Calfrac Announces Continuation of Multi-Year Fracturing Fleet Modernization Plan

December 22, 2023

CALGARY, Alberta, Dec. 22, 2023 (GLOBE NEWSWIRE) -- Calfrac Well Services Ltd. ("Calfrac" or the "Company") (TSX: CFW) announces its 2024 capital program for continuing operations of approximately $210.0 million, subject to market conditions, as compared to approximately $165.0 million of planned capital expenditures in 2023. The year-over-year increase in the Company's capital program is primarily due to an acceleration of its fracturing fleet modernization plan in North America as well as approximately $40.0 million to support its Argentinian operations, and to a lesser extent, the implementation of companywide field-based technologies. The North American capital expenditures will continue to progress Calfrac's transition to Tier IV dual-fuel capable dynamic gas blending ("DGB") fracturing equipment as well as improve the quality of its auxiliary support equipment, most notably its sand handling capabilities. With the completion of the 2024 capital program, the Company anticipates having approximately seven Tier IV DGB fracturing fleets deployed in North America by the end of the third quarter in 2024. The planned 2024 capital expenditures in Argentina are expected to be fully funded by cash on-hand and locally generated free cash flow.

This level of capital investment accelerates Calfrac's Tier IV DGB fleet modernization program in North America allowing the Company to meet the increasing customer demand for next generation, lower emission dual-fuel equipment and keep pace with the evolving fracturing market. Calfrac expects that its significantly improved asset base in North America and the strong customer demand for its services will allow it to further execute on its debt reduction strategy in 2024, in addition to the $70 to $80 million of net debt reduction that is anticipated for 2023.

Pat Powell, Calfrac's Chief Executive Officer, commented, "We are taking these steps to improve Calfrac's position in the North American pressure pumping market by accelerating its transition to Tier IV DGB technology, which will help us to generate long-term, sustainable returns for our shareholders. We are excited that by the end of the third quarter of 2024, nearly half of our North American fracturing fleets will be Tier IV DGB, which will improve our performance in the field and help our clients' meet their operational objectives by lowering diesel-fuel consumption and emissions. Our outlook for 2024 remains consistent year-over-year based on the current demand for our services with our established customer base in North America and Argentina."

NON-IFRS MEASURES

This press release contains references to "net debt" which is a performance measure commonly used in the oilfield services industry that does not have any standardized meaning under International Financial Reporting Standards (IFRS). Presentation of net debt is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company's definition and calculation of net debt may not be comparable to the same or similar measures presented by other issuers. This non-IFRS measure should be read in conjunction with Calfrac's interim and annual financial statements and the accompanying notes thereto.

As used in this press release, "net debt" is equal to (i) long-term debt net of debt issuance costs and debt discounts, plus (ii) lease obligations calculated in accordance with IFRS 16, less (iii) cash and cash equivalents. A table presenting the Company's composition and calculation of net debt can be found in Note 11 to Calfrac's unaudited, interim financial statements for the three and nine months ended September 30, 2023, which are available on SEDAR+ (www.sedarplus.ca) and incorporated herein by reference.

FORWARD-LOOKING STATEMENTS AND FUTURE-ORIENTED FINANCIAL INFORMATION

This press release contains forward-looking statements within the meaning of applicable securities laws. The use of any of the words "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "forecast" or similar words suggesting future outcomes, are forward-looking statements.

In particular, forward-looking statements in this press release include, but are not limited to, statements with respect to Calfrac's 2023 capital budget and future capital expenditures, including the (i) timing and scope of the Company's incremental investments under its fracturing fleet modernization program and the anticipated benefits of such investments that are expected to be realized by the Company, its shareholders and its customers, (ii) the activity, demand, utilization and outlook for the Company's operating divisions in North America and Argentina, (iii) debt reduction, including the Company's anticipated net debt reduction during fiscal year 2023.

These statements are derived from certain assumptions and analyses made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances, including, but not limited to, the economic and political environment in which the Company operates, including the current state and anticipated length of the pressure pumping market upcycle; the Company's expectations for its customers' capital budgets, demand for services, engine technology preferences and geographical areas of focus; the effect of unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; the effect of environmental factors on customer and investor preferences and capital deployment; the effect of the military conflict in the Ukraine and related international sanctions and counter-sanctions and restrictions by Russia on the Company's ownership and planned sale of the Russian division; industry equipment levels including the number of active fracturing fleets marketed by the Company's competitors and the timing of deployment of the Company's fleet upgrades; the Company's existing contracts and the status of current negotiations with key customers and suppliers; the continued effectiveness of cost reduction measures instituted by the Company; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause actual results to differ materially from the Company's expectations. Such risk factors include but are not limited to: (A) industry risks, including but not limited to, global economic conditions and the level of exploration, development and production for oil and natural gas in North America and Argentina; excess equipment levels; impacts of conservation measures and technological advances on the demand for the Company's services; hazards inherent in the industry; the actions of activist shareholders and the increasing reluctance of institutional investors to invest in the industry in which the Company operates; and an intensely competitive oilfield services industry; (B) business operations risks, including but not limited to, fleet reinvestment risk, including the ability of the Company to finance the capital necessary for equipment upgrades to support its operational needs while meeting government and customer requirements and preferences; difficulty retaining, replacing or adding personnel; failure to improve and adapt equipment, proprietary fluid chemistries

and other products and services; reliance on equipment suppliers and fabricators for timely delivery and quality of equipment; a concentrated customer base; seasonal volatility and climate change; cybersecurity risks, and activism; (C) financial risks, including but not limited to, price escalation and availability of raw materials, diesel fuel and component parts; restrictions on the Company's access to capital, including the impacts of covenants under the Company's lending documents; direct and indirect exposure to volatile credit markets, including interest rate risk; fluctuations in currency exchange rates and increased inflation; actual results which are materially different from management estimates and assumptions; insufficient internal controls; and possible impacts on the Company's access to capital and common share price given a significant number of common shares are controlled by two directors of the Company; (D) geopolitical risks, including but not limited to, foreign operations exposure, including risks relating to unsettled political conditions, war, including the ongoing Russia and Ukraine conflict and any expansion of that conflict, foreign exchange rates and controls, and international trade and regulatory controls and sanctions; the impacts of a delay of sale or failure to sell the Company's discontinued operations in Russia, including failure to receive any applicable regulatory approvals and reputational risks; foreign legal actions and unknown consequences of such actions; and risk associated with compliance with applicable law; (E) legal and regulatory risks, including but not limited to, federal, provincial and state legislative and regulatory initiatives; health, safety and environmental laws and regulations; and legal and administrative proceedings; and (F) environmental, social and governance risks, including but not limited to, failure to effectively and timely address the energy transition; legal and regulatory initiatives to limit greenhouse gas emissions; and the direct and indirect costs of various existing and proposed climate change regulations. Further information about these and other risks and uncertainties are set forth in the Company's most recently filed Annual Information Form under the heading "Risk Factors" which is available on the SEDAR website at www.sedarplus.ca under Company's profile.

This press release also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Company's expected reduction of net debt in 2023, which is subject to the same assumptions, risk factors, limitations, and qualifications set forth in the above paragraphs. In addition, the estimated net debt reduction in 2023 is based on Calfrac's internally generated forecasts and monthly financial statements for the month of November 2023. The actual results of operations of the Company and the resulting financial results and net debt reduction at the end of 2023 may vary from the amounts set forth in this press release and such variation may be material. The Company and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments as of the date hereof; however, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results.

Consequently, all of the forward-looking statements and FOFI made in this press release are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Company will be realized, or that they will have the expected consequences or effects on the Company or its business or operations. These statements speak only as of the respective date of this press release or the document incorporated by reference herein. The Company assumes no obligation to update publicly any such forward-looking statements or FOFI, whether as a result of new information, future events or otherwise, except as required pursuant to applicable securities laws.

ABOUT CALFRAC

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 with continuing operations focused throughout western Canada, the United States and Argentina.

The Company executes on its brand promise of "**Do It Safely, Do It Right, Do It Profitably**" to generate long-term, sustainable returns for its shareholders.

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