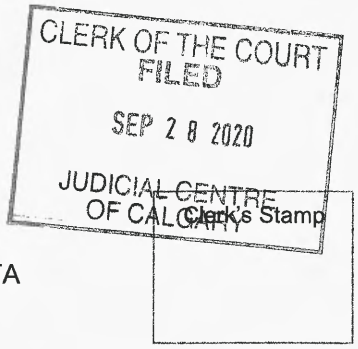

COURT FILE NUMBER	2001-08434
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
MATTER	IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF 12178711 CANADA INC., CALFRAC WELL SERVICES LTD., CALFRAC (CANADA) INC., CALFRAC WELL SERVICES CORP. and CALFRAC HOLDINGS LP, by its General Partner CALFRAC (CANADA) INC.
APPLICANT	WILKS BROTHERS, LLC
RESPONDENTS	12178711 CANADA INC., CALFRAC WELL SERVICES LTD., CALFRAC (CANADA) INC., CALFRAC WELL SERVICES CORP. and CALFRAC HOLDINGS LP, by its General Partner CALFRAC (CANADA) INC.
DOCUMENT	**AFFIDAVIT NO. 2 OF SHERRY NADEAU**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Cassels Brock & Blackwell LLP** Suite 3810 Bankers Hall West 888 – 3rd Street SW Calgary, AB T2P 5C5 **Attention:** **Timothy Pinos/Jason Holowachuk** Tel: 416.869.5784/403.351.3056 Fax: 416.350.6903 Email: tpinos@cassels.com jholowachuk@cassels.com
AFFIDAVIT OF	**SHERRY NADEAU**
SWORN	September 28, 2020

I, SHERRY NADEAU, of the City of Airdrie, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am a legal assistant at Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for Wilks Brothers, LLC in this action, and as such I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based upon information and belief and where so stated I do verily believe the same to be true.

2. I am advised by Mr. Timothy Pinos and Ms. Lara Jackson of Cassels, and I believe, that each of the following Exhibits marked and attached to this my Affidavit are true copies of the following:

(a) **Exhibit "N"** Email exchange dated August 4, 2020 to August 7, 2020 between Strook & Strook & Lavin LLP (Patrick Petrocelli) as US counsel for Wilks Brothers, LLC, and Latham & Watkins LLP (Robert C. Collins III) as counsel for one or more of the Calfrac Respondents in the within application, concerning and attaching a Stipulated Confidentiality Agreement and Protective Order respecting the Chapter 15 proceeding in *Re Calfrac Well Services Corp. et. al.,* Chapter 15 Case No. 20-33529 (DRJ);

(b) **Exhibit** "**O"** Institutional Shareholder Services (ISS) webpage titled which I also reviewed and obtained under the "About ISS" tab on the website https://www.issgovernance.com/about/about-iss/, on September 28, 2020;

(c) **Exhibit "P"** ISS report re Calfrac Well Services Ltd. titled "ISS Proxy Analysis & Benchmark Policy Voting Recommendations", bearing a publication date September 5, 2020 and noting at pages 10-11:

> "While the Recapitalization Transaction involves many stakeholders, ISS' analysis is primarily provided to the benefit of shareholders. Clearly, the Wilks Proposal provides greater benefits to existing shareholders than the Recapitalization Transaction, as they would hold a larger equity stake under the Wilks Proposal in a more de-levered company than under the Recapitalization Proposal. Under the management proposal, shareholders would be subject to even further dilution, as in all likelihood additional financing will be needed sooner rather than later.
>
> At the special meeting, shareholders will only have the ability to vote on the Recapitalization Transaction presented by management. The adoption of the Wilks Proposal is not only predicated on shareholders voting down the Recapitalization Transaction, but also on the willingness of the company and all stakeholders to negotiate a new deal with Wilks. Given the decline in the company's share price, shareholders might be willing to vote down the Recapitalization Transaction to bring the parties back to the negotiating table. It is worth noting the risk that if the management proposal is rejected, rather than negotiating a deal with Wilks, the company may elect to file for creditor protection under the CCAA – a scenario that could result in no recovery for shareholders. However, Wilks has publicly stated its intention to launch an $0.18 bid for each Calfrac share it does not already own, noting that its bid will remain open even if there are no renegotiations and the company files for creditor protection under the CCAA.
>
> Although the takeover bid has not yet been formalized, Wilks has publicly stated that it would proceed with both its alternative proposal and its takeover bid. While it does not have a legal obligation to follow through on its debt

reduction proposal or takeover bid, Wilks is a credible party with substantial expertise in this sector; moreover, it seems unlikely that Wilks would expose itself to the reputational damage associated with not following through on its public assurances.

Given that Wilks' debt reduction plan offers superior value to shareholders and its premium takeover bid mitigates the risk associated with renewed debtholder negotiations, shareholders are advised to use the dissident (blue) proxy card to vote AGAINST management's proposed Recapitalization Transaction.";

(d) **Exhibit "Q"** Glass Lewis Company Overview, which I also reviewed and obtained under the "About Us" tab on the website https://www.glasslewis.com/company-overview/, on September 28, 2020;

(e) **Exhibit "R"** Summary of Glass Lewis Analysis (14 pages) dated September 11, 2020 and noting on page 1, paragraph 1:

> "**EXPLANATION FOR REPUBLICATION**: On September 11, 2020, we updated our analysis and changed our voting recommendations following the formal launch by Wilks Brothers LLC of an all-cash offer to acquire all of the common shares of Calfrac Well Services Ltd. at a price that represents a premium to the Company's unaffected and current share prices, as well as to its indicative share price following the proposed Recapitalization Transaction. Among other things, the Wilks Offer is conditioned upon the Recapitalization Transaction not proceeding. As such, we now recommend that shareholders vote AGAINST all proposals at the upcoming EGM." [Emphasis added]; and

(f) **Exhibit "S"** Cormark Securities Inc. report dated September 25, 2020 respecting Calfrac Well Services Ltd., titled "Management Unsuccessfully Scrambles to Realign Interests; Wilks Proposal Still Superior".

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta this 28rth day of September, 2020.

C. McLelland
A Commissioner for Oaths in and for Alberta

SHERRY NADEAU

Christopher W. McLelland
A Commissioner for Oaths - Notary Public
in and for the Province of Alberta.
Member of the Law Society of Alberta and
My Appointment Expires at the Pleasure of
The Attorney General for the Province of Alberta

From: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Sent: Thursday, August 06, 2020 5:07 PM
To: 'Robert.Collins@lw.com' <Robert.Collins@lw.com>
Cc: 'Michael.Hale@lw.com' <Michael.Hale@lw.com>; 'CHRISTOPHER.HARRIS@lw.com' <CHRISTOPHER.HARRIS@lw.com>; 'Caroline.Reckler@lw.com' <Caroline.Reckler@lw.com>; 'Adam.Goldberg@lw.com' <Adam.Goldberg@lw.com>; 'JHiggins@porterhedges.com' <JHiggins@porterhedges.com>; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: RE: Calfrac - Protective Order

That works. Here you go. You can finalize this version.

Thanks,

Patrick Petrocelli
Special Counsel

STROOCK
180 Maiden Lane, New York, NY 10038
D: 212.806.6682
M: 914.671.8531

ppetrocelli@stroock.com | vCard | www.stroock.com

From: Robert.Collins@lw.com <Robert.Collins@lw.com>
Sent: Thursday, August 6, 2020 6:53 PM
To: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Cc: Michael.Hale@lw.com; CHRISTOPHER.HARRIS@lw.com; Caroline.Reckler@lw.com; Adam.Goldberg@lw.com; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: [EXTERNAL] RE: Calfrac - Protective Order

Patrick – one tweak below just for clarity, but otherwise we can agree to your compromise. If you agree, are you able to add these revisions in so we can finalize? Thank you.

Robert C. Collins III

LATHAM & WATKINS LLP
330 North Wabash Avenue, Suite 2800 | Chicago, IL 60611
D: +1.312.876.6566 | M: +1.219.789.3376

From: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Sent: Thursday, August 6, 2020 5:44 PM
To: Collins, Robert (CH) <Robert.Collins@lw.com>
Cc: Hale, Michael (LA) <Michael.Hale@lw.com>; Harris, Christopher (NY) <CHRISTOPHER.HARRIS@lw.com>; Reckler, Caroline (CH-NY) <Caroline.Reckler@lw.com>; Goldberg, Adam (NY) <Adam.Goldberg@lw.com>; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: RE: Calfrac - Protective Order

Robbie,

On 17(b), given the purpose of the Unrelated Attorneys' Eyes Only designation, we'd rather not default to that designation level for deposition transcripts and videotapes during the written notice period. How about this?

Until expiration of the aforesaid seven (7) or three (3) day period following receipt of the transcript by the Parties or non-Parties, unless otherwise agreed on the record at the deposition, (i) all portions of any deposition transcripts and videotapes relating to Discovery Material designated as Unrelated Attorneys' Eyes Only shall be considered and treated as Unrelated Attorneys' Eyes Only; and (ii) all other portions of any deposition transcripts and videotapes shall be considered and treated as ~~Unrelated~~ Attorneys'-Eyes Only ~~unless otherwise agreed on the record at the deposition~~.

Of course, if you believe at the deposition that other portions of the transcript warrant the higher level of protection, you'd still be free to designate it as such under 17(a).

Thanks,

Patrick Petrocelli
Special Counsel

STROOCK
180 Maiden Lane, New York, NY 10038
D: 212.806.6682
M: 914.671.8531

ppetrocelli@stroock.com | vCard | www.stroock.com

From: Robert.Collins@lw.com <Robert.Collins@lw.com>
Sent: Thursday, August 6, 2020 3:03 PM
To: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Cc: Michael.Hale@lw.com; CHRISTOPHER.HARRIS@lw.com; Caroline.Reckler@lw.com; Adam.Goldberg@lw.com; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: [EXTERNAL] RE: Calfrac - Protective Order

Patrick –

We have reviewed your proposal and have only a couple very small edits which we do not expect to be controversial. Please confirm that we are in agreement on the attached protective order.

Thanks,
Robbie

Robert C. Collins III

LATHAM & WATKINS LLP
330 North Wabash Avenue, Suite 2800 | Chicago, IL 60611
D: +1.312.876.6566 | M: +1.219.789.3376

From: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Sent: Tuesday, August 4, 2020 11:07 AM
To: Collins, Robert (CH) <Robert.Collins@lw.com>
Cc: Hale, Michael (LA) <Michael.Hale@lw.com>; Harris, Christopher (NY) <CHRISTOPHER.HARRIS@lw.com>; Reckler, Caroline (CH-NY) <Caroline.Reckler@lw.com>; Goldberg, Adam (NY) <Adam.Goldberg@lw.com>; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild

<tmonsour@foxrothschild.com>
Subject: Calfrac - Protective Order

Robbie,

We do not agree that it is appropriate for the Debtors to impose redactions on documents for non-responsiveness, nor do we agree that a third level of protection to the protective order is necessary given the existing Attorneys'-Eyes Only level. Nevertheless, we are willing to agree to include at third level in an effort to resolve our disagreement relating to the claimed "unrelated" redactions the Debtors have imposed or were intending to impose on documents. Please see attached a draft revised version of the protective order and a redline showing the changes. Given the availability of a third level of protection, we understand that the Debtors will not make redactions for claimed "unrelated" trade secrets or commercially sensitive information in the future, and that they will produce newly designated documents without redactions to the extent redactions have been imposed in prior documents on the basis of "unrelated" trade secrets or commercially sensitive information.

Regards,

Patrick Petrocelli
Special Counsel

STROOCK
180 Maiden Lane, New York, NY 10038
D: 212.806.6682
M: 914.671.8531

ppetrocelli@stroock.com | vCard | www.stroock.com

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re Calfrac Well Services Corp., *et al.*[1] Debtors in a Foreign Proceeding	Chapter 15 Case No. 20-33529 (DRJ) Jointly Administered

STIPULATED CONFIDENTIALITY AGREEMENT AND PROTECTIVE ORDER

This Stipulated Confidentiality Agreement and Protective Order ("**Order**") is entered into by and among: (a) the above-captioned debtors (collectively, the "**Chapter 15 Debtors**"); (b) the Wilks Brothers, LLC and its Affiliated Funds ("**Wilks Brothers**"); and (c) any other persons or entities who become bound by this Order by signifying their assent through execution of Exhibit A hereto (a "**Declaration**"). Each of the persons or entities identified in the foregoing clauses (a) through (c) shall be referred to herein individually as a "**Party**," and, collectively, as the "**Parties**."

Recitals

WHEREAS, there are, or may be, judicial or other proceedings, including but not limited to investigations, contested matters, adversary proceedings, and other disputes (each a "**Dispute**" and, collectively, the "**Disputes**") arising out of or relating to the Debtors' filing of petitions under chapter 15 of title 11 of the United States Code (the "**Bankruptcy Code**") in this Court (the cases commenced by such petitions, the "**Chapter 15 Cases**");

[1] The Chapter 15 Debtors, along with the last four digits of each U.S. Debtor's federal tax identification number, where applicable, are as follows: Calfrac Well Services Corp. ("**CWSC**") (1738), 12178711 Canada Inc. ("**Arrangeco**"), Calfrac Well Services Ltd. ("**Calfrac**") (3605), Calfrac (Canada) Inc. ("**CCI**"), and Calfrac Holdings LP ("**CHLP**") (0236).

WHEREAS, the Parties have sought or may seek certain Discovery Material (as defined below) from one another with respect to one or more Disputes, including through informal requests, Rule 2004 notices or motions, or service of document requests, interrogatories, depositions, and other discovery requests (collectively, "**Discovery Requests**") as provided by the Federal Rules of Civil Procedures (the "**Federal Rules**"), the Federal Rules of Bankruptcy Procedures (the "**Bankruptcy Rules**"), and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of Texas (the "**Local Rules**"); and

WHEREAS, the Parties anticipate that there are certain persons or entities other than the parties hereto that may also propound or be served with Discovery Requests in connection with one or more Disputes during the course of the Chapter 15 Cases;

NOW, THEREFORE, to facilitate and expedite the production, exchange and treatment of Discovery Material (as defined below), to facilitate the prompt resolution of disputes over confidentiality, and to protect Discovery Material (as defined below) that a Party seeks to maintain as confidential, the Parties stipulate and agree as follows:

1. The Parties hereby submit this Order to the Court for approval. The Parties shall abide by and be bound by the terms of this Order.

2. Unless otherwise agreed by the Parties or ordered by the Court, all deadlines stated herein shall be computed pursuant to Rule 9006 of the Federal Rules of Bankruptcy Procedure.

Scope of Order

3. This Order applies to all information, documents and things exchanged in, or subject to, discovery or provided in response to a diligence request, either by a Party or a non-Party (each a "**Producing Party**") to any other Party or non-Party (each a "**Receiving Party**"), formally or informally, in response to or in connection with any Discovery Requests or diligence

requests, including without limitation deposition testimony, interviews, documents, data, and other information (collectively, "**Discovery Material**").

4. This Order applies to all non-Parties that are served with subpoenas, that produce or receive documents, or that notice or are noticed for depositions with respect to the Chapter 15 Cases, and all such non-Parties are entitled to the protections afforded hereby and subject to the obligations herein upon signing a Declaration in the form provided as Exhibit A and agreeing to be bound by the terms of this Order.

5. Any Party or its counsel serving upon a non-Party a subpoena which requires the production of documents or testimony shall serve a copy of this Order along with such subpoena and instruct the non-Party recipient of such subpoena that he, she or it may designate documents or testimony in the Chapter 15 Cases according to the provisions herein. In the event a non-Party has already been served with a subpoena or other discovery request at the time this Order is entered by the Court, the serving Party or its counsel shall provide the service and notice of this Order required by the preceding sentence as soon as reasonably practicable after entry of this Order.

Designating Discovery Material

6. Any Producing Party may designate Discovery Material as "**Confidential Material**" or "**Attorneys'-Eyes Only**" or "**Unrelated Attorneys'-Eyes Only**" (any such Discovery Material, "**Designated Material**") in accordance with the following provisions:

(a) Confidential Material: A Producing Party may designate Discovery Material as "Confidential" if such Producing Party believes in good faith (or with respect to documents received from another person, has been reasonably advised by such other person) that such Discovery Material constitutes or contains nonpublic, proprietary, commercially sensitive, or confidential technical, business, financial, personal or other information of a nature that can be protected under Federal Rule 26(c) or Bankruptcy Rules 7026 or 9018; or is subject by law or by contract to a legally protected right of privacy; or the Producing Party is under a preexisting obligation to a third-party to treat as confidential; or the Producing Party has in good faith bene requested by another Party or non-Party to designate on the grounds

that such other Party or non-Party considers such material to contain information that is confidential or proprietary to such Party or non-Party.

(b) Attorneys'-Eyes Only Material: A Producing Party may designate Discovery Material as "Attorneys'-Eyes Only" if such Producing Party believes in good faith (or with respect to documents received from another person, has been reasonably advised by such other person) that such Discovery Material is of such a nature that a risk of competitive injury would be created if such Discovery Material were disclosed to persons other than those identified in Paragraph 13 of this Order, which may include but is not limited to trade secrets; sensitive financial, commercial, market, competitive, or business information; or material prepared by its industry professionals, advisors, financial advisors, accounting advisors, experts or consultants (and their respective staff) that are retained by the signatories to this Order in connection with the Chapter 15 Cases, and only to the extent that the Producing Party believes in good faith that such material is of a nature that "Attorneys'-Eyes Only" treatment is warranted.

(c) Unrelated Attorneys' Eyes-Only Material: A Producing Party may designate Discovery Material as "Unrelated Attorneys'-Eyes Only" if such Producing Party believes in good faith that such Discovery Material contains commercially sensitive or trade secret information unrelated to the issues in the Chapter 15 Cases of such a nature that a risk of competitive injury would be created if such Discovery Material were disclosed to persons other than those identified in Paragraph 14 of this Order.

7. Manner of Designation: Where reasonably practicable, any Designated Material shall be designated by the Producing Party as such by marking every such page "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" as applicable. Such markings should not obliterate or obscure the content of the material that is produced. Where marking every page of such materials is not reasonably practicable, such as with certain native file documents, a Producing Party may designate material as "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" by informing the Receiving Party in writing in a clear and conspicuous manner at the time of production of such material that such material is "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only"; provided that inclusion of the

words “Confidential” or “Attorneys’-Eyes Only” or “Unrelated Attorneys’-Eyes Only” in the file names of any native file documents shall be deemed to comply with this requirement.

8. Redaction: A Party may redact or withhold responsive documents or members of a document family if the document is subject to a legally-recognized claim of privilege (including, without limitation, the attorney-client privilege, the work-product doctrine, and the joint-defense privilege). A Party may redact documents to the extent they contain personally-identifying information or protected health information, including but not limited to Social Security Numbers, tax identification numbers, birth dates, names of minors, personal telephone numbers or addresses, financial account numbers, health records, or health status.

9. Designation of Written Discovery Material: Where Designated Material is produced in the form of a written response in response to a request for written discovery (including, without limitation, written responses to interrogatories), the Producing Party may designate such material by imprinting “Confidential” or “Attorneys’-Eyes Only” or “Unrelated Attorneys’-Eyes Only” as applicable before the written response or marking each relevant page. The designation of Discovery Material as “Confidential” or “Attorneys’-Eyes Only” or Unrelated Attorneys’-Eyes Only,” regardless of the medium or format of such Designated Material or the method of designation as provided for herein, shall constitute a representation by the Producing Party that there is a good-faith basis for that designation.

10. Late Designation of Discovery Material: The failure to designate particular Discovery Material as “Confidential” or “Attorneys’-Eyes Only” or “Unrelated Attorneys’-Eyes Only” at the time of production shall not operate to waive a Producing Party’s right to later designate such Discovery Material as Designated Material or later apply another designation pursuant to this Order (“**Misdesignated Material**”). At such time, arrangement will be made for

the destruction of the Misdesignated Material or for the return to the Producing Party of all copies of the Misdesignated Material and for the substitution, where appropriate, of properly labeled copies of such Discovery Material. Upon receipt of replacement copies of such Misdesignated Material with the proper designation, the Receiving Party or Parties shall take all reasonable steps to return or destroy all previously produced copies of such Misdesignated Material. Notwithstanding the foregoing, no Party shall be deemed to have violated this Order if, prior to notification of any later designation, such Discovery Material was disclosed or used in any manner consistent with its original designation but inconsistent with its later designation. Once such later designation has been made, however, any Discovery Material shall be treated in accordance with that later designation; provided, however, that if the material that was not designated has been, at the time of the later designation, previously publicly filed with a court or otherwise made publicly available (other than in violation of this Order), no Party shall be bound by such later designation except to the extent determined by the Court upon motion of the Party or non-Party that failed to make the designation.

Use and Disclosure of Confidential or Attorneys'-Eyes Only or Unrelated Attorneys'-Eyes Only Material

11. General Limitations on Use and Disclosure of All Discovery Materials: All Discovery Material, whether Designated Material or non-Designated Material, shall be used by the Receiving Parties solely for the purposes of the Chapter 15 Cases, and not for any other purpose, including any business, competitive, governmental, commercial, or administrative purpose or function.

12. Confidential Material: Confidential Material, and any and all information contained therein, may be given, shown, made available or communicated only to the following:

(a) the Parties (including their respective members, managers, partners, directors, officers, employees, counsel, and agents), in each case only as

necessary to assist with or make decisions with respect to the Chapter 15 Cases;

(b) witnesses being questioned, either at a deposition, through other Discovery Requests, or in court proceedings, and the witness's counsel, to the extent that such disclosure is reasonably necessary for the proceedings or the resolution of the Disputes, provided that, to the extent the witness is not a custodian of one of the Chapter 15 Debtors, the witness has signed or agreed on the record to sign a Declaration in the form provided as Exhibit A hereto;

(c) upon written notice to and with the consent of the Producing Party (which shall not be unreasonably withheld), any other persons or entities who become bound by this Order by signifying their assent through execution of Exhibit A hereto, including their respective managers, partners, directors, officers, and agents—in each case, only as necessary to assist with or make decisions with respect to the Chapter 15 Cases, and only after he/she has signed a Declaration in the form provided as Exhibit A hereto;

(d) non-professional support personnel providing general secretarial services (such as word processing and printing), paralegal services, or litigation support services to and working under the supervision and direction of any natural person bound by this Order—in each case, only as necessary to assist such natural person with respect to the Chapter 15 Cases;

(e) any other persons specified in Paragraph 13 below.

13. Attorneys'-Eyes Only Material: Attorneys'-Eyes Only Material, and any and all information contained therein, may be given, shown, made available, or communicated only to the following:

(a) outside counsel, and staff working under the express direction of outside counsel, for (i) the Parties or (ii) upon written notice to and the consent of the Producing Party (which shall not be unreasonably withheld), any other persons or entities who become bound by this Order by signifying their assent through execution of Exhibit A hereto;

(b) in-house counsel for the Parties, but only to the extent necessary to advise a Party in connection with the Chapter 15 Cases and for no other purpose;

(c) professionals retained under 11 U.S.C. § 328, or other professionals, industry advisors, financial advisors, accounting advisors, experts and consultants (and their respective staff) that are retained by the signatories to this Order in connection with the Chapter 15 Cases, in each case only as necessary to assist with or make decisions with respect to the Chapter 15 Cases;

(d) any person who is indicated on the face of a document to have been an author, addressee, or copy recipient thereof, an actual or intended recipient thereof, or in the case of meeting minutes, an attendee of the meeting;

(e) court reporters, stenographers, or videographers who record testimony in connection with the Chapter 15 Cases;

(f) the Court, its officers, and clerical staff in any judicial proceeding that may result from the Chapter 15 Cases;

(g) witnesses being questioned, either at a deposition, through other Discovery Requests, or in court proceedings, and the witness's counsel, to the extent that such disclosure is reasonably necessary for the proceedings or the resolution of the Disputes, provided that, to the extent the witness is not a custodian of one of the Chapter 15 Debtors, the witness has signed or agreed on the record to sign a Declaration in the form provided as Exhibit A hereto;

(h) non-professional support personnel providing general secretarial services (such as word processing and printing), paralegal services, or litigation support services to and working under the supervision and direction of any natural person bound by and allowed to see Attorneys'-Eyes Only Material under this Order—in each case, only as necessary to assist such natural person with respect to the Chapter 15 Cases;

(i) outside photocopying, graphic production, or litigation support services, as necessary for use in connection with the Chapter 15 Cases; and

(j) any other person or entity with respect to whom the Producing Party consents in writing.

14. Unrelated Attorneys'-Eyes Only Material: Unrelated Attorneys'-Eyes Only Material, and any and all information contained therein, may be given, shown, made available, or communicated only to the following:

(a) outside counsel, and staff working under the express direction of outside counsel, for (i) the Parties or (ii) upon written notice to and the consent of the Producing Party (which shall not be unreasonably withheld), any other persons or entities who become bound by this Order by signifying their assent through execution of Exhibit A hereto;

(b) professionals retained under 11 U.S.C. § 328, or other professionals, industry advisors, financial advisors, accounting advisors, experts and consultants (and their respective staff) that are retained by the signatories to this Order in connection with the Chapter 15 Cases, in each case only as necessary to assist with or make decisions with respect to the Chapter 15 Cases;

(c) any person who is indicated on the face of a document to have been an author, addressee, or copy recipient thereof, an actual or intended recipient thereof, or in the case of meeting minutes, an attendee of the meeting;

(d) court reporters, stenographers, or videographers who record testimony in connection with the Chapter 15 Cases;

(e) the Court, its officers, and clerical staff in any judicial proceeding that may result from the Chapter 15 Cases;

(f) witnesses being questioned, either at a deposition, through other Discovery Requests, or in court proceedings, and the witness's counsel, to the extent that such disclosure is reasonably necessary for the proceedings or the resolution of the Disputes, provided that, to the extent the witness is not a custodian of one of the Chapter 15 Debtors, the witness has signed or agreed on the record to sign a Declaration in the form provided as Exhibit A hereto;

(g) non-professional support personnel providing general secretarial services (such as word processing and printing), paralegal services, or litigation support services to and working under the supervision and direction of any natural person bound by and allowed to see Unrelated Attorneys'-Eyes Only Material under this Order—in each case, only as necessary to assist such natural person with respect to the Chapter 15 Cases;

(h) outside photocopying, graphic production, or litigation support services, as necessary for use in connection with the Chapter 15 Cases; and

(i) any other person or entity with respect to whom the Producing Party may consent in writing.

15. Sealing of Designated Material Filed with or Submitted to the Court: Unless otherwise agreed by the Producing Party or ordered by a court of competent jurisdiction, all Designated Material filed with the Court, and all portions of pleadings, motions or other papers filed with the Court that disclose Designated Material, shall be filed under seal in accordance with the Federal Rules, the Bankruptcy Rules, and the Local Rules.

16. Use of Discovery Material in Open Court: Counsel for any Party or non-Party shall confer on such procedures as are necessary to protect the confidentiality of Confidential Material or Attorneys'-Eyes Only Material or Unrelated Attorneys'-Eyes Only Material used in the course

of any Court proceeding, and in the event counsel cannot agree on such procedures, the question shall be submitted to the Court.

Depositions

17. Deposition—Manner of Designation: In the case of depositions, if counsel for a Party or non-Party believes that a portion of the testimony should be Designated Material of such Party or non-Party, such testimony may be designated as appropriate by:

(a) Stating so orally on the record and requesting that the relevant portion(s) or entire transcript of testimony is so designated; or

(b) Providing written notice within seven (7) days of the Party's or non-Party's receipt of the final transcript from the court reporter that the relevant portion(s) or entirety of such transcript or video of a deposition thereof is so designated, except in the event that a hearing on related issues is scheduled to occur within seven (7) days, in which case the foregoing seven (7) day period will be reduced to three (3) business days. Such designation and notice shall be made in writing to the court reporter, with copies to all other counsel, identifying the portion(s) of or the entire transcript that is so designated, and directing the court reporter to treat the transcript as provided in Paragraph 21 below. Until expiration of the aforesaid seven (7) or three (3) day period following receipt of the transcript by the Parties or non-Parties, unless otherwise agreed on the record at the deposition, (i) all portions of any deposition transcripts and videotapes relating to Discovery Material designated as Unrelated Attorneys'-Eyes Only shall be considered and treated as Unrelated Attorneys'-Eyes Only; and (ii) all other portions of any deposition transcripts and videotapes shall be considered and treated as Attorneys'-Eyes Only.

18. Designated Material Used as Exhibits During Depositions: Nothing in Paragraph 17 shall apply to or affect the confidentiality designations of Discovery Material entered as exhibits at depositions, which shall remain Confidential Material or Attorneys'-Eyes Only Material or Unrelated Attorneys'-Eyes Only Material.

19. Witness Review of Deposition Testimony: Nothing in Paragraphs 17 or 18 shall preclude the witness from reviewing his or her deposition transcript and accompanying exhibits.

20. Presence of Certain Persons During Designated Deposition Testimony: When Designated Material is elicited during a deposition, persons not entitled to receive such information under the terms of this Order shall be excluded from the portion of the deposition so designated.

21. Responsibilities and Obligations of Court Reporters: In the event that testimony is designated as Confidential or Attorneys'-Eyes Only or Unrelated Attorneys'-Eyes Only, the court reporter shall be instructed to include on the cover page of each such transcript the legend: "This transcript portion contains information subject to a Protective Order and shall be used only in accordance therewith," and each designated page of the transcript shall include the legend "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only," as appropriate. If the deposition is videotaped, the videotape shall also be subject to the same level of confidentiality as the transcript and include the legend "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only," as appropriate, if any portion of the transcript itself is so designated.

GENERAL PROVISIONS

22. This Order is a procedural device intended to protect Discovery Materials designated as Confidential or Attorneys'-Eyes Only or Unrelated Attorneys'-Eyes Only. Nothing in this Order shall affect any Party's or non-Party's rights or obligations unrelated to the confidentiality of Discovery Materials.

23. Nothing contained herein shall be deemed a waiver or relinquishment by any Party or non-Party of any objection, including but not limited to, any objection concerning the alleged confidentiality, the designation of Designated Material, or proprietary nature of any documents, information, or data requested by a Party or non-Party, any right to object to any discovery request, or any right to object to the admissibility of evidence on any ground, or to seek any further

protective order, or to seek relief from the Court or any other applicable court from any provision of this Order by motion on notice on any grounds.

24. Unauthorized Disclosure of Designated Material: In the event of a disclosure by a Receiving Party of Designated Material to persons or entities not authorized by this Order to receive such Designated Material, the Receiving Party making the unauthorized disclosure shall, upon learning of the disclosure, immediately notify the person or entity to whom the disclosure was made that the disclosure contains Designated Material subject to this Order, immediately make reasonable efforts to recover the disclosed Designated Material as well as preclude further review, dissemination, or use by the person or entity to whom the disclosure was made, and immediately notify the Producing Party of the identity of the person or entity to whom the disclosure was made, the circumstances surrounding the disclosure, and the steps taken to recover the disclosed Designated Material and ensure against further review, dissemination, or use thereof. Disclosure of Designated Material other than in accordance with the terms of this Order may subject the disclosing person to such sanctions and remedies as the Court may deem appropriate.

25. Manner of Objecting to Designated Material: If any Receiving Party objects to the designation of any Designated Material (whether such designation is made on a permanent basis or temporary basis with respect to deposition testimony), the Receiving Party shall first raise the objection with the Producing Party in writing, and confer in good faith to attempt to resolve any dispute respecting the terms or operation of this Order. If within five (5) business days after receipt of an objection in writing, the Producing Party does not agree to change the designation of the Designated Material, the Receiving Party may seek relief from the Court. Until the Court rules on such an issue, the Designated Material shall continue to be treated as designated by the Producing Party. Upon a motion, the Court may order the removal of the "Confidential" or "Attorneys'-Eyes

Only" or "Unrelated Attorneys'-Eyes Only" designation from any Discovery Material so designated subject to the provisions of this Order. Notwithstanding the foregoing, circumstances may exist which require a party to seek Court authority to remove the "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" designation of Designated Material on a more expedited basis. In such a circumstance, the moving party will provide advance notice to the Producing Party.

26. Timing of Objections to Designated Material: A Receiving Party shall not be obliged to challenge the propriety of a confidentiality designation at the time made, and a failure to do so shall not preclude a subsequent challenge thereto. The failure of any Receiving Party to challenge the designation by a Producing Party of Discovery Materials as "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" during the discovery period shall not be a waiver of that Receiving Party's right to object to the designation at an evidentiary hearing or trial.

27. Inadvertent Production of Privileged Discovery Material: Pursuant to Federal Rule of Evidence 502(d), and Federal Rule of Civil Procedure 26(b)(5)(B), made applicable hereto by Federal Rules of Bankruptcy Procedure 7026 and/or 9014, the disclosure of documents or information containing privileged information or information constituting attorney work product or otherwise protected from disclosure, whether inadvertent, unintentional, or otherwise, shall not constitute a waiver of the privilege or protection in these Chapter 15 Cases or any state or federal proceeding. This Order shall be interpreted to provide the maximum protection allowed under Federal Rule of Evidence 502(d) and Federal Rule of Civil Procedure 26(b)(5)(B). Nothing herein is intended to or shall serve to limit a Party's right to conduct a review of documents, electronically stored information, or other information (including metadata), for relevance, responsiveness

and/or segregation of privileged and/or protected information before production. Upon request from the Producing Party, the Receiving Party must destroy any document over which privilege or protection is asserted, all copies, and any information derived therefrom, regardless of whether the Receiving Party agrees with the assertion of privilege or protection. The Receiving Party may move to compel production of a copy of the document should it challenge the designation of privilege or protection.

28. Use of Non-Confidential Material: To the extent that any Receiving Party has documents or information that (a) were already in its possession at the time the same document or information is received from a Producing Party and are not subject to any other confidentiality agreement, non-disclosure agreement, or other confidentiality obligation; (b) are received or become available to a Receiving Party on a non-confidential basis, not in violation of an obligation of confidentiality to any other person; (c) were independently developed by such Receiving Party without violating its obligations hereunder; or (d) are published or become publicly available in a manner that is not in violation of this Order or of any obligation of confidentiality to any other person (collectively "**Non-Confidential Material**"), nothing in this Order shall limit a Receiving Party's ability to use Non-Confidential Material in a deposition, hearing, trial or otherwise in connection with the Chapter 15 Cases, or otherwise. Nothing in this Order shall affect the obligation of any Receiving Party to comply with any other confidentiality agreement with, or undertaking to, any other person or Party, including, but not limited to, any confidentiality obligations arising from agreements entered into prior to the Chapter 15 Cases.

29. Obligations Following Conclusion of the Chapter 15 Cases: Within 90 days of the resolution of the Chapter 15 Cases, including all appeals as to all Parties, unless otherwise agreed to by the Parties or ordered by a court, all Parties and non-Parties shall take all reasonable steps to

return to counsel for the respective Producing Party, or to destroy, all Designated Material, and all copies thereof in the possession of any person, except that counsel may retain for its records (a) a copy of the Designated Material, (b) their work product; (c) a copy of court filings, transcripts, deposition/examination recordings, deposition/examination exhibits, and expert reports; and (d) exhibits introduced at any hearing or trial. A Receiving Party may retain Designated Material that is auto-archived or otherwise "backed up" on electronic management and communications systems or servers, or as may be required for regulatory recordkeeping purposes; provided that such retained documents will continue to be treated as consistent with the provisions in this Order. If a Receiving Party chooses to take all reasonable steps to destroy, rather than return, documents in accordance with this paragraph, that Receiving Party shall, if requested by the Producing Party, verify such destruction in writing to counsel for the Producing Party. Notwithstanding anything in this paragraph, to the extent that the information in the Designated Material remains confidential, the terms of this Order shall remain binding.

30. Continuing Applicability of Confidentiality Agreement and Stipulated Protective Order: The provisions of this Order shall survive the final resolution of the Chapter 15 Cases for any retained Designated Material. The final termination of the Chapter 15 Cases shall not relieve counsel or other persons obligated hereunder from their responsibility to maintain the confidentiality of Designated Material pursuant to this Order, and the Court shall retain jurisdiction to enforce the terms of this Order.

31. Amendment of Confidentiality Agreement and Stipulated Protective Order: Upon good cause shown, and on notice to all Parties, any Party may move to amend the provisions of this Order at any time or the Parties may agree by written stipulation, subject to further order of the Court if applicable, to amend the provisions of the Order.

32. Disclosure of Designated Material in Other Proceedings: Any Receiving Party that may be subject to a motion or other form of legal or regulatory process or demand seeking the disclosure of a Producing Party's Designated Material (a) shall notify the Producing Party within three (3) business days of receipt of such process or demand (unless such notice is prohibited by applicable law, rule, or regulation) and provide that Producing Party with an opportunity to appear and be heard on whether that information should be disclosed, and (b) in the absence of a court order preventing such disclosure, the Receiving Party shall be permitted to disclose only that portion of the information that is legally required to be disclosed and shall inform in writing any person to whom such information is so disclosed of the confidential nature of such information.

33. Use of Designated Material by Producing Party: Nothing in this Order affects the right of any Producing Party to use or disclose its own Designated Material in any way.

34. Obligations of Parties: Nothing herein shall relieve a Party of its obligations under the Federal Rules, the Bankruptcy Rules, the Federal Rules of Evidence, and the Local Rules, or under any future stipulations and orders, regarding the production of documents or the making of timely responses to Discovery Requests in connection with the Chapter 15 Cases.

35. Advice of Counsel: Nothing herein shall prevent or otherwise restrict counsel from rendering advice to their clients in connection with the Chapter 15 Cases and, in the course thereof, relying on examination of Designated Material; provided, however, that in rendering such advice and otherwise communicating with such client, counsel shall not make specific disclosure of any information in any manner that is inconsistent with the restrictions or procedures set forth herein.

36. Material Non-Public Information: Any Receiving Party acknowledges that by receiving Designated Materials it may be receiving material non-public information about companies that issue securities and that the determination as to whether it has received material

non-public information shall be the sole responsibility of such receiving entity. For the avoidance of doubt, the Producing Party is under no obligation to designate or mark, or cause to be designated or marked, any Designated Material that may be determined to constitute material non-public information.

37. Entire Agreement: This Order constitutes the entire agreement among the Parties pertaining to the use and disclosure of Discovery Material in connection with the Chapter 15 Cases and supersedes prior agreements and understandings pertaining to that subject matter, it being understood that any restrictions, limitations, or protections concerning confidentiality or non-disclosure in a prior written agreement shall continue to be in full force and effect, notwithstanding the terms of this Order.

38. Enforcement: The provisions of this Order constitute an Order of this Court and violations of the provisions of this Order are subject to enforcement and the imposition of legal sanctions in the same manner as any other Order of the Court.

39. Notice: When notice is permitted or required by the provisions hereof, such notice shall be in writing, directed to the undersigned counsel of the Party to receive such notice, at the corresponding addresses or email addresses indicated below, or to counsel of any non-Party receiving such notice. Notice shall be delivered by first-class mail, Federal Express (or an equivalent delivery service), hand delivery, or email, and shall be effective upon receipt.

Dated: August __, 2020
Houston, Texas

HONORABLE DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD

Houston, Texas,
Dated: August __, 2020

LATHAM & WATKINS LLP

/s/ [DRAFT]_____

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Co-Counsel to the Foreign Representative and the Debtors

Dated: August __, 2020

STROOCK & STROOCK & LAVAN LLP

/s/ [DRAFT]_____

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re Calfrac Well Services Corp., *et al.*[1] Debtors in a Foreign Proceeding	Chapter 15 Case No. 20-33529 (DRJ) Jointly Administered

Exhibit A

JOINDER TO CONFIDENTIALITY AGREEMENT AND PROTECTIVE ORDER

Reference is made to that certain Stipulated Confidentiality Agreement and Protective Order (the "**Protective Order**" dated as of [ ], 2020, by and between the above-captioned debtors (collectively, the "**Chapter 15 Debtors**"), certain of the Chapter 15 Debtors' creditors and other constituents as specified in the signature pages of this Protective Order, and any other persons or entities who become bound by this Order (collectively with the foregoing, each individually a "**Party**" and collectively the "**Parties**"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Protective Order.

The undersigned, [ ] (the "**Joinder Party**") is [] and hereby:

(i) acknowledges that it has received and reviewed a copy of the Protective Order, and agrees to be bound by the terms and conditions of the Protective Order;

(ii) acknowledges and agrees that the Joinder Party is entitled to receive Unrelated Attorneys'-Eyes Only and Attorneys'- Eyes Only Material and Confidential Material solely for the purposes of the Chapter 15 Cases; and further certifies that it will not use the Designated Material for any purpose other than in connection with the Chapter 15

[1] The Chapter 15 Debtors, along with the last four digits of each U.S. Debtor's federal tax identification number, where applicable, are as follows: Calfrac Well Services Corp. ("**CWSC**") (1738), 12178711 Canada Inc. ("**Arrangeco**"), Calfrac Well Services Ltd. ("**Calfrac**") (3605), Calfrac (Canada) Inc. ("**CCI**"), and Calfrac Holdings LP ("**CHLP**") (0236).

Cases, and will not disclose or cause Designated Material to be disclosed to anyone not expressly permitted by the Protective Order to receive Designated Material; and

(iii) acknowledges and agrees that by receiving Designated Material: (a) the Joinder Party may be receiving material non-public information about companies that issue securities; and (b) there exist laws, including federal securities laws, that may restrict or prohibit the sale or purchase of securities of such companies as a result of the receipt of such information.

The undersigned hereby submits to the jurisdiction of the Bankruptcy Court solely with respect to the provisions of the Protective Order.

This Joinder and all obligations hereunder shall terminate in parallel with the Protective Order.

[JOINDER PARTY]

By:_____

Dated:_____

Name:

Title:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re Calfrac Well Services Corp., *et al.*[1] Debtors in a Foreign Proceeding	Chapter 15 Case No. 20-33529 (DRJ) Jointly Administered

STIPULATED CONFIDENTIALITY AGREEMENT AND PROTECTIVE ORDER

This Stipulated Confidentiality Agreement and Protective Order ("**Order**") is entered into by and among: (a) the above-captioned debtors (collectively, the "**Chapter 15 Debtors**"); (b) the Wilks Brothers, LLC and its Affiliated Funds ("**Wilks Brothers**"); and (c) any other persons or entities who become bound by this Order by signifying their assent through execution of Exhibit A hereto (a "**Declaration**"). Each of the persons or entities identified in the foregoing clauses (a) through (c) shall be referred to herein individually as a "**Party**," and, collectively, as the "**Parties**."

Recitals

WHEREAS, there are, or may be, judicial or other proceedings, including but not limited to investigations, contested matters, adversary proceedings, and other disputes (each a "**Dispute**" and, collectively, the "**Disputes**") arising out of or relating to the Debtors' filing of petitions

[1] The Chapter 15 Debtors, along with the last four digits of each U.S. Debtor's federal tax identification number, where applicable, are as follows: Calfrac Well Services Corp. ("**CWSC**") (1738), 12178711 Canada Inc. ("**Arrangeco**"), Calfrac Well Services Ltd. ("**Calfrac**") (3605), Calfrac (Canada) Inc. ("**CCI**"), and Calfrac Holdings LP ("**CHLP**") (0236).

under chapter 15 of title 11 of the United States Code (the "**Bankruptcy Code**") in this Court (the cases commenced by such petitions, the "**Chapter 15 Cases**");

WHEREAS, the Parties have sought or may seek certain Discovery Material (as defined below) from one another with respect to one or more Disputes, including through informal requests, Rule 2004 notices or motions, or service of document requests, interrogatories, depositions, and other discovery requests (collectively, "**Discovery Requests**") as provided by the Federal Rules of Civil Procedures (the "**Federal Rules**"), the Federal Rules of Bankruptcy Procedures (the "**Bankruptcy Rules**"), and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of Texas (the "**Local Rules**"); and

WHEREAS, the Parties anticipate that there are certain persons or entities other than the parties hereto that may also propound or be served with Discovery Requests in connection with one or more Disputes during the course of the Chapter 15 Cases;

NOW, THEREFORE, to facilitate and expedite the production, exchange and treatment of Discovery Material (as defined below), to facilitate the prompt resolution of disputes over confidentiality, and to protect Discovery Material (as defined below) that a Party seeks to maintain as confidential, the Parties stipulate and agree as follows:

1. The Parties hereby submit this Order to the Court for approval. The Parties shall abide by and be bound by the terms of this Order.

2. Unless otherwise agreed by the Parties or ordered by the Court, all deadlines stated herein shall be computed pursuant to Rule 9006 of the Federal Rules of Bankruptcy Procedure.

Scope of Order

3. This Order applies to all information, documents and things exchanged in, or subject to, discovery or provided in response to a diligence request, either by a Party or a non-Party (each a "**Producing Party**") to any other Party or non-Party (each a "**Receiving Party**"), formally or informally, in response to or in connection with any Discovery Requests or diligence requests, including without limitation deposition testimony, interviews, documents, data, and other information (collectively, "**Discovery Material**").

4. This Order applies to all non-Parties that are served with subpoenas, that produce or receive documents, or that notice or are noticed for depositions with respect to the Chapter 15 Cases, and all such non-Parties are entitled to the protections afforded hereby and subject to the obligations herein upon signing a Declaration in the form provided as Exhibit A and agreeing to be bound by the terms of this Order.

5. Any Party or its counsel serving upon a non-Party a subpoena which requires the production of documents or testimony shall serve a copy of this Order along with such subpoena and instruct the non-Party recipient of such subpoena that he, she or it may designate documents or testimony in the Chapter 15 Cases according to the provisions herein. In the event a non-Party has already been served with a subpoena or other discovery request at the time this Order is entered by the Court, the serving Party or its counsel shall provide the service and notice of this Order required by the preceding sentence as soon as reasonably practicable after entry of this Order.

Designating Discovery Material

6. Any Producing Party may designate Discovery Material as "**Confidential Material**" or "**Attorneys'-Eyes Only**" or "**Unrelated Attorneys'-Eyes Only**" (any such Discovery Material, "**Designated Material**") in accordance with the following provisions:

(a) Confidential Material: A Producing Party may designate Discovery Material as "Confidential" if such Producing Party believes in good faith (or with respect to documents received from another person, has been reasonably advised by such other person) that such Discovery Material constitutes or contains nonpublic, proprietary, commercially sensitive, or confidential technical, business, financial, personal or other information of a nature that can be protected under Federal Rule 26(c) or Bankruptcy Rules 7026 or 9018; or is subject by law or by contract to a legally protected right of privacy; or the Producing Party is under a preexisting obligation to a third-party to treat as confidential; or the Producing Party has in good faith bene requested by another Party or non-Party to designate on the grounds that such other Party or non-Party considers such material to contain information that is confidential or proprietary to such Party or non-Party.

(b) Attorneys'-Eyes Only Material: A Producing Party may designate Discovery Material as "Attorneys'-Eyes Only" if such Producing Party believes in good faith (or with respect to documents received from another person, has been reasonably advised by such other person) that such Discovery Material is of such a nature that a risk of competitive injury would be created if such Discovery Material were disclosed to persons other than those identified in Paragraph 13 of this Order, which may include but is not limited to trade secrets; sensitive financial, commercial, market, competitive, or business information; or material prepared by its industry professionals, advisors, financial advisors, accounting advisors, experts or consultants (and their respective staff) that are retained by the signatories to this Order in connection with the Chapter 15 Cases, and only to the extent that the Producing Party believes in good faith that such material is of a nature that "Attorneys'-Eyes Only" treatment is warranted.

(c) Unrelated Attorneys' Eyes-Only Material: A Producing Party may designate Discovery Material as "Unrelated Attorneys'-Eyes Only" if such Producing Party believes in good faith that such Discovery Material contains commercially sensitive or trade secret information unrelated to the issues in the Chapter 15 Cases of such a nature that a risk of competitive injury would be created if such Discovery Material were disclosed to persons other than those identified in Paragraph 14 of this Order.

7. Manner of Designation: Where reasonably practicable, any Designated Material shall be designated by the Producing Party as such by marking every such page "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" as applicable. Such markings should not obliterate or obscure the content of the material that is produced. Where marking

every page of such materials is not reasonably practicable, such as with certain native file documents, a Producing Party may designate material as "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" by informing the Receiving Party in writing in a clear and conspicuous manner at the time of production of such material that such material is "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only"; provided that inclusion of the words "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" in the file names of any native file documents shall be deemed to comply with this requirement.

8. Redaction: A Party may redact or withhold responsive documents or members of a document family if the document is subject to a legally-recognized claim of privilege (including, without limitation, the attorney-client privilege, the work-product doctrine, and the joint-defense privilege). A Party may redact documents to the extent they contain personally-identifying information or protected health information, including but not limited to Social Security Numbers, tax identification numbers, birth dates, names of minors, personal telephone numbers or addresses, financial account numbers, health records, or health status.

9. Designation of Written Discovery Material: Where Designated Material is produced in the form of a written response in response to a request for written discovery (including, without limitation, written responses to interrogatories), the Producing Party may designate such material by imprinting "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" as applicable before the written response or marking each relevant page. The designation of Discovery Material as "Confidential" or "Attorneys'-Eyes Only" or Unrelated Attorneys'-Eyes Only," regardless of the medium or format of such Designated Material or the

method of designation as provided for herein, shall constitute a representation by the Producing Party that there is a good-faith basis for that designation.

10. Late Designation of Discovery Material: The failure to designate particular Discovery Material as "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" at the time of production shall not operate to waive a Producing Party's right to later designate such Discovery Material as Designated Material or later apply another designation pursuant to this Order ("**Misdesignated Material**"). At such time, arrangement will be made for the destruction of the Misdesignated Material or for the return to the Producing Party of all copies of the Misdesignated Material and for the substitution, where appropriate, of properly labeled copies of such Discovery Material. Upon receipt of replacement copies of such Misdesignated Material with the proper designation, the Receiving Party or Parties shall take all reasonable steps to return or destroy all previously produced copies of such Misdesignated Material. Notwithstanding the foregoing, no Party shall be deemed to have violated this Order if, prior to notification of any later designation, such Discovery Material was disclosed or used in any manner consistent with its original designation but inconsistent with its later designation. Once such later designation has been made, however, any Discovery Material shall be treated in accordance with that later designation; provided, however, that if the material that was not designated has been, at the time of the later designation, previously publicly filed with a court or otherwise made publicly available (other than in violation of this Order), no Party shall be bound by such later designation except to the extent determined by the Court upon motion of the Party or non-Party that failed to make the designation.

Use and Disclosure of Confidential or Attorneys'-Eyes Only or Unrelated Attorneys'-Eyes Only Material

11. General Limitations on Use and Disclosure of All Discovery Materials: All Discovery Material, whether Designated Material or non-Designated Material, shall be used by the Receiving Parties solely for the purposes of the Chapter 15 Cases, and not for any other purpose, including any business, competitive, governmental, commercial, or administrative purpose or function.

12. Confidential Material: Confidential Material, and any and all information contained therein, may be given, shown, made available or communicated only to the following:

(a) the Parties (including their respective members, managers, partners, directors, officers, employees, counsel, and agents), in each case only as necessary to assist with or make decisions with respect to the Chapter 15 Cases;

(b) witnesses being questioned, either at a deposition, through other Discovery Requests, or in court proceedings, and the witness's counsel, to the extent that such disclosure is reasonably necessary for the proceedings or the resolution of the Disputes, provided that, to the extent the witness is not a custodian of one of the Chapter 15 Debtors, the witness has signed or agreed on the record to sign a Declaration in the form provided as Exhibit A hereto;

(c) upon written notice to and with the consent of the Producing Party (which shall not be unreasonably withheld), any other persons or entities who become bound by this Order by signifying their assent through execution of Exhibit A hereto, including their respective managers, partners, directors, officers, and agents—in each case, only as necessary to assist with or make decisions with respect to the Chapter 15 Cases, and only after he/she has signed a Declaration in the form provided as Exhibit A hereto;

(d) non-professional support personnel providing general secretarial services (such as word processing and printing), paralegal services, or litigation support services to and working under the supervision and direction of any natural person bound by this Order—in each case, only as necessary to assist such natural person with respect to the Chapter 15 Cases;

(e) any other persons specified in Paragraph 13 below.

13. Attorneys'-Eyes Only Material: Attorneys'-Eyes Only Material, and any and all information contained therein, may be given, shown, made available, or communicated only to the following:

(a) outside counsel, and staff working under the express direction of outside counsel, for (i) the Parties or (ii) upon written notice to and the consent of the Producing Party (which shall not be unreasonably withheld), any other persons or entities who become bound by this Order by signifying their assent through execution of Exhibit A hereto;

(b) in-house counsel for the Parties, but only to the extent necessary to advise a Party in connection with the Chapter 15 Cases and for no other purpose;

(c) professionals retained under 11 U.S.C. § 328, or other professionals, industry advisors, financial advisors, accounting advisors, experts and consultants (and their respective staff) that are retained by the signatories to this Order in connection with the Chapter 15 Cases, in each case only as necessary to assist with or make decisions with respect to the Chapter 15 Cases;

(d) any person who is indicated on the face of a document to have been an author, addressee, or copy recipient thereof, an actual or intended recipient thereof, or in the case of meeting minutes, an attendee of the meeting;

(e) court reporters, stenographers, or videographers who record testimony in connection with the Chapter 15 Cases;

(f) the Court, its officers, and clerical staff in any judicial proceeding that may result from the Chapter 15 Cases;

(g) witnesses being questioned, either at a deposition, through other Discovery Requests, or in court proceedings, and the witness's counsel, to the extent that such disclosure is reasonably necessary for the proceedings or the resolution of the Disputes, provided that, to the extent the witness is not a custodian of one of the Chapter 15 Debtors, the witness has signed or agreed on the record to sign a Declaration in the form provided as Exhibit A hereto;

(h) non-professional support personnel providing general secretarial services (such as word processing and printing), paralegal services, or litigation support services to and working under the supervision and direction of any natural person bound by and allowed to see Attorneys'-Eyes Only Material under this Order—in each case, only as necessary to assist such natural person with respect to the Chapter 15 Cases;

(i) outside photocopying, graphic production, or litigation support services, as necessary for use in connection with the Chapter 15 Cases; and

(j) any other person or entity with respect to whom the Producing Party consents in writing.

14. Unrelated Attorneys'-Eyes Only Material: Unrelated Attorneys'-Eyes Only Material, and any and all information contained therein, may be given, shown, made available, or communicated only to the following:

(a) outside counsel, and staff working under the express direction of outside counsel, for (i) the Parties or (ii) upon written notice to and the consent of the Producing Party (which shall not be unreasonably withheld), any other persons or entities who become bound by this Order by signifying their assent through execution of Exhibit A hereto;

(b) professionals retained under 11 U.S.C. § 328, or other professionals, industry advisors, financial advisors, accounting advisors, experts and consultants (and their respective staff) that are retained by the signatories to this Order in connection with the Chapter 15 Cases, in each case only as necessary to assist with or make decisions with respect to the Chapter 15 Cases;

(c) any person who is indicated on the face of a document to have been an author, addressee, or copy recipient thereof, an actual or intended recipient thereof, or in the case of meeting minutes, an attendee of the meeting;

(d) court reporters, stenographers, or videographers who record testimony in connection with the Chapter 15 Cases;

(e) the Court, its officers, and clerical staff in any judicial proceeding that may result from the Chapter 15 Cases;

(f) witnesses being questioned, either at a deposition, through other Discovery Requests, or in court proceedings, and the witness's counsel, to the extent that such disclosure is reasonably necessary for the proceedings or the resolution of the Disputes, provided that, to the extent the witness is not a custodian of one of the Chapter 15 Debtors, the witness has signed or agreed on the record to sign a Declaration in the form provided as Exhibit A hereto;

(g) non-professional support personnel providing general secretarial services (such as word processing and printing), paralegal services, or litigation support services to and working under the supervision and direction of any natural person bound by and allowed to see Unrelated Attorneys'-Eyes

Only Material under this Order—in each case, only as necessary to assist such natural person with respect to the Chapter 15 Cases;

(h) outside photocopying, graphic production, or litigation support services, as necessary for use in connection with the Chapter 15 Cases; and

(i) any other person or entity with respect to whom the Producing Party may consent in writing.

15. Sealing of Designated Material Filed with or Submitted to the Court: Unless otherwise agreed by the Producing Party or ordered by a court of competent jurisdiction, all Designated Material filed with the Court, and all portions of pleadings, motions or other papers filed with the Court that disclose Designated Material, shall be filed under seal in accordance with the Federal Rules, the Bankruptcy Rules, and the Local Rules.

16. Use of Discovery Material in Open Court: Counsel for any Party or non-Party shall confer on such procedures as are necessary to protect the confidentiality of Confidential Material or Attorneys'-Eyes Only Material or Unrelated Attorneys'-Eyes Only Material used in the course of any Court proceeding, and in the event counsel cannot agree on such procedures, the question shall be submitted to the Court.

Depositions

17. Deposition—Manner of Designation: In the case of depositions, if counsel for a Party or non-Party believes that a portion of the testimony should be Designated Material of such Party or non-Party, such testimony may be designated as appropriate by:

(a) Stating so orally on the record and requesting that the relevant portion(s) or entire transcript of testimony is so designated; or

(b) Providing written notice within seven (7) days of the Party's or non-Party's receipt of the final transcript from the court reporter that the relevant portion(s) or entirety of such transcript or video of a deposition thereof is so designated, except in the event that a hearing on related issues is scheduled to occur within seven (7) days, in which case the foregoing seven (7) day period will be reduced to three (3) business days. Such designation and notice shall be made in writing to the court reporter, with

copies to all other counsel, identifying the portion(s) of or the entire transcript that is so designated, and directing the court reporter to treat the transcript as provided in Paragraph 21 below. Until expiration of the aforesaid seven (7) or three (3) day period following receipt of the transcript by the Parties or non-Parties, ~~all~~**unless otherwise agreed on the record at the deposition, (i) all portions of any** deposition transcripts and videotapes ~~shall be considered and treated~~**relating to Discovery Material designated** as Unrelated Attorneys'-Eyes Only ~~unless otherwise agreed on the record at the deposition~~**shall be considered and treated as Unrelated Attorneys'-Eyes Only; and (ii) all other portions of any deposition transcripts and videotapes shall be considered and treated as Attorneys'-Eyes Only**.

18. Designated Material Used as Exhibits During Depositions: Nothing in Paragraph 17 shall apply to or affect the confidentiality designations of Discovery Material entered as exhibits at depositions, which shall remain Confidential Material or Attorneys'-Eyes Only Material or Unrelated Attorneys'-Eyes Only Material.

19. Witness Review of Deposition Testimony: Nothing in Paragraphs 17 or 18 shall preclude the witness from reviewing his or her deposition transcript and accompanying exhibits.

20. Presence of Certain Persons During Designated Deposition Testimony: When Designated Material is elicited during a deposition, persons not entitled to receive such information under the terms of this Order shall be excluded from the portion of the deposition so designated.

21. Responsibilities and Obligations of Court Reporters: In the event that testimony is designated as Confidential or Attorneys'-Eyes Only or Unrelated Attorneys'-Eyes Only, the court reporter shall be instructed to include on the cover page of each such transcript the legend: "This transcript portion contains information subject to a Protective Order and shall be used only in accordance therewith," and each designated page of the transcript shall include the legend "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only," as appropriate. If the deposition is videotaped, the videotape shall also be subject to the same level of

confidentiality as the transcript and include the legend "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only," as appropriate, if any portion of the transcript itself is so designated.

GENERAL PROVISIONS

22. This Order is a procedural device intended to protect Discovery Materials designated as Confidential or Attorneys'-Eyes Only or Unrelated Attorneys'-Eyes Only. Nothing in this Order shall affect any Party's or non-Party's rights or obligations unrelated to the confidentiality of Discovery Materials.

23. Nothing contained herein shall be deemed a waiver or relinquishment by any Party or non-Party of any objection, including but not limited to, any objection concerning the alleged confidentiality, the designation of Designated Material, or proprietary nature of any documents, information, or data requested by a Party or non-Party, any right to object to any discovery request, or any right to object to the admissibility of evidence on any ground, or to seek any further protective order, or to seek relief from the Court or any other applicable court from any provision of this Order by motion on notice on any grounds.

24. Unauthorized Disclosure of Designated Material: In the event of a disclosure by a Receiving Party of Designated Material to persons or entities not authorized by this Order to receive such Designated Material, the Receiving Party making the unauthorized disclosure shall, upon learning of the disclosure, immediately notify the person or entity to whom the disclosure was made that the disclosure contains Designated Material subject to this Order, immediately make reasonable efforts to recover the disclosed Designated Material as well as preclude further review, dissemination, or use by the person or entity to whom the disclosure was made, and immediately notify the Producing Party of the identity of the person or entity to whom the disclosure was made, the circumstances surrounding the disclosure, and the steps taken to

recover the disclosed Designated Material and ensure against further review, dissemination, or use thereof. Disclosure of Designated Material other than in accordance with the terms of this Order may subject the disclosing person to such sanctions and remedies as the Court may deem appropriate.

25. Manner of Objecting to Designated Material: If any Receiving Party objects to the designation of any Designated Material (whether such designation is made on a permanent basis or temporary basis with respect to deposition testimony), the Receiving Party shall first raise the objection with the Producing Party in writing, and confer in good faith to attempt to resolve any dispute respecting the terms or operation of this Order. If within five (5) business days after receipt of an objection in writing, the Producing Party does not agree to change the designation of the Designated Material, the Receiving Party may seek relief from the Court. Until the Court rules on such an issue, the Designated Material shall continue to be treated as designated by the Producing Party. Upon a motion, the Court may order the removal of the "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" designation from any Discovery Material so designated subject to the provisions of this Order. Notwithstanding the foregoing, circumstances may exist which require a party to seek Court authority to remove the "Confidential" or "Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" designation of Designated Material on a more expedited basis. In such a circumstance, the moving party will provide advance notice to the Producing Party.

26. Timing of Objections to Designated Material: A Receiving Party shall not be obliged to challenge the propriety of a confidentiality designation at the time made, and a failure to do so shall not preclude a subsequent challenge thereto. The failure of any Receiving Party to challenge the designation by a Producing Party of Discovery Materials as "Confidential" or

"Attorneys'-Eyes Only" or "Unrelated Attorneys'-Eyes Only" during the discovery period shall not be a waiver of that Receiving Party's right to object to the designation at an evidentiary hearing or trial.

27. Inadvertent Production of Privileged Discovery Material: Pursuant to Federal Rule of Evidence 502(d), and Federal Rule of Civil Procedure 26(b)(5)(B), made applicable hereto by Federal Rules of Bankruptcy Procedure 7026 and/or 9014, the disclosure of documents or information containing privileged information or information constituting attorney work product or otherwise protected from disclosure, whether inadvertent, unintentional, or otherwise, shall not constitute a waiver of the privilege or protection in these Chapter 15 Cases or any state or federal proceeding. This Order shall be interpreted to provide the maximum protection allowed under Federal Rule of Evidence 502(d) and Federal Rule of Civil Procedure 26(b)(5)(B). Nothing herein is intended to or shall serve to limit a Party's right to conduct a review of documents, electronically stored information, or other information (including metadata), for relevance, responsiveness and/or segregation of privileged and/or protected information before production. Upon request from the Producing Party, the Receiving Party must destroy any document over which privilege or protection is asserted, all copies, and any information derived therefrom, regardless of whether the Receiving Party agrees with the assertion of privilege or protection. The Receiving Party may move to compel production of a copy of the document should it challenge the designation of privilege or protection.

28. Use of Non-Confidential Material: To the extent that any Receiving Party has documents or information that (a) were already in its possession at the time the same document or information is received from a Producing Party and are not subject to any other confidentiality agreement, non-disclosure agreement, or other confidentiality obligation; (b) are received or

become available to a Receiving Party on a non-confidential basis, not in violation of an obligation of confidentiality to any other person; (c) were independently developed by such Receiving Party without violating its obligations hereunder; or (d) are published or become publicly available in a manner that is not in violation of this Order or of any obligation of confidentiality to any other person (collectively "**Non-Confidential Material**"), nothing in this Order shall limit a Receiving Party's ability to use Non-Confidential Material in a deposition, hearing, trial or otherwise in connection with the Chapter 15 Cases, or otherwise. Nothing in this Order shall affect the obligation of any Receiving Party to comply with any other confidentiality agreement with, or undertaking to, any other person or Party, including, but not limited to, any confidentiality obligations arising from agreements entered into prior to the Chapter 15 Cases.

29. Obligations Following Conclusion of the Chapter 15 Cases: Within 90 days of the resolution of the Chapter 15 Cases, including all appeals as to all Parties, unless otherwise agreed to by the Parties or ordered by a court, all Parties and non-Parties shall take all reasonable steps to return to counsel for the respective Producing Party, or to destroy, all Designated Material, and all copies thereof in the possession of any person, except that counsel may retain for its records (a) a copy of the Designated Material, (b) their work product; (c) a copy of court filings, transcripts, deposition/examination recordings, deposition/examination exhibits, and expert reports; and (d) exhibits introduced at any hearing or trial. A Receiving Party may retain Designated Material that is auto-archived or otherwise "backed up" on electronic management and communications systems or servers, or as may be required for regulatory recordkeeping purposes; provided that such retained documents will continue to be treated as consistent with the provisions in this Order. If a Receiving Party chooses to take all reasonable steps to destroy, rather than return, documents in accordance with this paragraph, that Receiving Party shall, if

requested by the Producing Party, verify such destruction in writing to counsel for the Producing Party. Notwithstanding anything in this paragraph, to the extent that the information in the Designated Material remains confidential, the terms of this Order shall remain binding.

30. Continuing Applicability of Confidentiality Agreement and Stipulated Protective Order: The provisions of this Order shall survive the final resolution of the Chapter 15 Cases for any retained Designated Material. The final termination of the Chapter 15 Cases shall not relieve counsel or other persons obligated hereunder from their responsibility to maintain the confidentiality of Designated Material pursuant to this Order, and the Court shall retain jurisdiction to enforce the terms of this Order.

31. Amendment of Confidentiality Agreement and Stipulated Protective Order: Upon good cause shown, and on notice to all Parties, any Party may move to amend the provisions of this Order at any time or the Parties may agree by written stipulation, subject to further order of the Court if applicable, to amend the provisions of the Order.

32. Disclosure of Designated Material in Other Proceedings: Any Receiving Party that may be subject to a motion or other form of legal or regulatory process or demand seeking the disclosure of a Producing Party's Designated Material (a) shall notify the Producing Party within three (3) business days of receipt of such process or demand (unless such notice is prohibited by applicable law, rule, or regulation) and provide that Producing Party with an opportunity to appear and be heard on whether that information should be disclosed, and (b) in the absence of a court order preventing such disclosure, the Receiving Party shall be permitted to disclose only that portion of the information that is legally required to be disclosed and shall inform in writing any person to whom such information is so disclosed of the confidential nature of such information.

33. Use of Designated Material by Producing Party: Nothing in this Order affects the right of any Producing Party to use or disclose its own Designated Material in any way.

34. Obligations of Parties: Nothing herein shall relieve a Party of its obligations under the Federal Rules, the Bankruptcy Rules, the Federal Rules of Evidence, and the Local Rules, or under any future stipulations and orders, regarding the production of documents or the making of timely responses to Discovery Requests in connection with the Chapter 15 Cases.

35. Advice of Counsel: Nothing herein shall prevent or otherwise restrict counsel from rendering advice to their clients in connection with the Chapter 15 Cases and, in the course thereof, relying on examination of Designated Material; provided, however, that in rendering such advice and otherwise communicating with such client, counsel shall not make specific disclosure of any information in any manner that is inconsistent with the restrictions or procedures set forth herein.

36. Material Non-Public Information: Any Receiving Party acknowledges that by receiving Designated Materials it may be receiving material non-public information about companies that issue securities and that the determination as to whether it has received material non-public information shall be the sole responsibility of such receiving entity. For the avoidance of doubt, the Producing Party is under no obligation to designate or mark, or cause to be designated or marked, any Designated Material that may be determined to constitute material non-public information.

37. Entire Agreement: This Order constitutes the entire agreement among the Parties pertaining to the use and disclosure of Discovery Material in connection with the Chapter 15 Cases and supersedes prior agreements and understandings pertaining to that subject matter, it being understood that any restrictions, limitations, or protections concerning confidentiality or

non-disclosure in a prior written agreement shall continue to be in full force and effect, notwithstanding the terms of this Order.

38. Enforcement: The provisions of this Order constitute an Order of this Court and violations of the provisions of this Order are subject to enforcement and the imposition of legal sanctions in the same manner as any other Order of the Court.

39. Notice: When notice is permitted or required by the provisions hereof, such notice shall be in writing, directed to the undersigned counsel of the Party to receive such notice, at the corresponding addresses or email addresses indicated below, or to counsel of any non-Party receiving such notice. Notice shall be delivered by first-class mail, Federal Express (or an equivalent delivery service), hand delivery, or email, and shall be effective upon receipt.

Dated: August __, 2020
Houston, Texas

HONORABLE DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD

Houston, Texas,
Dated: August __, 2020

LATHAM & WATKINS LLP

/s/ [DRAFT]_____

Caroline A. Reckler (IL 6275746)
330 North Wabash Avenue, Suite 2800
Chicago, IL 60611
Telephone: (312) 876-7700
Facsimile: (312) 993-9767
Email: caroline.reckler@lw.com

-and-

Adam J. Goldberg (*pro hac vice* admission pending)
885 Third Avenue
New York, New York 10022-4834
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Email: adam.goldberg@lw.com

-and-

PORTER HEDGES LLP

John F. Higgins (TX 09597500)
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1000 Main Street, 36th Floor
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Email: jhiggins@porterhedges.com
eenglish@porterhedges.com

Co-Counsel to the Foreign Representative and the Debtors

Dated: August __, 2020

STROOCK & STROOCK & LAVAN LLP

/s/ [DRAFT]_____

Daniel A. Fliman (admitted *pro hac vice*)
Harold A. Olsen (admitted *pro hac vice*)
Patrick N. Petrocelli (admitted *pro hac vice*)
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-and-

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-and-

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Email: tmonsour@foxrothschild.com

Co-Counsel to the Wilks Brothers, LLC and its affiliated funds

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re Calfrac Well Services Corp., *et al.*[1] Debtors in a Foreign Proceeding	Chapter 15 Case No. 20-33529 (DRJ) Jointly Administered

Exhibit A

JOINDER TO CONFIDENTIALITY AGREEMENT AND PROTECTIVE ORDER

Reference is made to that certain Stipulated Confidentiality Agreement and Protective Order (the "**Protective Order**" dated as of [ ], 2020, by and between the above-captioned debtors (collectively, the "**Chapter 15 Debtors**"), certain of the Chapter 15 Debtors' creditors and other constituents as specified in the signature pages of this Protective Order, and any other persons or entities who become bound by this Order (collectively with the foregoing, each individually a "**Party**" and collectively the "**Parties**"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Protective Order.

The undersigned, [ ] (the "**Joinder Party**") is [] and hereby:

(i) acknowledges that it has received and reviewed a copy of the Protective Order, and agrees to be bound by the terms and conditions of the Protective Order;

(ii) acknowledges and agrees that the Joinder Party is entitled to receive Unrelated Attorneys'-Eyes Only and Attorneys'- Eyes Only Material and Confidential Material solely for the purposes of the Chapter 15 Cases; and further certifies that it will not

[1] The Chapter 15 Debtors, along with the last four digits of each U.S. Debtor's federal tax identification number, where applicable, are as follows: Calfrac Well Services Corp. ("**CWSC**") (1738), 12178711 Canada Inc. ("**Arrangeco**"), Calfrac Well Services Ltd. ("**Calfrac**") (3605), Calfrac (Canada) Inc. ("**CCI**"), and Calfrac Holdings LP ("**CHLP**") (0236).

use the Designated Material for any purpose other than in connection with the Chapter 15 Cases, and will not disclose or cause Designated Material to be disclosed to anyone not expressly permitted by the Protective Order to receive Designated Material; and

(iii) acknowledges and agrees that by receiving Designated Material: (a) the Joinder Party may be receiving material non-public information about companies that issue securities; and (b) there exist laws, including federal securities laws, that may restrict or prohibit the sale or purchase of securities of such companies as a result of the receipt of such information.

The undersigned hereby submits to the jurisdiction of the Bankruptcy Court solely with respect to the provisions of the Protective Order.

This Joinder and all obligations hereunder shall terminate in parallel with the Protective Order.

[JOINDER PARTY]

By:_____

Dated:_____

Name:

Title:

Document comparison by Workshare 9.5 on Thursday, August 6, 2020 7:03:20 PM

Input:	
Document 1 ID	interwovenSite://DM/NY/78180618/1
Description	#78180618v1<NY> - Calfrac - Stipulation and Proposed Protective Order-v7
Document 2 ID	interwovenSite://DM/NY/78180618/2
Description	#78180618v2<NY> - Calfrac - Stipulation and Proposed Protective Order-v7
Rendering set	Stroock-strikethru(color)

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	3
Deletions	3
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	6

From: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Sent: Friday, August 07, 2020 2:20 PM
To: 'Robert.Collins@lw.com' <Robert.Collins@lw.com>
Cc: 'Michael.Hale@lw.com' <Michael.Hale@lw.com>; 'CHRISTOPHER.HARRIS@lw.com' <CHRISTOPHER.HARRIS@lw.com>; 'Caroline.Reckler@lw.com' <Caroline.Reckler@lw.com>; 'Adam.Goldberg@lw.com' <Adam.Goldberg@lw.com>; 'JHiggins@porterhedges.com' <JHiggins@porterhedges.com>; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: RE: Calfrac - Protective Order

Confirmed that productions will be governed by the draft I circulated on yesterday at 6:07pm CT/7:07pm ET pending entry of the order by the Court.

In light of that, please confirm you will produce unredacted copies of the weekly operations reports while we await entry of the order.

Thanks,

Patrick Petrocelli
Special Counsel

STROOCK
180 Maiden Lane, New York, NY 10038
D: 212.806.6682
M: 914.671.8531

ppetrocelli@stroock.com | vCard | www.stroock.com

From: Robert.Collins@lw.com <Robert.Collins@lw.com>
Sent: Friday, August 7, 2020 3:53 PM
To: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Cc: Michael.Hale@lw.com; CHRISTOPHER.HARRIS@lw.com; Caroline.Reckler@lw.com; Adam.Goldberg@lw.com; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: [EXTERNAL] RE: Calfrac - Protective Order

Thanks, Patrick. This looks good. We will determine the best way to get this before the Court for entry, but in the meantime, can you confirm we are in agreement that any productions before entry of the order will be governed by this draft?

Robert C. Collins III

LATHAM & WATKINS LLP
330 North Wabash Avenue, Suite 2800 | Chicago, IL 60611
D: +1.312.876.6566 | M: +1.219.789.3376

From: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Sent: Thursday, August 6, 2020 6:07 PM

To: Collins, Robert (CH) <Robert.Collins@lw.com>
Cc: Hale, Michael (LA) <Michael.Hale@lw.com>; Harris, Christopher (NY) <CHRISTOPHER.HARRIS@lw.com>; Reckler, Caroline (CH-NY) <Caroline.Reckler@lw.com>; Goldberg, Adam (NY) <Adam.Goldberg@lw.com>; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: RE: Calfrac - Protective Order

That works. Here you go. You can finalize this version.

Thanks,

Patrick Petrocelli
Special Counsel

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180 Maiden Lane, New York, NY 10038
D: 212.806.6682
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From: Robert.Collins@lw.com <Robert.Collins@lw.com>
Sent: Thursday, August 6, 2020 6:53 PM
To: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Cc: Michael.Hale@lw.com; CHRISTOPHER.HARRIS@lw.com; Caroline.Reckler@lw.com; Adam.Goldberg@lw.com; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: [EXTERNAL] RE: Calfrac - Protective Order

Patrick – one tweak below just for clarity, but otherwise we can agree to your compromise. If you agree, are you able to add these revisions in so we can finalize? Thank you.

Robert C. Collins III

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From: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Sent: Thursday, August 6, 2020 5:44 PM
To: Collins, Robert (CH) <Robert.Collins@lw.com>
Cc: Hale, Michael (LA) <Michael.Hale@lw.com>; Harris, Christopher (NY) <CHRISTOPHER.HARRIS@lw.com>; Reckler, Caroline (CH-NY) <Caroline.Reckler@lw.com>; Goldberg, Adam (NY) <Adam.Goldberg@lw.com>; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: RE: Calfrac - Protective Order

Robbie,

On 17(b), given the purpose of the Unrelated Attorneys' Eyes Only designation, we'd rather not default to that designation level for deposition transcripts and videotapes during the written notice period. How about this?

Until expiration of the aforesaid seven (7) or three (3) day period following receipt of the transcript by the Parties or non-Parties, unless otherwise agreed on the record at the deposition, (i) all portions of any deposition transcripts and videotapes relating to Discovery Material designated as Unrelated Attorneys' Eyes Only shall be considered and treated as Unrelated Attorneys' Eyes Only; and (ii) all other portions of any deposition transcripts and videotapes shall be considered and treated as ~~Unrelated~~ Attorneys'-Eyes Only ~~unless otherwise agreed on the record at the deposition~~.

Of course, if you believe at the deposition that other portions of the transcript warrant the higher level of protection, you'd still be free to designate it as such under 17(a).

Thanks,

Patrick Petrocelli
Special Counsel

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D: 212.806.6682
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ppetrocelli@stroock.com | vCard | www.stroock.com

From: Robert.Collins@lw.com <Robert.Collins@lw.com>
Sent: Thursday, August 6, 2020 3:03 PM
To: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Cc: Michael.Hale@lw.com; CHRISTOPHER.HARRIS@lw.com; Caroline.Reckler@lw.com; Adam.Goldberg@lw.com; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: [EXTERNAL] RE: Calfrac - Protective Order

Patrick –

We have reviewed your proposal and have only a couple very small edits which we do not expect to be controversial. Please confirm that we are in agreement on the attached protective order.

Thanks,
Robbie

Robert C. Collins III

LATHAM & WATKINS LLP
330 North Wabash Avenue, Suite 2800 | Chicago, IL 60611
D: +1.312.876.6566 | M: +1.219.789.3376

From: Petrocelli, Patrick N. <ppetrocelli@stroock.com>
Sent: Tuesday, August 4, 2020 11:07 AM
To: Collins, Robert (CH) <Robert.Collins@lw.com>
Cc: Hale, Michael (LA) <Michael.Hale@lw.com>; Harris, Christopher (NY) <CHRISTOPHER.HARRIS@lw.com>; Reckler, Caroline (CH-NY) <Caroline.Reckler@lw.com>; Goldberg, Adam (NY) <Adam.Goldberg@lw.com>; JHiggins@porterhedges.com; Calfrac.ssl <Calfrac.ssl@stroock.com>; t.monsour-foxrothschild <tmonsour@foxrothschild.com>
Subject: Calfrac - Protective Order

Robbie,

We do not agree that it is appropriate for the Debtors to impose redactions on documents for non-responsiveness, nor do we agree that a third level of protection to the protective order is necessary given the existing Attorneys'-Eyes Only level. Nevertheless, we are willing to agree to include at third level in an effort to resolve our disagreement relating to the claimed "unrelated" redactions the Debtors have imposed or were intending to impose on documents. Please see attached a draft revised version of the protective order and a redline showing the changes. Given the availability of a third level of protection, we understand that the Debtors will not make redactions for claimed "unrelated" trade secrets or commercially sensitive information in the future, and that they will produce newly designated documents without redactions to the extent redactions have been imposed in prior documents on the basis of "unrelated" trade secrets or commercially sensitive information.

Regards,

Patrick Petrocelli
Special Counsel

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180 Maiden Lane, New York, NY 10038
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M: 914.671.8531

ppetrocelli@stroock.com | vCard | www.stroock.com

THIS IS EXHIBIT "O"
Referred to in the Affidavit of
Sherry Nadeau
Sworn before me this 28 day of
September, A.D. 2020.
C McLelland
A Commissioner for Oaths in and for
Alberta

WE EMPOWER INVESTORS & COMPANIES

to build for long-term and sustainable growth by providing high-quality data, analytics, and insight.

Christopher W. McLelland
A Commissioner for Oaths - Notary Public
in and for the Province of Alberta.
Member of the Law Society of Alberta and
My Appointment Expires at the Pleasure of
The Attorney General for the Province of Alberta

ABOUT ISS

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ISS GOVERNANCE

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Calfrac Well Services Ltd.

QualityScore
5
Low Risk — High Risk

Meeting Type: Proxy Contest
Meeting Date: 17 September 2020
Record Date: 10 August 2020
Meeting ID: 1461219

Toronto Stock Exchange: CFW
Index: N/A
Sector:
Oil & Gas Equipment & Services
GICS: 10101020

Primary Contact
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Key Takeaways

The board seeks shareholder approval for a Recapitalization Transaction that has already been approved by 78 percent of the company's senior unsecured noteholders. Wilks Brothers, LLC, a 19.72 percent shareholder, has disclosed an alternative debt reduction plan and is urging shareholders to vote down the management proposal. Although the Wilks proposal represents better terms for shareholders and a better debt profile for Calfrac, the board has rejected Wilk's offer, highlighting the challenge of obtaining debtholder support for the alternative proposal.

Shareholders have no means of forcing the board to accept Wilks' restructuring proposal, which would require renewed negotiations with noteholders that, if unsuccessful, could force the company to file for creditor protection under the CCAA. To address this risk, Wilks has publicly stated its intention to launch an $0.18 bid for each Calfrac share it does not already own, noting that its bid will remain open even if there are no renegotiations and the company files for creditor protection under the CCAA.

Given that Wilks' debt reduction plan offers superior value to shareholders and its premium takeover bid mitigates the risk associated with renewed debtholder negotiations, shareholders are advised to use the dissident (blue) proxy card to vote AGAINST the Recapitalization Transaction.

Agenda & Recommendations

Policy: Canada
Incorporated: Canada

Item	Code	Proposal	Board Rec.	ISS Rec.
MANAGEMENT PROXY CARD				
1	M0401	Approve Continuance of Company [ABCA to CBCA]	FOR	DONOTVOTE
2	M0412	Approve Recapitalization Transaction	FOR	DONOTVOTE
3	M0330	Approve Shareholders' TSX Note Exchange Resolution	FOR	DONOTVOTE
4	M0330	Approve Shareholders' TSX 1.5 Lien Notes Resolution	FOR	DONOTVOTE
5	M0522	Approve Shareholders' TSX Omnibus Incentive Plan	FOR	DONOTVOTE
6	M0609	Approve Shareholders' TSX Shareholder Rights Plan	FOR	DONOTVOTE
Item	**Code**	**Proposal**	**Diss Rec.**	**ISS Rec.**
DISSIDENT PROXY (BLUE PROXY CARD)				
1	M0401	Approve Continuance of Company [ABCA to CBCA]	AGAINST	AGAINST
2	M0412	Approve Recapitalization Transaction	AGAINST	AGAINST
3	M0330	Approve Shareholders' TSX Note Exchange Resolution	AGAINST	AGAINST
4	M0330	Approve Shareholders' TSX 1.5 Lien Notes Resolution	AGAINST	AGAINST
5	M0522	Approve Shareholders' TSX Omnibus Incentive Plan	AGAINST	AGAINST

Report Contents

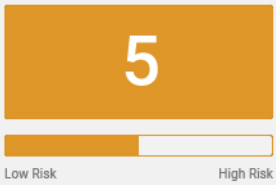
6	M0609	Approve Shareholders' TSX Shareholder Rights Plan	AGAINST	AGAINST

Shading indicates that ISS recommendation differs from Board recommendation
▶ Items deserving attention due to contentious issues or controversy

Engagement

Dates	With	Purpose
Aug. 31, 2020	Wilks Brothers, LLC	Discuss Wilks' critique and understand alternative proposal
Aug. 31, 2020	Board	Understand board response

Note: All ISS recommendations are based solely upon publicly disclosed information.



QualityScore

Scores indicate decile rank relative to index or region. A decile score of 1 indicates lower governance risk, while a 10 indicates higher governance risk.

ISS Governance QualityScore Pillars

Scores As Of: Sep. 5, 2020
Last Data Profile Update: Sep. 5, 2020

Board Structure	7	Compensation	3
Shareholder Rights	4	Audit & Risk Oversight	1

ISS Governance QualityScore is derived from publicly disclosed data on a company's governance practices. Scores indicate decile rank among relative index or region. Scores are calculated at each pillar by summing the factor scores in that pillar. Not all factors and not all subcategories have equal weight. For more information on ISS Governance QualityScore, visit www.issgovernance.com/solutions/qualityscore/governance. For questions, please contact: **QualityScore@issgovernance.com**.

Vote Results

ANNUAL MEETING 5 MAY 2020

Proposal	Board Rec	ISS Rec	Disclosed Result	% For
1.1 Elect Director Ronald P. Mathison	For	For	Pass	99.7
1.2 Elect Director Douglas R. Ramsay	For	For	Pass	99.7
1.3 Elect Director Lindsay R. Link	For	For	Pass	99.7
1.4 Elect Director Kevin R. Baker	For	For	Pass	99.5
1.5 Elect Director James S. Blair	For	For	Pass	99.5
1.6 Elect Director Gregory S. Fletcher	For	For	Pass	99.5
1.7 Elect Director Lorne A. Gartner	For	For	Pass	99.5
2 Ratify PricewaterhouseCoopers LLP as Auditors	For	For	Pass	99.9
3 Re-approve Stock Option Plan	For	For	Pass	99.5
4 Re-approve Performance Share Unit Plan	For	For	Pass	99.1

Shaded results reflect a majority of votes cast FOR shareholder proposal or AGAINST management proposal or director election

Meeting Agenda & Proposals

Management Proxy Card

Management Proxy Card — DONOTVOTE

VOTE RECOMMENDATION

DO NOT VOTE on this card.

BACKGROUND INFORMATION

Policies: M&A (TSX)

See analysis on the dissident (blue) proxy card below.

Dissident Proxy (Blue Proxy Card)

Dissident (Blue) Proxy Card — AGAINST

VOTE RECOMMENDATION

The alternative debt reduction plan presented by Wilks Brothers offers superior value to shareholders and Wilks' premium takeover bid mitigates the risk associated with renewed debtholder negotiations. As such, shareholders are advised to use the dissident (blue) proxy card to vote AGAINST the Recapitalization Transaction proposed by management all other agenda items, as they have been put forward in connection with the Recapitalization Transaction.

BACKGROUND INFORMATION

Policies: M&A (TSX)

Vote Requirement: Two-thirds of votes cast (Item 1); two-thirds of votes cast, majority of disinterested votes cast (Item 2); majority of disinterested votes cast (Items 3 and 4); majority of votes cast (Items 5 and 6)

Discussion

PROPOSALS

Shareholders are being asked to approve several transactions (collectively, the "Recapitalization Transaction), to be implemented by way of an arrangement (the "Arrangement").

Specifically, shareholders are being asked to vote on:

(a) the continuance of Calfrac Well Services Ltd. ("Calfrac") from the jurisdiction of Alberta into the jurisdiction of Canada in order to implement the Arrangement pursuant to the *Canada Business Corporations Act* (the "CBCA") (Item 1);

(b) the Plan of Arrangement under section 192 of the CBCA (Item 2), pursuant to which the following key steps, among others, shall occur:

(i) all Senior Unsecured Notes will be exchanged for approximately 92 percent of the common shares outstanding following the implementation of the Recapitalization Transaction, with all Senior Unsecured Noteholders receiving their pro rata share of approximately 86 percent of the common shares, and those Senior Unsecured Noteholders who constitute Early Consenting Noteholders receiving their pro rata share of approximately 6 percent of the common shares;

(ii) all shareholders will retain their common shares, subject to a 50-to-1 share consolidation, such that the current shareholders will own approximately 8 percent of the common shares outstanding immediately following implementation of the Recapitalization Transaction; and

(iii) the company shall complete an offering of $60 million in principal amount of New 1.5 Lien Notes, with $45 million of such New 1.5 Lien Notes being issued to certain Commitment Parties, and $15 million of such New 1.5 Lien Notes being made available to all eligible Senior Unsecured Noteholders by way of the Pro Rata Offering. The $15 million Pro Rata Offering is fully backstopped by the Commitment Parties, in consideration for the issuance of Commitment Consideration Shares with a value equal to $1.5 million; and

(c) ordinary resolutions as required by the TSX authorizing the Senior Unsecured Note Exchange (Item 3), the issuance of common shares upon the conversion of the New 1.5 Lien Notes (Item 4), as well as an Omnibus Incentive Plan (Item 5) and a Shareholder Rights Plan (Item 6) for the company.

STRATEGIC RATIONALE

The board believes the Recapitalization Transaction offers, among other things, the following key benefits to Calfrac and its shareholders and Senior Unsecured Noteholders:

- it provides for a comprehensive recapitalization that is actionable and capable of compromising the rights of Senior Unsecured Noteholders given the support from holders of approximately 78 percent of the Senior Unsecured Notes and approximately 23 percent of the common shares;
- it avoids the potential that shareholder recovery could be lower or zero in an alternate transaction;
- it preserves Calfrac as an independent company free of competitor control;
- it preserves Calfrac's ability to pursue a future value-enhancing or change of control transaction in more advantageous market conditions;
- it provides shareholders and Senior Unsecured Noteholders with an opportunity to participate in the economic benefit of Calfrac through their ownership of common shares;
- it increases access to liquidity, improves Calfrac's leverage, strengthens its financial position and ultimately maximizes value for its stakeholders,
- it improves financial strength and reduces financial risk by:
    - retiring approximately $571.8 million of its outstanding total debt; and
    - reducing its annual cash interest expense by approximately $52.7 million, and
- it improves liquidity through (i) the issuance of $60 million aggregate principal amount of New 1.5 Lien Notes; and (ii) relieves the company from the obligation to pay cash interest in respect of the Senior Unsecured Notes, as accrued unpaid interest will be settled and extinguished pursuant to the Plan of Arrangement (and the principal amount of the Senior Unsecured Notes will be converted into or exchanged for new common shares),
- it positions the company to:

- maintain liquidity to survive during the period of a depressed commodity price environment;
- invest in working capital required to participate in an industry recovery with improved activity levels; and
- provide flexibility to raise additional capital in the future.

ALTERNATIVE PROPOSAL AND SHAREHOLDER OPPOSITION

On Aug. 4, 2020, Wilks Brothers, LLC ("Wilks"), a 19.72 percent shareholder and a debtholder of Calfrac, announced it submitted an alternative recapitalization transaction (the "Wilks Proposal") to Calfrac's board. Wilks believes the Recapitalization Transaction is flawed on the following basis:

- High probability of a near term bankruptcy:
  - With no less than $286 million of secured debt, the Recapitalization Transaction leaves the company overleveraged exposing it to the risk of future defaults under the Senior Credit Facility.
  - Given ongoing concerns in the energy market, this sizeable level of debt significantly increases the probability that Calfrac will need to seek bankruptcy protection in the near future even if it completes the Recapitalization Transaction, which will erase value for all stakeholders except those holding secured debt, which includes the Chairman.
- Enriches a select group of insiders:
  - The securities owned by certain insiders will immediately be worth significantly more than these insiders paid for them.
  - The cost will be unfairly borne by the second lien debtholders, the unsecured noteholders and the company's shareholders.
  - The providers of the "1.5 Lien" Financing are entitled to a "break fee" of $5,000,000 in certain circumstances; an amount that represented approximately 30 percent of Calfrac's market capitalization on the date it was agreed to.
- Calfrac never pursued a market test of the Recapitalization Transaction:
  - The Recapitalization Transaction was never subjected to a market test of "higher and better offers".
  - Wilks' believes its alternative proposal is a superior transaction and should be pursued for the benefit of Calfrac and its stakeholders

Wilks believes its alternative proposal is preferable to the Recapitalization Transaction for the following reasons:

- Significantly reduces Calfrac's total debt and debt service (excluding capital leases):
  - Reduces debt by $814.4 million to less than $95 million, and meaningfully increases cash and working capital to ensure a financially sound and de-levered Calfrac.
  - Reduces annual debt service costs to approximately $5 million compared to $25 million under the Recapitalization Transaction ($31 million, if $6 million of PIK interest on the 1.5 Lien Notes is included).
  - Under the Recapitalization Transaction, total debt remains at no less than $286 million, creating very real risk of an imminent bankruptcy.
- Better treatment to existing Shareholders:
  - Provides existing Shareholders with no less than 5 percent of the pro forma equity in a reorganized company with dramatically less debt, and up to 10 percent of aggregate pro forma equity upon the exercise of warrants at a strike price of $0.15 per share, compared with the

Recapitalization Transaction that offers existing Shareholders less than 3 percent of pro forma equity after dilution in a company with no less than $286 million of debt.

- Better treatment to Unsecured Noteholders:
    - Provides no less than 35 percent of the pro forma equity in a reorganized company with dramatically less debt, compared with the Recapitalization Transaction that offers existing Unsecured Noteholders 34 percent of the pro forma equity after dilution in a company with no less than $286 million of debt.
- Provides almost 3x the consideration for the new equity issued.
    - The Wilks Proposal converts $160 million of Second Lien Debt and invests a further $80 million of cash for a 60 percent pro forma equity position.
    - Under the Recapitalization Transaction, certain key insiders and a small select group of stakeholders of the company would receive 63 percent of the pro forma common shares upon conversion of their $60 million "loan".
- Provides a greater paydown of the First Lien Debt:
    - The Wilks Proposal provides for the repayment of first lien debt of $75 million and the payment of amendment fees to the First Lien Lenders, compared to the paydown under the Recapitalization Transaction of $45 million.
    - Under the Wilks Proposal, Wilks would also commit to arrange to fully re-finance the existing First Lien Debt.

The board formed a special committee to review the Wilks Proposal and on Aug. 17, it was announced that the Wilks Proposal was rejected by the special committee. On Aug. 24, Wilks filed a dissident proxy circular and proxy card, recommending that shareholders vote against the Recapitalization Transaction.

TAKEOVER BID

On Sept. 1, 2020 Wilks announced its intention to make a formal takeover bid to acquire all of Calfrac's common shares for $0.18 per share. According to Wilks, this offer will provide shareholders with a clear path to financial recovery if the Recapitalization Transaction is voted down by shareholders and is not ultimately approved by the Court of Queen's Bench of Alberta.

The offer provides a cash recovery to shareholders if Calfrac does not move forward with the Wilks Proposal and even if Calfrac commences proceedings under the *Companies Creditors Arrangement Act* (Canada) (the "CCAA") should the Recapitalization Transaction not proceed. Wilks has indicated that under the terms of the offer, shareholder recovery will not be threatened by a CCAA filing.

DISSENT RIGHTS

Shareholders who oppose the continuance resolution (Item 1) are entitled to exercise their right to dissent and to seek fair value for their shares through the Courts. The statutory provisions dealing with the right of dissent are technical and complex. For example, voting against or giving proxy instructions or a proxy the right to vote against the resolution may not be sufficient to exercise this right. Any shareholders wishing to exercise dissent rights should seek legal advice, as failure to strictly comply may prejudice their right to dissent.

Analysis

For every M&A analysis, ISS reviews publicly available information and evaluates the merits and drawbacks of the proposed transaction, balancing various and sometimes countervailing factors, including, but not limited to, the valuation, market reaction, strategic rationale, negotiations and process, conflicts of interest, and governance. More information

The following is a list of terms that are commonly used in our analyses: EV enterprise value; EBITDA earnings before interest, taxes, depreciation, and amortization; EBIT earnings before interest and taxes; EPS earnings per share; LTM last 12 months; DCF discounted cash flows; CAGR compound annual growth rate; COGS cost of goods sold; SG&A selling, general, and administrative expenses; WACC weighted average cost of capital; CAPEX Capital Expenditures; ROIC returned on invested capital; and ROE return on equity.

BACKGROUND

Following a significant decline in business activity resulting from a commodity price decline beginning in the first quarter of 2020, Calfrac determined that its current capital structure was no longer tenable. The company engaged legal and financial advisors, and on Feb. 14, 2020, in light of the reduced trading price of its Senior Unsecured Notes, Calfrac took an initial step toward reducing its long-term debt and annual interest expenses and completed an exchange offer whereby Calfrac LP issued US$120,000,100 principal amount of Second Lien Notes in exchange for US$218,182,000 principal amount of Senior Unsecured Notes (the "Exchange Offer"). The Exchange Offer reduced Calfrac's long-term debt by over US$98 million ($130 million) and resulted in a net reduction of Calfrac's aggregate annual interest payments by approximately US$5.5 million ($7.3 million).

The company experienced further declines in business activity due to the COVID-19 pandemic, leading to further deterioration of the company's financial position, and in late April, Calfrac engaged its financial advisors to assist the company in reviewing and evaluating potential options and alternatives available to the company, with the goal of improving its capital structure, reducing its annual interest expenses and increasing its working capital and liquidity.

During this time, Calfrac received several expressions of interest in respect of a potential sale of both its Russian and Argentinean operations, and in May, the board continued to consider various alternatives to address Calfrac's capital structure, including, among other things, considerations relating to: (a) the First Lien Credit Agreement; (b) Calfrac's liquidity and borrowing constraints; and (c) various alternative transactions.

According to the company, commencing in March 2020, Ron Mathison, Calfrac's Executive Chairman and a 19.8 percent shareholder, began corresponding with Matt Wilks, the CFO of Wilks, as to a possible collaboration between Calfrac and Wilks. On May 4 and 6, the board received letters from Wilks formally inviting the board to explore potential value-enhancing initiatives in light of the trading price of the Senior Unsecured Notes and the Second Lien Notes. A draft non-disclosure agreement was first circulated to Wilks on May 29. It appears the parties could not agree to the terms of such agreement.

Concurrent with Calfrac seeking to explore alternatives with Wilks, the company had also commenced exploring potential alternatives to address its long-term debt. As Mathison was a likely participant in a restructuring, it was determined that Gregory Fletcher, Calfrac's independent Lead Director, would serve the lead role on behalf of Calfrac in any such restructuring or funding negotiations.

On June 15, Calfrac publicly announced that it had elected to defer the interest payment due on June 15, 2020 in respect of its outstanding Senior Unsecured Notes. In late June 2020, commenced negotiations with Senior Unsecured Noteholders, including G2S2 Capital Inc. ("G2S2").

On June 22 and 30, Wilks submitted unsolicited letters of intent to acquire Calfrac's United States business and related assets (the "US Business"). According to Calfrac, the board reviewed and analyzed the offers and in each case concluded that the subject offer was not acceptable, as it significantly undervalued the US Business and was not executable from a practical standpoint for various reasons, including its prejudicial treatment of other key Calfrac stakeholders, such as the First Lien Lenders and the balance of the Second Lien Noteholders.

During early July 2020, negotiations proceeded between Calfrac and certain Senior Unsecured Noteholders, including G2S2 and an ad hoc committee of Senior Unsecured Noteholders (the "Ad Hoc Committee"), regarding the terms of a recapitalization of Calfrac, including with respect to the amount and terms of new funding required by Calfrac, and the percentage of equity to be held by current shareholders immediately following a recapitalization transaction.

On July 12, the board and the independent directors (in camera), met to consider the current status of negotiations and the Recapitalization Transaction, and approved proceeding with an application to the Court for the Preliminary Interim Order to obtain, among other things, a stay of proceedings in favour of Calfrac in respect of any defaults arising in connection with Calfrac's previously announced election to defer the cash interest payment due June 15, 2020 in respect of the Senior Unsecured Notes.

On July 14, Calfrac announced that it had obtained the Preliminary Interim Order, as well as the company's decision to proceed with the Recapitalization Transaction. Later that day, Calfrac attended proceedings in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, and obtained an order granting emergency provisional relief pursuant to Chapter 15 of the United States Bankruptcy Code applying a stay on a limited basis to Calfrac, the other Applicants and their respective property located in the United States pending Chapter 15 recognition of the CBCA Proceedings (the "Chapter 15 Relief"). The Chapter 15 Relief was obtained by Calfrac to ensure it had the opportunity to restructure and effect the Recapitalization Transaction through the CBCA Proceedings and to seek recognition of the CBCA Proceedings and enforcement of the Arrangement in the United States once approved by Alberta's Court of Queen's Bench.

GOVERNANCE ISSUES

The Recapitalization Transaction is a related party transaction, as Mathison, the company's Executive Chairman and a 19.8 percent shareholder, participates in the transaction. The board did not form a special committee of independent directors to review the Recapitalization Transaction; however, the company indicates that given Mathison's potential participation in a restructuring, the board's Lead Director in conjunction with other independent board members discussed the status of restructuring efforts without the attendance of potentially conflicted board members. Following the announcement of the Wilks Proposal, the board formed a special committee of independent directors to review the proposal. The Recapitalization Transaction was unanimously approved by the board.

It does not appear that company executives are entitled to any change of control payments in connection with the Recapitalization Transaction. According to disclosure provided by Wilks, providers of the 1.5 Lien Financing are entitled to a break fee of $5,000,000 in certain circumstances, representing approximately 30 percent of the company's market capitalization on the date it was agreed to.

Following completion of the Recapitalization Transaction, including the 50-to-1 share consolidation, the new common shares will continue to trade on the TSX.

In the event the Recapitalization Transaction is not successful, the company will need to evaluate all of its options and alternatives related to any future court proceedings or other alternatives to address key liquidity and debt leverage matters. Furthermore, the value available to stakeholders may be significantly less, and any proceeds available for distribution to stakeholders would be paid in priority to the First Lien Lenders, Second Lien Noteholders and Senior Unsecured Noteholders, with the remaining proceeds, if any, paid to the shareholders. There is significant risk that there may be no recovery of any kind, or amount available for parties with subordinate claims (including shareholders).

RESULTING OWNERSHIP

All Senior Unsecured Notes will be exchanged for approximately 92 percent of the common shares outstanding following the implementation of the Recapitalization Transaction, with all Senior Unsecured Noteholders receiving their pro rata share of approximately 86 percent of the common shares, and those Senior Unsecured Noteholders who constitute Early Consenting Noteholders receiving their pro rata share of approximately 6 percent of the common shares. All current shareholders will retain their common shares, subject to a 50-to-1 share consolidation, such that the current shareholders will own approximately 8 percent of the common shares outstanding immediately following implementation of the Recapitalization Transaction but will be subject to further dilution, ending up with significantly less equity.

FAIRNESS OPINION

The company obtained a CBCA opinion and a fairness opinion from Peters & Co. Limited ("Peters & Co."). Under the CBCA opinion, Peters & Co. found that the shareholders would be in a better financial position under the Recapitalization Transaction than if the company were liquidated and what shareholders would receive in a liquidation. Under the fairness opinion, Peters & Co. found that the Recapitalization Transaction is fair, from a financial point of view, to the company. Details of both the CBCA opinion and the fairness opinion were not disclosed.

Peters & Co. indicates that in the last two years, it was co-dealer manager in connection with the company's US$218 million 8.50% senior unsecured note exchange offer for US$120 million 10.875% new second lien secured notes which closed in February 2020, was co-manager in connection with the company's US$650 million 8.50% senior note offering which closed in May 2018 and was financial advisor to the company in connection with the divestiture of certain non-core assets pursuant to an engagement agreement that terminated on December 31, 2018.

MARKET REACTION

Following the announcement of the Recapitalization Transaction on July 14, 2020 prior to market hours, shares of CFW declined by 17.6 percent from $0.17 to $0.13 per share. Prior to the announcement of the Wilks Proposal on Aug. 4, shares traded at $0.14 per share. To date (Sept. 3), CFW shares traded at $0.17 per share. While the initial market reaction was negative, it appears much of the company's financial distress was already priced in.

ISS ANALYSIS

Governance Concerns

While there is an indication that some oversight was provided by the lead director and other independent directors through in-camera sessions, it appears Chairman Mathison was involved in negotiating significant elements of the Recapitalization Transaction. Despite the related party nature of this transaction, the board did not appoint a special committee of independent directors to conduct a strategic review process and to negotiate the restructuring. Such committee was only formed to review the Wilks Proposal and to provide a response to the proposal. Given the potential conflict, best practice would have been to form a special committee early in the process and to exclude potentially conflicted directors from negotiating on behalf of the company and from voting on any related party transactions involving such directors.

Recapitalization Proposals

Under the initial management proposal, current shareholders will receive on a pro forma basis 8 percent of outstanding share, which, when fully diluted, will drop to approximately 3 percent of outstanding shares. The company will conduct a new money offering of new senior secured convertible 10% PIK notes (the "1.5 Lien Notes"), in an aggregate principal amount of $60 million, convertible at $0.0266 per common share (prior to giving effect to the share consolidation). The 1.5 Lien Notes will be issued to G2S2, members the Ad Hoc Committee, and Mathison. Unsecured noteholders will receive 92 percent of outstanding shares, which will drop to approximately 68 percent on a fully diluted basis. Holders of 10.875% second lien secured notes of Calfrac Holdings LP due 2026 (the "Second Lien Notes"), in their capacity as such holders, will be unaffected by the implementation of the Recapitalization Transaction. All trade debt and obligations of the company to employees, customers, suppliers and service providers will be unaffected by the Recapitalization Transaction and will continue to be paid or satisfied in the ordinary course of business. As a result of the completion of the Recapitalization Transaction and the offering, total debt will be reduced by approximately $570 million and annual cash interest expenses will be reduced by approximately $52 million.

Under the Wilks Proposal, Wilks will provide $236 million for 60 percent of the pro forma equity. Current shareholders will retain 5 percent of the pro forma equity and will receive warrants to purchase an additional 5 percent at an exercise price of $0.15 per warrant. Unsecured noteholders will receive 35 percent of pro forma

equity in exchange for their notes. The transaction reduces Calfrac's total debt (not including capital leases) to less than $95 million and increases cash and working capital.

While the calculation of the recovery to stakeholders is dependent on the inputs used, it appears that the Wilks Proposal provides a significantly higher dollar recovery to the company's existing shareholders than under the management proposal. As indicated by the dissident, using an enterprise value of $374 million, the value implied by the trading prices of Calfrac's public securities, the dollar recovery under the Wilks Proposal to most of Calfrac's stakeholders appears greater than under the management proposal:

Class of Securities	Wilks Proposal	Management Proposal
Recovery to existing shareholders	$16 million	$2 million
Recovery to unsecured noteholders	$96 million	$27 million
Recovery to second-lien debtholders (other than Wilks)	$72 million	$71 million
Recovery to MATCO Investments Ltd.*	$4 million	$7 million

*An entity controlled by Ron Mathison.
Source: Wilks Brothers Investor Presentation

Takeover Bid

On Sept. 1, 2020, Wilks announced its intention to formalize a takeover bid to purchase all outstanding share of Calfrac at $0.18 per share within 10 days and prior to the Sept. 17 special meeting. The offer price represents a premium of 20 percent to the unaffected share price, being the prior day's closing price of $0.15 per share.

The takeover bid is not designed to replace the Wilks Proposal; rather, it is a supplemental proposal, providing current shareholders with a cash recovery option in case after the Recapitalization Transaction is voted down, Calfrac files for creditor protection under the CCAA.

CONCLUSION

While the Recapitalization Transaction involves many stakeholders, ISS' analysis is primarily provided to the benefit of shareholders. Clearly, the Wilks Proposal provides greater benefits to existing shareholders than the Recapitalization Transaction, as they would hold a larger equity stake under the Wilks Proposal in a more de-levered company than under the Recapitalization Proposal. Under the management proposal, shareholders would be subject to even further dilution, as in all likelihood additional financing will be needed sooner rather than later.

At the special meeting, shareholders will only have the ability to vote on the Recapitalization Transaction presented by management. The adoption of the Wilks Proposal is not only predicated on shareholders voting down the Recapitalization Transaction, but also on the willingness of the company and all stakeholders to negotiate a new deal with Wilks. Given the decline in the company's share price, shareholders might be willing to vote down the Recapitalization Transaction to bring the parties back to the negotiating table. It is worth noting the risk that if the management proposal is rejected, rather than negotiating a deal with Wilks, the company may elect to file for creditor protection under the CCAA – a scenario that could result in no recovery for shareholders. However, Wilks has publicly stated its intention to launch an $0.18 bid for each Calfrac share it does not already own, noting that its bid will remain open even if there are no renegotiations and the company files for creditor protection under the CCAA.

Although the takeover bid has not yet been formalized, Wilks has publicly stated that it would proceed with both its alternative proposal and its takeover bid. While it does not have a legal obligation to follow through on its debt reduction proposal or takeover bid, Wilks is a credible party with substantial expertise in this sector; moreover, it seems unlikely that Wilks would expose itself to the reputational damage associated with not following through on its public assurances.

Given that Wilks' debt reduction plan offers superior value to shareholders and its premium takeover bid mitigates the risk associated with renewed debtholder negotiations, shareholders are advised to use the dissident (blue) proxy card to vote AGAINST management's proposed Recapitalization Transaction.

Equity Ownership Profile

Type	Votes per share	Issued
Common Equity	1.00	145,616,827

Ownership - Common Equity	Number of Shares	% of Class
Ronald P. Mathison	28,834,321	19.80
Wilks Brothers	28,720,172	19.72
Alberta Investment Management Corporation	24,080,121	16.54

As of 17 Aug 2020 (MIC)

Additional Information

Meeting Location	McMurray Room, Calgary Petroleum Club, 319 - 5th Avenue SW, Calgary, AB
Meeting Time	14:00
Solicitor	Kingsdale Advisors
Security IDs	129584108(CUSIP)

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THIS IS EXHIBIT "Q"
Referred to in the Affidavit of
Sherry Nadeau
Sworn before me this 28 day of September, A.D. 2020.
C. McLelland
A Commissioner for Oaths in and for Alberta

Christopher W. McLelland
A Commissioner for Oaths - Notary Public
in and for the Province of Alberta.
Member of the Law Society of Alberta and
My Appointment Expires at the Pleasure of
The Attorney General for the Province of Alberta

Company Overview

As the leading independent provider of global governance services, Glass Lewis helps institutional investors understand and connect with the companies in which they invest.

Corporate governance has evolved from something that happens just once a year at a company's annual meeting to a year-round process, with investors and companies interacting in many ways. We are a trusted ally of more than 1,200 investors globally who use our high-quality, unbiased Proxy Paper research, and industry-leading Viewpoint proxy vote management solution to help drive value across all their governance activities.

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Employees

More than 380 employees worldwide, more than half of whom are

dedicated to research.

CALFRAC WELL SERVICES LTD.

EXPLANATION FOR REPUBLICATION: On September 11, 2020, we updated our analysis and changed our voting recommendations following the formal launch by Wilks Brothers LLC of an all-cash offer to acquire all of the common shares of Calfrac Well Services Ltd. at a price that represents a premium to the Company's unaffected and current share prices, as well as to its indicative share price following the proposed Recapitalization Transaction. Among other things, the Wilks Offer is conditioned upon the Recapitalization Transaction not proceeding. As such, we now recommend that shareholders vote AGAINST all proposals at the upcoming EGM.

CONFLICT OF INTERESTS: Please be advised that Alberta Investment Management Corporation, one of Glass Lewis' owners, holds a stake in this company significant enough to be publicly announced in accordance with such company's local market regulatory requirements.

CONFLICTS OF INTEREST: 16th September 2020. Calfrac Well Services Ltd purchased a copy of this Proxy Paper from Glass Lewis and was granted access to the report at the same time as Glass Lewis' institutional investor clients.

1.00: CHANGE OF CONTINUANCE FROM ABCA TO CBCA (PRE-ARRANGEMENT)

PROPOSAL REQUEST:	Change of Continuance from ABCA to CBCA	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**AGAINST-**	Not in shareholders' best interests
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	67% of votes cast		

Proposal Summary

This proposal seeks shareholder approval of a Federal change of continuance (the "Continuance"), under which the Company will cease to operate as under the federal jurisdiction of Canada under the Business Corporations Act (Alberta) ("ABCA") and will be continued under the provincial jurisdiction of the Canada Business Corporations Act ("CBCA"). The board believes that it is in the best interests of the Company to continue as a CBCA corporation to effect the Arrangement discussed in Proposal 2.00.

The following is a comparison of rights between the and ABCA the CBCA:

Issue	The Company under the ABCA	The Company under the CBCA
Board of Directors	Under the ABCA, at least one-quarter of a corporation's directors, and at least one-quarter of the members of any committee of directors, must be resident Canadians.	Under the CBCA, at least one-quarter of a corporation's directors must be resident Canadians; however, there is no similar requirement for committees of directors.
Place of Meetings	The ABCA provides that a meeting of shareholders may be held outside Alberta where the articles so provide or where all shareholders entitled to vote at such a meeting so agree.	The CBCA provides that a meeting of shareholders may be held outside Canada if the place is specified in the articles or where all the shareholders entitled to vote at such a meeting so agree.
Financial Assistance	The ABCA requires disclosure of financial assistance given by a corporation to: (a) shareholders or directors of the corporation or its affiliates; (b) any of their associates; and (c) to any person for the purpose of or in connection with the purchase of shares of the corporation or an affiliated corporation.	The CBCA has no requirement.
Shareholder Proposals	Under the ABCA, a registered holder of shares entitled to vote at an annual meeting of shareholders, or a beneficial owner of shares, may submit a proposal. To be eligible to make a proposal a person must: (a) be a registered holder or beneficial owner of at least one percent of all issued voting shares of the corporation for at least six months with a fair market value of a least $2,000; (b) have the support of other registered holders or beneficial owners of shares of at least five percent of the issued voting shares of the corporation; (c) provide to the corporation his or her name and address and the names and addresses of those registered holders or beneficial owners of shares who support the proposal; and (d) continue to hold or own the prescribed number of shares up to and including the day of the meeting at which the proposal is to be made.	Under the CBCA, a registered or beneficial owner of shares entitled to be voted at an annual meeting may submit a proposal. To be eligible, the registered or beneficial shareholder must either: (a) have owned for six months not less than one percent of the total number of voting shares or voting shares with a fair market value of a least $2,000; or (b) have the support of persons who have owned for six months not less than one percent of the total number of voting shares or voting shares with a fair market value of at least $2,000.

Record Date for Voting	The ABCA permits a transferee of common shares after the record date for a shareholder meeting, not later than 10 days before the shareholder meeting, to establish a right to vote at the meeting by providing evidence of ownership of common shares and demanding that the transferee's name be placed on the voting list in place of the transferor.	The CBCA does not have any such a provision.
Rights of Dissent	Under the ABCA, a dissenting shareholder may send a corporation a written objection to a resolution effecting a fundamental change at or before any meeting of shareholders at which the resolution is to be voted on. Once the resolution is adopted the dissenting shareholder may make application to the court to fix the fair value of his shares. If an application is made to the court, unless the court otherwise orders, the corporation must send an offer to pay to each dissenting shareholder an amount considered by the directors to be the fair value of the shares. Unless the court otherwise orders, the dissenting shareholder may accept the offer to pay from the corporation or wait for an order from the court fixing the fair value of the shres	Under the CBCA, the corporation must, within 10 days of the resolution to which the shareholder dissents being adopted, send notice to the dissenting shareholder. The dissenting shareholder, within 20 days of receiving notice from the corporation or, if such notice was not received, within 20 days after learning that the resolution has been adopted, shall send the corporation notice of his demand for payment of the fair value of his shares, the number and class of shares in respect of which the shareholder dissents and his relevant personal information. Within 30 days of this notice, the dissenting shareholder must send the corporation, or its transfer agent, his share certificates. No more than seven days after the later of the day on which the resolution is effective and the day the corporation receives notice from the dissenting shareholder, the corporation must send to the dissenting shareholder an offer to pay. The corporation or the dissenting shareholder may apply to the court to fix a fair value for the shares of the dissenting shareholder.
Sale of Property	Any proposed sale, lease or exchange of all or substantially all of the property of a corporation, other than in the ordinary course of business, must be approved by a special resolution passed by not less than two-thirds of votes cast by shareholders. The holders of a class or series of shares are entitled to vote separately as a class or series in respect of such a sale, lease or exchange if that class or series is affected in a manner different from the shares of another class or series.	Any proposed sale, lease or exchange of all or substantially all of the property of a corporation, other than in the ordinary course of business, must be approved by a special resolution passed by not less than two-thirds of votes cast by shareholders. The holders of a class or series of shares are entitled to vote separately as a class or series in respect of such a sale, lease or exchange if that class or series is affected in a manner different from the shares of another class or series.
Article Amendments	Under the ABCA, certain fundamental changes to the articles of a corporation, such as an alteration of any restrictions on the business carried on by the corporation, changes in the name of the corporation, increases or decreases in the authorized capital, the creation of any new classes of shares and changes in the jurisdiction of incorporation, must be approved by a special resolution passed by a majority of not less than two-thirds of the votes cast by shareholders voting in person or by proxy at a meeting of the shareholders of the corporation.	Under the CBCA, certain fundamental changes to the articles of a corporation, such as an alteration of any restrictions on the business carried on by the corporation, changes in the name of the corporation, increases or decreases in the authorized capital, the creation of any new classes of shares and changes in the jurisdiction of incorporation, must be approved by a special resolution passed by a majority of not less than two- thirds of the votes cast by shareholders voting in person or by proxy at a meeting of the shareholders of the corporation.
Oppression Remedies	The ABCA contains rights that are substantially broader in that they are available to a larger class of complainants. Under the ABCA, a shareholder, former shareholder, director, former director, officer, or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek an oppression remedy, may apply to the court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director, or officer.	Under the CBCA, a shareholder, former shareholder, director, former director, officer or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, may apply to a court to rectify the matters complained of where in respect of a corporation or any of its affiliates: (i) any act or omission of a corporation or its affiliates effects a result; (ii) the business or affairs of a corporation or any of its affiliates are or have been carried on or conducted in a manner; or (iii) the powers of a corporation or any of its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any securityholder, creditor, director or officer.
Derivative Action	A broader right to bring a derivative action is contained in the ABCA, and this right also extends to officers, former shareholders, former directors and former officers of a corporation or its affiliates, and any person, who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action. In addition, the ABCA permits derivative actions to be commenced, with leave of the court, in the name and on behalf of a corporation or any of its subsidiaries.	Under the CBCA, a shareholder, former shareholder, director, former director, officer or former officer of a corporation or its affiliates who, in the discretion of the court, is a proper person to do so, may apply for the court's leave to: (i) bring a derivative action in the name and on behalf of a corporation or any of its subsidiaries; or (ii) intervene in the action to which a corporation or any of its subsidiaries is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of a corporation or the subsidiary.

Glass Lewis Analysis

We generally believe that the board and management are in the best position to make decisions regarding the Company's governance and legal jurisdiction, absent a showing of conduct that threatens to harm shareholder value. In this instance, we note that the potential governance differences between the two jurisdictions are primarily technical in nature and that the switch will not substantially alter the rights of shareholders.

However, given our updated view that common shareholders would be best served voting against the Recapitalization Transaction at this time, we believe shareholders should vote against this proposal as well.

We recommend that shareholders vote **AGAINST** this proposal.

2.00: RECAPITALIZATION TRANSACTION

Update September 11, 2020

On September 11, 2020 Calfrac Well Services Ltd. ("Calfrac" or the "Company") confirmed the receipt of an unsolicited offer by an affiliate of Wilks Brothers LLC ("Wilks" or the "Dissident"), to acquire all of the common shares of Calfrac that Wilks does not already own at an offer price of C$0.18 per share in cash (the "Wilks Offer"). As discussed below, Wilks previously expressed opposition to the Recapitalization Transaction proposed by management, and on September 1, 2020, Wilks announced its intention to launch a takeover offer.

Wilks announced the launch of a formal takeover offer on September 10, 2020. The Wilks Offer will remain open until December 23, 2020, subject to its terms. The Wilks Offer, takeover bid circular and related materials were filed with securities regulators that same day and will be mailed to Calfrac shareholders. Wilks believes its offer provides Calfrac shareholders with an unobstructed path to receive a premium-to-market recovery, in cash, if the Recapitalization Transaction proposed by the board and management does not proceed.

The Wilks Offer is subject to the following conditions: (i) the statutorily-required 50% minimum deposit condition; (ii) the Recapitalization Transaction failing to be approved by the required majorities of Calfrac shareholders at the upcoming shareholders' meeting; (iii) the Recapitalization Transaction not being approved by the Court; (iv) the Recapitalization Transaction having been terminated; (v) the receipt of regulatory approvals, if required; (vi) there being no law expressly prohibiting the completion of the Wilks Offer; and (iv) an agreement not being entered into with Calfrac to complete the Wilks Alternative Proposal, which is an alternative recapitalization transaction proposal previously submitted by Wilks, as discussed below.

Under no circumstances will the Wilks Offer proceed if the Recapitalization Transaction proposed by the board and management proceeds.

Board Response

According to the Company's September 11, 2020 announcement, the unsolicited Wilks Offer will be reviewed by the special committee and the Calfrac board with the assistance of their financial and legal advisors. Calfrac's board will file a directors' circular in due course.

At this time, Calfrac shareholders are advised to take no action on the Wilks Offer and not to tender their shares. Shareholders will be notified of any recommendation of the board of directors through a news release.

Updated Glass Lewis Recommendation

In light of the formal launch of the Wilks Offer on September 10, 2020, and the Company's announcement one day later that the Calfrac special committee and board will review the Wilks Offer, file a circular and make a recommendation to shareholders with respect to the Wilks Offer in due course, at this time, in order to preserve the ability of shareholders to potentially tender into and accept the Wilks Offer, we believe unaffiliated Calfrac shareholders should vote against the Recapitalization Transaction currently proposed by the board and management. As noted above, the Wilks Offer is not available if the Recapitalization Transaction proceeds.

In terms of the common shareholder value differential, as noted in Wilks' announcements, the Wilks Offer price of C$0.18 per share represents a 20% premium to Calfrac's share price on September 1, 2020, the last trading day before Wilks announced its intention to make a takeover offer. Wilks also asserts that the Wilks Offer price is far superior to the C$0.03 per share that common shareholders would receive under the management-proposed Recapitalization Transaction. Wilks arrives at this estimated value under the Recapitalization Transaction based on the Company's disclosure in the July 13, 2020 announcement presentation of a C$50 million plan equity value, a pro forma share ownership for existing shareholders of 7.8% and 1,877 million total common shares outstanding (pre-dilution). From the perspective of common shareholders, we recognize that the choice between these two values is clear.

That said, we note that the potential acceptance and receipt of the cash payment under the Wilks Offer would, by its nature, limit any future potential value upside that might be available to Calfrac's existing common shareholders under the

Recapitalization Transaction. Still, as Wilks notes, Calfrac's share price would need to improve by approximately 575% for the Recapitalization Transaction proposed by the board to deliver common shareholders the same value as the Wilks Offer. Given the current financial position and prospective performance of Calfrac going forward, we are inclined to suggest that an immediate, all-cash payment at a price representing a premium to Calfrac's unaffected and current share prices -- and a value that is roughly six times greater than the estimated initial value under the Recapitalization Transaction -- may reasonably represent a superior alternative for Calfrac's common shareholders, especially when considering the risk and uncertainty inherent in the Company's business plan and the Recapitalization Transaction.

Here, we also note that, among other things, the Wilks Offer is conditioned upon an agreement not being entered into between Calfrac and Wilks to complete the previously-announced Wilks Alternative Proposal, which is an alternative recapitalization transaction proposal that Wilks submitted in August 2020, as further detailed and discussed below. Considering that Wilks is both one of the Company's largest debtholders and shareholders, believes its alternative recapitalization transaction is superior to the management-proposed transaction and that Wilks only recently launched the Wilks Offer, possibly as a last-ditch effort to derail the management Recapitalization Transaction in favor of the Wilks Alternative Proposal, we would caution shareholders that the Wilks Offer may not come to pass even if the management Recapitalization Transaction is voted down. As discussed in our original analysis below, we previously expressed some concern that Wilks may be putting its own self interests ahead of those of common shareholders.

Nevertheless, on balance, taking into account the factors discussed above and below in our original analysis, now that the Wilks Offer has been formally launched and is pending review by the Calfrac board and special committee, given the nearness of the upcoming voting deadline for the Recapitalization Transaction currently proposed by the board, in order for shareholders to preserve full optionality at this time, we believe shareholders should vote against the Recapitalization Transaction and all other proposals at the EGM.

Accordingly, we recommend that shareholders vote **AGAINST** all proposals.

Glass Lewis' original analysis follows:

Summary

Calfrac Well Services Ltd. ("Calfrac" or the "Company") seeks shareholder approval for a recapitalization transaction (the "Recapitalization Transaction"), to be implemented by way of an arrangement under the Canada Business Corporations Act (the "CBCA"), that involves the current holders of the Company's unsecured notes, lien notes and common shares, as well as new investors. The Recapitalization Transaction, which has been unanimously approved and recommended by the Calfrac board, contemplates the following key elements:

The continuance of Calfrac under the CBCA;

- The exchange of the 8.5% senior unsecured notes (the "Senior Unsecured Notes") for common shares, with such noteholders receiving 86% of the common shares outstanding upon completion of the recapitalization, and early-consenting noteholders receiving an additional 6% of the common shares outstanding upon completion of the transaction;
- The consolidation of all common shares on the basis of one new share for every 50 existing shares, such that current shareholders will own 7.8% of the common shares outstanding upon completion of the recapitalization;
- The offering of C$60 million in new 10% senior secured convertible payment-in-kind notes (the "1.5 Lien Notes Offering"), including:
    - C$45 million to G2S2 Capital Inc. ("G2S2"), MATCO Investments Ltd. ("MATCO"), members of an ad hoc committee of Senior Unsecured Noteholders (the "Ad Hoc Committee") and certain other eligible Senior Unsecured Noteholders (collectively, the "Commitment Parties"); and
    - C$15 million to all eligible Senior Unsecured Noteholders, fully backstopped by the Commitment Parties, in consideration for the issuance of common shares with a value of $1.5 million;
- The amendment of the agreement with senior bank lenders (the "First Lien Lenders") to provide relief in respect of the debt-to-EBITDA covenant, to reduce the size of the credit facilities available and to make other waivers as necessary to permit the Recapitalization Transaction;
- The cancellation of existing options for no consideration and the vesting and payment of all equity-based PSUs, together with the termination of the existing PSU Plan and all underlying PSUs; and
- The adoption of an Omnibus Incentive Plan upon completion of the Recapitalization Transaction.

FINANCIAL IMPACT OF TRANSACTION

As a result of the completion of the Recapitalization Transaction and the Offering, total debt will be reduced by approximately $570 million and annual cash interest expenses will be reduced by approximately $52 million. Holders of 10.875% second lien secured notes of Calfrac due 2026 (the "Second Lien Notes"), in their capacity as such holders, will be unaffected by the implementation of the Recapitalization Transaction.

Following completion of the Recapitalization Transaction, there will be approximately 1,877 million common shares issued and outstanding, or 4,128 million common shares on a cumulative basis after giving effect to the issuance of the common shares issuable on conversion of the 1.5 Lien Notes, assuming conversion on the closing date of the Recapitalization Transaction). The pro forma capital structure of Calfrac following the Recapitalization Transaction will be as follows:

Pro Forma Capital Structure

(C$ in millions)

	Status Quo	Pro Forma (Pre-1.5L Conversion)	Pro Forma (Post-1.5L Conversion)
CAD Revolving Term Loan Facility	$173	$128	$128
New Money 1.5L Convertible PIK Notes Due 2023 (10% PIK)	-	60	-
USD 10.875% 2L Secured Notes Due 2026	167	167	167
Secured Debt	**$340**	**$355**	**$295**
USD 8.500% Senior Unsecured Notes Due 2026	586[1]	-	-
CAD Lease Obligations	37	37	37
Total Debt	**$963**	**$392**	**$332**
Less: Cash and Cash Equivalents	(51)	(51)	(51)
Net Debt	**$911**	**$341**	**$281**
Pro Forma Equity Ownership			
Equity Ownership to Current Shareholders	**100.0%**	**7.8%**	**3.5%**
Equity Ownership to Unsecured Noteholders	**0.0%**	**89.3%**	**40.6%**
Equity Ownership to 1.5L Noteholders	**0.0%**	**2.9%[2]**	**55.9%[2]**

The proceeds of the 1.5 Lien Offering will initially refinance debt outstanding under the Company's credit facilities, creating additional liquidity. This liquidity will fund working capital requirements as the Company's business improves in North America, maintenance capital for the Company's worldwide operating fleet, interest payments on the Company's debt obligations, and the payment of transaction costs associated with the Recapitalization Transaction. All trade debt and obligations of the Company to employees, customers, suppliers and service providers shall be unaffected by the Recapitalization Transaction and shall continue to be paid or satisfied in the ordinary course of business.

KEY TERMS OF THE 1.5 LIEN NOTES

Key terms of the new 1.5 Lien Notes include the following:

- A term to maturity of three years from closing, with the Company having no right of redemption;
- An interest rate of 10% per annum payable in cash semi-annually, with the Company having the option to defer and pay in kind any interest accrued by increasing the unpaid principal amount of the 1.5 Lien Notes, upon which following each such increase in the principal amount the 1.5 Lien Notes will bear interest on such increased principal amount;
- Upon and following the occurrence of an event of default that is continuing, the 1.5 Lien Obligations shall bear interest at a rate equal to 2% above the applicable rate;
- The obligations in respect of the 1.5 Lien Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by the obligors, and shall be secured over not less than all of the present and future existing collateral securing the Company's first lien credit facility and the Second Lien Notes;
- The 1.5 Priority Lien will form part of the Company's senior secured obligations and will rank: (a) senior to all of the Company's future obligations, unsecured obligations and the obligations of the Company in respect of the Second Lien Notes; and (b) junior to the obligations under the Company's credit agreement;
  The 1.5 Lien Notes will be convertible at the holder's option into common shares at any time prior to maturity at a conversion price of $0.0266 per share (prior to giving effect to the share consolidation contemplated by the Recapitalization Transaction), with the conversion price subject to standard anti-dilution adjustments upon, among other things, share consolidations, share splits, spin-off events, rights issues, reorganizations and for certain dividends or distributions to common shareholders;
  Upon the occurrence of certain changes of control, the Company will be required to offer to repurchase all outstanding 1.5 Lien Notes at a purchase price equal to 101% of the aggregate principal amount of the 1.5 Lien Note unpaid interest, if any, to the date of repurchase;
  The Company shall be required to obtain approval of holders of 1.5 Lien Notes holding not less than 66?% of aggregate principal amount of 1.5 Lien Notes for certain events, including certain incurrences of debt, amendment of documents, the alteration of the Company's share capital, an increase of the size of the board of directors of the Company from seven members, making change of control payments to directors, officers or employees resulting

from the Recapitalization Transaction, and entering into agreements which materially restrict the ability of the Company to conduct business;
- The board will consist of seven members and, for so long as each of G2S2, the Ad Hoc Committee and MATCO, own at least 50% of their respective initial 1.5 Lien Notes, they shall each have the right to nominate one director to the board;
- If one or more director nominees of the holders of 1.5 Lien Notes fails to be elected as a director, such nominee shall be designated an observer to the board, and the Company shall be required to obtain approval of the 1.5 Lien Noteholders in respect of certain additional matters, including purchases, sales or leases in excess of $25 million or entering into related party transactions in excess of $0.5 million; and
- The Commitment Parties will be granted certain pre-emptive rights in connection with offerings of equity or debt securities by the Company.

CLOSING CONDITIONS AND VOTES REQUIRED

Completion of the Recapitalization Transaction is subject to, among other things, completion of the 1.5 Lien Offering, approval of the transaction by the affected security holders of Calfrac, other approvals that may be required by the Court, the approval of the Toronto Stock Exchange, and the receipt of all necessary regulatory approvals.

Completion of the 1.5 Lien Offering is subject to, among other things, completion of the Recapitalization Transaction, the approval of the Toronto Stock Exchange and any shareholder approval required pursuant thereto, the approval of a majority of a minority of shareholders as required under Multilateral Instrument 61-101 ("MI 61-101"), and the receipt of all necessary regulatory approvals.

The plan of arrangement requires the affirmative vote of at least two-thirds of the votes cast at the Senior Unsecured Noteholders' meeting and the affirmative vote of at least two-thirds of the votes cast at the shareholders' meeting.

Pursuant to MI 61-101, the Company intends to rely upon the exemption from the requirement to prepare a formal valuation in connection with the issuance of 1.5 Lien Notes to MATCO, as a related party of the Company. In connection therewith, the independent directors of the board for such purpose, consisting of Gregory Fletcher, James Blair, Kevin Baker and Douglas Ramsay (the "Independent Directors") have determined unanimously that the Offering is designed to improve the financial position of the Company and the terms of the Offering are reasonable in the circumstances of the Company. The board has also made these determinations.

As of August 17, 2020, Calfrac has entered into support agreements with certain Senior Unsecured Noteholders representing approximately 78% of the Senior Unsecured Notes and certain common shareholders, including all directors, the executive chairman, president and COO and CFO of the Company, who hold approximately 23% of the outstanding common shares, to give effect to the Recapitalization Transaction.

Shareholder Opposition

Wilks Brothers LLC ("Wilks" or the "Dissident"), which holds 19.78% of the common shares of Calfrac and over 50% of the Second Lien Notes, as well as a proportion of the Senior Unsecured Notes, has expressed public opposition to the Recapitalization Transaction and proposed an alternative recapitalization transaction that it believes is superior to the Recapitalization Transaction proposed by management and the board of Calfrac. Wilks believes the board-approved Recapitalization Transaction would result in a continuing highly leveraged Calfrac, provide inferior recoveries to stakeholders, and is designed to unfairly enrich certain key insiders and a small select group of stakeholders of the Company.

Wilks is soliciting votes against the resolutions at the shareholders' meeting required to approve the Recapitalization Transaction on the BLUE proxy card.

ALTERNATIVE RECAPITALIZATION PROPOSAL

On August 4, 2020, Wilks announced that it submitted an alternative recapitalization transaction proposal (the "Wilks Alternative Proposal") to the Calfrac board that Wilks believes would significantly de-lever Calfrac and provide a superior recovery to stakeholders at all levels of Calfrac's capital structure. The Wilks Alternative Proposal is fully committed, not subject to any financing or due diligence conditions and capable of being immediately implemented. Based on an enterprise value of C$374 million, the value implied by the then-current trading prices of Calfrac's public securities, the dollar recovery under the Wilks Alternative Proposal would be as follows, as compared to the Recapitalization Transaction proposed by Calfrac:

Class of Securities	Superior Alternative Proposal	Initial Management Transaction
Recovery to existing shareholders	C $16 million	C $2 million
Recovery to unsecured noteholders	C $96 million	C $27 million
Recovery to second-lien debtholders (other than Wilks)	C $72 million	C $71 million
Recovery to MATCO Investments Ltd. (insider)	C $4 million	C $7 million

The Wilks Alternative Proposal is structured as a fully consensual transaction involving all levels of Calfrac's capital structure. Wilks believes its proposal would provide enhanced value and recovery to all affected stakeholder groups, as Wilks has committed to provide significantly more consideration for a smaller equity stake (C$236 million for 60% of the pro forma equity) than the consideration provided under the management Recapitalization Transaction (C$60 million for 63% of the pro forma equity).

On August 17, 2020, the Company announced that a special committee comprised of independent directors of Calfrac had determined, with the input and advice of its independent legal counsel and financial advisors, that the Wilks Alternative Proposal is not a "superior proposal." In particular, the special committee determined that the Wilks Alternative Proposal could not reasonably be expected to result in a transaction more favorable to the Company and its stakeholders. The special committee also concluded that the Wilks Alternative Proposal lacks the required level of support from Senior Unsecured Noteholders to be successfully implemented.

TAKEOVER OFFER

On September 1, 2020, Wilks announced that it intends to make a formal takeover bid to acquire all of Calfrac's outstanding shares that it does not currently own for cash consideration of C$0.18 per share (the "Wilks Offer"). The indicative price of the Wilks Offer is one cent, or 5.9%, higher than Calfrac's share price on July 13, 2020, the last trading day before the announcement of the Recapitalization Transaction, and three cents, or 20%, higher than Calfrac's share price on September 1, 2020, the last trading day before the announcement of the Wilks Offer.

Wilks believes the Offer would ensure shareholders receive a premium-to-market recovery even if Calfrac refuses to pursue the Wilks Alternative Proposal or voluntarily commences a proceeding under the Companies Creditors Arrangement Act ("CCAA"). Wilks asserts the Offer nullifies the threats made to shareholders by the Calfrac board and management and guarantees Calfrac shareholders a superior recovery if Calfrac pushes ahead with what Wilks considers to be an inferior and conflict-ridden transaction and fails to implement the Recapitalization Transaction because it is voted down by shareholder or not approved by the Court.

In particular, Wilks indicates the Offer is being made in response to the implied threat included in the management information circular that if the Recapitalization Transaction is not approved "…the Company may be required to consider or proceed with one or more alternative transactions that result in a reduced or no recovery to Shareholders." Wilks commits to shareholders that, if the Recapitalization Transaction is not approved by shareholders and is not approved by the Court, shareholders will have a path to a premium recovery via the Wilks Offer.

The Wilks Offer will be made in accordance with the provisions of National Instrument 62-104 "Take Over Bids and Issuer Bids" of the Canadian securities regulators. Wilks anticipates that the bid circular and related materials will be filed and mailed to shareholders of Calfrac within the next 10 days. Wilks anticipates that its obligation to take up and pay for shares under the Offer will be subject to normal conditions (including the statutorily-required 50% minimum tender condition) and a condition that the Recapitalization Transaction proposed by the board shall not have been completed and shall have been terminated without material liability to Calfrac.

In response, the Company states that the special committee and Calfrac board will consider and evaluate the Wilks Offer and related takeover bid circular, if and when received. The Company notes that no formal offer has been made and Calfrac shareholders are advised to take no action with respect to any Wilks Offer until the special committee and the board has had an opportunity to fully review the Offer and to make a recommendation as to its merits. Until the special committee and board has had an opportunity to fully review any offer, the Calfrac board continues to unanimously recommend that shareholders and Unsecured Noteholders vote for the Recapitalization Transaction.

Board Rationale

The board states that the Recapitalization Transaction has the objective of reducing Calfrac's debt levels and cash interest payments, and strengthening Calfrac's overall financial position. In particular, through the Recapitalization Transaction, the Company seeks to reduce its outstanding debt and the corresponding interest expense.

The board states that it "very much regret[s] that the proposed transactions have become a necessity for Calfrac." In the board's view, the reasons that the Recapitalization Transaction is necessary are well-known: the energy demand destruction resulting from the Covid-19 pandemic; a global oil price war during 2020 initiated by several OPEC+ countries including Saudi Arabia and Russia; precipitous declines in oil and natural gas prices; and dramatically lower customer demand for the oilfield services provided by Calfrac and its competitors.

The board states that these challenges have arisen at a time when Calfrac now has more debt than is desirable, notwithstanding its prior efforts to reduce debt. Calfrac's capital structure and liquidity position are no longer sustainable, according to the board, in light of the Company's operating income, and without the Recapitalization Transaction Calfrac would have insufficient financial flexibility to advance its business going forward.

The board believes the Recapitalization Transaction offers the following key benefits to Calfrac and its shareholders and Senior Unsecured Noteholders:

- It provides a comprehensive recapitalization that is actionable and capable of compromising the rights of Senior Unsecured Noteholders given the level of support from noteholders and shareholders;
- It increases access to liquidity, improves Calfrac's leverage, strengthens its financial position and ultimately maximizes value for its stakeholders;
- It improves financial strength and reduces financial risk by retiring $571.8 million of its outstanding total debt and reducing its annual cash interest expense by $52.7 million;
- It improves liquidity through the issuance of $60 million in 1.5 Lien Notes and relieves the Company of obligation to pay cash interest in respect of the Senior Unsecured Notes;
- It avoids the potential that shareholder recovery could be lower or zero in an alternate transaction and averts any reasonable prospect of a near-term insolvency;
- It preserves Calfrac as an independent company free of competitor control and the ability of Calfrac to pursue a future value-enhancing or change of control transactions in more advantageous market conditions;
- It preserves the opportunity for shareholders and noteholders to participate in the economic benefit of Calfrac through their ownership of common shares; and
- It positions the Company to maintain liquidity to survive during a period of a depressed commodity price environment, invest in working capital required to participate in an industry recovery and provide flexibility to raise additional capital in the future.

Dissident Argument

In opposing the Recapitalization Transaction, Wilks portrays itself as a frustrated long-time shareholder that has watched the current board and management lead Calfrac to the brink of bankruptcy. Wilks argues the Recapitalization Transaction will deliver the Company to a self-selected group of unsecured creditors and insiders, including the chairman, Ron Mathison, and his company MATCO, and an activist investor, G2S2, in a transaction that will massively dilute or completely eliminate the ownership stake of Calfrac's current common shareholders.

Wilks notes that, if completed, the Recapitalization Transaction will result in G2S2 owning 41.2% of the shares of Calfrac. G2S2 is an investment vehicle controlled by George Armoyan, who according to Wilks is an activist investor who is also a significant shareholder owning 19.2% of Trican Well Service Ltd., a direct Canadian competitor of Calfrac. Wilks notes that G2S2's holdings of Calfrac common shares, even on an undiluted basis, will be sufficient for it to block any transaction requiring two-thirds shareholder approval. Further, G2S2 and Mr. Mathison will, between them, be in a position to control over 50% of Calfrac's outstanding shares if the Recapitalization Transaction is completed. Yet, no change of control premium will have been paid to the shareholders of Calfrac. Instead, shareholders will face immediate massive and continuing dilution of their ownership interest.

Wilks further argues that the Calfrac board and management have tried to distract investors from the truth by painting Wilks as an activist investor with hidden motivations and to carefully assess the motives and actions of Wilks. Yet, the Dissident notes the board does not advise similar caution with respect to the motives and actions of the self-selected group of unsecured creditors and insiders, including Mr. Mathison and his personal holding company, who have proposed the Recapitalization Transaction. The concerns regarding conflicts and unknown risks to Calfrac stakeholders that the board and management of Calfrac express with respect to Wilks acquiring a controlling interest seem to vanish, in Wilks' view, in the case of the Company's proposed Recapitalization Transaction -- a transaction that delivers a majority stake in the Company to an insider and an activist investor who owns a significant stake in a direct competitor, according to

Wilks.

Furthermore, while the Carfrac board and management have told investors that the Recapitalization Transaction is the only viable alternative and that, if shareholders do not vote for it, their investments will be wiped out, Wilks states that this is false. Wilks believes its Alternative Proposal for a superior recapitalization transaction provides a premium recovery to shareholders. The Company's claim that shareholders representing 23% of the outstanding shares support the Recapitalization Transaction is misleading and vastly overstates the level of required support they actually have, according to Wilks, since the majority of those shares (19.8%) are held by Mr. Mathison and/or MATCO who will not be entitled to vote as part of the minority voting requirement in respect of the Recapitalization Transaction that is required under Canadian securities laws.

Wilks also seeks to make clear to all stakeholders that, if its Alternative Proposal is implemented, its intention as majority owner would be to keep the Company intact and focus on delivering the best outcomes for all stakeholders. Should the board and management of Calfrac continue to block the Wilks Alternative Proposal, shareholders will have the opportunity to receive a premium pursuant to the Wilks Offer -- a premium Wilks believes shareholders are unlikely to see if management's inferior proposal is approved, especially given the poor track record of Calfrac's current management team and board. Wilks notes the current leadership team has presided over the near-complete destruction of shareholder and noteholder value through mismanagement and reckless financial over-leverage. Wilks believes shareholders and lenders would fare better with a significantly de-levered Calfrac under Wilks' prudent and transparent leadership.

As disclosed in the Dissident's circular, Wilks believes its Alternative Proposal offers the following advantages:

- Significantly reduces Calfrac's total debt by C$814.4 million to less than $95 million, and meaningfully increases cash and working capital to ensure a financially sound and de-levered Calfrac;
- Reduces annual debt service costs to approximately C$5 million compared to $25 million under the Recapitalization Transaction (C$31 million, if C$6 million of PIK interest on the 1.5 Lien Notes is included);
- Provides existing shareholders with at least 5% of the pro forma equity in a reorganized Company with dramatically less debt, and up to 10% of aggregate pro forma equity upon the exercise of warrants at a strike price of C$0.15 per share, compared with the Recapitalization Transaction that offers existing shareholders less than 3% of pro forma equity after dilution in a company with at least C$286 million of debt;
- Provides at least 35% of the pro forma equity in a reorganized company with dramatically less debt, compared with the Recapitalization Transaction that offers existing Unsecured Noteholders 34% of the pro forma equity after dilution in a company with at least C$286 million of debt;
- Converts C$160 million of Second Lien Notes and invests a further C$80 million of cash for a 60% pro forma equity position, compared with the Recapitalization Transaction in which certain key insiders and a small select group of stakeholders of the Company would receive 63% of the pro forma common shares upon conversion of their C$60 million "loan"; and
- Provides for the repayment of first lien debt of C$75 million and the payment of amendment fees to the First Lien Lenders, compared to the paydown under the Recapitalization Transaction of C$45 million.

As disclosed in the Dissident's circular, in addition to the relative disadvantages listed above, Wilks believes the Recapitalization Transaction is seriously flawed for the following reasons:

- With at least C$286 million of secured debt, the Recapitalization Transaction leaves the Company overleveraged exposing it to the risk of future defaults under the Senior Credit Facility;
- Given ongoing concerns in the energy market, this sizeable level of debt significantly increases the probability that Calfrac will need to seek bankruptcy protection in the near future even if it completes the Recapitalization Transaction, which will erase value for all stakeholders except those holding secured debt, which includes the chairman;
- The securities owned by a select group of insiders will immediately be worth significantly more than these insiders paid for them, with the cost unfairly borne by the Second Lien Noteholders, the Unsecured Noteholders and the Company's shareholders;
- The providers of the 1.5 Lien Financing are entitled to a break fee of $5 million in certain circumstances, an amount that represented approximately 30% of Calfrac's market capitalization on the date it was agreed to; and
- Calfrac never pursued a market test of the Recapitalization Transaction, never subjecting it to a test of potentially higher and better offers.

Wilks encourages all shareholders to vote against the Recapitalization Transaction and the related proposals in order to stop what it views as insider self-enrichment at the expense of other stakeholders. Wilks believes a superior outcome for shareholders is within their control, with the Wilks Alternative Proposal clearly being a superior transaction proposal, in Wilks' view, that should be pursued for the benefit of Calfrac and its stakeholders.

Board Response

To start, the board argues that Wilks is a direct competitor of Calfrac due to its business interests and investments in various oilfield services companies, most notably Wilks' 100% ownership of ProFrac Services Ltd. ("ProFrac"), which is a direct competitor of Calfrac in the U.S. As noted above, Wilks also owns Second Lien Notes and Senior Unsecured Notes of Calfrac, as well as 19.78% of the common shares of Calfrac.

In the board's view, Wilks has taken many actions in the pursuit of its own agenda. Therefore, the board warns the stakeholders of Calfrac to carefully evaluate Wilks' true motives. According to the Company, the multi-year history between Wilks and Calfrac includes: (i) the material breach of a confidentiality agreement by Wilks during 2018 and subsequent ruling by the Court in favor of Calfrac; (ii) a series of predatory, financial unacceptable offers by Wilks to acquire Calfrac's U.S. business; (iii) aggressive opposition to the Company's restructuring efforts in the Courts; and (iv) multiple efforts to force Calfrac into Chapter 11 bankruptcy proceedings in the U.S. and similar insolvency proceedings in Canada. After declining to engage consensually with Calfrac, and subsequent to Calfrac entering into the agreements to effect the Recapitalization Transaction, Wilks publicly proposed an alternative transaction and submitted a takeover offer.

The board notes that the Wilks Alternative Proposal has not been accepted by Calfrac or supported by the majority of its Senior Unsecured Noteholders. Under the Wilks Alternative Proposal, Wilks would effectively control Calfrac through its resulting majority equity position, while at the same time owning 100% of an entity directly competing with Calfrac, which may limit future opportunities of Calfrac and its stakeholders. Further, the board views the Wilks Alternative Proposal as essentially an opportunistically late, thinly-veiled change of control transaction proposed by a direct competitor of Calfrac who has exhibited questionable motives, and which offers no change of control or takeover premium to shareholders. In that regard, the board further notes that the consummation of the Recapitalization Transaction would not prohibit Calfrac from subsequently executing a consensual change of control or other transactions with any third party.

Meanwhile, in defending the Recapitalization Transaction, although Wilks seeks to portray the Recapitalization Transaction as an inappropriate transaction with certain Unsecured Noteholders and MATCO, the board states the Recapitalization Transaction is the result of arms-length negotiations, to which Wilks Brothers was invited, but declined. The board states Wilks declined any consensual discussions and only tried to lever its way in after a deal had been struck with other investors. Further, the board states that Mr. Armoyan and his company, G2S2, acted independently and at arm's length to MATCO and the other parties to the proposed transaction, and that MATCO's participation was considered to be an important reassurance to other investors.

The board further notes that adding together the holdings of these parties to invent a control position does not equate to the 63% control position sought by Wilks under its Alternative Proposal. The board suggests it is impossible for Calfrac shareholders to know how they would fare if they ended up on a company controlled by Wilks, in part because Wilks has not adequately explained, in the board's view, how Calfrac could prosper with Wilks as a 63% shareholder while competing directly with ProFrac, which is 100%-owned by Wilks. In the board's view, an independent Calfrac is better than one controlled by Wilks, which, if it wished, could squeeze Calfrac out of business or propose a disadvantageous business combination.

The board highlights the fact that Calfrac owes Unsecured Noteholders US$431.8 million and accrued interest, which represents most of the Company's now-unsustainable debt burden. The Unsecured Noteholders are an entire creditor class that predated the proposed Recapitalization Transaction. In the board's view, 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.

In summary, the Calfrac board sees the following main issues with the Wilks Alternative Proposal:

- The Wilks Alternative Proposal does not explain the business logic of a 100%-owned direct competitor (ProFrac) prospectively competing in business with a public company (Calfrac) in which Wilks proposes to own a controlling interest of in excess of 60%;
- Any implementation of the Wilks Alternative Proposal would likely negatively impact the trading value and liquidity of Calfrac's common shares because it would limit the opportunity of any other acquiror being able to purchase Calfrac at a premium in the future;
- There is no certainty that the Wilks Alternative Proposal will ever see the light of day because, 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; and
- The Wilks Alternative Proposal seeks to secure for the Wilks Brothers a change of control of Calfrac, without paying any premium to Shareholders.

Ultimately, the Calfrac board considers Wilks is a wolf in sheep's clothing whose actions seem intended to intimidate shareholders and Senior Unsecured Noteholders. The board notes Wilks has continuously sought, in both Canada and the U.S., to force Calfrac into bankruptcy proceedings and insolvency while concurrently seeking to convince Calfrac

stakeholders into rejecting the only executable deal that is on the table. At the same time, Wilks has submitted only "fire-sale" bids for Calfrac's assets. In the board's assessment, the combination of Wilks' actions makes no common sense and creates untenable risk for stakeholders. If shareholders do not vote for the Recapitalization Transaction, the board believes they would be running the very real risk of a more adverse outcome.

Glass Lewis Recommendation

In general, we believe that management and the board are in the best position to make decisions regarding a company's business operations, capital allocation, corporate strategy and financing arrangements, barring evidence of egregious or illegal conduct that threatens shareholder value. In our view, executives and directors are often in the best position -- with more information and experts at their disposal -- to assess a company's strategic and financial alternatives. Therefore, we are hesitant to recommend opposition to management's agenda, or support for a dissenting perspective, unless certain critical issues are evident, or a compelling opposing argument is presented. Having said that, we also recognize the importance of obtaining shareholder approval for major transactions that have a material impact on a company's business, strategic and financial flexibility or its ownership structure.

In this case, Calfrac, one of the largest hydraulic fracturing companies in the world, has over the last 12 months seen its revenue decline by more than half, its operating profit evaporate and swing to a loss of more than C$200 million, its net loss grow to C$479 million, and its debt and interest burden become more difficult to maintain going forward. In terms of long-term solvency, as of June 30, 2020, Calfrac's C$943 million in total debt equated into a total debt/capital ratio of 1.04x (vs 0.66x at the end of 2018), a net debt/EBITDA ratio of 33.9x (vs 3.1x at the end of 2018) and an EBITDA/interest expense ratio of 0.4x (vs 2.9x at the end of 2018), which metrics indicate an alarming deterioration in Calfrac's financial position, giving rise to legitimate concern as to the Company's ability to continue as a going concern unless significant action is taken to address its capital structure and liquidity position.

As shareholders are no doubt aware, the severity of the Company's business and financial deficiencies have been reflected in Calfrac's share price, which plunged 92% to C$0.17 per share amid a challenging and volatile 12-month period preceding the announcement of the Recapitalization Transaction. Two years before the transaction announcement, we note that Calfrac's shares were trading above C$5.00 per share, further indicating the loss in value that shareholders have suffered under the oversight of a long-tenured board. As we noted in our Proxy Paper for the Company's 2020 AGM held on May 5, 2020, the Company's non-employee directors have an average tenure of 15 years, which includes Mr. Mathison, who was appointed to the role of chairman of the Company in June 2019.

According to the Calfrac board, the reasons that the Recapitalization Transaction is necessary are well-known and straight forward: the energy demand destruction resulting from the COVID-19 pandemic; a significant global oil price war during 2020; and dramatically lower customer demand for oilfield services. In these circumstances, Calfrac says that it now has more debt than is sustainable, notwithstanding what it claims were "extensive prior efforts to reduce its debt." While we are reluctant to look past the board's and management's attempt to disclaim any responsibility for the Company's present circumstances, as Calfrac leadership is seemingly content to offer its regrets and point to exogenous factors out of its control, we do agree with the Company's view that Calfrac's capital structure and liquidity position are no longer tenable, and that without a recapitalization transaction, Calfrac would likely have insufficient financial flexibility to advance its business going forward. The Recapitalization Transaction proposed by management may be overly punitive to common shareholders, but it would appear to resolve, for now, the Company's capital structure and liquidity issues.

Summarizing the elements of the proposed Recapitalization Transaction, we see the plan contemplates the following: (i) all US$431.8 million in Senior Unsecured Notes being exchanged for approximately 92% of the common shares of the Company following the transaction; (ii) all shareholders retaining their common shares, subject to a 50-to-1 share consolidation such that current shareholders will own approximately 8% of the common shares following the transaction; and (iii) an offering of C$60 million in 1.5 Lien Notes to certain Commitment Parties who include related parties of the Company. The Company's US$120.0 million in Second Lien Notes will be unaffected by the transaction, and the credit agreement providing a C$173 million revolving term loan facility will be amended to provide relief and waivers to allow the recapitalization and issuance of 1.5 Lien Notes.

We see the Company's plan contemplates an equity value for Calfrac of C$50 million, at which value the 1.5 Lien notes are convertible into common shares, implying a C$110 million equity value on full conversion of the 1.5 Lien Notes. This compares to Calfrac's market capitalization of C$25 million, as of July 13, 2020, that last trading day before the announcement of the Recapitalization Transaction. However, it's notable that upon announcement of the transaction, Calfrac's share price declined 35%, or six cents, over the next three trading days, before recovering two of those lost cents on the final trading day of that week. After falling to a low of C$16 million immediately after the announcement of the transaction, Calfrac's market capitalization has been fairly steady around C$22 million during the last 30 trading days through September 3, 2020. This includes any market reaction following the two proposals that Wilks has announced in the wake of and in opposition to the Company's recapitalization plan.

Getting to the heart of the matter for shareholder at the upcoming EGM, while we certainly understand Wilks frustration with the Company's current circumstances and believe the Dissident points out a number of potential concerns that should be considered by Calfrac's unaffiliated common shareholders, we are ultimately of the view that the Recapitalization Transaction approved and recommended by the Calfrac board represents the best path available for common shareholders at this time. To be sure, we share certain of Wilks' concerns regarding the participation of the Company's chairman in the proposed transaction via his personal holding company, the seemingly favorable treatment of a select group of investors (generally creditors) at the expense of common shareholders and the degree to which current common shareholders will see their interests diluted upon completion of the transaction and conversion of the 1.5 Lien Notes.

Nevertheless, despite Wilks being a 19.8% shareholder in Calfrac and proposing what it considers to be superior alternatives to the Recapitalization Transaction, we are concerned that Wilks' actions are not driven by its position as a common shareholder, or the best interests of other common shareholders, but mostly by its holdings in the Company's debt securities and the potential recovery it may reap from those holdings going forward. As the Company argues throughout its solicitation materials, certain of Wilks actions do not seem focused on a central objective of delivering the greatest value for common shareholders, but rather on delivering the greatest value for Wilks. In our view, this view better explains why Wilks has proposed "fire sale" prices to acquire certain of Calfrac's assets, declined to present a potentially superior recapitalization proposal until after the board had completed its review process and announced a definitive agreement with other investors, sought to push the Company into bankruptcy or insolvency proceedings in which common shareholders would likely be wiped out and most recently appealed to the interest of common shareholders with an all-cash takeover offer at a price essentially equal to Calfrac's unaffected trading price immediately before the Recapitalization Transaction.

In referencing specific examples of Wilks concerning behavior, the board notes that in June 2020, before the Company agreed to the Recapitalization Transaction, Wilks proposed two prospective transactions whereby Wilks would acquire Calfrac's U.S. business in exchange for the Second Lien Notes of Calfrac held by Wilks and cash, but the board rejected these proposals primarily because the consideration offered by Wilks significantly undervalued Calfrac's U.S. business, including one Wilks proposal that valued all of Calfrac's U.S. assets at only US$102 million, or just over US$100 per hydraulic horsepower, which represented an 80% discount to new-build costs and the lowest metrics of any comparable transaction in industry history, according to the board.

Weeks after the July 14, 2020 announcement of the Recapitalization Transaction, in August 2020, Wilks proposed its alternative recapitalization transaction, arguing that it offered greater upside recovery for all the Company's securityholders. However, the Company's special committee comprised of independent directors and assisted by independent legal counsel and financial advisors determined that the Wilks Alternative Proposal did not constitute a superior proposal and could not be reasonably expected to be implemented due to a lack of requisite support for the Senior Unsecured Noteholders who have contractually committed to support the Recapitalization Transaction.

In defending the board's view, the Company's latest investor deck, dated August 28, 2020, makes the point that while Calfrac's enterprise value has historically ranged between approximately C$900 million and C$2.2 billion during the last five years, Wilks assumed an enterprise value of only C$375 million in its Alternative Proposal. Furthermore, the Company shows that the Recapitalization Transaction is better for the Senior Unsecured Noteholders above an enterprise value of $400 million, which might explain why Wilks' chose instead to highlight relative recoveries at a lower valuation in its solicitation materials, which inherently assumes that the Company's currently depressed valuation will not recover to historic norms following a recapitalization transaction -- which, among other goals, we consider should in fact be the overriding objective of any recapitalization transaction. The Company's Senior Unsecured Noteholders seem to see through this, which in part may explain why the level of support for the Company's Recapitalization Transaction continued to grow following announcement.

To be sure, we recognize that the views and interests of the Senior Unsecured Noteholders are likely of less concern to the Company's common shareholders, except insofar as the Company's noteholders also have a say on whether any recapitalization transaction moves forward. In terms of pro forma ownership, while current shareholders would see their interests massively diluted in either recapitalization transaction, we note that under the Company's Recapitalization Transaction, new investor G2S2 would end up owning 41.2% of the Calfrac shares, which Wilks argues would result in de-facto control due to its ability to block any transaction requiring two-thirds approval of Calfrac's shares. Yet, in its own Alternative Proposal, Wilks would own 63% of Calfrac's equity without paying a premium for the effective change of control. Here, we would also note the Company's assertion in response to Wilks' concerns that G2S2 and MATCO are acting entirely independently and at arm's length, so adding together their holdings to "invent a control position is simply wrong." Faced with these two options, we believe common shareholders would likely fare better in this regard under the Company's Recapitalization Transaction, taking into account the investment history and concurrent and, in some cases, competing interests each of these investors holds in other companies operating in the industry.

Ultimately, as the board points out, the Company's Recapitalization Transaction is the only executable transaction available at this time, and for any of its faults, we recognize that it at least provides shareholders with the opportunity to retain some value in Calfrac's future business and potentially realize a recovery. As discussed above, the Company needs new capital immediately in order to maintain sufficient liquidity in the business. Given that a majority of the new capital is being provided by independent Senior Unsecured Noteholders, and that such investors considered it a benefit that MATCO would be willing to invest alongside them as reassurance, we find it acceptable, though disappointing, that common shareholders will incur so much dilution in the proposed transaction. Still, for the Company's current common shareholders, the proposed Recapitalization Transaction provides an initial 7.8% stake in the pro-forma common equity of the Company (pre-conversion) and preserves the ability of the Company to pursue future value-enhancing transactions, including a change-of-control transaction with a third party. Accordingly, at this time, we see reasonable grounds for common shareholders to support the proposed Recapitalization Transaction.

3.00: ISSUANCE OF NEW COMMON SHARES PURSUANT TO THE SENIOR UNSECURED NOTE EXCHANGE

Please refer to our analysis of Proposal 2.

4.00: ISSUANCE OF NEW 1.5 LIEN NOTES CONVERTIBLE INTO COMMON SHARES

Please refer to our analysis of Proposal 2.

5.00: APPROVAL OF OMNIBUS INCENTIVE PLAN

PROPOSAL REQUEST:	Approve Omnibus Incentive Plan	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**AGAINST-**	Not in shareholders' best interests
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority of votes cast		

Glass Lewis Analysis

This proposal seeks shareholder approval of the Omnibus Incentive Plan. If approved, the plan would authorize a rolling maximum of up to 10.0% of the Company's issued and outstanding common shares to be made available for the issuance of awards.

Some of our analyses involve comparisons of the Company to other Canadian companies. The comparison group includes 26 companies in the energy sector with market capitalizations of under C$100 million

We estimate that the Company will issue equity-based awards with an annual cost of approximately C$3,037,152.

RECOMMENDATION

In our review, we found that this plan failed a few of our tests, but the severity of the failures was minimal in comparison to the other plans we review. However, given our updated view that common shareholders would be best served voting against the Recapitalization Transaction at this time, we believe shareholders should vote against this proposal as well.

We recommend that shareholders vote **AGAINST** this proposal.

6.00: SHAREHOLDER RIGHTS PLAN

PROPOSAL REQUEST:	Shareholder rights plan	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**AGAINST-**	Not in shareholders' best interests
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority of votes cast		

Proposal Summary

The principal terms of the rights plan are as follows:

Term	3 years
Triggering Threshold	20%
Duration of Permitted Bid	105
Must a Permitted Bid be Made to All Shareholders?	Yes
Extension of Permitted Bid Window	If more than 50% of the Company's outstanding shares held by shareholders are tendered within the permitted period, the bid will remain open for deposits and tenders for at least 10 business days
Problematic Permitted Bid Features?	No

Board’s Perpective

The board states that the purpose for this rights plan is to ensure the fair treatment of shareholders in connection with any take-over bid for the Company's shares and to provide the board of directors with sufficient time to evaluate the bid.

Glass Lewis Analysis

Glass Lewis believes that shareholder rights plans generally are not conducive to good corporate governance. Specifically, they can reduce management accountability by substantially limiting opportunities for corporate takeovers. Further, rights plans often prevent shareholders from receiving a buy-out premium for their stock.

While we believe that boards should be given wide latitude in directing the activities of the company and charting the company's course, we believe that in a matter as important as a shareholder rights plan, shareholders ought to have a say as to whether or not they support such a plan's implementation. This issue is different from other matters that are typically left to the board's discretion. Its potential impact on and relation to shareholders is direct and substantial.

In certain circumstances, we will support a limited shareholder rights plan that is designed to provide the board and shareholders with adequate time to pursue value-maximizing alternatives. These rights plans, when drafted properly, encourage a potential acquirer to either negotiate with the board directly or to proceed by way of a "permitted bid," which requires the take-over bid to satisfy certain criteria designed to promote fairness.

Having reviewed the terms of the rights plan, we believe that the plan is reasonable and does not include problematic features such as unnecessary or inappropriate restrictions on permitted bids.

However, given our updated view that common shareholders would be best served voting against the Recapitalization Transaction at this time, we believe shareholders should vote against this proposal as well.

We recommend that shareholders vote **AGAINST** this proposal

CORMARK SECURITIES INC.

Garett Ursu, CFA, (403) 750-7221, gursu@cormark.com
Michael Mueller, P.Geo, CFA, Associate, (403) 750-7210, mmueller@cormark.com

MORNING MEETING NOTES
SEPTEMBER 25, 2020

Recommendation: Tender
Target Price: $0.18

Calfrac Well Services Ltd. (CFW-TSX)

Management Unsuccessfully Scrambles to Realign Interests; Wilks Proposal Still Superior

Current Price	$0.15	Target	$0.18
52 Wk High	$1.80	Proj. Return	24%
52 Wk Low	$0.10	Basic Sh. (O/S)	145.0
TBVPS	-$0.23	FD Sh. (O/S)	145.6
Price/Book	-0.6x	Mngt. & Dir.	87.0
Net Debt - 20E (MM)	$328	- Pct. of basic	60%
D/EBITDA - 20E	nmf	Mkt. Cap. (MM)	$21.0
DPS	$0.00	Float (MM)	$8.4
Dividend Yield	NA	EV (MM)	$349

Fiscal YE Dec.	2019A	2020E	2021E
Revenue (MM)	$1,621	$766	$816
Adj. EBITDA (MM)	$159	$1	$28
EBITDA Margin (%)	10%	0%	3%
EV/EBITDA	7.4x	-284.2x	14.6x
Exit Net Debt (MM)	$934	$328	$360
Net Debt/EBITDA	5.4x	-244.4x	12.7x
CFPS (f.d.)	$0.48	($0.37)	$0.03
EPS (f.d.)	($1.07)	($3.43)	($0.70)
P/E	nmf	nmf	nmf

THIS IS EXHIBIT "S"
Referred to in the Affidavit of

Sherry Nadeau

Sworn before me this 28 day of September, A.D. 2020.

C. McLelland

A Commissioner for Oaths in and for Alberta

Christopher W. McLelland
A Commissioner for Oaths - Notary Public
in and for the Province of Alberta.
Member of the Law Society of Alberta and
My Appointment Expires at the Pleasure of
The Attorney General for the Province of Alberta

Unless otherwise denoted, all figures shown in C$

Event:

Calfrac Management announced an amended recapitalization proposal with an option for shareholders to take a cash payout.

Impact:

Positive.

Commentary:

Yesterday Calfrac Management announced an amended recapitalization transaction that is similar to the original proposal except for the ability of shareholders to elect to either: (a) receive $0.15 in cash per common share and two warrants or (b) retain their shares in the company and receive two warrants. The share warrants will carry a three-year term with a pre-consolidation exercise price of $0.05. Should the amended recapitalization transaction be rejected, the original recapitalization will be implemented under CCAA proceedings.

Interesting to us, shareholders can only elect to receive cash up to a maximum of $10.0 MM and the warrants to be issued to shareholders are priced at $0.05 versus the $0.0266 conversion price being provided to purchasers of the 1.5 Lien Notes (of which insiders and Management are material participants).

While the cash option is positive for shareholders, it continues to fall short of the $0.18 offered by Wilks, and we see little value in the warrants given Calfrac's pro forma balance sheet should Management succeed. Despite converting unsecured notes into equity, we still estimate 2020 net debt of ~$328 MM against marginal EBITDA this year of $1.4 MM (consensus is $0.9 MM) and 2021 EBITDA of 28.4 MM (consensus is $26.9 MM). With capital spending requirements, we forecast Calfrac to exit 2021 with ~$360 MM, or 12.7x trailing EBITDA. With our expectation that pressure pumping will take several years to recover, we would expect Calfrac to enter CCAA within 12-18 months should Management's offer succeed. We therefore see Wilks' $0.18 cash bid as superior to the incremental uncertainty inherent in Management's amended proposal.

The company's shareholder meeting has been postponed to October 16 from September 29 previously to reflect the amended terms of Management's proposal.

Investment Conclusion:

We are increasing our target from $0.15 to $0.18 to reflect our belief that the Wilks proposal is superior for shareholders and are amending our rating from Market Perform to Tender.

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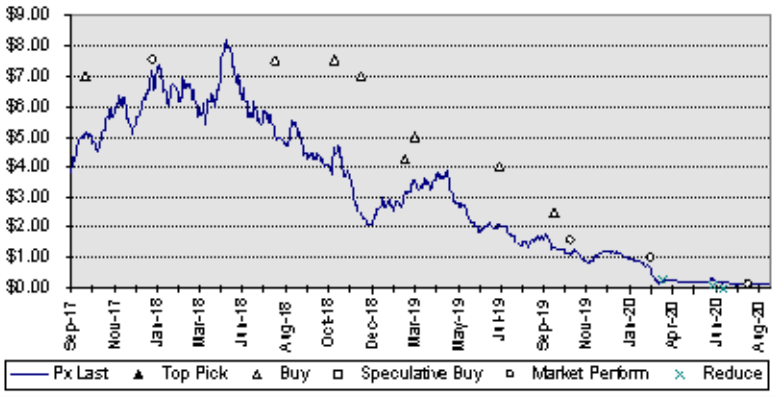
Calfrac Well Services Ltd.

Price Chart and Disclosure Statement

Updated September 24, 2020

*Information updated monthly on or about the 5th of each month.



Recommendation / Target Chg	
Date	C$
05-Aug-20	0.15 (MP)
26-Jun-20	- (R)
11-Jun-20	0.10 (R)
24-Mar-20	0.30 (R)
06-Mar-20	1.00 (MP)
01-Nov-19	1.60 (MP)
04-Oct-19	2.50 (B)
12-Jul-19	4.00 (B)
01-Mar-19	5.00 (B)
14-Feb-19	4.25 (B)

*Cormark has this percentage of its universe assigned as the following:

Buy or Top Pick	63%
Market Perform	17%
Reduce or Tender	1%
Not Rated	19%

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During the last 12 months, has CSI received compensation for having provided investment banking services to the subject issuer? ○ Yes ◉ No

During the last 12 months, has the analyst of this company received compensation from a pool that included investment banking revenues from the subject issuer earned by CSI? ○ Yes ◉ No

Does CSI expect to receive compensation for investment banking services from the subject issuer in the next three months ○ Yes ◉ No

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If YES
1) Is it a long and/or short position?
2) What type of security is it?

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We, Garett Ursu and Michael Mueller, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company(ies) and its (their) securities. We also certify that we have not been, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

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Top Pick	our best investment ideas, the greatest potential value appreciation
Buy	expected to outperform its peer group
Market Perform	expected to perform with its peer group
Reduce	expected to underperform its peer group
Tender	clients are advised to tender their shares to a takeover bid
Not Rated	currently restricted from publishing, or our recommendation is under review

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