Calfrac Announces Expiration of Exchange Offer for its 8.500% Senior Unsecured Notes Due 2026

February 25, 2020

CALGARY, Feb. 25, 2020 /CNW/ - **Calfrac Well Services Ltd. ("Calfrac") (TSX-CFW)** is pleased to announce the expiration of the previously announced offer by Calfrac Holdings LP ("Calfrac Holdings"), a Delaware limited partnership which is indirectly wholly-owned by Calfrac, to exchange newly issued 10.875% Second Lien Secured Notes due 2026 (the "New Notes") for validly tendered (and not validly withdrawn) 8.500% Senior Unsecured Notes due 2026 (the "Old Notes") of Calfrac Holdings. This offer (the "Exchange Offer") expired at 11:59 p.m., New York City time, on February 24, 2020.

As previously announced, Calfrac Holdings increased the maximum aggregate principal amount of New Notes issued in exchange for Old Notes in the Exchange Offer to US$120,000,100 (the "Maximum Amount") and, as a result of the participation level and the Clearing Exchange Ratio described below, the Exchange Offer was oversubscribed as of 5:00 p.m. New York City time on February 7, 2020 (the "Early Tender Time") and any Old Notes tendered after the Early Tender Time were rejected.

The Exchange Offer provided for an early settlement on February 14, 2020 (the "Early Settlement Date") of Old Notes validly tendered prior to the Early Tender Time. On the Early Settlement Date, Calfrac Holdings issued US$120,000,100 in aggregate principal amount of New Notes in exchange for US$218,182,000 in aggregate principal amount of Old Notes.

The final exchange ratio at which all Old Notes accepted for exchange in the Exchange Offer on the Early Settlement Date were exchanged for New Notes (the "Clearing Exchange Ratio") was US$550.00 in New Notes per US$1,000.00 principal amount of Old Notes. Due to the fact that the aggregate principal amount of Old Notes validly tendered exceeded the Maximum Amount, Eligible Holders who validly tendered their Old Notes at the Clearing Exchange Ratio at or prior to the Early Tender Time were prorated based on the principal amount of Old Notes tendered at the Clearing Exchange Ratio at or prior to the Early Tender Time. Old Notes tendered (i) at or prior to the Early Tender Time at any exchange ratio in excess of the Clearing Exchange Ratio, or (ii) after the Early Tender Time, were rejected and returned to the holders thereof.

The completion of the Exchange Offer has reduced Calfrac's long term debt by over US$98,000,000 (approximately C$130,000,000), and will result in a reduction in annual interest payments of approximately US$5,500,000 (approximately C$7,300,000), as compared to the interest payments related to the Old Notes prior to the Exchange Offer, after taking into account the interest payments associated with the New Notes.

The Exchange Offer was made, and the New Notes and the related guarantees were offered and issued, only in the United States to holders of Old Notes who were reasonably believed to be qualified institutional investors pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") and outside the United States to holders of Old Notes who are persons other than "U.S. persons" pursuant to Regulation S under the Securities Act. The holders of Old Notes who certified to Calfrac Holdings that they were eligible to participate in the Exchange Offer pursuant to at least one of the foregoing conditions are referred to as "Eligible Holders." The Exchange Offer of the New Notes and related guarantees was made only by means of an exchange offering memorandum dated January 27, 2020 (the "Offering Memorandum"). The complete terms and conditions of the Exchange Offer are described in the Offering Memorandum. The New Notes were not registered under the Securities Act or the securities laws of any other jurisdiction, and may not be offered in the United States absent registration under the Securities Act and applicable state securities laws or pursuant to available exemptions from such registration requirements. In Canada, the New Notes were offered and issued on a private placement basis.

Eligible Holders that validly tendered Old Notes in the Exchange Offer prior to the Early Tender Time whose Old Notes were accepted for exchange also received cash on the Early Settlement Date equal to accrued and unpaid interest to, but not including, the Early Settlement Date on any Old Notes accepted for exchange.

This press release does not constitute an offer to exchange Old Notes for New Notes, and there shall not be any exchange of Old Notes for New Notes in any state or other jurisdiction in which such exchange would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

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 structure and distribution of the Exchange Offer and the annual interest savings resulting from the Exchange Offer.

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 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: global economic conditions; the level of exploration, development and production for oil and natural gas in Canada, the United States, Argentina and Russia; the demand for fracturing and other stimulation services during drilling and completion of oil and natural gas wells; volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; excess oilfield equipment levels; regional competition; the availability of capital on satisfactory terms; restrictions resulting from compliance with debt covenants and risk of acceleration of indebtedness; direct and indirect exposure to volatile credit markets, including credit rating risk; sourcing, pricing and availability of raw materials, component parts, equipment, suppliers, facilities and skilled personnel; currency exchange rate risk; risks associated with foreign operations; operating restrictions and compliance costs associated with legislative and regulatory initiatives relating to hydraulic fracturing and the protection of workers and the environment; changes in legislation and the regulatory environment; dependence on, and concentration of, major customers; liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; liabilities and risks associated with prior operations; liabilities relating to legal and/or administrative proceedings; failure to maintain Calfrac's safety standards and record; failure to realize anticipated benefits of acquisitions and dispositions; the ability to integrate technological advances and match advances from competitors; intellectual property risks; third party credit risk; and the effect of accounting pronouncements issued periodically. 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.

SOURCE Calfrac Well Services Ltd.

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