Calfrac Announces Early Tender Results, Upsizing and Oversubscription of Exchange Offer for its 8.500% Senior Unsecured Notes Due 2026

February 10, 2020

CALGARY, Feb. 10, 2020 /CNW/ - **Calfrac Well Services Ltd. ("Calfrac") (TSX-CFW)** is pleased to announce the early tender results 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newly issued 10.875% Second Lien Secured Notes due 2026 (the "New Notes") for validly tendered (and not validly withdrawn) 8.500% Senior Unsecured Notes due 2026 (the "Old Notes") of Calfrac Holdings.

The offer contemplated the exchange (the "Exchange Offer") of up to US$100,000,000 aggregate principal amount of New Notes for Old Notes, subject to increase in the Maximum Amount (as described below). Calfrac and Calfrac Well Services Corp., its wholly-owned subsidiary and a Colorado corporation, will fully and unconditionally guarantee the New Notes, which will be issued under a new indenture. The New Notes will be secured by a second lien on the same assets that secure obligations under Calfrac's existing senior secured credit agreement.

Calfrac is also pleased to announce that Calfrac Holdings has increased the maximum aggregate principal amount of Old Notes it will accept for exchange in the Exchange Offer (the "Maximum Amount") to US$120,000,100, based on the final Clearing Exchange Ratio (as defined below). Except as described in this press release, all other terms of the Exchange Offer as described in the Offering Memorandum (as defined below) remain unchanged.

According to information provided by Global Bondholder Services Corporation, the information and exchange agent in connection with the Exchange Offer, as of 5:00 p.m., New York City time, on February 7, 2020 (the "Early Tender Time"), US$466,894,000 aggregate principal amount of Old Notes had been validly tendered (and not validly withdrawn) and US$444,419,000 aggregate principal amount of such Old Notes were tendered at the Clearing Exchange Ratio described below. As a result of this participation level and the Clearing Exchange Ratio, the Exchange Offer has been oversubscribed and all Old Notes tendered after the Early Tender Time will be rejected.

The Exchange Offer is being conducted as a modified "Dutch auction". Prior to the Early Tender Time, Eligible Holders (as defined below) had the opportunity to pick an exchange ratio (the "Bid Ratio") (in increments of US$5.00 principal amount of New Notes) within the range of US$550.00 in New Notes to US$600.00 in New Notes per US$1,000.00 principal amount of Old Notes. This range reflects the prices at which Eligible Holders are willing to exchange some or all of their Old Notes for New Notes. Based on the Bid Ratios at which Old Notes were validly tendered prior to the Early Tender Time, the final exchange ratio at which all Old Notes accepted for exchange in this Exchange Offer on the Early Settlement Date (as defined in the Offering Memorandum (as defined below)) are exchanged for New Notes (the "Clearing Exchange Ratio") will be US$550.00 in New Notes per US$1,000.00 principal amount of Old Notes. Consequently, (i) all Eligible Holders who validly tendered their Old Notes at the Clearing Exchange Ratio at or prior to the Early Tender Time will be prorated based on the principal amount of Old Notes tendered at the Clearing Exchange Ratio at or prior to the Early Tender Time, (ii) an aggregate of US$120,000,100 in aggregate principal amount of New Notes will be issued, in exchange for an aggregate of US$218,182,000 in aggregate principal amount of Old Notes and (iii) all Old Notes tendered (a) at or prior to the Early Tender Time at any exchange ratio in excess of the Clearing Exchange Ratio, or (b) after the Early Tender Time, will be rejected and returned to the holders thereof.

The withdrawal deadline of 5:00 p.m., New York City time, on February 7, 2020 has passed and tendered Old Notes may no longer be validly withdrawn, except under the limited circumstances described in the Offering Memorandum (as defined below). As previously announced, the Exchange Offer will expire at 11:59 p.m., New York City time, on February 24, 2020, unless extended by Calfrac Holdings (the "Expiration Time"). However, as described above, the Exchange Offer has been oversubscribed and no holders who tender Old Notes after the Early Tender Time will have their Old Notes accepted for exchange.

The Exchange Offer is being made, and the New Notes and the related guarantees will be offered and issued, only in the United States to holders of Old Notes who are 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 have certified to Calfrac Holdings that they are 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 is being 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 will not be 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 will be offered and issued on a private placement basis.

The Exchange Offer is not conditioned upon any minimum principal amount of Old Notes being tendered. The Exchange Offer is conditioned on the satisfaction, or the waiver by Calfrac Holdings, of certain conditions described in the Offering Memorandum. Calfrac Holdings may amend or waive certain of the conditions at any time, in its sole discretion, on or prior to the Early Settlement Date and may terminate, modify or withdraw the Exchange Offer at any time and for any reason on or prior to the Early Settlement Date, including if any of the conditions are not or will not be satisfied.

Eligible Holders that validly tendered Old Notes in the Exchange Offer prior to the Early Tender Time whose Old Notes are accepted for exchange will also receive cash on the Early Settlement Date equal to accrued and unpaid interest, if any, to, but not including, the Early Settlement Date on any Old Notes accepted for exchange. The Early Settlement Date for the Exchange Offer is expected to occur on or after February 14, 2020.

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.

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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