recapitalization Transaction (i.e., without the favourable amendments for Shareholders contained in the Amended Recapitalization Transaction) through proceedings under the CCAA. The original Recapitalization Transaction can be completed in CCAA proceedings without the support of Shareholders and will result in additional costs for Calfrac and reduced recoveries for Shareholders. • Since any executable transaction in respect of Calfrac will result in the exchange of Senior Unsecured Notes for equity in Calfrac, the Amended Recapitalization Transaction represents the most certainty and highest-value transaction for Shareholders in the circumstances. For the reasons described above, the Board is of the view it is in the best interests of Calfrac and its Shareholders to pursue the Amended Recapitalization Transaction, which provides improved economics and greater optionality and certainty for Shareholders than any other available alternative. In addition, the Amended Recapitalization Transaction has the support of the Senior Unsecured Noteholders and will provide Shareholders with improved economics relative to proceedings under the CCAA.

The Wilks Brothers Offer:	Wilks Brothers has offered to purchase all of the outstanding Common Shares, for consideration per Common Share of $0.18 in cash. • Among other conditions, it is a condition to Wilks Brothers' obligation to take up and pay for Common Shares that the Recapitalization Transaction (or any variation or replacement thereof, including the Amended Recapitalization Transaction) be terminated. • If the Amended Recapitalization Transaction is not approved by Shareholders, the Initial Consenting Noteholders intend to exercise all rights and remedies available to them to cause the original Recapitalization Transaction (i.e., excluding the favourable amendments for Shareholders contained in the Amended Recapitalization Transaction) to be implemented through proceedings under the CCAA. • Accordingly, it is unlikely that the conditions to the Wilks Brothers Offer will be satisfied, in which case Wilks Brothers would not be required to take up or pay for any Common Shares tendered pursuant to its Offer. As such, there is no reasonable prospect that the Wilks Brothers Offer will be completed. • The Wilks Brothers Offer must meet the statutory minimum condition of shares representing more than 50% of the Common Shares that it does not already own being tendered. This condition cannot be waived by Wilks Brothers, although it has indicated its intention to seek an exemption to this rule. Shareholders should be aware that there is no precedent for a waiver of the statutory minimum condition which is at the very heart of the take-over bid rules. This condition to the Wilks Brothers Offer is highly unlikely to be met and therefore likelihood of Shareholders receiving any value under the Wilks Brothers Offer is remote.
Reasons for Rejecting the Wilks Brothers Offer:	The Special Committee and the Board carefully reviewed and considered the Wilks Brothers Offer, with the benefit of the advice of external financial and legal advisors. The following is a summary of the principal reasons for the **UNANIMOUS** recommendation of the Special Committee and the Board that you **REJECT** the Wilks Brothers Offer and **NOT TENDER** your Common Shares to the Wilks Brothers Offer. **The Special Committee and the Board believe that:** • **Calfrac's Amended Recapitalization Transaction is an executable transaction that provides Shareholders with improved economics and greater optionality and certainty than any viable alternative to the Amended Recapitalization Transaction;** • **it is in the best interests of Calfrac and its Shareholders to pursue Calfrac's Amended Recapitalization Transaction;** • **for the reasons described above, there is no reasonable prospect that Wilks Brothers Offer will be completed;** • **the Amended Recapitalization Transaction provides greater value to Shareholders than a CCAA proceeding; and** • **in the event that the Amended Recapitalization Transaction is not completed and CCAA proceedings are commenced, Shareholders can expect to receive a reduced recovery than under the Amended Recapitalization Transaction.** See "*Reasons to Reject the Wilks Brothers Offer*". Shareholders who have tendered Common Shares to the Wilks Brothers Offer and who wish to obtain advice or assistance in withdrawing their Common Shares are urged to contact their broker or the Proxy, Information and Exchange Agent, Kingsdale

	Advisors, by: (a) telephone, toll-free in North America at 1-877-659-1822 or collect call outside North America at 1-416-867-2272; or (b) e-mail to contactus@kingsdaleadvisors.com
Rejection of the Wilks Brothers Offer by Directors and Officers:	The directors and officers of Calfrac have indicated their intention to **REJECT** the Wilks Brothers Offer and **NOT TENDER** their Common Shares to the Wilks Brothers Offer..

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QUESTIONS AND ANSWERS ABOUT CALFRAC'S AMENDED RECAPITALIZATION TRANSACTION AND THE WILKS BROTHERS OFFER

The following information highlights selected information from the accompanying Directors' Circular to help you understand Calfrac's Amended Recapitalization Transaction, the Wilks Brothers Offer and the recommendation of the Board to reject the Wilks Brothers Offer. Please read the Directors' Circular carefully in its entirety to understand the terms of the Wilks Brothers Offer as well as any other considerations that may be important to you in deciding whether to accept or reject the Wilks Brothers Offer. Capitalized terms used below will have the meanings given to them in the accompanying Directors' Circular. Except where otherwise indicated, all dollar amounts set forth below are in Canadian Dollars.

Why does the Board view the Amended Recapitalization Transaction as the best path forward for Calfrac?

The Amended Recapitalization Transaction is the best alternative for Shareholders.

The Amended Recapitalization Transaction, provides a cash election and improved economics for Shareholders and a more certain outcome than other alternatives, including the Wilks Brothers Proposal and the Wilks Brothers Offer. The Amended Recapitalization Transaction is the only transaction that has the support of Senior Unsecured Noteholders and the only transaction, including the Wilks Brothers Offer and the Wilks Brothers Proposal, that has a reasonable prospect of implementation.

As described under "*Reasons to Reject the Wilks Brothers Offer*", Calfrac has been advised in writing by the holders the majority of the Senior Unsecured Notes of their unequivocal position that the Wilks Brothers Offer is fundamentally flawed and cannot be completed without the support of Senior Unsecured Noteholders. Based on the unequivocal position of such holders of Senior Unsecured Notes, the Board is of the view that the Wilks Brothers Offer is unlikely to be completed, including as a result of actions that may be taken by such Senior Unsecured Noteholders.

As a condition of entering into the Amended Recapitalization Transaction, the Initial Consenting Noteholders required that, in the event the Amended Recapitalization Transaction is not implemented, upon the request of the Initial Consenting Noteholders, the Company will implement the Recapitalization Transaction (in the form prior to the favourable amendments for Shareholders contained in the Amended Recapitalization Transaction) through proceedings under the CCAA.

The Board continues to unanimously recommend that Shareholders **VOTE FOR** all resolutions at the Shareholders' meeting. Some of the reasons to support the Amended Recapitalization Transaction include:

- The Amended Recapitalization Transaction is the best alternative for Shareholders, is executable, has the support of the Initial Consenting Noteholders and resolves the present threat of insolvency. Calfrac is in default of the Senior Unsecured Notes and, absent the stay of proceedings afforded under the CBCA proceedings, Senior Unsecured Noteholders would be in a position to exercise their rights and remedies against Calfrac and its assets. Calfrac cannot sustain its current level of debt nor carry the related interest costs in the current economic and business environment, where demand for its services is severely constrained. Calfrac has to de-lever its balance sheet or risk moving to insolvency protection or another version of a credit event. In light of its current financial position, the only manner in which there is value to Shareholders is pursuant to a consensual transaction supported by the Senior Unsecured Noteholders.

- The Amended Recapitalization Transaction provides Shareholders who wish to liquidate their position with the Shareholder Cash Election, which provides the option of electing to receive cash consideration of $0.15 per Common Share, subject to proration, AND receiving two (2) Warrants for each Common Share held, exercisable at a price of $0.05 per Common Share (on a pre-consolidation basis) for a term of three years. Shareholders holding an aggregate of 32,914,259 Common Shares, or approximately 22.6% of the Common Shares outstanding, including MATCO and all of the directors and officers of the Company have committed not to elect the Shareholder Cash Election.

- The Amended Recapitalization Transactions provides Shareholders who wish to retain their share position with the option of retaining of their Common Shares AND receiving two (2) Warrants for each Common Share held, exercisable at a price of $0.05 per Common Share (on a pre-consolidation basis) for a term of three years. MATCO and all of the directors and officers of Calfrac believe in the future potential of Calfrac, and have committed to this option.

- The Wilks Brothers Offer is not in the best interests of the Company or its Shareholders, and is unlikely to be completed. The best interests of the Company and its Shareholders demand a transaction that has certainty and is capable of implementation, which requires the support of Senior Unsecured Noteholders to whom Calfrac is indebted in the amount of US$431.8 million in principal, plus accrued interest. Given the financial position of Calfrac and the legal rights and priority of the Senior Unsecured Noteholders, the Wilks Brothers Offer is not a viable transaction in the event that the Amended Recapitalization Transaction is not completed and it is unlikely that the Wilks Brothers Offer will be completed.

- In addition, the Amended Recapitalization Transaction provides all Shareholders (including those who participate in the Shareholder Cash Election) with the opportunity to participate in the future growth of Calfrac's business through their shares, should they elect to retain them, along with the receipt of the Warrants, which provide Shareholders with an option to acquire additional Common Shares for a period of three years at a price of $0.05 per Common Share (on a pre-consolidation basis).

- The Amended Recapitalization Transaction preserves the ability of the Company to pursue and consummate future value-enhancing or change of control transactions, in more advantageous market conditions.

- The Amended Recapitalization Transaction preserves Calfrac's independence, free of competitor control.

Why should I ignore the Wilks Brothers Offer and vote in favour of Calfrac's Amended Recapitalization Transaction?

Calfrac has announced the Amended Recapitalization Transaction, which Shareholders should support and vote in favour of because:

- Calfrac's Amended Recapitalization Transaction provides Shareholders with improved economics and greater optionality and certainty, including:
    - the option of electing to receive cash consideration of $0.15 per Common Share (subject to proration) **AND** still receiving two (2) Warrants for each Common Share held, exercisable at a price of $0.05 per Common Share (on a pre-consolidation basis) for a term of three years; or
    - the option of retaining Common Shares **AND** receiving two (2) Warrants for each Common Share held, exercisable at a price of $0.05 per Common Share (on a pre-consolidation basis) for a term of three years;
- through the receipt of Warrants, existing Shareholders will have the opportunity to participate in the future upside of Calfrac's business as market conditions recover, without being required to commit any funds at this time;
- the Amended Recapitalization Transaction preserves Calfrac's independence, free of competitor control;
- the Amended Recapitalization Transaction preserves Calfrac's ability to pursue and consummate future value-enhancing or change of control transactions, in more advantageous market conditions;
- the Amended Recapitalization Transaction is supported by Initial Consenting Noteholders holding the majority of the Senior Unsecured Notes, whose support is required for the completion of any material transaction involving Calfrac; and

- the Amended Recapitalization Transaction is the only viable transaction available to Calfrac and provides the highest level of consideration that Shareholders can expect to receive in connection with an executable recapitalization or restructuring.

The Amended Recapitalization Transaction is the best alternative for Shareholders.

The Board **UNANIMOUSLY** recommends that Shareholders **REJECT** the Wilks Brothers Offer and **NOT TENDER** their Common Shares. Members of the Board and officers do NOT intend to tender their Common Shares to the Wilks Brothers Offer, which the Board views as not in the best interests of the Company or its Shareholders and unlikely to be completed.

How do I reject the Wilks Brothers Offer?

YOU DO NOT NEED TO DO ANYTHING. DO NOT TENDER your Common Shares.

If you are contacted by Wilks Brothers or its information or solicitation agent, **DO NOT TENDER** your Common Shares or complete any documents that Wilks Brothers or its agents may provide you.

Can I withdraw my Common Shares if I have already tendered?

YES. You can withdraw your Common Shares:

(a) at any time before your Common Shares have been taken up by Wilks Brothers under the Wilks Brothers Offer; and

(b) generally, at any time before the expiry of the Wilks Brothers Offer.

For information on how to withdraw your Common Shares, Calfrac recommends you contact your broker or the Proxy, Information and Exchange Agent, Kingsdale Advisors, by: (a) telephone, toll-free in North America at 1-877-659-1822 or collect call outside North America at 1-416-867-2272; or (b) e-mail to contactus@kingsdaleadvisors.com.

Why does the Board believe that the Wilks Brothers Offer should be rejected?

The Board, on recommendation of the Special Committee, has unanimously determined that the Wilks Brothers Offer is not in the best interests of Calfrac or its Shareholders. The Board took into account numerous factors including, but not limited to, the reasons set out below in reaching its **UNANIMOUS** recommendation that Shareholders **REJECT** the Wilks Brothers Offer and **NOT TENDER** their Common Shares to the Wilks Brothers Offer:

- **Calfrac's Amended Recapitalization Transaction is an executable transaction that provides Shareholders with improved economics and greater optionality and certainty than any alternative to the Amended Recapitalization Transaction;**
- **it is in the best interests of Calfrac to pursue Calfrac's Amended Recapitalization Transaction;**
- **for the reasons described above, there is no reasonable prospect that the Wilks Brothers Offer will be completed;**
- **the Amended Recapitalization Transaction provides greater value to Shareholders than a CCAA proceeding; and**
- **in the event that the Amended Recapitalization Transaction is not completed and CCAA proceedings are commenced, Shareholders can expect to receive a reduced recovery than under the Amended Recapitalization Transaction.**

See "*Reasons to Reject the Wilks Brothers Offer*". Shareholders are strongly encouraged to carefully review the full explanation of the reasons for the Board's recommendation starting on page 23 of this Directors' Circular.

My broker advised me to tender my Common Shares. Should I?

NO. The Board, upon recommendation of the Special Committee, has **UNANIMOUSLY** recommended that Shareholders **REJECT** the Wilks Brothers Offer and **NOT TENDER** their Common Shares to the Wilks Brothers Offer.

Is Wilks Brothers seeking to circumvent Canadian take-over bid laws?

YES. Canadian take-over bid law provides certain protections against offerors, in this case Wilks Brothers, making bids that apply a "pressure to tender" upon Shareholders. Part of these protections involve a statutory minimum tender condition that requires that there shall have been validly deposited and not withdrawn that number of Common Shares constituting at least 50% of the total number Common Shares outstanding, excluding those Common Shares beneficially owned, or over which control or direction is exercised, by Wilks Brothers and its affiliates or by any person acting jointly or in concert with Wilks Brothers (the "**Statutory Minimum Condition**"). Canadian take-over bid law also provides for a 105 day minimum offer period (the "**Statutory Minimum Offer Period**").

Disregarding these protections, Wilks Brothers has disclosed its intent to seek an exemption from appropriate securities regulatory authorities in Canada for an order to not be required to comply with the Statutory Minimum Condition or the Statutory Minimum Offer Period. Calfrac is of the view such actions are designed specifically to create a "pressure to tender" upon Shareholders. Similar attempts to be exempted from these protections afforded to shareholders under Canadian take-over bid laws have been dismissed by Canadian securities commissions and there is no precedent for any waiver of the Statutory Minimum Condition – which is at the very heart of the take-over bid rules. Calfrac intends to oppose any such exemption from Canadian take-over bid laws.

What happens if Wilks Brothers merely acquires a majority position in Calfrac?

The terms of the Wilks Brothers Offer, as well as Wilks Brothers' intent to seek to be exempted from the Statutory Minimum Condition of Canadian take-over bid law, means that there is risk that Wilks Brothers' could obtain, together with the Common Shares it already owns, a simple majority of the outstanding Common Shares. In such an outcome, Shareholders would be stranded in a controlled corporation, without the certainty of any future outcome. In addition, in the event Wilks Brothers acquires a majority of the outstanding Common Shares, change of control provisions under the Senior Unsecured Notes and the Second Lien Notes would be triggered, requiring that Calfrac offer to acquire such notes at a price equal to 101% of their principal amount, plus accrued interest, thereby guaranteeing Calfrac's insolvency.

Who can I contact if I have additional questions or need assistance?

If you have any questions please contact the Proxy, Information and Exchange Agent, Kingsdale Advisors, by: (a) telephone, toll-free in North America at 1-877-659-1822 or collect call outside North America at 1-416-867-2272; or (b) e-mail to contactus@kingsdaleadvisors.com.

IMPORTANT INFORMATION

General

All capitalized terms used in this Directors' Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". Information contained in this Directors' Circular is given as of September 23, 2020, unless otherwise specifically stated.

Forward Looking Information and Statements

Certain statements contained in this Directors' Circular constitute "forward-looking information" within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**"), which are based upon the current internal expectations, estimates, projections, assumptions and beliefs of the Management. Statements concerning the Company's objectives, goals, strategies, intentions, plans, beliefs, assumptions, projections, predictions, expectations and estimates, and the business, operations, future financial performance and condition of the Company are forward-looking statements. The use of words in this Directors' Circular such as "believe", "expect", "anticipate", "estimate", "intend", "may", "will", "would", "could", "plan", "create", "designed", "predict", "project", "seek", "ongoing", "increase", "upside" and similar expressions and the negative and grammatical variations of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such forward-looking statements reflect the current beliefs of the Management based on information currently available to them, and are based on assumptions and are subject to risks and uncertainties. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in or implied by the forward-looking statements. In addition, this Directors' Circular may contain forward-looking statements attributed to third-party industry sources.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections or other characterizations of future events or circumstances that constitute forward-looking statements will not occur. Such forward-looking statements in this Directors' Circular speak only as of the date of this Directors' Circular. Forward-looking statements in this Directors' Circular include, but are not limited to, statements with respect to:

- the consequences to Shareholders and to Calfrac of the Wilks Brothers Offer;
- the position, intentions and potential future actions of the holders of the majority of the Senior Unsecured Notes;
- whether the Wilks Brothers Offer will be extended, accelerated or withdrawn;
- whether Wilks Brothers will be successful in avoiding certain protections afforded to Shareholders under Canadian take-over bid laws;
- whether the conditions under the Wilks Brothers Offer will be satisfied or waived prior to the Expiry Time, including the receipt of all regulatory approvals and the requirement that the Recapitalization Transaction (including in an amended form) shall not have been completed;
- intentions of directors and officers of Calfrac to reject the Wilks Brothers Offer and not tender any Common Shares to the Wilks Brothers Offer;
- any payments to officers of Calfrac pursuant their executive employment agreements if the Wilks Brothers Offer is successful and the officers cease to be employees of Calfrac;
- the treatment of outstanding Options and PSUs if the Wilks Brothers Offer is successful;
- any payments pursuant to PSUs and DSUs if the Wilks Brothers Offer is successful;

- the impact of the Wilks Brothers Offer on Calfrac and its business if it is not completed;
- the performance of the Company's business and operations;
- the Company's future liquidity and financial capacity;
- the Company's intention to realign its capital structure and the timing thereof;
- failure to timely satisfy the conditions of the Amended Recapitalization Transaction or to otherwise complete the Amended Recapitalization Transaction;
- the likelihood that the Company will be required to enter CCAA proceedings if the Amended Recapitalization Transaction is not completed, and the terms and conditions of any such CCAA proceedings;
- the expected benefits of the Amended Recapitalization Transaction;
- the current and future marketability of the Company's securities;
- the structure and timing of future transactions to increase the Company's liquidity;
- the Company's future business plans and strategy;
- capital expenditures and the timing and method of financing thereof; and
- expectations regarding the Company's ability to continue to operate more efficiently and remain adaptable to changes in its current business environment.

With respect to the forward-looking statements contained in this Directors' Circular, such statements are subject to certain risks, including those risks set forth below and in the "*Risk Factors*" section of the Recapitalization Circular and the "*Risk Factors*" section of the annual information form for the year ended December 31, 2019, dated March 10, 2020, and filed under the Company's profile on SEDAR at www.sedar.com, and the Company has made assumptions regarding, among other factors:

- risks relating to the outcome of the Wilks Brothers Offer;
- the likelihood that the conditions to the Wilks Brothers Offer may not be satisfied, or to the extent permitted, waived;
- the ability of the Company to significantly reduce its debt and annual interest payments through the implementation of the Amended Recapitalization Transaction and the amount of any such reduction;
- the ability of the Company to realign its capital structure and the timing thereof;
- alternatives available to the Company to strengthen the Company's capital structure;
- the ability of the Company to achieve its financial goals;
- the ability of the Company to operate in the ordinary course during the proceedings under the *Canada Business Corporations Act*, including with respect to satisfying obligations to service providers, suppliers, contractors and employees;
- the ability of the Company to receive all necessary regulatory, court, third party and stakeholder approvals in order to complete the Amended Recapitalization Transaction;
- the ability of the Company to continue as a going concern;
- the ability of the Company to continue to realize its assets and discharge its liabilities and commitments;
- the Company's future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations);

- the ability of the Company to stabilize its business and financial condition;
- the ability of the Company to implement and successfully achieve its business priorities;
- the ability of the Company to execute its long-term growth strategy in a timely manner or at all;
- the ability of the Company to comply with its contractual obligations, including, without limitation, its obligations under debt arrangements;
- the ability of the Company to maintain customers, vendors and key partnerships now and in the future;
- the general regulatory environment in which the Company operates, including the areas of taxation and environmental protection;
- the tax treatment of the Company, its securities or any income derived therefrom;
- the materiality of legal and regulatory proceedings;
- the timely receipt of any required regulatory approvals, including in respect of the Amended Recapitalization Transaction;
- the general economic, financial, market and political conditions impacting the industry and jurisdictions in which the Company operates;
- the ability of the Company to sustain or increase profitability, fund its operations with existing capital and/or raise additional capital to fund its operations;
- the ability of the Company to meet its financial forecasts and projections;
- future currency exchange and interest rates;
- the ability of the Company to generate sufficient cash flow from operations;
- the impact of competition;
- the ability of the Company to obtain and retain qualified staff, equipment and services in a timely and efficient manner (particularly in light of the Company's efforts to restructure its debt obligations);
- the ability of the Company to conduct operations in a safe, efficient and effective manner;
- the ability of the Company to retain members of the senior management team, including but not limited to, the officers of the Company; and
- the ability of the Company to successfully market its products and services.

Forward-looking statements contained in this Directors' Circular are based on the key assumptions described herein. Readers are cautioned that such assumptions, although considered reasonable by the Company, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this Directors' Circular as a result of numerous known and unknown risks and uncertainties and other factors. The Company cannot guarantee future results.

Risks related to forward-looking statements include those risks referenced herein and in the Company's other filings with the Canadian securities regulators. Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this Directors' Circular include, but are not limited to, the risk factors described above and included under the heading "*Risk Factors*" in the Recapitalization Circular.

Forward-looking statements contained in this Directors' Circular are based on the Company's current plans, expectations, estimates, projections, beliefs and opinions and the assumptions relating to those plans, expectations, estimates, projections, beliefs and opinions may change. Management has included the summary of assumptions and risks related to forward-looking statements included in this Directors' Circular for the purpose of assisting the reader in understanding Management's current views regarding those future outcomes. Readers are cautioned that this information may not be appropriate for other purposes. **Readers are cautioned that the lists of assumptions and risk factors contained herein are not exhaustive. Neither the Company nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements contained herein.**

All of the forward-looking statements made in this Directors' Circular are expressly qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments anticipated in or implied by such forward-looking statements will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company.

Actual results, performance or achievements could differ materially from those anticipated in or implied by any forward-looking statement in this Directors' Circular, and, accordingly, investors should not place undue reliance on any such forward-looking statement. New factors emerge from time to time and the importance of current factors may change from time to time and it is not possible for the Management to predict all of such factors, or changes in such factors, or to assess in advance the impact of each such factors on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement contained in this Directors' Circular.

Certain statements in this Directors' Circular are forward-looking statements with respect to Wilks Brothers and Wilks Brothers' expectations with respect to the Wilks Brothers Offer and Calfrac. The information was derived from the Wilks Brothers Circular and other publicly available documents and is subject to the cautionary statements provided by Wilks Brothers in such documents.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

NEITHER THE SEC NOR ANY SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DIRECTORS' CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Wilks Brothers Offer to which this Directors' Circular relates is made for the securities of a Canadian issuer. This Directors' Circular has been prepared by Calfrac in accordance with disclosure requirements under applicable Canadian law. Shareholders should be aware that the disclosure requirements under the laws of Canada differ from the disclosure requirements under U.S. Securities Laws.

Shareholders who are resident in, or citizens of, the United States are advised to consult their tax advisors to determine the particular United States tax consequences to them of the Wilks Brothers Offer in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

The enforcement by Shareholders of civil liabilities under U.S. Securities Laws may be affected adversely by the fact that Calfrac is incorporated outside the United States, that some of its officers and directors and the experts named herein are residents of a country other than the United States and that some or all of the assets of Calfrac and the aforementioned persons are located outside the United States. It may not be possible, therefore, for you to effect service of process within the United States upon Calfrac or its officers and directors. There is also uncertainty as to the enforceability (1) in an original action in Canadian courts of liabilities predicated solely upon United States federal securities laws and (2) of judgments of United States courts obtained in actions predicated upon the civil liability provisions of United States federal securities laws in Canadian courts. Therefore, you may not be able to secure judgment against the Company or such persons in a Canadian court or, if successful in securing a judgment against the Company or such persons in a U.S. court, you may not be able to enforce such judgment in Canada.

REPORTING CURRENCIES AND PRINCIPLES

Except where otherwise indicated, all dollar amounts set forth in this Directors' Circular are in Canadian Dollars, the presentation currency used by the Company in its financial results. In this Directors' Circular, unless otherwise stated, all references to percentages of Common Shares are expressed on a non-diluted basis.

The Company's financial statements have been prepared in accordance with IFRS. IFRS differs in certain material respects from U.S. generally accepted accounting principles ("**U.S. GAAP**") and, as such, the Company's financial statements and the financial information derived therefrom may not be comparable to the financial statements and financial information of U.S. companies prepared in accordance with U.S. GAAP. As the SEC has adopted rules to accept, from foreign private issuers, such as the Company, financial statements prepared in accordance with IFRS without reconciliation to U.S. GAAP, this Directors' Circular does not include an explanation of the principal differences between, or any reconciliation of, IFRS and U.S. GAAP. Readers should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and of how those differences might affect the financial information presented herein.

EXCHANGE RATES

The following table sets forth, for each of the periods indicated, the end-of-period daily exchange rate, the average daily exchange rate and the high and low daily exchange rates of one Canadian Dollar in exchange for one U.S. Dollar, as quoted by the Bank of Canada. The Bank of Canada's daily average exchange rate on September 22, 2020 for the conversion of Canadian to U.S. Dollars, was $1.00 equals US$0.7513.

	Six Months Ended June 30,	**Year Ended December 31,**	
	2020 (US$)	**2019 (US$)**	**2018 (US$)**
High	0.7710	0.7699	0.8138
Low	0.6898	0.7353	0.7330
Average	0.7332	0.7537	0.7721
End of Period	0.7338	0.7699	0.7330

The Company's inclusion of these exchange rates is not meant to suggest that the Canadian Dollar amounts actually represent such U.S. Dollar amounts or that such amounts could have been converted into U.S. Dollars at any particular rate, if at all.

AVAILABILITY OF DISCLOSURE DOCUMENTS

Calfrac is a reporting issuer in each of the provinces of Canada and files its continuous disclosure documents and other documents with the Canadian securities regulatory authorities in each such province. Continuous disclosure documents are available on Calfrac's SEDAR profile at www.sedar.com.

INFORMATION REGARDING WILKS BROTHERS

This Directors' Circular also includes information relating to Wilks Brothers. This information was derived from the Wilks Brothers Circular and other publicly available documents, as well as certain other third-party sources.

Although Calfrac has no knowledge that would indicate that any information contained in the documents filed by Wilks Brothers is untrue or incomplete (except as otherwise set forth herein), Calfrac does not assume any responsibility for the accuracy or completeness of the information contained in such documents, or for any failure by Wilks Brothers to disclose events that may have occurred or that may affect the significance or accuracy of any such information, which are unknown to Calfrac.

GLOSSARY OF TERMS

Unless the context otherwise requires, when used in this Directors' Circular the following terms shall have the meanings set forth below. Words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

"**1933 Act**" means the United States *Securities Act of 1933*, as amended.

"**1934 Act**" means the United States *Securities Exchange Act of 1934*, as amended.

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended.

"**Ad Hoc Committee**" means the ad hoc committee of certain Senior Unsecured Noteholders represented by Goodmans LLP.

"**affiliate**" has the meaning ascribed to that term in MI 62-104.

"**Amended Plan of Arrangement**" means the Plan of Arrangement, amended to give effect to the Amended Recapitalization Transaction, and any amendments, modifications and/or supplements thereto made in accordance with the terms thereof.

"**Amended Recapitalization Transaction**" means the Continuance and the transactions contemplated by the Plan of Arrangement as described in the Recapitalization Circular, as amended on September 24, 2020 to provide for: (a) the Shareholder Cash Election; and (b) the issuance of two (2) Warrants for each Common Share held (on a pre-consolidation basis).

"**associate**" has the meaning ascribed to that term in MI 62-104.

"**Board of Directors**" or "**Board**" means the board of directors of Calfrac.

"**Business Day**" means any day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Calgary, Alberta, New York, New York and Toronto, Ontario.

"**Calfrac**" or "**Company**" means Calfrac Well Services Ltd., a corporation existing under the laws of the Province of Alberta.

"**Calfrac LP**" means Calfrac Holdings LP, a limited partnership formed under the laws of the State of Delaware.

"**Canadian Dollars**" or "**$**" means the lawful currency of Canada.

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

"**CBCA Proceedings**" means the proceedings commenced by Calfrac, 12178711 Canada Inc., Calfrac (Canada) Inc., Calfrac Well Services Corp. and Calfrac LP, by its general partner, Calfrac (Canada) Inc. under the CBCA in connection with the Plan of Arrangement.

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

"**CDS**" means the CDS Clearing and Depository Services Inc. and its successors and assigns.

"**Common Shares**" means common shares in the capital of Calfrac.

"**Consenting Noteholders**" has the meaning ascribed thereto in the Recapitalization Circular.

"**Control Period**" has the meaning ascribed thereto under the heading "*Arrangements between Calfrac and its Directors and Officers – Change of Control Provisions under the Incentive Plans – PSU Plan*".

"**Court**" means the Court of Queen's Bench of Alberta.

"**Directors' Circular**" means this directors' circular of Calfrac dated September 24, 2020.

"**DSU Plan**" means Calfrac's deferred share unit plan dated October 15, 2004.

"**DSUs**" means deferred share units issued pursuant to the DSU Plan.

"**DTC**" means the Depository Trust Company and its nominees, successors and assigns.

"**Expiry Time**" means 4:00 p.m. (Toronto time) on December 23, 2020, or such earlier or later time or times and date or dates as may be fixed by Wilks Brothers from time to time pursuant to Section 5 of the Wilks Brothers Offer, "*Variation or Change of the Offer*".

"**Final Order**" has the meaning ascribed thereto in the Recapitalization Circular.

"**First Lien Agent**" means HSBC Bank Canada, as agent under the First Lien Credit Agreement, and any successor thereto.

"**First Lien Credit Agreement**" means the amended and restated credit agreement made as of April 30, 2019 among Calfrac, as borrower, the First Lien Lenders, and the First Lien Agent, as amended, restated or supplemented from time to time.

"**First Lien Credit Facility**" means, collectively, the Syndicated Facility and the Operating Facility (as such terms are defined in the First Lien Credit Agreement) established pursuant to the First Lien Credit Agreement.

"**First Lien Lenders**" means HSBC Bank Canada and each of the other financial institutions party to the First Lien Credit Agreement, as lenders.

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**Incentive Plans**" means, as applicable, Calfrac's Stock Option Plan, PSU Plan and DSU Plan, in each case, as amended from time to time.

"**Independent Directors**" means, collectively, Gregory S. Fletcher, James S. Blair, Kevin R. Baker, Douglas R. Ramsay and Lorne A. Gartner.

"**Interim Order**" has the meaning ascribed thereto in the Recapitalization Circular.

"**Intermediary**" means a broker, custodian, investment dealer, nominee, bank, trust company or other intermediary.

"**Letter of Transmittal**" means the letter of transmittal in the form accompanying the Wilks Brothers Offer.

"**Management**" means the management of the Company as of the date of this Directors' Circular.

"**MATCO**" means MATCO Investments Ltd.

"**Meetings**" has the meaning ascribed thereto in the Recapitalization Circular.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**New 1.5 Lien Notes**" means in aggregate the $60,000,000 in new senior secured convertible payment-in-kind notes to be issued on the effective date of the Plan of Arrangement.

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

"**Noteholder Support Agreement**" mean, collectively, the noteholder support agreements (including all schedules attached thereto) among Calfrac and the Senior Unsecured Noteholders party thereto dated on or after July 13, 2020, entered into in respect of the Recapitalization Transaction and pursuant to which such Senior Unsecured Noteholders have agreed to vote their Senior Unsecured Notes in favour of the Recapitalization Transaction and Plan of Arrangement, as such agreements have been amended to give effect to the Amended Recapitalization Transaction and as may be amended, modified and/or supplemented from time to time.

"**Options**" means options to acquire Common Shares of Calfrac which are outstanding under the Stock Option Plan immediately prior to the Effective Time.

"**Plan of Arrangement**" means the plan of arrangement substantially in the form and content of Appendix "H" to the Recapitalization Circular and any amendments, modifications and/or supplements thereto made in accordance with the terms thereof.

"**Preliminary Interim Order**" has the meaning ascribed thereto in the Recapitalization Circular.

"**ProFrac**" means ProFrac Services, LLC, a competitor of Calfrac wholly-owned by Wilks Brothers.

"**Proxy, Information and Exchange Agent**" means Kingsdale Advisors.

"**PSU Plan**" means Calfrac's performance share unit plan dated October 15, 2004.

"**PSUs**" means performance share units issued pursuant to the PSU Plan.

"**Recapitalization Circular**" means the management information circular of Calfrac dated August 21, 2020.

"**Recapitalization Transaction**" means the Continuance and the transactions contemplated by the Plan of Arrangement as described in the Recapitalization Circular.

"**Regulation S**" means Regulation S adopted by the SEC under the 1933 Act.

"**SEC**" means the United States Securities and Exchange Commission.

"**SEDAR**" means the Canadian System for Electronic Document Analysis and Retrieval.

"**Second Lien Notes**" means the 10.875% second lien secured notes of Calfrac LP in the maximum aggregate amount of US$120,000,100 due 2026 and issued and outstanding pursuant to the Second Lien Note Indenture.

"**Second Lien Notes Trustee**" means Wilmington Trust, National Association, in its capacity as trustee under the Second Lien Note Indenture, and any successor thereof.

"**Senior Unsecured Note Indenture**" means the indenture dated May 30, 2018 among Calfrac LP, as issuer of the

Senior Unsecured Notes, Calfrac and Calfrac Well Services Corp., as initial guarantors, and the Senior Unsecured Notes Trustee.

"**Senior Unsecured Noteholders**" means holders of Senior Unsecured Notes (including, as the context requires, beneficial holders of Senior Unsecured Notes).

"**Senior Unsecured Notes**" means the 8.50% senior unsecured notes of Calfrac LP in the maximum aggregate original issuance amount of US$650,000,000 due 2026 and issued and outstanding pursuant to the Senior Unsecured Note Indenture.

"**Senior Unsecured Notes Trustee**" means the Bank of Oklahoma, as trustee, in its capacity as trustee under the Senior Unsecured Note Indenture, and any successor thereof.

"**Shareholder Cash Election**" means the election made available to existing Shareholders to elect for Calfrac to repurchase all or any portion of Common Shares held by such Shareholder for $0.15 per share (on a pre-consolidation basis), subject to proration for a maximum aggregate consideration of $10 million.

"**Shareholders**" means the holders of Common Shares.

"**Shareholders' Meeting**" has the meaning ascribed thereto in the Recapitalization Circular.

"**Special Committee**" means the special committee of independent directors established by the Board and consisting of Gregory S. Fletcher (acting as chair of the Special Committee), James S. Blair, and Kevin R. Baker.

"**Statutory Minimum Condition**" has the meaning ascribed thereto under the heading "*Questions and Answers About Calfrac's Amended Recapitalization Transaction and the Wilks Brothers Offer – Is Wilks Brothers seeking to circumvent Canadian take-over bid laws?*".

"**Statutory Minimum Offer Period**" has the meaning ascribed thereto under the heading " *Questions and Answers About Calfrac's Amended Recapitalization Transaction and the Wilks Brothers Offer – Is Wilks Brothers seeking to circumvent Canadian take-over bid laws?*".

"**Stock Option Plan**" means Calfrac's stock option plan approved by the directors on December 5, 2017, and by the Shareholders on May 5, 2020.

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1, as amended.

"**TSX**" means the Toronto Stock Exchange.

"**US$**" or "**U.S. Dollars**" means the lawful currency of the United States of America.

"**U.S.**" or "**United States**" means the "United States" as defined in Regulation S.

"**U.S. Securities Laws**" means collectively, the 1933 Act and the 1934 Act.

"**Warrants**" means Common Shares purchase warrants, with each warrant exercisable into one Common Share at a price of $0.05 per Common Share (on a pre-consolidation basis) on or before the third anniversary of the Amended Plan of Arrangement.

"**Wilks Brothers**" or the "**Offeror**" means, collectively, THRC Holdings L.P., an affiliate of Wilks Brothers, LLC.

"**Wilks Brothers Circular**" means the Wilks Brothers Offer and the accompanying take-over bid circular of Wilks Brothers dated September 9, 2020.

"**Wilks Brothers Offer**" means the formal take-over bid by Wilks Brothers dated September 9, 2020, as set forth in and forming part of the Wilks Brothers Circular.

"**Wilks Brothers Proposal**" means the proposal for a recapitalization transaction announced by Wilks Brothers on August 4, 2020, following the announcement by Calfrac of the Recapitalization Transaction.

DIRECTORS' CIRCULAR

This Directors' Circular responds to the unsolicited offer by Wilks Brothers to purchase all of the issued and outstanding Common Shares, and including any Common Shares that may become issuable after the date of the Wilks Brothers Offer but prior to the Expiry Time, including pursuant to the exercise or vesting, as applicable, of Options and PSUs, for consideration of $0.18 per Common Share, upon the terms and subject to the conditions set forth in the Wilks Brothers Circular and in the related Letter of Transmittal.

The Wilks Brothers Offer is described in the Wilks Brothers Circular filed by Wilks Brothers with the Canadian securities regulatory authorities on September 9, 2020. According to the Wilks Brothers Circular, the Wilks Brothers Offer will expire at 4:00 p.m. (Toronto time) on December 23, 2020, unless the Wilks Brothers Offer is extended, accelerated or withdrawn by Wilks Brothers in accordance with its terms.

The Wilks Brothers Offer is subject to a number of conditions, which must be satisfied or, where permitted, waived at 4:00 p.m. (Toronto time) on December 23, 2020 or such earlier or later time during which Common Shares may be deposited under the Wilks Brothers Offer, excluding the mandatory 10-day extension period or any extension thereafter, which include, among others: (i) there having been validly deposited under the Wilks Brothers Offer and not withdrawn at the Expiry Time that number of Common Shares constituting at least 50% of the total number of Common Shares outstanding, excluding those Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror and its affiliates or by any person acting jointly or in concert with the Offeror, which, subject to the paragraph below, is a non-waivable condition; and (ii) the Recapitalization Transaction (as may be amended, varied or replaced): (A) shall have failed to be approved by the required majorities of the Shareholders at the Shareholders' Meeting and, in particular, but without limitation, shall not have been approved by the majorities required pursuant to the Interim Order and pursuant to MI 61-101; (B) shall not have been approved by the Court; and (C) shall have been terminated.

The Wilks Brothers Offer also discloses Wilks Brothers' intent to seek exemptions from certain protections afforded to Shareholders under Canadian take-over bid law. In the event that the condition set forth in clause (ii) in the immediately preceding paragraph is satisfied, Wilks Brothers intends to apply to the appropriate securities regulatory authorities in Canada for an order: (i) waiving the Statutory Minimum Condition, which, if obtained, would permit the Offeror to take up and pay for all Common Shares deposited pursuant to the Offer, even if the total number of Common Shares so deposited would not otherwise satisfy the Statutory Minimum Condition; and (ii) shortening the Statutory Minimum Offer Period of 105 days which, if obtained, would allow the Offeror to take up and pay for Common Shares deposited to the Offer as soon as all of the conditions to the Offer were satisfied or waived, rather than waiting until the expiry of the Initial Deposit Period.

Through these actions, Wilks Brothers seeks to avoid these protections afforded Shareholders by Canadian take-over bid legislation in order to create a "pressure to tender" and is therefore coercive. Similar attempts to be exempted from these Canadian take-over bid laws have been dismissed by Canadian securities commissions. The rationale for the Statutory Minimum Condition is to avoid the very creation of coercive blocking positions that Wilks Brothers seeks to create in seeking an exemption. Calfrac intends to oppose any such exemption from Canadian take-over bid laws. See "*Directors' Recommendation*".

DIRECTORS' RECOMMENDATION

After careful consideration of the terms and conditions of the Wilks Brothers Offer, in consultation with its external financial and legal advisors, the Board, upon the unanimous recommendation of the Special Committee, has unanimously determined that the Wilks Brothers Offer is not in the best interests of Calfrac or its Shareholders.

DIRECTORS' RECOMMENDATION

For the reasons described in more detail below, the Board unanimously recommends that Shareholders

REJECT the Wilks Brothers Offer and NOT TENDER their Common Shares.

Any Shareholder who has tendered its Common Shares to the Wilks Brothers Offer should WITHDRAW those Common Shares IMMEDIATELY.

If you have tendered your Common Shares, you can withdraw them. For assistance in withdrawing your Common Shares, you should contact your broker or the Proxy, Information and Exchange Agent, Kingsdale Advisors, by: (a) telephone, toll-free in North America at 1-877-659-1822 or collect call outside North America at 1-416-867-2272; or (b) e-mail to contactus@kingsdaleadvisors.com. See "*How to Withdraw Your Deposited Common Shares*".

REASONS TO REJECT THE WILKS BROTHERS OFFER

The following are the principal reasons for the **UNANIMOUS** recommendation of the Board to Shareholders to **REJECT** the Wilks Brothers Offer and **NOT TENDER** your Common Shares to the Wilks Brothers Offer.

1. The Amended Recapitalization Transaction is the best available alternative for Shareholders.

Calfrac has announced the Amended Recapitalization Transaction, which Shareholders should support and vote in favour of because:

- Calfrac's Amended Recapitalization Transaction provides Shareholders with improved economics, optionality and certainty, including:
    - the option of electing to receive cash consideration of $0.15 per Common Share (subject to proration) **AND** receiving two (2) Warrants for each Common Share held, exercisable at a price of $0.05 per Common Share (on a pre-consolidation basis) for a term of three years; or
    - the option of retaining Common Shares **AND** receiving two (2) Warrants for each Common Share held, exercisable at a price of $0.05 per Common Share (on a pre-consolidation basis) for a term of three years;
- through the receipt of Warrants, existing Shareholders will have the opportunity to participate in the future upside of Calfrac's business as market conditions recover, without being required to commit any funds at this time;
- the Amended Recapitalization Transaction preserves Calfrac's ability to pursue and consummate future value-enhancing or change of control transactions, in more advantageous market conditions; and
- the Amended Recapitalization Transaction preserves Calfrac's independence, free of competitor control (Wilks Brothers owns 100% of Calfrac's direct competitor, ProFrac).

2. It is unlikely that the Wilks Brothers Offer can be completed.

- It is a condition of Wilks Brothers' obligation to take up and pay for Common Shares that the Recapitalization Transaction (or any variation or replacement thereof, including the Amended Recapitalization Transaction) be terminated.
- Holders of the majority of the Senior Unsecured Notes have advised Calfrac in writing that, if the Recapitalization Transaction is not completed, they intend to exercise all rights and remedies available to them to cause the Recapitalization Transaction (i.e. without the favourable amendments for Shareholders subsequently negotiated in the Amended Recapitalization Transaction) to be implemented through proceedings under the CCAA. Such Noteholders also confirmed that they would not support the Wilks Brothers Proposal in the event the Recapitalization Transaction was not approved.
- Based on the unequivocal position of such holders of Senior Unsecured Notes, the Board sought to negotiate an amendment to the Recapitalization Transaction to provide for improved economics and optionality for Shareholders in a transaction that would be supported by the Senior Unsecured Noteholders, which improved terms are reflected in the Amended Recapitalization Transaction.
- The support of Senior Unsecured Noteholders is required to complete any material transaction in respect of Calfrac.
- As a condition of entering into the Amended Recapitalization Transaction, the Initial Consenting Noteholders required that, in the event the Amended Recapitalization Transaction is not implemented, upon the request of the Initial Consenting Noteholders, the Company will implement the original Recapitalization Transaction (i.e., without the favourable amendments for Shareholders contained in the Amended Recapitalization Transaction) through proceedings under the CCAA. Where the Amended Recapitalization Transaction is not completed, the Company believes that completion of the Recapitalization Transaction in CCAA proceedings is the only executable option for the Company to maintain the value and stability of the Company and achieve a necessary deleveraging of Calfrac's capital structure.
- Completion of the original Recapitalization Transaction in CCAA proceedings can be completed without the support of Shareholders and will result in additional costs for Calfrac and reduced recoveries for Shareholders. Since any executable transaction in respect of Calfrac will result in the exchange of Senior Unsecured Notes for equity in Calfrac, the Amended Recapitalization Transaction represents the most certainty and highest-value transaction for Shareholders in the circumstances.
- The existence of a Statutory Minimum Condition which Wilks Brothers cannot waive creates a significant hurdle before there is any possibility of the Wilks Brothers Offer being taken up and paid for. Based on current Wilks Brothers share ownership and the number of Common Shares supportive of Calfrac, it is very unlikely the Statutory Minimum Condition will be met and that, no doubt, is the reason Wilks Brothers have announced its intention to seek unprecedented legal exemption from the rule.
- For the reasons described above, the Board is of the view it is in the best interests of Calfrac and its Shareholders to pursue the Amended Recapitalization Transaction, which provides enhanced economics, greater optionality and more certainty for Shareholders than any other available alternative. In addition, the Amended Recapitalization Transaction has the support of the Senior Unsecured Noteholders.

3. Wilks Brothers seeks to remove protections available to Shareholders under Canadian take-over bid legislation and create an artificial pressure to tender.

- Wilks Brothers has disclosed its intent to seek an exemption from appropriate securities regulatory authorities in Canada for an order to not be required to comply with the Statutory Minimum Condition or the Statutory Minimum Offer Period. Calfrac is of the view such actions are designed specifically to create a "pressure to tender" upon Shareholders. Similar attempts to be exempted from these protections afforded Shareholders under Canadian take-over bid laws have been dismissed by Canadian securities commissions. Calfrac intends to oppose any such exemption from Canadian take-over bid laws.

- Several valid policy rationales exist for the legal requirements and protections afforded by the take-over bid rules that Wilks Brothers seeks to avoid. In particular, on the Statutory Minimum Condition that Wilks Brothers seeks to avoid:

  - "From a corporate governance perspective, this is an important improvement that achieves the dual goals of allowing collective action by security holders that equates to majority approval of a plan of arrangement or merger transaction, while still preventing creeping acquisitions of effective control of a company without the approval of a majority of the independent shareholders."

    - Institutional Shareholder Services (ISS), June 25, 2015

  - "CIRI agrees that the 50% level for tendering represents a clear 'goal-line' that is well understood by capital market participants, including those party to the transaction as well as interested observers. This, again, speaks to the improved transparency and integrity of the take-over bid regime."

    - Canadian Investor Relations Institute, June 29, 2015

  - "The possibility that an offeror would waive its minimum tender condition may lead security holders that do not support the bid to tender to the bid or risk being left holding less liquid securities of the offeree issuer. The mandatory Minimum Tender Requirement would prevent this circumstance."

    - Canadian Securities Administrators

Accordingly, the Board UNANIMOUSLY recommends that Shareholders

REJECT the Wilks Brothers Offer and NOT TENDER their Common Shares.

Any Shareholder who has tendered its Common Shares under the Wilks Brothers Offer should WITHDRAW those Common Shares.

The foregoing summary of the information and factors considered by the Board in reaching its conclusion and recommendation is not intended to be exhaustive. The members of the Special Committee and the Board evaluated the various factors summarized above in light of their own knowledge of the business, financial condition and prospects of Calfrac, and based upon the advice of the Special Committee's and the Board's financial and legal advisors. In view of the numerous factors considered in connection with the evaluation of the Wilks Brothers Offer, the Special Committee and the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching its conclusion and recommendation. In addition, individual members of the Special Committee and the Board may have given different weight to different factors. The conclusion and unanimous recommendation of the Special Committee and the Board was made after considering all of the information and factors involved.

HOW TO REJECT THE WILKS BROTHERS OFFER

To REJECT the Wilks Brothers Offer, you do not need to do anything. If you have tendered your Common Shares to the Wilks Brothers Offer, you can withdraw them until they are taken up under the Wilks Brothers Offer.

The Board recommends that you withdraw any tendered Common Shares immediately. See "*How to Withdraw Your Deposited Common Shares*".

Shareholders should consider the terms of the Wilks Brothers Offer and the recommendation of the Board contained in this Directors' Circular carefully and come to your own decision whether to accept or reject the Wilks Brothers Offer. Shareholders who are in doubt as to how to respond to the Wilks Brothers Offer should consult with your own investment dealer, broker, lawyer or other professional advisor. Acceptance of the Wilks Brothers Offer may have tax consequences specific to the circumstances of individual Shareholders and you should consult your own professional tax advisors. Inquiries concerning information in this Directors' Circular should be directed to the Proxy, Information and Exchange Agent, Kingsdale Advisors, by: (a) telephone, toll-free in North America at 1-877-659-1822 or collect call outside North America at 1-416-867-2272; or (b) e-mail to contactus@kingsdaleadvisors.com.

BACKGROUND TO THE WILKS BROTHERS OFFER AND RESPONSE OF CALFRAC

Calfrac Undertakes Debt Restructuring

In early 2020, Calfrac engaged its legal advisors (Bennett Jones LLP in Canada and Latham & Watkins LLP in the United States) and one of its financial advisors (RBC Capital Markets Inc.) to assist Calfrac in reviewing and evaluating potential options and alternatives available to the Company with the goal of improving Calfrac's capital structure, reducing its annual interest expenses and increasing its working capital and liquidity.

On February 14, 2020, in light of the reduced trading price of its Senior Unsecured Notes, Calfrac took an initial step toward reducing its long-term debt and annual interest expenses and completed an exchange offer whereby Calfrac LP issued US$120,000,100 principal amount of Second Lien Notes in exchange for US$218,182,000 principal amount of Senior Unsecured Notes (the "**Exchange Offer**"). The Exchange Offer reduced Calfrac's long-term debt by over US$98 million ($130 million) and resulted in a net reduction of Calfrac's aggregate annual interest payments by approximately US$5.5 million ($7.3 million) (such amounts based on foreign exchange rates as of the closing date of the Exchange Offer).

Further Declines in Business Activity Resulting From the COVID-19 Pandemic

With the onset of the COVID-19 pandemic, Calfrac went from 18 active North American fracturing fleets in March to one active fleet in May. In addition, Calfrac's Argentina division did not operate for three full months due to the COVID-19 shutdown, with Calfrac having just recently re-initiated operations in Argentina. In Russia, Calfrac was able to manage the COVID-19 restrictions without materially affecting ongoing operations, however, this activity was insufficient to overcome the pricing and activity declines experienced by the rest of Calfrac's operating divisions. This material degradation of global industry fundamentals created a challenging liquidity position, leading Calfrac to determine that its current capital structure was no longer tenable.

In April 2020, Calfrac's internal financial forecasts predicted significant decreases in the Company's operating cash flows and income that had the potential to result in a breach of the funded debt to EBITDA financial covenant contained in the First Lien Credit Agreement. At this time, the Board determined that Calfrac needed to pursue strategies promptly to address the Company's long-term debt, including through restructuring. Calfrac announced significant reductions to its 2020 capital program and North American operating footprint and that it would reduce its headcount by approximately 1,000 employees, mainly in North America.

Calfrac Undertakes Comprehensive Analysis of Alternative Transactions

In late April, Calfrac engaged its financial advisors to assist Calfrac in reviewing and evaluating potential options and alternatives available to the Company, with the goal of improving Calfrac's capital structure, reducing its annual interest expenses and increasing its working capital and liquidity.

Calfrac's Efforts to Collaborate with Wilks Brothers

Commencing in March 2020, Mr. Mathison began corresponding by e-mail with Mr. Matt Wilks, the Chief Financial Officer of Wilks Brothers, Calfrac's second-largest shareholder and the owner of ProFrac (a competitor of Calfrac), as to a possible collaboration between Calfrac and Wilks Brothers on opportunities which were being described by Wilks Brothers as having the potential to be mutually beneficial to Calfrac and Wilks Brothers. On May 4, 2020 and May 6, 2020, the Board received letters from Wilks Brothers formally inviting the Board to explore potential value-enhancing initiatives in light of the trading price of the Senior Unsecured Notes and the Second Lien Notes. The letters, among other things, outlined Wilks Brothers' intention to work in partnership with the Board on a liquidity and deleveraging transaction, and included offers by Wilks Brothers to backstop a strategic transaction. The Board determined that its financial advisors should evaluate the potential initiatives proposed by Wilks Brothers and consider what opportunities they presented.

Concurrent with Calfrac beginning to consider capital structure alternatives, and in light of Wilks Brothers' stated intention to work collaboratively with Calfrac, Calfrac proposed the execution of a non-disclosure agreement to foster a constructive dialogue and to enable the parties to further explore the possibility of a strategic transaction. A draft non-disclosure agreement was first circulated to Wilks Brothers on May 29, 2020, and subsequent drafts were exchanged with Wilks Brothers through Calfrac's financial advisors. On June 10, 2020, Mr. Wilks called a representative of RBC and advised that it appeared Wilks Brothers and Calfrac had agreed in principle to the form of non-disclosure agreement. Mr. Wilks further advised that he would attend to signing the non-disclosure agreement, but had a few matters to resolve before he did so.

On June 12, 2020, Mr. Mathison had a telephone discussion with Mr. Wilks in which he inquired as to the status of Wilks Brothers' execution of the agreed form of non-disclosure agreement. Mr. Wilks expressed reservations about proceeding with the agreement, and Mr. Mathison reiterated the importance to Calfrac of having an executed non-disclosure agreement prior to discussing the details of any transaction, especially in light of Wilks Brothers' ownership of a direct competitor of Calfrac.

Wilks Brothers has subsequently stated that it declined to enter into a non-disclosure agreement because it viewed the agreement as a "tactical" measure. Such a concern was never raised with Calfrac. This "explanation" represents a convenient and feeble attempt by Wilks Brothers to justify its complete lack of engagement at that time, followed by a proposal announced only after Calfrac had reached an agreement on the Recapitalization Transaction with the Consenting Noteholders.

Following Wilks Brothers' refusal to enter into a non-disclosure agreement with Calfrac, as described in the Wilks Brothers Circular and below under "*Trading in Securities of Calfrac*", Wilks Brothers began acquiring Second Lien Notes and Senior Unsecured Notes.

Evaluation of Capital Restructuring

Concurrent with Calfrac seeking to explore alternatives with Wilks Brothers, Calfrac had also commenced exploring potential alternatives to address Calfrac's long-term debt.

During this time, the desirability of MATCO and Mr. Mathison's potential participation in a restructuring, in part as a reassurance to other prospective investors, was raised with the Board. It was determined that Mr. Gregory S. Fletcher, Calfrac's independent Lead Director would, with the input and support of Calfrac's financial advisors and Calfrac's legal advisors and senior management team, serve the lead role on behalf of Calfrac in any such restructuring or funding negotiations, and provide a direct conduit to the Independent Directors. Through a combination of formal Board meetings and other weekly Board updates, the Independent Directors discussed the status of restructuring efforts under the leadership of Mr. Fletcher, including without the attendance of Board members with a real or perceived conflict of interest. Mr. Mathison informed the Board that MATCO would not take a lead role in the negotiations with the Senior Unsecured Noteholders nor set the terms of any proposed financing, and that the extent of MATCO's participation in any such financing would be considered at a later time after Calfrac had received input from the Senior Unsecured Noteholders.

At a Board meeting on June 14, 2020, the Board and the Independent Directors (in camera) received advice from the financial advisors and Calfrac's legal advisors (including advice concerning the directors' fiduciary duties). The Board discussed the pending June 15, 2020 interest payment on the Senior Unsecured Notes and the 30-day grace period from the periodic interest payment that was available under the Senior Unsecured Note Indenture. The Board agreed that it was in the best interests of the Company to elect to defer the interest payment and passed a resolution approving such deferral. The Board then, led by Mr. Fletcher and in conjunction with the financial advisors, discussed the recapitalization plan and recommended that the Board and the financial advisors consider various restructuring alternatives. The Board discussed the merits and challenges of various alternative restructuring transactions, and the financial advisors agreed to undertake a review of the financial aspects of the proposed recapitalization plans and report back to the Board.

On June 15, 2020, Calfrac publicly announced that it had elected to defer the interest payment due on June 15, 2020 in respect of its outstanding Senior Unsecured Notes. Under the terms of the Senior Unsecured Note Indenture, Calfrac had a 30-day grace period from the periodic interest payment date in order to make the cash interest payment before an event of default would occur under the Senior Unsecured Note Indenture.

Negotiations with Senior Unsecured Noteholders and Unsolicited Wilks Brother Proposal to Acquire Calfrac's US Business

In late June 2020, Calfrac commenced negotiations regarding a non-disclosure agreement to be entered into with the members of the Ad Hoc Committee and executed a non-disclosure agreement with Goodmans LLP on June 26, 2020, on behalf of the Ad Hoc Committee. Additional non-disclosure agreements were executed with other Senior Unsecured Noteholders (including Clarke Inc., an affiliate of G2S2). Following the execution of non-disclosure agreements with Clarke Inc. and Goodmans LLP, Calfrac commenced negotiations with G2S2 and the Ad Hoc Committee under the direction of Mr. Fletcher.

On June 22, 2020 and June 30, 2020, Wilks Brothers submitted unsolicited letters of intent to acquire Calfrac's United States business and related assets (the "**US Business**"). As consideration for the US Business, Wilks Brothers offered to: (a) convey ownership of its Second Lien Notes (which totalled US$41,686,750 par value as of the June 22 offer and US$60,001,400 as of the June 30 offer); (b) fund a tender offer for the Senior Unsecured Notes at 14% of par value, implying a cash commitment of approximately US$60,452,000 par value; and (c) in the June 30 offer only, pay a consent fee of US$1 million to the First Lien Lenders and a consent fee of US$1 million to the consenting holders of the balance of the Second Lien Notes (to be shared *pro rata*). With the assistance and advice of its financial advisors and legal advisors, the Board carefully reviewed and analyzed the offers and in each case concluded that the subject offer was not acceptable, as it significantly undervalued the US Business and was not executable from a practical standpoint for various reasons, including its prejudicial treatment of other key Calfrac stakeholders, such as the First Lien Lenders and the balance of the Second Lien Noteholders. Further, these offers envisioned leaving what remained of Calfrac and its subsidiaries' assets, collateral and operations with a disproportionate amount of secured debt. As a result, pro forma Calfrac would be expected to have excessive debt relative to its cash flows and insufficient liquidity to operate its business. Calfrac communicated in detail the reasons for its rejection of Wilks Brothers' offers in letters dated June 29, 2020, July 2, 2020, and July 6, 2020. Each of these responses reiterated Calfrac's invitation for Wilks Brothers to enter into a non-disclosure agreement with Calfrac, which would have permitted Calfrac and Wilks Brothers to purposefully and collaboratively explore a recapitalization transaction at that time.

On July 1, 2020, Calfrac's Lead Director presented the Board with a transaction term sheet dated June 27, 2020, that had been prepared by Calfrac's financial advisors which contemplated: an equitization of the Senior Unsecured Notes; and a $60 million, 1.5 lien senior secured convertible payment-in-kind note financing to partially refinance the First Lien Credit Facility in order to fund transaction costs, ongoing interest payments and maintain required liquidity. Such proposed transaction also envisioned the Second Lien Notes remaining outstanding. The Board also discussed recent communications with the First Lien Lenders regarding the deferred cash interest payment due June

15, 2020 in respect of the Senior Unsecured Notes.

During early July 2020, negotiations proceeded between Calfrac and certain Senior Unsecured Noteholders, including G2S2 and the Ad Hoc Committee, regarding the terms of a recapitalization of Calfrac, including with respect to the amount and terms of new funding required by Calfrac, and the percentage of equity to be held by current Shareholders immediately following a recapitalization transaction.

On July 8, 2020, a Board update meeting was held in which Bennett Jones LLP discussed the status of negotiations of the transaction and advised the Board of the potential for a stay application and the CBCA process generally, including in relation to seeking the support of Calfrac stakeholders who favoured the proposed recapitalization plan over other alternatives that had been proposed for the Board's consideration. The Board discussed the forthcoming negotiations with G2S2 and the Ad Hoc Committee and other stakeholders and Mr. Mathison reiterated his previous position that, while MATCO may participate in any financing forming part of a recapitalization plan, it would not set the terms of such financing, and would instead evaluate the terms negotiated by the other participants and consider MATCO's participation against that backdrop. Mr. Fletcher, as Calfrac's independent Lead Director, confirmed that in accordance with the previous discussions on this point, he would continue to lead negotiations with Calfrac's relevant stakeholders, relying on the input and guidance of its financial advisors and legal advisors, as well as ongoing input from senior management and the other Independent Directors. Mr. Fletcher also confirmed that Mr. Mathison's ongoing participation and investment in Calfrac had been cited by the potential providers of capital to Calfrac as being important to obtaining the support and investment of such parties.

On July 12, 2020, the Board and the Independent Directors (in camera), met to consider the current status of negotiations and the Recapitalization Transaction, and approved proceeding with an application to the Court for the Preliminary Interim Order to obtain, among other things, a stay of proceedings in favour of Calfrac in respect of any defaults arising in connection with Calfrac's previously announced election to defer the cash interest payment due June 15, 2020 in respect of the Senior Unsecured Notes.

Implementation of the Recapitalization Transaction

On July 13, 2020, Calfrac attended a hearing at the Court of Queen's Bench in Calgary in connection with its application seeking to obtain the Preliminary Interim Order, which included a stay of proceedings in favour of Calfrac and the other Applicants in respect of any defaults that may result from Calfrac's decision to initiate the CBCA Proceedings, or arising in connection with Calfrac's election to defer the cash interest payment due on June 15, 2020 in respect of its outstanding Senior Unsecured Notes, and authorized Calfrac to seek recognition of the CBCA Proceedings in the United States.

The Board met to consider the Recapitalization Transaction, including the offering of New 1.5 Lien Notes. As part of such meeting, the Independent Directors met in camera to consider the Recapitalization Transaction, including to consider determinations relating to the financial hardship exemption afforded by MI 61-101 in respect of the valuation requirement pertaining to the offering of New 1.5 Lien Notes as a "related party transaction". In addition, the Board received the verbal independent Opinions from Peters & Co. Limited. Following such review, the Independent Directors recommended that the Board approve the Recapitalization Transaction (including the offering of New 1.5 Lien Notes) and, following such recommendation, the Board approved the Recapitalization Transaction and the application for recognition of the Preliminary Interim Order in the United States.

On July 14, 2020, Calfrac announced, among other things, that it had obtained the Preliminary Interim Order, as well as the Company's decision to proceed with the Recapitalization Transaction. Calfrac also announced it had entered into Noteholder Support Agreements with certain Senior Unsecured Noteholders holding approximately 50% of the outstanding principal amount of the Senior Unsecured Notes, and Shareholders holding approximately 23% of the outstanding Common Shares. Later that day, Calfrac attended proceedings in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, and obtained an order granting emergency provisional relief pursuant to Chapter 15 of the United States Bankruptcy Code applying a stay on a limited basis to Calfrac, the other Applicants and their respective property located in the United States pending Chapter 15 recognition of the CBCA Proceedings (the "**Chapter 15 Relief**"). The Chapter 15 Relief was obtained by Calfrac to ensure it had the opportunity to restructure and effect the Recapitalization Transaction through the CBCA Proceedings and to seek recognition of the CBCA Proceedings and enforcement of the Arrangement in the United States once approved by Alberta's Court of Queen's Bench.

Notably, Wilks Brothers opposed the Chapter 15 Relief on the basis that Chapter 11 bankruptcy proceedings should apply to Calfrac in the US, and also demanded a comeback hearing to seek an amendment of the Preliminary Interim Order to exclude the holders of Second Lien Notes from the stay provision (which would have allowed them to trigger an insolvency). Again, through all of such actions, Wilks Brothers conducted itself solely in the role of a creditor seeking to force an insolvency and effectively ensure no returns for Shareholders. As described further below, it was only after it became apparent to Wilks Brothers that it would fail in its attempt to lift the stay in the comeback hearing, that Wilks Brothers came forward with the Wilks Brothers Proposal.

On September 1, 2020, Calfrac announced that it prevailed in its request for entry of a recognition order under Chapter 15 of the United States Bankruptcy Code. As described further below, it was only after failing in its opposition to the Chapter 15 recognition order that Wilks Brothers came forward with the Wilks Brothers Offer.

On September 15, 2020, a Chapter 15 recognition order was issued, which fully enforces the provisions of the Preliminary Interim Order and effectively blocks any enforcement actions against the US-located assets of Calfrac and its subsidiaries until the conclusion of the CBCA Proceeding.

After Calfrac Secures Recapitalization Transaction, Wilks Brothers Announces a Proposal

On August 4, 2020, Wilks Brothers publicly announced the Wilks Brothers Proposal, only after the announcement of Calfrac's negotiated Recapitalization Transaction. The announcement of a proposal was opportunistic, in light of the fact Wilks Brothers had elected not to accept Calfrac's repeated invitations to enter into a non-disclosure agreement since late May 2020 and the fact that Wilks Brothers had made successive failed attempts to force a Calfrac insolvency to the benefit of its recently acquired position in the Second Lien Notes.

Calfrac Special Committee Reviews the Wilks Brothers Proposal

On August 4, 2020, the same day as the Wilks Brothers Proposal was announced, the Board established the Special Committee to evaluate the Wilks Brothers Proposal.

The Special Committee was given unfettered access to Calfrac's financial advisors. The Special Committee engaged Norton Rose Fulbright Canada LLP ("**Norton Rose Fulbright**") as its independent legal counsel effective August 6, 2020.

The Special Committee established a mandate to, among others things: (a) assess, consider and review the terms of the Wilks Brothers Proposal; (b) supervise, conduct and manage the process to be followed by Calfrac in continuing to review the Recapitalization Transaction and considering proposed amendments thereto, if any; (c) evaluate, assess, consider, review and respond to any expressions of interest or proposals ("**Alternative Proposals**") received by Calfrac and whether such Alternative Proposals constitute a Superior Proposal (as defined in the Noteholder Support Agreements); and (d) to make a recommendation to the Board after having received the advice of the independent financial and legal advisors and engaging in discussions with the Initial Consenting Noteholders about whether the Wilks Brothers Proposal constitutes a Superior Proposal.

The Special Committee held six meetings between August 6, 2020 and August 15, 2020, at which the Special Committee discussed the Wilks Brothers Proposal, the Recapitalization Transaction, and other related matters. During these meetings, representatives of Calfrac's financial advisors provided financial analyses for evaluating the Wilks Brothers Proposal, including a review of the consideration to be received by stakeholders.

The representatives of Norton Rose Fulbright provided legal advice related to the Special Committee's fiduciary duties, responsibilities under its mandate, and provided advice on the interpretation of key provisions under the Noteholder Support Agreements.

At the end of each meeting, the Special Committee held in-camera sessions to further consider the Wilks Brothers Proposal, the Recapitalization Transaction and other related matters.

At the direction of the Special Committee, and as allowed under the terms of the Noteholder Support Agreement, each of Mr. Fletcher and Calfrac's financial advisors separately contacted a number of the Initial Consenting Noteholders and their advisors to determine the views and feedback of the Initial Consenting Noteholders with respect to the Wilks Brothers Proposal and, in particular, to confirm whether the Senior Unsecured Noteholders holding in aggregate not less than $66^{2/3}$% of the Senior Unsecured Notes considered the Wilks Brothers Proposal to be a Superior Proposal. Without exception, those Senior Unsecured Noteholders (or the representatives of such Senior Unsecured Noteholders) that were contacted advised both Mr. Fletcher and the financial advisors that they did not consider the Wilks Brothers Proposal to be a Superior Proposal and were not supportive of the Wilks Brothers Proposal. The Initial Consenting Noteholders contacted by Mr. Fletcher and Calfrac's financial advisors control the majority of the face value of the Senior Unsecured Notes, and therefore their support would be a necessary prerequisite to implement the Wilks Brothers Proposal.

On August 15, 2020, after carefully considering the matters discussed in each of the Special Committee's meetings, and relying on the advice from both Calfrac's financial advisors and Norton Rose Fulbright, the Special Committee determined that the Wilks Brothers Proposal does not constitute a Superior Proposal and recommended that the Board also determine that the Wilks Brothers Proposal does not constitute a Superior Proposal. After receiving the recommendation of the Special Committee, the Board made the same determinations.

Wilks Brothers Offer and Subsequent Developments

On August 24, 2020, Wilks Brothers filed its proxy circular in response to the Recapitalization Circular.

On September 1, 2020, after learning it had lost its application opposing Calfrac's entry of a recognition order under Chapter 15 of the United States Bankruptcy Code, Wilks Brothers announced its intent to make the Wilks Brothers Offer.

On September 2, 2020, Calfrac announced that the Court of Appeal of Alberta denied Wilks Brothers' application for leave to file an appeal of the dismissal by the Court of Queen's Bench of Alberta of Wilks Brothers' application to vary the Preliminary Interim Order, which constituted yet another attempt by Wilks Brothers to seek a Calfrac insolvency. Calfrac also confirmed that the Special Committee and the Board would consider and evaluate the Wilks Brothers offer and related take-over bid circular, if and when received.

On September 9, 2020, Wilks Brothers filed the Wilks Brothers Circular and related documents.

On September 11, 2020, Calfrac confirmed that it had received the Wilks Brothers Offer, and that the offer would be reviewed by the Special Committee and the Board with the assistance of financial and legal advisors.

Announcement of Amended Recapitalization Transaction

During September 2020, under the guidance of the Special Committee, Calfrac engaged in discussions and negotiations with the Initial Consenting Noteholders regarding the potential to amend the Recapitalization Transaction to seek improved alternatives and economics for Shareholders.

On September 11, 2020, holders of the majority of the Senior Unsecured Notes advised Calfrac in writing that, if the Recapitalization Transaction was not completed, they intended to exercise all rights and remedies available to them to cause the Recapitalization Transaction (i.e. without the amendments subsequently negotiated in the Amended Recapitalization Transaction) to be implemented through proceedings under the CCAA.

As such discussions and negotiations progressed, Calfrac announced on September 14, 2020, that it was postponing the Meetings to consider the Recapitalization Transaction to September 29, 2020.

Following further negotiations, the proposed terms of an amended Recapitalization Transaction were settled, in principle, with the Initial Consenting Noteholders, subject to legal documentation and the approval of the terms thereof by the Initial Consenting Noteholders, the Special Committee and the Board. After careful consideration and based on several factors and the advice of legal and financial advisors, on September 23, 2020, the Special Committee unanimously recommended that the Board of Directors approve the Amended Recapitalization Transaction. After receiving such recommendation, on September 23, 2020 the Board also unanimously determined that the Amended Recapitalization Transaction continues to be the best available transaction for the Company.

On September 24, 2020, Calfrac announced that it had negotiated the Amended Recapitalization Transaction with the Initial Consenting Noteholders and that the Meetings are postponed to October 16, 2020, to permit Shareholders and Senior Unsecured Noteholders additional time to consider the terms of the Amended Recapitalization Transaction.

Response to the Wilks Brothers Offer

On September 17, 18, 21 and 23, 2020, the Special Committee met with financial advisors and its legal advisors and Norton Rose Fulbright, to review and discuss the Wilks Brothers Offer. The Special Committee received advice from Norton Rose Fulbright in respect of its fiduciary duties.

Based on such advice, review and evaluation, the Special Committee concluded that the Wilks Brothers Offer was not in the best interests of Calfrac or its Shareholders and unanimously recommended to the Board that it recommend that Shareholders reject the Wilks Brothers Offer and not tender their Common Shares to the Wilks Brothers Offer.

On September 23, 2020, the Board met and received the report of the Special Committee and advice from Calfrac's financial advisors and Bennett Jones LLP to review and discuss the Wilks Brothers Offer and to consider the Amended Recapitalization Transaction. The Board also was advised by Bennett Jones LLP in respect of its fiduciary duties in the context of a potential change of control transaction.

The Board met with management and advisors present, and in camera without management and with and then without advisors. Based upon the Board's review and evaluation of the Wilks Brothers Offer and the Wilks Brothers Circular, the report and recommendation of the Special Committee and advice from Bennett Jones LLP in this regard, the Board unanimously concluded that the Wilks Brothers Offer was not in the best interests of Calfrac or its Shareholders and resolved to recommend that Shareholders reject the Wilks Brothers Offer and not tender their Common Shares to the Wilks Brothers Offer.

HOW TO WITHDRAW YOUR DEPOSITED COMMON SHARES

To reject the Wilks Brothers Offer, you should do nothing. Shareholders who have already tendered their Common Shares to the Wilks Brothers Offer can withdraw them at any time before their Common Shares have been taken up and paid for by Wilks Brothers pursuant to the Wilks Brothers Offer.

Shareholders who hold Common Shares through a brokerage firm should contact their broker to withdraw Common Shares on their behalf. If the Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Wilks Brothers Offer, "*Manner of Acceptance*", any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

For assistance in withdrawing your Common Shares, you should contact your broker or the Proxy, Information and Exchange Agent, Kingsdale Advisors, by: (a) telephone, toll-free in North America at 1-877-659-1822 or collect call outside North America at 1-416-867-2272; or (b) e-mail to contactus@kingsdaleadvisors.com.

CALFRAC WELL SERVICES LTD.

Calfrac is one of the world's largest hydraulic fracturing companies and a leading independent global provider of specialized oilfield services with headquarters in Calgary, Alberta, Canada. Calfrac operates in western Canada, the United States, Russia and Argentina. Calfrac's services include pressure pumping, coiled tubing, cementing and other well stimulation services which are designed to help increase the production of oil and natural gas.

Calfrac has its head and principal office at Suite 500, 407 – 8th Avenue S.W., Calgary, Alberta, T2P 1E5 and its registered office at Suite 4500, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4K7.

The Common Shares trade on the TSX under the symbol "CFW". On August 31, 2020, the last trading day before Wilks Brothers announced its intention to make an offer for the Common Shares, the closing price of the Common Shares on the TSX was $0.15. On September 8, 2020, the last trading day of the Common Shares prior to the Wilks Brothers Offer, the closing price of the Common Shares on the TSX was $0.15.

OWNERSHIP OF SECURITIES OF CALFRAC

The following table sets out the names and positions of each director and officer of Calfrac and the number and percentage of securities of Calfrac beneficially owned, or over which control or direction is exercised by each such person and, where known after reasonable enquiry, by each associate or affiliate of any insider of Calfrac, each associate or affiliate of Calfrac, any insider of Calfrac other than a director or officer of Calfrac and each person acting jointly or in concert with Calfrac as of September 23, 2020.

Securities Beneficially Owned or Controlled

Name	Position	Number / Percentage of Common Shares[(1)]	Number / Percentage of Options[(2)]	Number / Percentage of PSUs[(3)]	Number / Percentage of DSUs[(4)]
Ronald P. Mathison	Director and Executive Chairman	28,834,321 (19.80%)[(6)]	1,712,919 (17.63%)	-	40,000 (16%)
Alberta Investment Management Corporation	Insider	24,080,121 (16.54%)[(7)]	-	-	-
Wilks Brothers	Insider	28,720,172 (19.72%)[(8)]	-	-	-
Jamie S. Blair	Director	35,621 (0.02%)	-	-	40,000 (16%)
Gregory S. Fletcher	Lead Director	88,784 (0.06%)	-	-	40,000 (16%)
Lorne A. Gartner	Director	16,346 (0.01%)	-	-	40,000 (16%)
Kevin R. Baker	Director	369,910 (0.25%)	-	-	40,000 (16%)
Douglas R. Ramsay	Director and Vice Chairman	3,015,184 (2.07%)	-	-	-
Lindsay R. Link	Direct, President and Chief Operating Officer	115,476 (0.08%)	905,000 (9.31%)	145,834 (8.93%)	-
Michael D. Olinek	Chief Financial Officer	36,965 (0.03%)	435,000 (4.48%)	59,169 (3.63%)	-
Gord T. Milgate	President, Canadian Division	11,404 (0.01%)	203,700 (2.10%)	36,544 (1.63%)	-
Robert L. Sutherland	President, Russian Division	49,113	395,000	46,981	-

REJECT THE WILKS BROTHERS OFFER
TAKE NO ACTION – DO NOT TENDER YOUR COMMON SHARES

If you have already tendered your Common Shares to the Wilks Brothers Offer, you can withdraw your Common Shares by contacting your broker or Kingsdale, North America Toll Free at 1-877-659-1822 or via email at contactus@kingsdaleshareholder.com.

Name	Position	Number / Percentage of Common Shares(1)	Number / Percentage of Options(2)	Number / Percentage of PSUs(3)	Number / Percentage of DSUs(4)
		(0.03%)	(4.07%)	(2.24%)	
Fred L. Toney	President, United States Division	41,729 (0.03%)	420,000 (4.32%)	53,544 (3.28%)	-
Marco A. Aranguren	Director General, Argentina	52,534 (0.04%)	117,000 (1.20%)	32,917 (2.02%)	-
J. Mike Brown	Vice President, Technical Services	51,895 (0.04%)	330,000 (3.40%)	44,169 (2.71%)	-
Mark R. Ellingson	Vice President, Sales and Marketing, United States Division	34,179 (0.02%)	275,000 (2.83%)	30,896 (1.89%)	-
Chris K. Gall	Vice President, Global Supply Chain	16,395 (0.01%)	355,000 (3.65%)	46,314 (2.84%)	-
Edward L. Oke	Vice President, Human Resources	47,567 (0.03%)	403,000 (4.15%)	53,544 (3.28%)	-
B. Mark Paslawski	Vice President, Corporate Development and Corporate Secretary	38,823 (0.03%)	515,000 (5.30%)	53,169 (3.26%)	-
Gary J. Rokosh	Vice President, Business Development, Canadian Division	20,495 (0.01%)	180,000 (1.85%)	16,585 (1.02%)	-
Mark D. Rosen	Vice President, Operations, United States Division	25,623 (0.02%)	240,000 (2.47%)	44,647 (2.74%)	-
Scott A. Treadwell	Vice President, Capital Markets and Strategy	11,894 (0.01%)	180,000 (1.85%)	28,188 (1.73%)	-

Notes:

(1) As of September 23, 2020, there were 145,616,827 Common Shares outstanding.
(2) As of September 23, 2020, there were 9,714,186 Options outstanding.
(3) As of September 23, 2020, there were 1,632,243 PSUs outstanding.
(4) As of September 23, 2020, there were 200,000 DSUs outstanding.
(5) The information as to securities beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of Calfrac, has been furnished by the respective directors and officers. To the knowledge of Calfrac, except as set forth in this Directors' Circular, no director or officer of Calfrac, no insider of Calfrac, nor any associate or affiliate of Calfrac or any insider of Calfrac, beneficially owns, directly or indirectly, or exercises control or direction over, any Senior Unsecured Notes or Second Lien Notes.
(6) Includes 21,802,143 Common Shares held by MATCO Investments Ltd. and 3,258,878 Common Shares held by 1097594 Alberta Ltd., both entities controlled by Mr. Mathison.
(7) To the knowledge of Calfrac, Alberta Investment Management Corporation beneficially owns and exercises control and direction over US$30,214,000 of Senior Unsecured Notes.
(8) In the Wilks Brothers Circular, Wilks Brothers reported that it and its affiliates beneficially own and exercise control and direction over 28,720,172 Common Shares, US$67,293,300 of Second Lien Notes and US$29,431,000 of Senior Unsecured Notes.

INTENTION OF DIRECTORS, OFFICERS AND OTHER SHAREHOLDERS WITH RESPECT TO THE WILKS BROTHERS OFFER

Each director and officer of Calfrac has indicated their intention to reject the Wilks Brothers Offer and not tender any of their Common Shares to the Wilks Brothers Offer.

To the knowledge of the directors and officers of Calfrac, after reasonable enquiry, as at the date hereof, no associate or affiliate of any insider of Calfrac (other than Wilks Brothers), no associate or affiliate of Calfrac, no insider of Calfrac other than a director or officer of Calfrac and no person or company acting jointly or in concert with Calfrac has accepted the Wilks Brothers Offer or intends to accept the Wilks Brothers Offer.

TRADING IN SECURITIES OF CALFRAC

During the six (6) month period preceding the date hereof, none of Calfrac, the directors, officers or other insiders of Calfrac nor, to the knowledge of the directors and officers of Calfrac, after reasonable enquiry, any associate or affiliate of an insider of Calfrac, any associate or affiliate of Calfrac or any person or company acting jointly or in concert with Calfrac, has traded any securities of Calfrac, except as set forth below. Information contained in the following tables and pertaining to Wilks Brothers is obtained solely from the information contained in the Wilks Brothers Circular.

Senior Unsecured Notes

Name	Face Value of Senior Unsecured Notes Purchased (US$)	Purchase Price (US$ per US$1 of par value)	Date of Transaction
Wilks Brothers[(1)]	$8,651,000	$0.1025	7/17/2020
Wilks Brothers[(1)]	$12,780,000	$0.1050	7/21/2020
Wilks Brothers[(1)]	$8,000,000	$0.1050	7/22/2020

Note:

(1) Securities acquired by THRC Holdings L.P., an affiliate of Wilks Brothers, LLC. See Section 7 (Trading in Securities of Calfrac) of the Wilks Brothers Circular.

Second Lien Secured Notes

Name	Face Value of Second Lien Notes Purchased (US$)	Purchase Price (US$ per US$1 of par value)	Date of Transaction
Wilks Brothers[(1)]	$7,156,700[(2)]	$0.6000	6/11/2020
Wilks Brothers[(1)]	$11,689,700	$0.6050	6/15/2020
Wilks Brothers[(1)]	$2,040,000	$0.6150	6/16/2020
Wilks Brothers[(1)]	$8,910,000[(3)]	$0.6600	6/17/2020
Wilks Brothers[(1)]	$3,000,000	$0.7525	6/18/2020
Wilks Brothers[(1)]	$1,890,350	$0.7800	6/19/2020
Wilks Brothers[(1)]	$7,000,000	$0.7900	6/19/2020
Wilks Brothers[(1)]	$5,000,000[(4)]	$0.7700	6/24/2020
Wilks Brothers[(1)]	$11,314,650	$0.7600	6/25/2020
Wilks Brothers[(1)]	$2,000,000	$0.7613	6/26/2020
Wilks Brothers[(1)]	$7,291,900	$0.7450	7/21/2020

Notes:

(1) Securities acquired by THRC Holdings L.P., an affiliate of Wilks Brothers, LLC. See Section 7 (Trading in Securities of Calfrac) of the Wilks Brothers Circular.
(2) Accrued interest of US$194,572.78 was also paid. See Section 7 (Trading in Securities of Calfrac) of the Wilks Brothers Circular.
(3) Accrued interest of US$253,006.88 was also paid. See Section 7 (Trading in Securities of Calfrac) of the Wilks Brothers Circular.
(4) Accrued interest of US$152,552.08 was also paid. See Section 7 (Trading in Securities of Calfrac) of the Wilks Brothers Circular.

ISSUANCES OF SECURITIES OF CALFRAC

Except as set out below, no Common Shares or securities convertible into Common Shares have been issued to the directors, officers and any other insiders of Calfrac during the two (2) years preceding the date of this Directors' Circular.

Common Shares

Name	Nature of Issue	Common Shares Issued	Price per Common Share ($)	Date Issued
Gregory S. Fletcher	Acquisition	10,000	$1.93	6/10/2019
Lindsay R. Link	Exercise of Rights	69,803	$2.29	1/1/2019
Lindsay R. Link	Exercise of Rights	15,090	$1.18	1/2/2020
Michael D. Olinek	Exercise of Rights	22,760	$2.29	1/1/2019
Michael D. Olinek	Acquisition	7,000	$2.76	1/3/2019
Michael D. Olinek	Exercise of Rights	8,065	$1.18	1/2/2020
Gordon T. Milgate	Exercise of Rights	10,443	$2.29	1/1/2019
Gordon T. Milgate	Exercise of Rights	3,862	$1.18	1/2/2020
Robert L. Sutherland	Exercise of Rights	26,660	$2.29	1/1/2019
Robert L. Sutherland	Exercise of Rights	7,023	$1.18	1/2/2020
Fred L. Toney	Exercise of Rights	35,434	$2.29	1/1/2019
Fred L. Toney	Exercise of Rights	8,065	$1.18	1/2/2020
Marco A. Aranguren	Exercise of Rights	12,750	$2.29	1/1/2019
Marco A. Aranguren	Acquisition	1,500	US$1.5046(1)	6/18/2019
Marco A. Aranguren	Exercise of Rights	1,893	$1.18	1/2/2020
J. Michael Brown	Acquisition	1,000	US$2.80(1)	11/13/2018
J. Michael Brown	Acquisition	1,000	US$2.449(1)	11/26/2018
J. Michael Brown	Acquisition	200	US$2.29(1)	11/27/2018
J. Michael Brown	Acquisition	750	US$1.98(1)	11/30/2018
J. Michael Brown	Acquisition	750	US$1.55(1)	12/18/2018
J. Michael Brown	Exercise of Rights	31,917	$2.29	1/1/2019
J. Michael Brown	Exercise of Rights	7,023	$1.18	1/2/2020
Mark R. Ellingson	Exercise of Rights	20,354	$2.29	1/1/2019
Mark R. Ellingson	Exercise of Rights	4,554	$1.18	1/2/2020
Chris K. Gall	Exercise of Rights	14,476	$2.29	1/1/2019
Chris K. Gall	Exercise of Rights	6,738	$1.18	1/2/2020
Edward L. Oke	Exercise of Rights	26,010	$2.29	1/1/2019
Edward L. Oke	Exercise of Rights	8,065	$1.18	1/2/2020
B. Mark Paslawski	Acquisition	2,150	$4.62	10/31/2018
B. Mark Paslawski	Exercise of Rights	31,860	$2.29	1/1/2019
B. Mark Paslawski	Exercise of Rights	7,023	$1.18	1/2/2020
Gary J. Rokosh	Exercise of Rights	9,527	$2.29	1/1/2019
Gary J. Rokosh	Exercise of Rights	2,458	$1.18	1/2/2020
Mark D. Rosen	Exercise of Rights	21,888	$2.29	1/1/2019
Mark D. Rosen	Exercise of Rights	6,023	$1.18	1/2/2020

Name	Nature of Issue	Common Shares Issued	Price per Common Share ($)	Date Issued
Scott A. Treadwell	Exercise of Rights	3,000	$2.57	12/5/2018
Scott A. Treadwell	Exercise of Rights	2,748	$2.29	1/1/2019
Scott A. Treadwell	Exercise of Rights	4,214	$1.18	1/2/2020

Note:

(1) Transaction reported in U.S. dollars on the System for Electronic Disclosure by Insiders at www.sedi.ca.

Options

Name	Number of Options Granted	Option Exercise Price	Date Granted
Ronald P. Mathison	1,470,000	$1.26	11/11/2019
Lindsay R. Link	100,000	$2.29	1/1/2019
Lindsay R. Link	70,000	$1.26	11/11/2019
Lindsay R. Link	170,000	$1.22	12/31/2019
Michael D. Olinek	55,000	$2.29	1/1/2019
Michael D. Olinek	75,000	$1.22	12/31/2019
Gordon T. Milgate	25,000	$2.29	1/1/2019
Gordon T. Milgate	30,000	$1.22	12/31/2019
Gordon T. Milgate	10,000	$1.22	1/8/2020
Gordon T. Milgate	20,000	$0.26	4/1/2020
Robert L. Sutherland	45,000	$2.29	1/1/2019
Robert L. Sutherland	45,000	$1.22	12/31/2019
Fred L. Toney	65,000	$2.29	1/1/2019
Fred L. Toney	65,000	$1.22	12/31/2019
Marco A. Aranguren	10,000	$2.29	1/1/2019
Marco A. Aranguren	25,000	$1.26	11/11/2019
Marco A. Aranguren	45,000	$1.22	12/31/2019
J. Michael Brown	40,000	$2.29	1/1/2019
J. Michael Brown	40,000	$1.22	12/31/2019
Mark R. Ellingson	32,500	$2.29	1/1/2019
Mark R. Ellingson	35,000	$1.22	12/31/2019
Chris K. Gall	40,000	$2.29	1/1/2019
Chris K. Gall	45,000	$1.22	12/31/2019
Edward L. Oke	50,000	$2.29	1/1/2019
Edward L. Oke	65,000	$1.22	12/31/2019
B. Mark Paslawski	60,000	$2.29	1/1/2019
B. Mark Paslawski	70,000	$1.22	12/31/2019
Gary J. Rokosh	20,000	$2.29	1/1/2019
Gary J. Rokosh	20,000	$1.22	12/31/2019
Mark D. Rosen	40,000	$2.29	1/1/2019
Mark D. Rosen	45,000	$1.22	12/31/2019
Scott A. Treadwell	35,000	$2.29	1/1/2019
Scott A. Treadwell	35,000	$1.22	12/31/2019

PSUs

Name	Number of PSUs Granted[1]	Date Granted	Expiry Date
Lindsay R. Link	28,125	3/11/2019	12/31/2022
Lindsay R. Link	43,750	3/16/2020	12/31/2023
Michael D. Olinek	15,625	3/11/2019	12/31/2022
Michael D. Olinek	18,750	3/16/2020	12/31/2023
Gordon T. Milgate	6,875	3/11/2019	12/31/2022
Gordon T. Milgate	8,125	3/16/2020	12/31/2023
Gordon T. Milgate	5,556	4/1/2020	12/31/2023
Robert L. Sutherland	12,500	3/11/2019	12/31/2022
Robert L. Sutherland	14,062	3/16/2020	12/31/2023
Fred L. Toney	15,625	3/11/2019	12/31/2022
Fred L. Toney	15,625	3/16/2020	12/31/2023
Marco A. Aranguren	3,750	3/11/2019	12/31/2022
Marco A. Aranguren	11,250	3/16/2020	12/31/2023
J. Michael Brown	12,500	3/11/2019	12/31/2022
J. Michael Brown	12,500	3/16/2020	12/31/2023
Mark R. Ellingson	9,375	3/11/2019	12/31/2022
Mark R. Ellingson	9,062	3/16/2020	12/31/2023
Chris K. Gall	12,500	3/11/2019	12/31/2022
Chris K. Gall	14,062	3/16/2020	12/31/2023
Edward L. Oke	15,625	3/11/2019	12/31/2022
Edward L. Oke	15,625	3/16/2020	12/31/2023
B. Mark Paslawski	12,500	3/11/2019	12/31/2022
B. Mark Paslawski	17,500	3/16/2020	12/31/2023
Gary J. Rokosh	4,375	3/11/2019	12/31/2022
Gary J. Rokosh	5,000	3/16/2020	12/31/2023
Mark D. Rosen	12,500	3/11/2019	12/31/2022
Mark D. Rosen	14,062	3/16/2020	12/31/2023
Scott A. Treadwell	7,500	3/11/2019	12/31/2022
Scott A. Treadwell	8,437	3/16/2020	12/31/2023

Note:

(1) Includes only equity-based PSUs, as cash-based PSUs are not exercisable or convertible into Common Shares.

DSUs

Name	Number of DSUs Granted	Date Granted	Expiry Date
Ronald P. Mathison	40,000	2/27/2019	1/31/2022
Douglas R. Ramsay	25,000	2/27/2019	1/31/2022
Douglas R. Ramsay	25,000	3/4/2020	1/31/2023
Kevin R. Baker	20,000	2/27/2019	1/31/2022
Kevin R. Baker	20,000	3/4/2020	1/31/2023
Gregory S. Fletcher	20,000	2/27/2019	1/31/2022
Gregory S. Fletcher	20,000	3/4/2020	1/31/2023
James S. Blair	20,000	2/27/2019	1/31/2022

Name	Number of DSUs Granted	Date Granted	Expiry Date
James S. Blair	20,000	3/4/2020	1/31/2023
Lorne A. Gartner	20,000	2/27/2019	1/31/2022
Lorne A. Gartner	20,000	3/4/2020	1/31/2023

ARRANGEMENTS BETWEEN THE OFFEROR AND THE DIRECTORS, OFFICERS AND SECURITYHOLDERS OF CALFRAC

There are no agreements, commitments or understandings made or, to the knowledge of the directors and officers of Calfrac, proposed to be made between Wilks Brothers and any of the directors and officers of Calfrac, including pursuant to which a payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Wilks Brothers Offer is successful. No director or officer of Calfrac is a director or officer of Wilks Brothers or of any subsidiary of Wilks Brothers.

To the knowledge of the directors and officers of Calfrac, there are no agreements, commitments or understandings made or proposed to be made between Wilks Brothers and any Calfrac securityholder relating to the Wilks Brothers Offer.

ARRANGEMENTS BETWEEN CALFRAC AND ITS DIRECTORS AND OFFICERS

Other than as described in this Directors' Circular, no agreement, commitment or understanding has been made, or is proposed to be made, between Calfrac and any of its directors or officers, including pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Wilks Brothers Offer is successful.

Change of Control Agreements with Officers

Each of Michael D. Olinek, Lindsay R. Link, Gordon T. Milgate, Robert Sutherland, Fred L. Toney, Marco Aranguren, J. Michael Brown, Mark Ellingson, Chris K. Gall, Edward L. Oke, B. Mark Paslawski, Gary J. Rokosh, Mark D. Rosen and Scott A. Treadwell has an executive employment agreement which extends indefinitely, unless terminated by either party in accordance with the terms of the agreement. These employment agreements provide that in the event of a change of control of the Company, and if any of such officers are terminated within one year following such change of control, other than for just cause, such individual will be entitled to an amount equal to two times the sum of: (i) the individual's annual current base salary; (ii) an amount equal to their target incentive bonus; (iii) the costs of health and welfare benefit plans for the 12-month period preceding termination; (iv) an amount equal to the last annual taxable benefit for such individual's vehicle allowance; and (v) 6% of the individual's base salary up to the maximum contribution permitted in lieu of any pension, registered retirement savings plan or 401K contribution which the individual would have earned during a 12-month period. These employment agreements also provide that each of such officers shall have the right, but shall not be obligated, to terminate his employment and the employment agreement within 90 days following the occurrence of certain specified events which are deemed to amount to constructive dismissal. If any of such officers exercise this right, or are terminated without cause by the Company in circumstances not relating to a change of control, as set out above, such officer is entitled to an amount equal to the sum of items (i) through (v) noted above.

Ronald P. Mathison also has an executive employment agreement which extends indefinitely, unless terminated by either party in accordance with the terms of the agreement. Such employment agreement provides that in the event of a change of control of the Company, and if Mr. Mathison is terminated within one year following such change of control, other than for just cause, he will be entitled to an amount equal to two times the sum of his base salary for the month immediately preceding the termination multiplied by 24. Such employment agreement also provides that Mr. Mathison shall have the right, but shall not be obligated, to terminate his employment and the employment agreement within 90 days following the occurrence of certain specified events which are deemed to amount to constructive dismissal. If Mr. Mathison exercises this right, or is terminated without cause by the Company in circumstances not relating to a change of control, as set out above, he is entitled to an amount equal to the sum of his base salary for the month immediately preceding the termination multiplied by 24.

Change of Control Provisions under the Incentive Plans

The following is a summary only of the treatment of Options, PSUs and DSUs on a change of control pursuant to the provisions of the Incentive Plans or the applicable agreements in respect thereof and is qualified entirely by the text of each of such plans. For a more comprehensive description of the terms of each plan, please refer to Calfrac's management information circular dated May 6, 2020 and filed on SEDAR at www.sedar.com.

Stock Option Plan

The Stock Option Plan provides that, following a sale of all or substantially all of the assets of the Company or a change of control, participants are entitled to exercise in full or in part all unexercised options, whether vested or not. The Stock Option Plan does not provide for accelerated vesting of options on termination of employment.

PSU Plan

The PSU Plan provides that in the event of a change of control or a determination by the Board that a change of control is expected to occur, the Board shall have the authority to take all necessary steps so as to ensure the preservation of the economic interests of the participants in, and to prevent the dilution or enlargement of, any unvested PSUs, including, without limitation, ensuring that the Company or any entity which is or would be the successor to the Company or which may issue securities in exchange for common shares of the Company upon the change of control becoming effective will provide each participant with new or replacement or amended PSUs which will continue to vest and be exercisable following the change of control on similar terms and conditions as provided in the PSU Plan provided that: (i) following a change of control, if a participant shall cease to be an officer or employee of the Company or one of its subsidiaries by reason of termination (A) by the Company or one of its subsidiaries, as applicable, or by the entity that has entered into a valid and binding agreement with the Company or one of its subsidiaries to effect the change of control, at any time during the period commencing on the date of the change of control and ending two years after the date of the change of control (the "**Control Period**"), and such termination was for any reason other than for cause, or (B) by the participant by resignation in circumstances which would amount to constructive dismissal, provided such resignation occurs during the Control Period; or (ii) if the Board, in its sole discretion, determines that it would not be practicable to cause the provision of new or replacement or amended PSUs, then all PSUs credited to the participant and then outstanding shall (whether otherwise vested or not at such time) become vested PSUs (at the time of such termination, in the case of (i) above, or upon the change of control, in the case of (ii) above), and such participant shall be entitled to payouts for such PSUs. The PSU Plan does not otherwise provide for accelerated vesting of PSUs on termination of employment.

DSU Plan

The DSU Plan provides that all unvested DSUs shall automatically become vested DSUs if, and at the same time as, a change of control occurs, or the Board by resolution determines to accelerate the vesting of such DSUs as a result of its determination that a change of control is expected to occur. Any such determination shall specify that, if for any reason, the change of control is not completed, the Company shall revoke such determination. Notwithstanding any other provision of the DSU Plan, in the event that DSUs become vested DSUs in accordance with the foregoing, the Board may by resolution determine that the "Market Value" with respect to such DSUs shall be the price per share offered or provided for in the change of control transaction.

OWNERSHIP OF SECURITIES OF THE OFFEROR

None of Calfrac or the directors or officers of Calfrac or, to their knowledge after reasonable enquiry, any associate or affiliate of an insider of Calfrac (other than Wilks Brothers), any affiliate or associate of Calfrac, any insider of Calfrac who is not a director or officer of Calfrac (other than Wilks Brothers) or any person acting jointly or in concert with Calfrac, beneficially owns, or exercises control or direction over, any securities of the Offeror.

INTEREST OF DIRECTORS AND OFFICERS IN MATERIAL TRANSACTIONS WITH THE OFFEROR

None of the directors or officers of Calfrac and their associates and, to the knowledge of the directors and officers of Calfrac, after reasonable enquiry, no person who owns more than 10% of any class of equity securities of Calfrac for the time being outstanding has any interest in any material transaction to which Wilks Brothers is a party.

MATERIAL CHANGES IN THE AFFAIRS OF CALFRAC

Except as publicly disclosed, the directors and officers of Calfrac are not aware of any information that indicates any material change in the affairs of Calfrac since the date of its last published financial statements, being its unaudited financial statements as at and for the six months ended June 30, 2020.

OTHER TRANSACTIONS

Other than the intended completion of the Amended Recapitalization Transaction, no negotiations are underway in response to the Wilks Brothers Offer which relate to or would result in: (i) an extraordinary transaction such as a merger or reorganization involving Calfrac or a subsidiary of Calfrac; (ii) the purchase, sale or transfer of a material amount of assets by Calfrac or a subsidiary of Calfrac; (iii) a take-over bid or other acquisition of securities of Calfrac by any person other than Wilks Brothers; (iv) a bid by Calfrac for its own securities or for those of another issuer; or (v) any material change in the present capitalization or dividend policy of Calfrac.

OTHER MATERIAL INFORMATION

Except as otherwise described or referred to in this Directors' Circular, or otherwise publicly disclosed, no other information is known to the directors of Calfrac that would reasonably be expected to affect the decision of the Shareholders to accept or reject the Wilks Brothers Offer.

Pursuant to MI 61-101, as the Wilks Brothers Offer is an "insider bid", Calfrac must disclose any "bona fide prior offer" that relates to the Common Shares that was received by Calfrac within 24 months before the Wilks Brothers Offer was publicly announced, a description of the offer and the background to the offer.

Between July 24, 2019 and September 16, 2019, Calfrac received from Wilks Brothers correspondence in respect of a proposal to combine the businesses of Calfrac and ProFrac. Although the proposal did not specify a price per Common Share, the proposal generally contemplated an acquisition of ProFrac by Calfrac, that equated the enterprise value of both companies and, with an assumed secondary offering by Wilks Brothers of approximately $411 million of Common Shares, would result in ProFrac becoming a 49% shareholder of the combined entity. Upon receiving the advice of financial advisors and review by the Board, Calfrac determined not to proceed with the proposal on the basis that, among other rationale, the size of the required secondary offering in the context of the equity markets at that time was not possible to execute, a potential change of control may have occurred on the Senior Unsecured Notes and the ability to refinance the Senior Unsecured Notes at competitive interest rates was uncertain, the ability of ProFrac to realize the operational synergies represented in its proposal was questionable, and the sale of Calfrac's international operations assumed in the proposal was unlikely to be consummated for the proceeds represented.

To the knowledge of the Calfrac and its directors and senior officers, after reasonable inquiry, there have been no prior valuations (as defined in MI 61-101) prepared in respect of the Company, the Common Shares or any material assets of the Company during the 24 months prior to the date of the announcement of the Wilks Brothers Offer.

OTHER PERSONS RETAINED IN CONNECTION WITH THE WILKS BROTHERS OFFER

In addition to the external legal advisors, Bennett Jones LLP and Latham & Watkins LLP, and independent legal advisors to the Special Committee, Norton Rose Fulbright Canada LLP, Calfrac has retained the persons described below in connection with the Wilks Brothers Offer.

Calfrac has retained Kingsdale Advisors as its Proxy, Information and Exchange Agent in connection with the Wilks Brothers Offer and certain related matters. Kingsdale will receive a fee of $120,000 plus out-of-pocket expenses for its services. Calfrac has agreed to indemnify Kingsdale against certain liabilities arising out of or in connection with the engagement.

Except as set forth above, neither Calfrac nor any person acting on its behalf has employed, retained or agreed to compensate any person making solicitations or recommendations to Shareholders in connection with the Wilks Brothers Offer.

ERRORS, MISLEADING STATEMENTS AND BREACH OF LAWS BY WILKS BROTHERS

The Wilks Brothers Offer does not correctly identify the Offeror or provide required certification

The "Offeror" in the Wilks Brothers Offer is THRC Holdings L.P., which is listed as an "affiliate" of Wilks Brothers, LLC. The Wilks Brothers Offer also states that "the Offeror or its affiliates will fund [the] cash consideration…".

National Policy 62-303 – *Take-Over Bids and Issuer Bids* ("**NP 62-303**") requires that a take-over bid be certified not only by a named offeror, but also be certified by any primary party that uses the named offeror to make the offer. It is reasonable to believe that Wilks Brothers, LLC or other affiliates parties not named in the Wilks Brothers Offer may be the primary offeror that has structured and initiated the bid, controls the Offeror and the terms of the Wilks Brothers Offer, is financing the offer and may beneficially own securities acquired under the Wilks Brothers Offer. As a result, the Wilks Brothers Offer does not correctly identify all persons who are the Offeror, or provide required certifications.

Wilks Brothers' description of its intent for Calfrac is vague and misleading

Item 17 of Form 62-104F1 – *Take-over Bid Circular* require Wilks Brothers to disclose any plans or proposals for material changes in the affairs of Calfrac, including, for example, any proposal to liquidate Calfrac, to sell, lease or exchange all or a substantial part of its assets, or to make any material changes in Calfrac's business. Wilks Brothers simply states it plans to keep "the Company" intact and focus on delivering the best outcomes for "stakeholders". Calfrac is of the opinion such a statement is intentionally misleading, when delivered by a party that: (a) operates a directly competing business, ProFrac; (b) has made two successive below market offers to secure Calfrac's U.S. assets; and (c) has consistently as a "stakeholder" sought to push Calfrac into insolvency proceedings.

Wilks Brothers should, at minimum, correct its statements by confirming these open questions, including that it will not seek, and has no plans or proposals to seek, a self-dealing transaction to acquire Calfrac's U.S. assets.

Statements that the Wilks Brothers Offer "offers a clear path to financial recovery" are misleading

Wilks Brothers makes several statements that the Wilks Brothers Offer "offers a clear path to financial recovery". These statements are misleading. In particular, these statements completely ignore the rights and positions of Senior

Unsecured Noteholders to whom Calfrac is indebted in the amount of US$431.8 million in principal, plus accrued interest, and that such indebtedness would immediately become due and payable upon a change of control in connection with the completion of the Wilks Brothers Offer. The realities of the priority of Senior Unsecured Noteholders over Shareholders in Calfrac's capital structure reveal that Wilks Brothers' statements are misleading.

As described under "*Reasons to Reject the Wilks Brothers Offer*", Calfrac has been advised unequivocally in writing by Consenting Noteholders holding the majority of the Senior Unsecured Notes, that: (a) they will not support the Wilks Brothers Offer; (b) the Wilks Brothers Offer, based on its terms, is not capable of implementation or providing value to Shareholders; and (c) the only recovery available to Shareholders is under the Recapitalization Transaction.

In addition, as described under "*Is Wilks Brothers seeking to circumvent Canadian take-over bid laws?"* there is no precedent for any waiver of the Statutory Minimum Condition, a condition that makes it highly unlikely the Wilks Brothers Offer will ever be capable of completion.

Statements that Calfrac has "threatened" its Shareholders are misleading

Wilks Brothers have made numerous misleading statements, in the Wilks Brothers Offer and elsewhere, that Calfrac is threatening its shareholders. Calfrac disclosure of the outcomes that may occur are only an acknowledgement of the realities of Calfrac indebtedness to the Senior Unsecured Noteholders. Calfrac does not apologize for making Shareholders aware of the potential outcomes arising from a failure to implement the Senior Unsecured Noteholder supported Recapitalization Transaction. Calfrac again notes that it has been advised unequivocally in writing by Consenting Noteholders holding the majority of the Senior Unsecured Notes, that: (a) they will not support the Wilks Brothers Offer; (b) the Wilks Brothers Offer, based on its terms, is not capable of implementation or providing value to Shareholders; and (c) the only recovery available to Shareholders is under the Recapitalization Transaction.

STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides securityholders of Calfrac with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those securityholders. However, such rights must be exercised within prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of their province for particulars of those rights or consult a lawyer.

APPROVAL OF DIRECTORS' CIRCULAR

This Directors' Circular has been approved and the sending thereof has been authorized by the Board.

CERTIFICATE

Dated: September 24, 2020

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

On behalf of the Board of Directors

(Signed) "*Gregory S. Fletcher*"	(Signed) "*Lindsay R. Link*"
Gregory S. Fletcher	Lindsay R. Link
Lead Director	Director

Any questions and requests for assistance may be directed to:

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