TSX:CFW

CALFRAC WELL SERVICES LTD.

Investor Presentation – Q1/2018

Forward Looking Statement

Certain information contained within this presentation and statements made in conjunction with this presentation constitute forward-looking statements. These statements relate to future events or the future performance of the Company. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate,” “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “forecast”, “can” and similar expressions. In particular, forward-looking statements in this presentation include, but are not limited to, statements with respect to future capital expenditures, future financial resources, anticipated equipment utilization levels, future oil and gas well activity, projections of market prices and costs, outcomes of specific events and trends in the oil and gas industry.

The forward-looking statements within this presentation and made in conjunction with this presentation 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 assumptions and analyses relating to: the economic and political environment in which the Company operates; the Company’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; the Company’s existing contracts and the status of current negotiations with key customers and suppliers; the 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 risks and uncertainties include the items discussed under the heading “Business Risks” in the Company’s 2017 Annual Report and under the heading “Risk Factors” in the Company’s most recently filed Annual Information Form. Consequently, all of the forward-looking statements contained within this presentation and made in conjunction with this presentation are qualified by these cautionary statements and there can be no assurance that actual results or events 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.

Other than as required by applicable securities laws, the Company assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

Global Pressure Pumping Presence

As at 31 December 2017

Plays where we operate
Calfrac district offices

Canada Fleet:

420,000 HHP – 277,000 HHP Active
9/15 Coiled Tubing Units Active
~750 Field Personnel

United States Fleet:

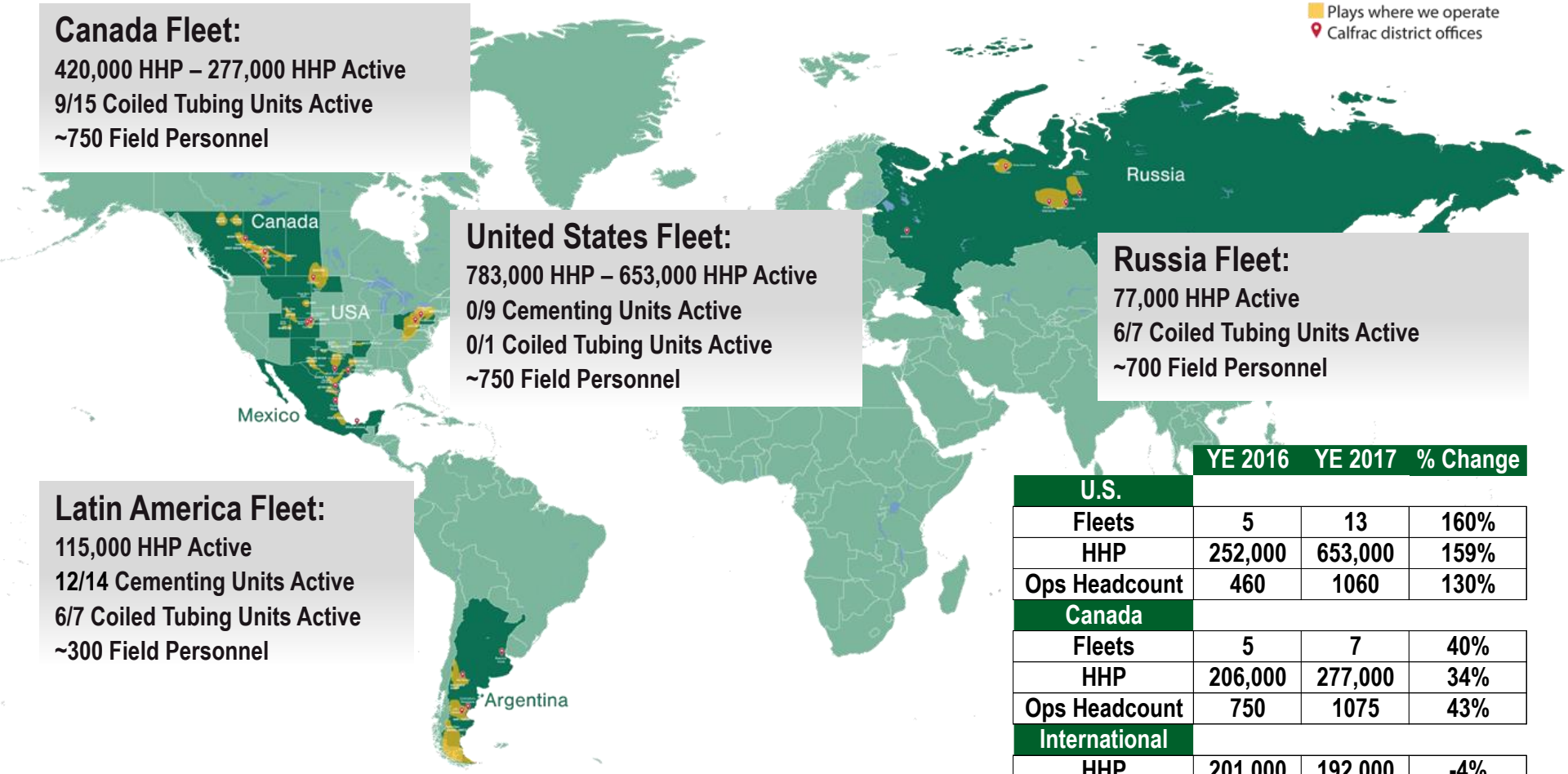
783,000 HHP – 653,000 HHP Active
0/9 Cementing Units Active
0/1 Coiled Tubing Units Active
~750 Field Personnel

Russia Fleet:

77,000 HHP Active
6/7 Coiled Tubing Units Active
~700 Field Personnel

Latin America Fleet:

115,000 HHP Active
12/14 Cementing Units Active
6/7 Coiled Tubing Units Active
~300 Field Personnel

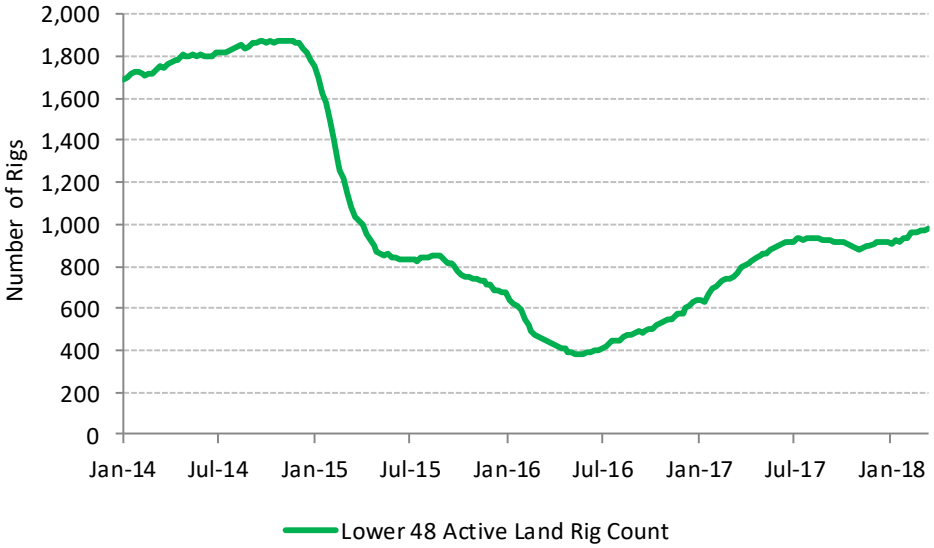


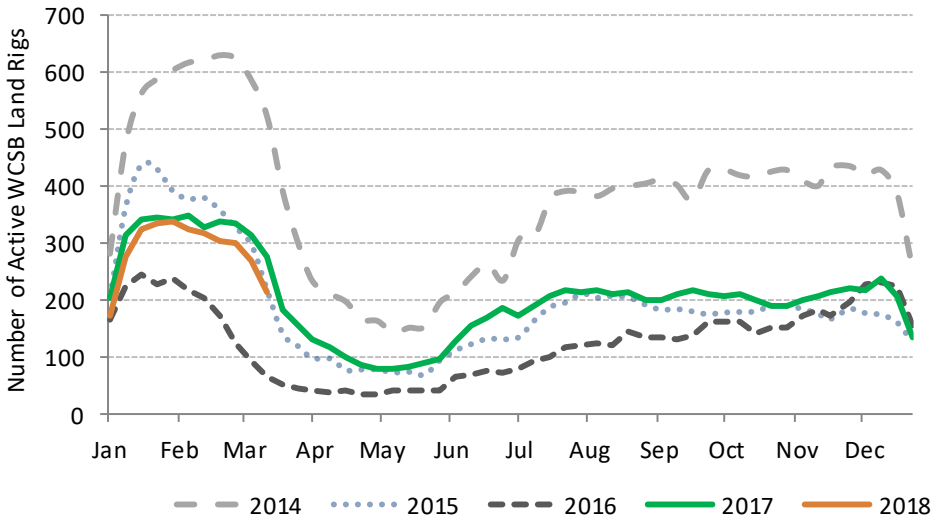
	YE 2016	YE 2017	% Change
U.S.			
Fleets	5	13	160%
HHP	252,000	653,000	159%
Ops Headcount	460	1060	130%
Canada			
Fleets	5	7	40%
HHP	206,000	277,000	34%
Ops Headcount	750	1075	43%
International			
HHP	201,000	192,000	-4%
Ops Headcount	1325	1408	6%

Corporate Highlights

- US Operations approaching full capacity
  - Expect 16 fleets in operation by mid-year; up from 3 in late 2016
  - 30,000 HHP moving from Canada – Q1/Q2
- Canadian operation maintaining strength
  - Core client additions through 2017
  - Strong visibithrough H1/18
  - Further sand capacity coming on stream in key areas
- International operations beginning to recover
  - Always a slower cycle than North America
  - Activity, productivity and pricing expected to move higher in 2018-19
- Balance sheet management
  - Expect FCF of $30-$50 million in 2018 on consensus EBITDA
  - Window opening to take advantage of options

Active Rig Counts: North America

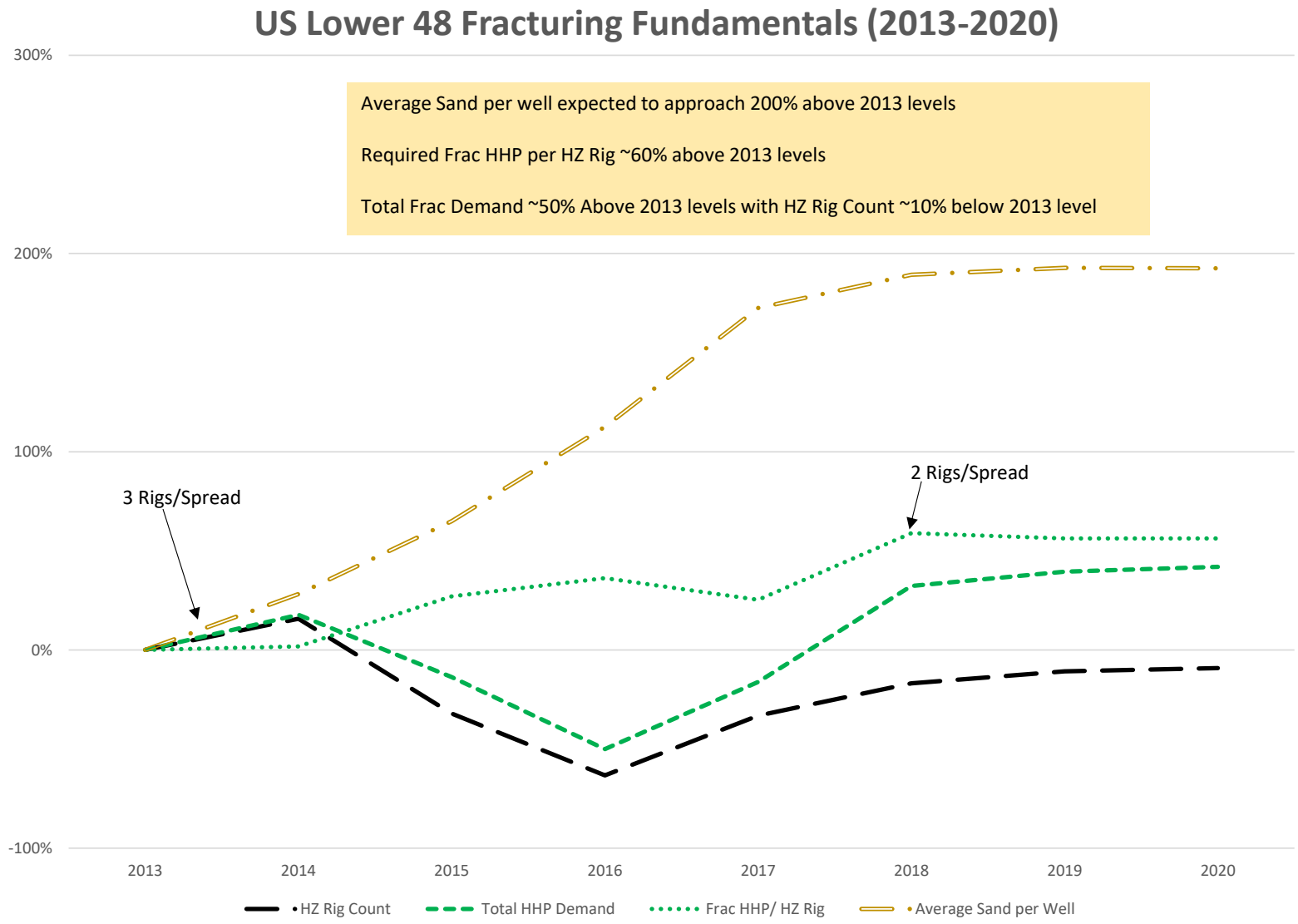




- U.S. land rig count up ~140% from trough, still ~45% below 2014
- WCSB 2018 rig count in line with 2015 & 2017
- US E&P Budgets forecast to be up ~10% above inflation in 2018
- CDN E&P Budgets likely to be flat to down in 2018 - Activity down ~10% on dry gas impacts

Source: Baker Hughes

U.S. Intensity Continues To Increase



Source: Morgan Stanley

BEYOND THE RECOVERY

Our License to Operate

HSE	Plan ▪ Do ▪ Assess ▪ Adjust
QUALITY	Monitor ▪ Refine ▪ Execute ▪ Improve
TECHNOLOGY	Research ▪ Develop ▪ Test ▪ Refine
SUPPLY CHAIN	Evaluate ▪ Negotiate ▪ Finalize ▪ Implement

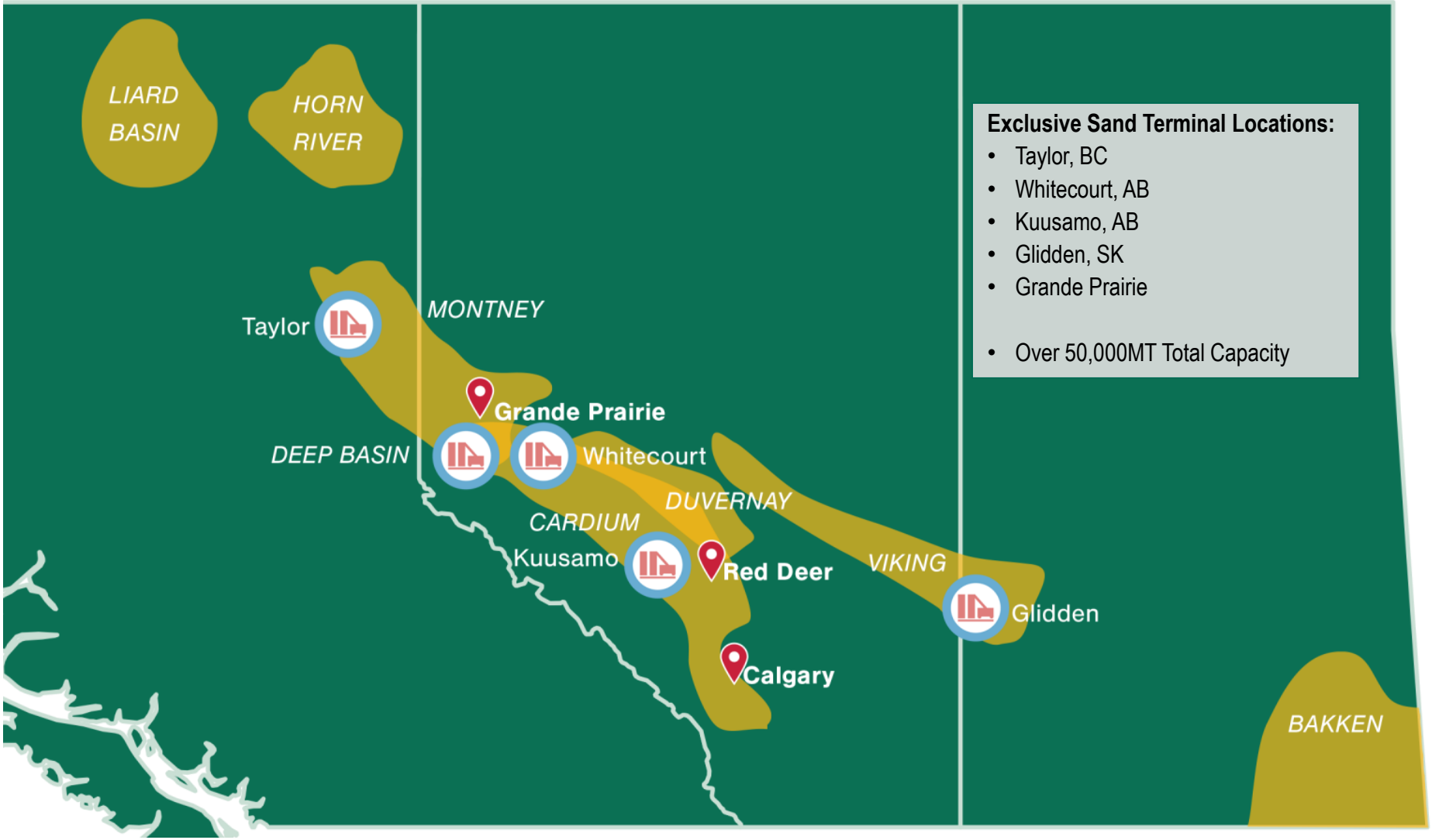
Calfrac employee on a Canadian hydraulic fracturing job. Calfrac Well Services Photo

Calfrac sand terminal in Whitecourt, Alberta. Calfrac Well Services Photo

Strength in Execution: Managing Innovation

- Best-In-Class Operational Efficiency
  - Capturing field data to identify trends and minimize NPT
  - Leverage internal supply chain expertise to manage logistics
- Focused on delivery of best-in-class HS&E performance
  - Safety stats improved in 2017 despite material increase in headcount
  - Focus on behavior-based safety programs, focus shifts every 90 days
- Technology
  - Continue to work at finding better solutions for clients, not just better ingredients
    - Aim to reduce equipment footprint, operational complexity and risk
    - Technical services group combines knowledge in reservoir, fluid and chemistry to optimize frac design
      - Incorporates internal and external experience into iterative improvements

Canadian Sand Logistics Advantage



Exclusive Sand Terminal Locations:

- Taylor, BC
- Whitecourt, AB
- Kuusamo, AB
- Glidden, SK
- Grande Prairie

- Over 50,000MT Total Capacity

Strength in People: Managing Talent

- Field Staff Recruiting
  - Added ~1,100 field personnel across North America
  - WCSB local market essentially at full employment
  - Safety and operating competency focus for new hires
- Rotational Employee Program Reactivated
- ~40% of new hires are former Calfrac employees
  - Validation of Calfrac as an employer of choice
- Training program provides easier transition to field operations

Strength in Partnerships: Managing Risk

- Clients
  - Seek out and align with producers that
    - Deliver strong returns and manage risk appropriately
    - Share our focus on safe, productive and efficient operations
  - Critical piece of risk management that is largely overlooked

- Suppliers
  - Quality & Reliability
  - Mesh with CFW Supply Chain model
    - Will not offload key operational risk to 3rd parties
  - Constant Innovation

Strength in Optionality: Managing Capital

- 2018: Shift focus from reactivation to FCF generation
- Capital Budget of $132 million ($7 million Carryover)
  - $104 million – Maintenance and Sustaining
  - $22 million – Refurbishment
  - $6 million – Corporate Initiatives
- Manage balance sheet in the longer term
  - Optimize cost and provide optionality in full-cycle

Beyond The Recovery – Equipment

- In discussions in all areas of North America for further reactivations
  - Manage client/basin exposure, district overhead absorption, growth potential
    - Optimize equipment footprint in Lower 48
  - Will monitor market conditions in U.S./Canada as 2018 progresses
    - Announced move of 30,000 HHP to U.S. from Canada
- Will not sacrifice profitability or safety/flawless execution culture
- Growth Potential
  - Short-term focus remains full reactivation
  - Longer term uses of FCF likely to focus on debt reduction and fleet refurbishment

FINANCIAL INFORMATION

Balance Sheet Overview

Term Debt

- US$600 million with an interest rate of 7.5%
- Matures in 2020
- Trading range 98-101% to date through Q1

Second Lien Term Loan

- ~$200 million with an interest rate of 9.0%
- Matures in 2020

Credit Facilities

- Loan facility $275 million (largely undrawn)
- Matures in 2020

Recent Developments

- Amended and extended credit facility
- Received $28.7 million in warrant proceeds

Capital Program

- 2018 capital budget set at $132 million

Neuquén, Argentina Frac Operation (2014). Calfrac Well Services Photo