



## Calfrac Sets the Record Straight; Recapitalization Transaction is the Only Executable Transaction; Voting for the Recapitalization Transaction is in the Best Interests of Stakeholders

August 28, 2020

- **Fact: The Recapitalization Transaction is the only transaction being voted on. It is recommended that all Calfrac stakeholders VOTE FOR this transaction.**
- **Fact: Holders of 78% of the Unsecured Notes continue to support the Recapitalization Transaction. No other party has presented anything that Unsecured Noteholders will approve.**
- **Fact: Wilks Brothers' Proposal cannot be executed and would make Calfrac subservient to a competitor. A deal with Wilks Brothers would carry significant, unmeasurable risks.**

CALGARY, AB, Aug. 28, 2020 /CNW/ - (TSX: CFW) Calfrac Well Services Ltd. ("Calfrac" or the "Company") announced today that it has filed updated presentation materials addressing the many inaccuracies in the Wilks Brothers proxy circular pertaining to the upcoming meetings of Unsecured Noteholders and Shareholders (the "Meetings") for the Recapitalization Transaction. Calfrac's new investor presentation has been posted on SEDAR and the Company's website and is available [here](#).

Calfrac has been transparent with all stakeholders about the process and the evaluation of alternatives. The facts about the Company's proposed Recapitalization Transaction are:

- It is the **ONLY** executable transaction available and being voted on.
- It ensures that Shareholders retain value in Calfrac's future business.
- It is a consensual non-insolvency restructuring which protects Calfrac's employees, customers, suppliers and brand.
- The necessary capital infusion has been sourced from parties willing to sign an NDA and commit to real solutions (unlike Wilks Brothers).
- Holders of 78% of Unsecured Notes contractually support the Recapitalization Transaction, having had the opportunity to independently make up their own minds. Wilks Brothers does **NOT** have the support of Unsecured Noteholders.
- Wilks Brothers' "proposal" provides inferior recoveries to Unsecured Noteholders. Without Unsecured Noteholder support, the risk of an adverse event for all stakeholders materially increases.
- Wilks Brothers persists with aggressive legal maneuvers to put Calfrac into insolvency while simultaneously claiming to care about the future of Calfrac.
- Wilks Brothers is seeking to own over 63% of Calfrac's equity in a no-premium change of control at historically low values.
- Wilks Brothers owns 100% of a direct competitor (ProFrac). This would diminish future business opportunities for Calfrac, in particular, Calfrac's ability to pursue a premium value transaction at a better time in the cycle.
- G2S2 Capital and MATCO act entirely independently and at arm's length – adding together their holdings to invent a control position is simply wrong.
- Wilks Brothers' "proposal" is **NOT** a "Superior Proposal", as determined by Independent Directors on the Special Committee of the Board of Directors.

### Inaccurate Wilks Brothers' Statements

- **Characterization of the Recapitalization Transaction:** Wilks Brothers seeks to portray Calfrac's Recapitalization Transaction as an inappropriate transaction with certain Unsecured Noteholders and MATCO. The Recapitalization Transaction is the result of arms-length negotiations, to which Wilks Brothers was invited, but declined. The Unsecured Noteholders are an entire creditor class, that predated this transaction. The fact that 78% of this credit class has independently agreed to support the Recapitalization Transaction is evidence of very broad support, and not of narrow interests.
- **Illusory Availability of an Alternative Proposal:** There is no certainty that Wilks Brothers' alternative proposal will ever see the light of day. If Shareholders were to vote down the Recapitalization Transaction, the credit hierarchy and legal processes would still apply, each of which require the approval of Unsecured Noteholders. There are many legal, regulatory and business uncertainties about what would happen next, in such an adverse circumstance. If Shareholders do not vote for the Recapitalization Transaction, they would be running the very real risk of a more adverse outcome.
- Calfrac corrects a series of additional inaccuracies from Wilks Brothers in its new investor presentation referred to [above](#).

### Clear Benefits of Calfrac's Recapitalization Transaction

The Recapitalization Transaction provides the following clear benefits to stakeholders:

- It is actionable and comprehensive. It materially lowers Calfrac's debt by \$571.8 million and annual interest expense by \$52.7 million. Liquidity improves through a new \$60 million 1.5 Lien Note issuance;
- Calfrac remains an independent company, free of competitor control. This preserves the ability to pursue future value-enhancing or change of control transactions in more advantageous market conditions; and
- Shareholders and Unsecured Noteholders retain the opportunity to participate in the economic benefit of Calfrac share ownership as business conditions improve.

The numerous positive aspects of the Recapitalization Transaction presented by Calfrac make the choice clear:

Shareholders and Unsecured Noteholders should **VOTE FOR** the Recapitalization Transaction only on the Company's Proxy/VIF. Do **NOT** vote on the Wilks Brothers Blue Proxy/VIF.

#### **Meeting and Voting Information**

The Meetings in respect of the Plan of Arrangement are scheduled to be held on September 17, 2020 in the McMurray Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta. Pursuant to the Interim Order, the Unsecured Noteholders' Meeting is scheduled to begin at 1:00 p.m. (Calgary time), and the Shareholders' Meeting is scheduled to begin at 2:00 p.m. (Calgary time). The previously obtained Interim Order also authorized a new record date (the "**Record Date**") for purposes of voting at the Meetings, being 5:00 p.m. (Calgary time) on August 10, 2020.

**The deadline for Unsecured Noteholders and Shareholders to submit their proxies or voting instructions in order to vote on the Plan of Arrangement and other items to be considered at the applicable Meeting is 5:00 p.m. (Calgary time) on September 15, 2020.**

Unsecured Noteholders that wish to receive their pro rata share of the 6% Early Consent Consideration (as defined in the Information Circular) must submit to their intermediaries on or prior to 5:00 p.m. (Calgary time) on September 8, 2020, *or such earlier deadline as their intermediaries may advise*, the required documentation or information described in the Information Circular.

Any questions or requests for further information regarding voting at the Meetings 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 of North America; or (ii) e-mail to [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).**

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