



Calfrac Halts Wilks Brothers' Attempt to Seek Insolvency; Obtains U.S. Recognition for CBCA Recapitalization Transaction Proceeding

September 1, 2020

CALGARY, AB, Sept. 1, 2020 /CNW/ - Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) is announcing that it has prevailed in its request for entry of a recognition order under Chapter 15 of the United States Bankruptcy Code ("**Chapter 15**"), despite Wilks Brothers LLC's ("**Wilks Brothers**") latest attempt to seek a Calfrac insolvency.

On July 13, 2020, Calfrac and certain related entities applied for recognition and Chapter 15 relief before the United States Bankruptcy Court of the Southern District of Texas, including requesting: (a) a "provisional stay" of all enforcement actions by certain categories of creditors, (b) recognition of Calfrac's reorganization proceeding pending before the Court of Queen's Bench of Alberta pursuant to the *Canada Business Corporations Act* (the "**CBCA Proceeding**"), and (c) enforcement in the United States of the preliminary interim order issued pursuant to the CBCA Proceeding (the "**Preliminary Interim Order**"). On July 14, 2020, the U.S. court granted Calfrac's request for the provisional stay, which remained in effect pending a Chapter 15 recognition hearing before the U.S. court that concluded yesterday.

In finding in favour of Calfrac, the U.S. court overruled Wilks Brothers' objection to the requested Chapter 15 relief. Wilks Brothers has opposed Calfrac at every step, and Wilks Brothers' opposition to the Chapter 15 recognition hearing represented yet another attempt to undermine Calfrac's recapitalization transaction (the "**Recapitalization Transaction**"), which is being advanced under the CBCA Proceeding.

This stops the latest Wilks Brothers' effort to obstruct the Recapitalization Transaction, including Wilks Brothers' argument to the U.S. court that Calfrac should be subject to Chapter 11 insolvency proceedings (which if successful would have had the effect of eliminating any potential recovery for shareholders). Having secured this result, Calfrac remains committed to implementing the Recapitalization Transaction for the benefit of all of its stakeholders.

The ruling at yesterday's recognition hearing will be followed in the coming weeks by the entry of a Chapter 15 recognition order. The recognition order is anticipated to fully enforce the provisions of the Preliminary Interim Order and to effectively block any enforcement actions against the U.S.-located assets of Calfrac and its subsidiaries until the conclusion of the CBCA Proceeding and the consummation of the Recapitalization Transaction.

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.

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 proposed Recapitalization Transaction, the expected form of the Chapter 15 recognition order and its impacts on the Recapitalization Transaction and CBCA Proceeding, and the Company's intentions and expectations.

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

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

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

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For further information: If you have any questions regarding the above, or related to the Recapitalization Transaction and the CBCA Proceeding, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000