The Ten Things That You Should Know About Calfrac's Amended Recapitalization Transaction

September 28, 2020

CALGARY, AB, Sept. 28, 2020 /CNW/ - Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) responded today:

The noise and distraction around Calfrac's improved Amended Recapitalization Transaction (the "**Amended Transaction**") continues, with another set of misleading press releases from Wilks Brothers. Calfrac wants to ensure that stakeholders have the key facts and context as they consider the Amended Transaction, so here are the **ten things** **that Calfrac stakeholders should know:**

- ***Calfrac is offering its Shareholders the opportunity to either receive $0.15 per Share in cash or to retain their Shares, as they prefer; plus two new Calfrac Warrants, regardless of whether they select cash or retain their Shares, as previously described. The Warrants provide Shareholders with a meaningful option on the future of Calfrac in an improved business environment. This additional consideration is only available under the Amended Transaction and is not available if the Original Transaction is completed in CCAA proceedings.***
- ***The Amended Transaction is the only viable transaction available to Calfrac and provides the highest level of certainty and consideration that Shareholders can expect to receive in connection with any executable recapitalization or restructuring. It is highly unlikely that Wilks Brothers Offer can be completed, since it does not address the US$431.8 million, plus accrued interest, owing under Calfrac's Senior Unsecured Notes. Calfrac is in default of the Senior Unsecured Notes and does not have the ability to repay the obligations in full. If the Amended Transaction is not completed under the CBCA Plan, the Company and the Consenting Noteholders have agreed to complete the original Recapitalization Transaction (the "Original Transaction") in CCAA proceedings, under which recoveries to Shareholders will be lower.***
- ***The Wilks Brothers Offer is a mirage and has no reasonable prospect of being completed. The Wilks Brothers Offer is conditional on the Original Transaction and the Amended Transaction being terminated. There is no realistic scenario where Shareholders will have their Shares purchased under the Wilks Brothers Offer. The Amended Transaction provides Shareholders the most certain path to maximize their recovery.***
- ***The alternative to Calfrac's Amended Transaction is not the Wilks Brothers Offer. The only alternative to Calfrac's Amended Transaction is the completion of the Original Transaction. If the upcoming Shareholder votes go against Calfrac's Amended Transaction, Calfrac has agreed that, at the request of the Consenting Noteholders, it will implement the Original Transaction under the CCAA. Shareholders will receive lower recoveries in this scenario (no cash election and no Warrants).***
- ***The Unsecured Noteholders remain in support of the Amended Transaction, and continue to oppose the Wilks Brothers Offer. The Consenting Noteholders have agreed to the enhanced economics for Shareholders under the Amended Transaction, with a view to completing the transaction on a consensual and efficient basis for the benefit of the Company and its stakeholders. However, the Consenting Noteholders are not prepared to provide additional value to Shareholders or others.***
- ***There is only one transaction, the Amended Transaction, "on the ballot" for the upcoming Calfrac stakeholder meetings. In unambiguous terms, a consensus FOR the Amended Transaction will lead to the positive results explained above. A consensus AGAINST the Amended Transaction will lead to, at best, the implementation of the Original Transaction under the CCAA, and at worst a very costly, time consuming and much less advantageous restructuring.***
- ***Wilks Brothers does not, as it has claimed, have the right, as a Second Lien Noteholder, to approve or block the Amended Transaction. Second Lien Noteholders are unaffected by the Recapitalization Transaction and are not entitled to vote on it. Wilks Brothers has repeatedly litigated against Calfrac at every step of the process and has lost every time – before three different courts in both Canada and the United States. Wilks Brothers has made multiple legal submissions that have attempted to push Calfrac into insolvency. This has wasted everyone's time and money, but more importantly, the actions show Wilks Brothers' true motivations.***
- ***Shareholders should be very skeptical of Wilks Brothers' claims of confidence in being granted exemptions under Canadian takeover bid legislation, to speed up its offer, which currently expires near the end of December. The exemptions that it plans to seek have no precedent. All similar applications, in other takeover bids, have been rejected by the regulators.***
- ***Even if the Wilks Brothers Offer was completed, the resulting change of control of Calfrac would trigger immediate repayment obligations for all classes of Calfrac's indebtedness, at face values or above, and not at any compromised amount. Calfrac does not have the ability to repay its indebtedness in full, which is why the Amended Transaction achieves a necessary deleveraging through the conversion of all Senior Unsecured Notes into equity of the Company. The fatal flaws of the Wilks Brothers Offer are (i) the inability to address the***

- ***obligations under the Senior Unsecured Notes, and (ii) the inability to have the conditions to the takeover bid met, because there is no scenario where the Amended Transaction or the Original Transaction are not pursued.***
- ***Shareholders should recognize that actions speak louder than words, and then carefully reflect on Wilks Brothers' actions to date in relation to its, and their own, respective investments in Calfrac.***

Shareholders and Senior Unsecured Noteholders should continue to **VOTE FOR** the Amended Transaction only on the White Management Proxy/VIF. **DO NOT** vote on the Wilks Brothers' Blue Proxy/VIF.

TAKE NO ACTION with respect to the Wilks Brothers hostile take-over bid and **DO NOT TENDER** your Shares to the Wilks Brothers Offer. Any Shareholder that has already tendered to the Wilks Brothers Offer should **WITHDRAW** their Shares immediately and, if they wish to receive cash, avail themselves of the cash election under the Amended Transaction while still retaining their Warrants.

Shareholders and Senior Unsecured Noteholders are reminded that the meetings previously scheduled for September 29, 2020, have been postponed to **October 16, 2020**.

Any questions or requests for further information regarding voting at the meetings or revoking proxies should be directed to Kingsdale Advisors by: (i) telephone, toll free in North America at 1 (877) 659-1822 or at (416) 867-2272 outside North America, or (ii) e-mail to contactus@kingsdaleadvisors.com.

Further details regarding the Special Committee's and Board's recommendation as well as a presentation providing information about the Amended Transaction are available in the Board's Directors' Circular available on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com:

If you have any questions regarding the above, or related to the Amended Transaction, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

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

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

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the completion of the proposed Amended Transaction; potential outcomes for Shareholders, including in the event that the Amended Transaction is approved or not and the possible consequences of a CCAA proceeding; expectations regarding the positions and actions of the Consenting Noteholders; the viability of the Wilks Brothers Offer, including the likelihood of Wilks Brothers obtaining an exemption from Canadian takeover bid legislation and the consequences of a change of control in the event that the Wilks Brothers Offer was completed, and Calfrac's expectations and intentions with respect to the foregoing.

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

Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers; decisions by Canadian securities regulators and/or the courts; default under the Company's credit facilities and/or the Company's senior secured notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and Senior Unsecured Noteholders to vote in favour of the Amended Transaction; failure to receive any applicable regulatory approvals in respect of the Amended Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Management Information Circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020, and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com.

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

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