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JUDICIAL CENTRE
OF CALGARY

FORM 49

COURT FILE NUMBER	2001-08434
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	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.
APPLICANTS:	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.
RESPONDENT:	Not Applicable
DOCUMENT	**AFFIDAVIT**
CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	**BENNETT JONES LLP** Barristers and Solicitors 4500, 855 – 2nd Street S.W. Calgary, Alberta T2P 4K7 Attention: Chris Simard/Kevin Zych/Justin Lambert Telephone: 403.298.4485/416.777.5738/ 403.298.3046 Facsimile: 403.298.3100 Email: simardc@bennettjones.com/ zychk@bennettjones.com/ lambertj@bennettjones.com

VOLUME 1 OF 2

AFFIDAVIT NO. 3 OF RONALD P. MATHISON

Sworn/Affirmed on September 25, 2020

I, Ronald P. Mathison, of Calgary, Alberta, SWEAR AND SAY THAT:

I. INTRODUCTION

1. I am a co-founder, the Executive Chairman and a director of Calfrac Well Services Ltd. ("**Calfrac**"), a Director and Chairman of Calfrac (Canada) Inc. ("**CCI**") and a director and Chairman of 12178711 Canada Inc. ("**Calfrac Arrangeco**"), and as such I have personal knowledge of the matters hereinafter deposed to, save where stated to be based on information and belief, in which case I do believe such information to be true. I am authorized to swear this Affidavit on behalf of Calfrac, CCI, Calfrac Well Services Corp. ("**CWSC**"), and Calfrac Holdings LP ("**CHLP**"), by its General Partner, CCI (together, the "**Applicants**" or the "**Calfrac Entities**").

2. I have previously sworn the following Affidavits in these proceedings:

   (a) on July 13, 2020, I swore an Affidavit in support of an application for a Preliminary Interim Order (the "**Mathison Affidavit No. 1**");

   (b) on July 30, 2020, I swore an Affidavit in support of an application for an Interim Order (the "**Mathison Affidavit No. 2**"); and

   (c) on August 5, 2020, I swore a supplemental Affidavit also in support of the application for an Interim Order (the "**Mathison Supplemental Affidavit**")

   (collectively, the "**Mathison Affidavits**").

3. I swear this Affidavit to update the Court and the parties on developments that have occurred since I swore the Mathison Affidavits, and also in support of the Calfrac Entities' application returnable on September 30, 2020, seeking an Order:

   (a) declaring that Wilks Brothers, LLC ("**Wilks Brothers**") has no right to the production of records by the Applicants in this action, including but not limited to

the records demanded in Wilks Brothers' draft Notice of Appointment (the "**Appointment**") dated September 18, 2020 (the "**Requested Records**");

(b) granting the Applicants their costs of the application; and

(c) granting such further or other relief as this Honourable Court may direct.

4. All capitalized terms not otherwise defined herein are intended to bear their meanings as defined in the Mathison Affidavits.

5. All dollar figures stated herein are in Canadian dollars unless otherwise indicated, and all conversions from US dollars to Canadian dollars were made at the official Bank of Canada exchange rate for June 29, 2020, which was CAD $1.3682 to US $1.00 or US $0.7309 to CAD $1.00 (the same exchange rate effective date used in Calfrac's management information circular dated August 7, 2020, hereinafter the "**Circular**").

II. UPDATES ON THE ARRANGEMENT AND RELATED MATTERS SINCE THE INTERIM ORDER WAS GRANTED ON AUGUST 7, 2020

CBCA Proceedings –Wilks Brothers' Application to Seek Leave to Appeal the Court's Dismissal of the Comeback Application

6. On August 12, 2020, Wilks Brothers applied to the Court of Appeal of Alberta, for leave to appeal this Honourable Court's July 27, 2020 dismissal of Wilks Brothers' Comeback Application. Wilks Brothers' application for leave to appeal was argued before the Honourable Madam Justice M.S. Paperny on September 1, 2020. At the conclusion of oral argument, Justice Paperny issued her decision from the bench, dismissing Wilks Brothers' application, with written reasons to follow. Justice Paperny's reasons for decision were issued on September 8, 2020 and a true copy thereof is attached as **Exhibit "1"** to this Affidavit.

Ancillary US Chapter 15 Proceedings – the Full Recognition Hearing

7. Wilks Brothers objected to the relief I sought as foreign representative of the Calfrac Entities, at the full recognition hearing that Judge Jones had scheduled for August 25, 2020.

As a result of Wilks Brothers' objection, extensive discovery and litigation was required in the US recognition proceedings, including:

(a) Wilks Brothers made document requests covering 17 broad categories of documents;

(b) the Calfrac Entities were required to produce documents from 7 different custodians using 38 search terms, in addition to production of certain other documents;

(c) the Calfrac Entities produced 1,289 unique documents to Wilks Brothers; and

(d) Wilks Brothers took three depositions of Calfrac personnel—myself, Mark Rosen, the Vice President, Operations, United States Division of Calfrac and Vice President, Operations of CWSC, and Lindsay Link, Director, President and Chief Operating Officer of each of Calfrac, CCI and Calfrac Arrangeco, as well as Director and the Chief Operating Officer of CWSC, and Chief Operating Officer of CHLP.

8. Because of Wilks Brothers' numerous objections, the full recognition hearing proceeded over two days:

(a) on August 25, the evidentiary portion of the hearing was held. I gave live testimony, along with Mark Rosen, and Wilks Brothers' counsel extensively cross-examined both of us; and

(b) on August 31, the parties made their closing arguments.

9. At paragraph 4 of its written submissions to the US Court, Wilks Brothers again asserted the position taken by its counsel in the July 14, 2020 hearing before Judge Jones, namely that Wilks Brothers wanted the US proceedings to be an insolvency proceeding under Chapter 11 of the US Bankruptcy Code. Attached as **Exhibit "2"** to this Affidavit is a true copy of Wilks Brothers' August 11, 2020 written submissions (redacted by Wilks' Brothers, and excluding the very lengthy exhibits).

10. Judge Jones made his decision at the conclusion of closing argument on August 31, and granted an order (subject to agreement between the parties as to the exact wording thereof):

(a) recognizing these CBCA proceedings as a "foreign main proceeding" with respect to all the Calfrac Entities other than CHLP;

(b) recognizing these CBCA proceedings as a "foreign non-main proceeding" with respect to CHLP;

(c) giving the Preliminary Interim Order granted by this Court full force and effect in the United States; and

(d) providing that the granting of relief in the chapter 15 cases should not be used to advocate in favour of or against granting subsequent relief before the Canadian Court in the CBCA Proceedings

(together, the "**US Final Order**"). The form of the US Final Order was subsequently settled between the Calfrac Entities and Wilks Brothers, and a true copy is attached as **Exhibit "3"** to this Affidavit. A true copy of the transcript of the hearing before Judge Jones on August 31, including his decision, is attached as **Exhibit "4"** to this Affidavit.

Wilks Brothers' Efforts to Defeat the Arrangement and Recapitalization Transaction, and the Wilks Brothers' Proposal

11. In addition to its efforts to oppose the Arrangement and Recapitalization Transaction by litigating in both this Court and the US Court, Wilks Brothers has also opposed the Calfrac Entities' efforts to advance the Recapitalization Transaction by way of press releases and other statements and tactics that are intended to influence Calfrac's shareholders to vote against the Arrangement, or otherwise signal Wilks Brothers' intent to oppose completion of the Recapitalization Transaction.

12. As previously described in the Mathison Affidavits, by late 2017, Wilks Brothers had become the holder of approximately 19.78% of the Common Shares. The Calfrac Entities attempted to engage with Wilks Brothers in early 2020 to seek to have constructive and collaborative discussions about restructuring solutions for the Calfrac Group. However, after Wilks Brothers and Calfrac had negotiated and settled on a form of non-disclosure agreement in June 2020, Wilks Brothers declined to sign that agreement and instead began

on June 11, 2020 purchasing, with its joint actors, Second Lien Notes, ultimately acquiring over 50% of the total issued Second Lien Notes by June 26, 2020.

13. Wilks Brothers is the 100% owner of ProFrac Services, LLC ("**Profrac**"). Profrac and CWSC, the Calfrac Group's United States operating entity, operate fracturing services businesses in a number of the same geologic basins in the United States. Currently, the companies compete directly in the fracturing services markets in the Marcellus basin (out of Smithfield, PA) and in the Permian basin (Calfrac out of Artesia, NM and Profrac out of Odessa, TX). In Smithfield, PA, Profrac's operating base is across the street from CWSC's operating base.

14. A more detailed description of the history and the events that have occurred between Wilks Brothers and the Calfrac Group prior to the commencement of these CBCA proceedings is set out in paras. 114 – 139 of the Mathison Affidavit No. 1.

15. The following is a chronology of some of the key events involving Wilks Brothers that occurred between the commencement of these CBCA proceedings on July 13, 2020, and August 4, 2020:

    (a) on July 13, 2020, this Court granted the Preliminary Interim Order;

    (b) on July 14, 2020, the U.S. Court granted the provisional relief requested by me as the foreign representative of the Calfrac Entities, over the objections of Wilks Brothers;

    (c) on July 14, 2020, the Calfrac Entities issued a press release describing in detail the terms of the Recapitalization Transaction (this press release is Exhibit "C" to the July 18, 2020 Affidavit of Sherry Nadeau), and announcing that holders of approximately 50% of the Senior Unsecured Notes and holders of approximately 23% of the Common Shares had entered into support agreements pursuant to which they had agreed to support the Recapitalization Transaction. By way of this press release, Wilks Brothers would have become aware of the details regarding the manner in which in the Second Lien Notes would be unaffected by the Arrangement, and of the treatment of the Senior Unsecured Notes;

(d) the Calfrac Entities posted on SEDAR on July 14, 2020, and on the Calfrac website on July 21, 2020, a copy of the form of Shareholder Support Agreement and the form of Noteholder Support Agreement that had already been entered into by certain Senior Unsecured Noteholders and Shareholders and were available to be signed by other such holders. True copies of those support agreements are attached as **Exhibits "5"** and **"6"** to this Affidavit;

(e) thereafter, commencing on July 17, 2020, Wilks Brothers and its joint actors acquired approximately 6.8% of the Senior Unsecured Notes, at an aggregate acquisition cost of US$3,068,627.50, or approximately US$0.1043 per US$1.00 of par value of the Senior Unsecured Notes. Commencing on July 21, 2020, Wilks Brothers and its joint actors acquired a further approximately 6.1% of the Second Lien Notes, at an aggregate acquisition cost of US$5,432,465.50, or approximately US$0.7450 per US$1.00 of par value of the Second Lien Notes, bringing its total holdings of the Second Lien Notes to US$67,293,300, or 56.1%, at a total aggregate cost of US$47,167,661.00, or US$0.70 per US$1.00 of par value. Attached as **Exhibit "7"** to this Affidavit is a true copy of a report from the System for Electronic Disclosure by Insiders outlining the particulars of these purchases;

(f) on July 22, 2020, Calfrac issued a press release in which it announced, among other things, that formal support for the Recapitalization Transaction had increased among Senior Unsecured Noteholders, from holders of approximately 50%, to holders of approximately 66% (this press release is Exhibit "1" to the July 22, 2020 Affidavit of Mary Lewis);

(g) on July 23, 2020, Wilks Brothers made the Comeback Application;

(h) on July 27, 2020, Justice Nixon issued his decision dismissing Wilks Brothers' Comeback Application;

(i) on July 30, 2020, the Calfrac Entities served upon the service list in these proceedings (including counsel for Wilks Brothers) the Mathison Affidavit No. 2 and the Calfrac Entities' application for an Interim Order, which was scheduled to

be heard by the Court on August 6, 2020. Included in the Mathison Affidavit No. 2 were the following documents, which described in great detail the structure, terms and conditions and procedures regarding the Arrangement and the Recapitalization Transaction:

(i) the July 14, 2020 Recapitalization Transaction presentation, which Calfrac had released and posted to its public website on July 15, 2020;

(ii) the 179-page draft Circular (which included the draft Arrangement Agreement and draft Plan of Arrangement);

(iii) the CBCA Opinion and the Fairness Opinion issued by Peters & Co. Limited; and

(iv) the draft Arrangement Resolutions to be voted on at the Meetings; and

(j) on August 4, 2020, and only after the announcement of the Recapitalization Transaction, Wilks Brothers publicly announced what it described as its own alternative recapitalization proposal for Calfrac (the "**Wilks Brothers' Proposal**") by press release, a true copy of which is attached as **Exhibit "8"** to this Affidavit. Among other things, Wilks Brothers claimed that the Wilks Brothers' Proposal was "capable of being immediately implemented" and "is structured as a fully consensual transaction involving all levels of Calfrac's capital structure". Wilks Brothers also reported in this press release that it had established a website using the URL www.afaircalfrac.com. Under the Wilks Brothers' Proposal, Wilks Brothers would obtain approximately 63.4% of the equity of Calfrac, thereby effectively gaining control of the entire Calfrac Group.

The Special Committee and its Consideration of the Wilks Brothers' Proposal

16. In response to the Wilks Brothers' Proposal, the Calfrac Board established a Special Committee comprised of three independent directors of Calfrac, namely Greg Fletcher, Jamie Blair and Kevin Baker (the "**Special Committee**"), to review the Wilks Brothers' Proposal.

17. I am advised by the Special Committee and believe that in the course of reviewing the Wilks Brothers' Proposal, among other things, it:

    (a) retained as its independent legal counsel, and obtained legal advice from, Norton Rose Fulbright Canada LLP;

    (b) had unfettered access to and obtained input from Calfrac's financial advisors; and

    (c) engaged in communications with the Initial Commitment Parties (other than MATCO) who together held a majority of the Senior Unsecured Notes, to determine their views on the Wilks Brothers' Proposal.

18. On August 17, 2020, Calfrac announced via press release that the Special Committee had completed its review of the Wilks Brothers' Proposal, and had concluded, among other things, that the Wilks Brothers' Proposal:

    (a) was not a "Superior Proposal" as defined in the support agreements entered into between Calfrac and holders of approximately 78% of the Senior Unsecured Notes; and

    (b) could not reasonably be expected to result in a transaction more favourable to Calfrac and its stakeholders (including the Senior Unsecured Noteholders) as it lacked the required level of support from Senior Unsecured Noteholders.

    A true copy of this press release is attached as **Exhibit "9"** to this Affidavit.

Wilks Brothers' Continued Efforts to Oppose the Arrangement and Recapitalization Transaction, and the Wilks Brothers' Hostile Takeover Bid

19. On August 18, 2020, Wilks Brothers issued a press release responding to the Special Committee's findings. A true copy of this press release is attached as **Exhibit "10"** to this Affidavit.

20. On August 21, 2020, the Calfrac Entities filed the Circular and posted it on SEDAR. A copy of Calfrac's press release announcing this development, among other things, is attached as **Exhibit "11"** to this Affidavit.

21. On August 21, 2020, Wilks Brothers issued a press release announcing the creation of a presentation that compared the Recapitalization Transaction to the Wilks Brothers' Proposal. A copy of this press release is attached as **Exhibit "12"** to this Affidavit. A copy of the purported comparison, available at *www.afaircalfrac.com* is attached as **Exhibit "13"**to this Affidavit.

22. The Circular and Meeting Materials were mailed:

    (a) by Computershare Trust Company of Canada ("**Computershare**") to the registered Shareholders on August 21, 2020;

    (b) by Broadridge Financial Solutions, Inc. ("**Broadridge**") to the beneficial Shareholders on August 26, 2020; and

    (c) by Broadridge to the beneficial Senior Unsecured Noteholders on August 27, 2020.

23. On August 24, 2020, Wilks Brothers issued a press release announcing that it had filed its own proxy circular and would be mailing it to the Shareholders, through which it would solicit Shareholders to vote against the Recapitalization Transaction. A true copy of this press release is attached as **Exhibit "14"** to this Affidavit.

24. Among other things, Wilks Brothers made the following statements in its proxy circular and this press release:

> Concerned about the true level of Shareholder support and in a clear attempt to suppress shareholder voting against the Management Transaction, Calfrac has announced that they have now switched the Meeting to be an in-person meeting only. This, notwithstanding the prior announcement that the Meeting would be held virtually given the COVID 19 pandemic, related Border closures and attendant risks to Shareholders who attend in person. An in-person Meeting in this current pandemic is inexplainable when virtual voting is now common place.

25. The Interim Order expressly authorized the conduct of the Meetings in person, virtually, or in a "hybrid" format, and the Calfrac Entities had originally intended to conduct the Meetings virtually. However, I am advised by Calfrac's legal counsel and believe that Calfrac's registrar and transfer agent, Computershare, communicated that it was unable to provide meeting services in a virtual or hybrid format, because of the anticipated contested nature of the Meetings, resulting from Wilks Brothers' very public and vigorous opposition to the Arrangement and Recapitalization Transaction.

26. On August 27, 2020, Wilks Brothers' Canadian legal counsel Cassels, Brock and Blackwell LLP ("**Cassels**") sent a letter to Calfrac's Canadian legal counsel Bennett Jones LLP ("**Bennett Jones**"). In that letter, Cassels stated, among other things:

> ...we are writing to ask ... that the [Shareholder] Meeting be held as a "virtual" meeting or at a minimum that a "virtual" meeting option be available.
>
> ...
>
> We consider this to be a fundamental issue of procedural fairness concerning the [Shareholder] Meeting ...
>
> We strongly urge Calfrac to hold a virtual meeting as originally announced, or at minimum to provide a "hybrid" format for the [Shareholder] Meeting ... We point out that the vast majority of shareholder meetings that have occurred since the onset of the COVID 19 crisis have been done as virtual only or "hybrid" meetings.

A true copy of Cassels' August 27, 2020 letter is attached as **Exhibit "15"** to this Affidavit.

27. On August 28, 2020, Bennett Jones replied to Cassels' August 27 letter. In that letter, Bennett Jones explained the inability of Computershare to host virtual or "hybrid" meetings because of Wilks Brothers' known opposition, and also pointed out that Cassels, on March 18, 2020, had published on its website a publication entitled "COVID-19 Impact: Welcome to our 2020 AGM – Through our Virtual Gateway" (the "**Cassels AGM Publication**"). In the Cassels AGM Publication, Cassels had stated, among other things, that:

> Although a virtual AGM can be an effective way of communicating with a large number of shareholders globally, with the potential to increase shareholder engagement at potentially lower costs, **it is not a**

> **recommended method for a contested or potentially contested meeting (e.g., a proxy battle or potentially contentious special business to be put before shareholders)**. [emphasis added]

A true copy of the August 28, 2020 Bennett Jones letter and the Cassels AGM Publication are attached as **Exhibit "16"** to this Affidavit.

28. I am advised by Bennett Jones and believe that Cassels did not respond to Bennett Jones' August 28 letter.

29. On August 28, 2020, Calfrac issued a press release announcing that it had posted on SEDAR and Calfrac's website a comparison of the Recapitalization Transaction and the Wilks Brothers' Proposal. A true copy of this press release and a copy of the presentation are attached as **Exhibit "17"** and **Exhibit "18"**, respectively.

30. Following Judge Jones' decision on August 31, 2020 to grant an Order giving full force and effect to the Preliminary Interim Order and the Stay Provision in the US, and following Justice Paperny's September 1, 2020 dismissal of Wilks Brothers' application for leave to appeal the Comeback Decision, Wilks Brothers issued a press release after the close of markets on September 1, 2020, publicly announcing its plans to initiate a hostile takeover of Calfrac by offering $0.18 per share for the Common Shares (the "**Wilks Brothers' Hostile Takeover Bid**"). A copy of this press release is attached as **Exhibit "19"** to this Affidavit.

31. Glass Lewis & Co. ("**Glass Lewis**") and Institutional Shareholder Services ("**ISS**") are corporate governance firms that, among other things, provide research reports and analysis with recommendations on proxy votes. Both firms issued reports/recommendations on the Recapitalization on September 4, 2020. Calfrac and Wilks Brothers issued press releases with respect thereto, on September 8, 2020. Attached as **Exhibit "20"** and **Exhibit "21"** to this Affidavit are true copies of those press releases.

32. On September 9, 2020, Wilks Brothers posted its Takeover Bid Circular, a true copy of which is attached as **Exhibit "22"** to this Affidavit (the "**TOB Circular**"). Based on the TOB Circular, the Wilks Brothers' Hostile Takeover Bid appears to have the following features:

(a) Wilks Brothers will offer cash consideration of $0.18 for all the Common Shares not owned by it or its affiliates;

(b) the Wilks Brothers' Hostile Takeover Bid is open for acceptance until December 23, 2020 (which, I am advised by Bennett Jones, and believe, is the statutory minimum deposit period of 105 days for such an offer);

(c) the Wilks Brothers' Hostile Takeover Bid is conditional on:

(i) Shareholders tendering at least 50% of the Common Shares not owned by Wilks Brothers or its joint actors (which, I am advised by Bennett Jones, and believe, is the statutory minimum level of tendering);

(ii) the Arrangement and Recapitalization Transaction not being approved at the Meetings, not being approved by this Court and being terminated (the "**Arrangement Condition**");

(iii) any requisite government or regulatory approvals being granted;

(iv) the Wilks Brothers' Hostile Takeover Bid not being prohibited at law; and

(v) Wilks Brothers not having entered into an agreement with the Calfrac Entities for the implementation of the Wilks Brothers' proposal;

(d) if the Arrangement Condition is satisfied, Wilks Brothers has stated that it intends to apply to the applicable securities regulatory authorities to shorten the statutory minimum 105-day offer period, and to waive the 50% statutory minimum tendering condition.

A true copy of Wilks Brothers' September 10, 2020 press release regarding the Wilks Brothers' Hostile Takeover Bid is attached as **Exhibit "23"** to this Affidavit.

33. I am advised by Bennett Jones and believe that under the governing securities regulations, the Calfrac Board was required to reply to the TOB Circular with its own directors' circular, within 15 days. On September 11, 2020, Calfrac issued a press release acknowledging

receipt of the Wilks Brothers' Hostile Takeover Bid, and advising that the Special Committee and the Calfrac Board would review it, and the Calfrac Board would file a directors' circular in due course. A true copy of that press release is attached as **Exhibit "24"** to this Affidavit.

Developments Since the Launching of the Wilks Brothers' Hostile Takeover Bid

34. On September 14, 2020, Calfrac issued a press release in which it advised that:

(a) the Meetings, which were scheduled for September 17, 2020, would be postponed to September 29, 2020;

(b) the directors' circular would be filed on or before September 24, 2020; and

(c) the postponement of the meetings would ensure shareholders and unsecured noteholders have all of the current facts and recent information prior to the meetings.

A true copy of that press release is attached as **Exhibit "25"** to this Affidavit.

35. Wilks Brothers issued a series of additional press releases after its September 10, 2020 press release announcing the filing of the TOB Circular:

(a) two press releases on September 11, 2020 (one of which spoke to a revised Glass Lewis report and recommendation);

(b) a further press release on September 15, 2020; and

(c) a further press release on September 23, 2020.

True copies of those four press releases are attached as **Exhibits "26"**, **"27"**, **"28"** and **"29"**.

36. On September 15, 2020, a semi-annual interest payment became due under the Second Lien Note Indenture, in the amount of US$6,525,005.44. The Calfrac Group duly and punctually made that interest payment to the Second Lien Trustee.

Calfrac's Announcement of the Amended Recapitalization Transaction

37. Prior to markets opening on September 24, 2020, Calfrac announced via press release that it had agreed with the Initial Consenting Noteholders, to amend the Recapitalization Transaction (the "**Amended Recapitalization Transaction**"). The key new terms of the Amended Recapitalization Transaction are:

(a) each Shareholder will have the opportunity to elect for Calfrac to repurchase all or any portion of the Common Shares held by such Shareholder (the "**Shareholder Cash Election**") for $0.15 per share (on a pre-consolidation basis), subject to maximum aggregate consideration in respect of the Shareholder Cash Election of $10 million (the "**Cash Election Amount**"); and

(b) each Common Shareholder will receive two Common Share purchase warrants (the "**Warrants**") for each Common Share held (whether or not such Common Shareholder has elected to participate in the Shareholder Cash Election), with each Warrant exercisable into one Common Share at a price of $0.05 per Common Share (on a pre-consolidation basis) or $2.50 per Common Share (on a post-consolidation basis).

38. In Calfrac's September 24, 2020 press release (a true copy of which is attached as **Exhibit "30"** to this Affidavit) Calfrac announced, among other things:

(a) the terms of the Amended Recapitalization Transaction;

(b) the postponement of the Meetings, from September 29, 2020 to October 16, 2020, to permit Affected Securityholders to consider the terms of the Amended Recapitalization Transaction;

(c) the issuance of the directors' circular, in which the Calfrac Board, on the recommendation of the Special Committee, unanimously recommended that Common Shareholders reject the Wilks Brothers' Hostile Takeover Bid;

(d) if the Amended Recapitalization Transaction is not completed, the Senior Unsecured Noteholders are entitled to elect to have the Calfrac Entities complete the original

Recapitalization Transaction (without the Shareholder Cash Election or Warrants) in a CCAA proceeding, and are expected to do so; and

(e) in connection with the Amended Recapitalization Transaction, Calfrac will borrow up to an aggregate of $10 million of 1.5 lien secured, non-convertible, loans ("**New 1.5 Lien Term Loans**") from G2S2, MATCO and the Ad Hoc Committee, in an amount equal to the aggregate Cash Election Amount. The New 1.5 Lien Term Loans will be used to partially refinance the First Lien Credit Agreement and create availability for Calfrac to fund the Cash Election Amount. The New 1.5 Lien Term Loans will rank *pari passu* with the New 1.5 Lien Notes, are non-convertible and shall bear interest at the rate of 10% per annum (paid in kind), and shall mature on the second anniversary of the Effective Date.

39. On September 25, 2020, Wilks Brothers issued a press release commenting on the Amended Recapitalization Transaction. A true copy of that press release is attached as **Exhibit "31"** to this Affidavit.

III. WILKS BROTHERS' PRODUCTION REQUESTS

40. I am advised by Bennett Jones LLP and believe:

(a) prior to Calfrac postponing the Meetings from September 17, 2020 to September 29, 2020, counsel for the Calfrac Entities and counsel for Wilks Brothers had agreed on a litigation schedule in advance of the CBCA final order hearing then scheduled for September 30, 2020. That schedule included, among other things:

(i) the Calfrac Entities' evidence would be filed and served on Friday, September 11, 2020; and

(ii) cross-examinations on that evidence would occur on Tuesday, September 15, 2020.

41. On September 10, 2020, counsel for Wilks Brothers sent a letter to counsel for the Calfrac Entities (via an email received at 3:57 p.m. Mountain time) in which Wilks Brothers' demanded production of a lengthy list of records, sorted into 27 separate items, many of

which constitute very broad categories of records rather than discrete records (the "**Requested Records**"). Wilks Brothers demanded production of the Requested Records "as soon as possible, and in any event no later than the end of the day tomorrow". A true copy of that September 10 letter is attached as **Exhibit "32"** to this Affidavit.

42. On September 11, 2020, counsel for the Calfrac Entities advised counsel for Wilks Brothers that the Calfrac Entities would not be filing and serving their final order application materials on that day.

43. On September 14, 2020, after Calfrac issued its press release postponing the Meetings, counsel for the Calfrac Entities advised the parties on the service list (including counsel for Wilks Brothers) that the final order application would not be proceeding on September 30, 2020.

44. On September 14, 2020, counsel for Wilks Brothers sent a letter to counsel for the Calfrac Entities renewing the demand for production of the Requested Records no later than the end of the day on September 16. A true copy of that September 14 letter is attached as **Exhibit "33"** to this Affidavit.

45. On September 16, 2020, counsel for the Calfrac Entities sent a letter to counsel for Wilks Brothers refusing the demand for production of the Requested Records. A true copy of that September 16 letter is attached as **Exhibit "34"** to this Affidavit.

46. On September 18, 2020, counsel for Wilks Brothers sent a letter to counsel for the Calfrac Entities, renewing Wilks Brothers' demand for the Requested Records and attaching a draft Notice of Appointment (the "**Appointment**") for a questioning on September 15, 2020, naming "TBD" as the witness, and attaching the list of the Requested Records as records that the unnamed witness was required to bring to the questioning. In the September 18 letter, counsel for Wilks Brothers proposed (if the Calfrac Entities agreed to produce the Requested Records) serving the Appointment on me, receiving the Requested Records at such appointed questioning, then adjourning the questioning. Wilks Brothers' counsel purported to impose a reply deadline one business day later, at 5:00 p.m. Eastern time on

September 21, 2020. A true copy of that September 18 letter is attached as **Exhibit "35"** to this Affidavit.

47. At the time of the imposed reply deadline on September 21, counsel for the Calfrac Entities replied to counsel for Wilks Brothers, advising that the Calfrac Entities were "working on getting back to you on the document requests in your letter, but won't be in a position to do so by your deadline of 3:00 pm Mountain today. I expect that we will be able to do so tomorrow morning, and trust that will be sufficient". A true copy of that September 21 email is attached as **Exhibit "36"** to this Affidavit.

48. On September 22, 2020, counsel for the Calfrac Entities sent a letter to counsel for Wilks Brothers (via an email sent at approximately 11:45 a.m. Mountain time) refusing the demand for production of the Requested Records and serving the present application on Wilks Brothers. A true copy of that September 22 letter is attached as **Exhibit "37"** to this Affidavit.

IV. THE REQUESTED RECORDS

49. I am advised by Bennett Jones that the Calfrac Entities' application seeking a declaration that the Calfrac Entities are not required to produce the Requested Records was filed and served on September 22, 2020. I am further advised by Bennett Jones that on September 23, 2020, Wilks Brothers filed and served its own application, returnable at the same time on September 30, seeking an order compelling the Calfrac Entities to produce 13 of the 27 items of Requested Records, but abandoning its request for the remaining 14 items of Requested Records. I briefly address below some factual matters regarding the 13 items still being sought by Wilks Brothers.

50. In this Affidavit, all references to the Requested Records are to Schedule "A" to the Wilks' Counter-Application (the "**Wilks Brothers' Records Request**"). For ease of reference, a true copy of the Wilks Brothers' Records Request is attached as **Exhibit "38"** to this Affidavit.

Non-Public, Internal Financial Information

51. Wilks Brothers demands that Calfrac produce a vast array of internal, non-public financial information, including:[1]

    (a) borrowing base calculations;[2]

    (b) budgets and projections for each of Calfrac's operating segments, by country, and the calculations and assumptions, including detailed underlying assumptions (for example, number of fracturing jobs, and fracturing revenue per job), underlying each category of financial projections, budgets and cash flow forecasts;[3]

    (c) interim monthly consolidated financial statement information for Q3 2020;[4]

    (d) Calfrac's most recent cash flow forecasts;[5] and

    (e) assumptions underlying forecasts in a press release including revenue for 2020 and 2021, capital expenditures for 2020 and 2021, adjusted EBITDA for 2020 and 2021, and unlevered free cash flow for 2020 and 2021.[6]

Records Surrounding the Opinions

52. Wilks Brothers demands production of certain of the information that Peters & Co. relied upon in providing the Opinions, including:

    (a) unaudited projected financial statements on a consolidated basis prepared by management for the years ending December 31, 2020 through 2021, under various

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[1] The specific requests by the Wilks Brothers falling into this category are Wilks Brothers' Records Request numbers 1(c), 1(d), 1(e), 1(f), 1(g), 1(h), and 1(i). Of note, Calfrac does not object to Wilks Brothers' Records Request number 1(i), which requested that Calfrac produce the Agreement for the Revolving Term Loan Facility. That record is in fact in evidence, as Exhibit "7" to the Affidavit of Mathison Affidavit No. 1.

[2] Wilks Brothers' Records Request number 1(c)

[3] Wilks Brothers' Records Request number 1(d) and 1(e)

[4] Wilks Brothers' Records Request number 1(g)

[5] Wilks Brothers' Records Request number 1(f)

[6] Wilks Brothers' Records Request number 1(h)

potential financing and recapitalization alternatives, including projections respecting the liquidity and ability of Calfrac to satisfy material financial covenants;[7]

(b) a detailed listing of Calfrac's capital assets;[8]

(c) documents provided to, or recording discussions between, Peters & Co. and senior management and directors of Calfrac relating to its business, plans, financial condition and prospects, including the results of recent operating activities;[9] and

(d) documents provided to, or recording discussions between, Peters & Co. and management and directors of Calfrac and its legal and financial advisors relating to efforts by Calfrac to improve its strategic and financial position.[10]

Records Related to Board Deliberations

53. Wilks Brothers demands that Calfrac produce materials considered by the board of directors, in particular the documents presented to the board of Calfrac by financial advisors in their detailed review of the restructuring plan as referred to at page 18 of the Circular, including but not limited to listed items (a) through (h);[11]

Non-Disclosure Agreements

54. Wilks Brothers demands production of copies of the non-disclosure agreements signed in connection with the 1.5 lien convertible debt offering.[12]

55. All of the items remaining in the Wilks Brothers' Records Request described above comprise material, non-public information of the Calfrac Group that Calfrac does not disclose publicly. I am informed by Bennett Jones and believe that Calfrac is not required to publicly disclose such information pursuant to the governing securities legislation and

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[7] Wilks Brothers' Records Request number 1(a)(i)
[8] Wilks Brothers' Records Request number 1(a)(ii)
[9] Wilks Brothers' Records Request number 1(a)(iii)
[10] Wilks Brothers' Records Request number 1(a)(iv)
[11] Wilks Brothers' Records Request number 1(b)
[12] Wilks Brothers' Records Request number 1(j)

regulations, either as part of its continuous disclosure obligations or in the context of a takeover bid like the Wilks Brothers' Hostile Takeover Bid.

V. RELIEF SOUGHT

56. I swear this Affidavit in support of the Calfrac Entities' application for the relief described in paragraph 3 of this Affidavit, and for no other or improper purpose.

SWORN (OR AFFIRMED) BEFORE ME at Calgary, Alberta, this 25th day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

RONALD P. MATHISON

EXHIBIT 1

This is Exhibit "1" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

In the Court of Appeal of Alberta

Citation: 12178711 Canada Inc v Wilks Brothers LLC, 2020 ABCA 313

Date: 20200908
Docket: 2001-0151-AC
Registry: Calgary

Between:

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.

Respondents

- and -

Wilks Brothers, LLC

Applicant

- and –

G2S2 Capital Inc.

Interested Party

Reasons for Decision of
The Honourable Madam Justice Marina Paperny

Application for Permission to Appeal

Reasons for Decision of
The Honourable Madam Justice Marina Paperny

[1] Wilks Bros, LLC (Wilks) seeks permission to appeal a decision interpreting a stay of proceedings (the stay provision) granted under s 192 of the *Canada Business Corporations Act*, RSC 1985, c C-44 (*CBCA*) as part of a broader Preliminary Interim Order.

[2] The respondents, collectively referred to as the Calfrac entities, applied under the *CBCA* to put forward a plan of arrangement. As part of those proceedings, they sought and obtained a Preliminary Interim Order that included the impugned stay provision. The stay provision has the intention and effect of suspending the rights and remedies of various creditors of the Calfrac entities. The Calfrac entities have found considerable support among stakeholders, sufficient to advance the arrangement, and the court has authorized a stakeholder meeting for September 17, 2020 to permit a vote on the arrangement and, if the vote is successful, to authorize the Calfrac entities to apply for a final order.

[3] On the comeback application, Wilks applied to vary the stay provision so that it would not apply to the Second Lien Noteholders (a creditor class which includes Wilks). Wilks argued that the Second Lien Notes have automatically accelerated by their terms and by operation of law. As such, they say, the notes are now fully due and payable and the stay provision has no impact on the automatic acceleration of the notes.

[4] The presiding judge rejected that proposition. In doing so, he concluded that the court has jurisdiction to order the stay provision. He noted that courts stay proceedings against a broad spectrum of third parties, and that stay provisions can and may interfere with or suspend contractual rights if to do so is in keeping with the general purpose of the plan and the *CBCA* in order to effect a restructuring.

[5] There is no legal test for leave to appeal under s 249 of the *CBCA* spelled out in that Act. The parties agree that it would be appropriate to apply the same test as that under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (*CCAA*), although Wilks argues that other provisions of the *CCAA* and the jurisprudence arising from their application ought not apply here.

[6] The test under the *CCAA* was developed having regard to the purpose of that Act. The considerations articulated under that test are also germane to the proceedings under the *CBCA* in this case: a proposed plan of arrangement that will affect a host of stakeholders and is driven by commercial realities and timelines. The plan is an effort to restructure a corporate entity so that it can ultimately remain viable and repay its creditors and other affected stakeholders. Interestingly, and as an aside, the substantive rights of the Second Lien Noteholders are not affected by the proposed plan. The matter at issue before the court is whether the rights of the Second Lien

Noteholders under their indenture can be suspended for the period during which the stay is operative. In this case, that would be something less than two months.

[7] The test has four parts:

a) Is the point on appeal significant to the practice;
b) Is the point of significance to the action itself;
c) Is the appeal prima facie meritorious;
d) Will the appeal unduly hinder the progress of the action.

[8] Wilks wishes to advance the following arguments on appeal: the court had no jurisdiction to grant the order; the chambers judge incorrectly applied the anti-deprivation rule to the *ipso facto* clause in the indenture; and the chambers judge erred in interpreting the stay provision. The fundamental question raised before the chambers judge, and which would be before this court if leave to appeal is granted, is whether or not the *ipso facto* clause in the Second Lien Indenture is valid, or if it offends the common law anti-deprivation rule.

[9] The application for leave to appeal is dismissed for the following reasons.

[10] First, that there is jurisdiction to grant this order cannot be seriously questioned. Without exhaustively reviewing the case law, courts have recognized the flexibility afforded by s 192 of the *CBCA* to propose a plan of arrangement. Courts often use the mechanics and jurisprudence developed under the *CCAA* to bring such plans forward. They have also looked to the purpose of the *CCAA* for guiding principles under the *CBCA*. In my view, there is no error in doing so and the first ground of appeal is without sufficient merit to justify an appeal.

[11] Insofar as reliance on the anti-deprivation rule is concerned, this court recently concluded that rule is very much a part of, indeed fundamental to, Canadian insolvency and restructuring law: see *Capital Steel Inc v Chandos Construction Ltd*, 2019 ABCA 32 (recently appealed to the Supreme Court of Canada and currently under reserve). As such, acceleration clauses like that found in the Second Lien Indenture can be stayed or overridden by courts under insolvency and restructuring legislation. That law is binding on me as it was on the chambers judge.

[12] The characterization of the issues raised as novel does not withstand scrutiny, in my view. It cannot fairly be said that there is no jurisprudence under the *CBCA* that provides for the proposal of a plan of arrangement. That is what is being done here. Stay provisions are an important mechanism to give the corporate entity an opportunity to put forward a proposal that will find favour with creditors and other stakeholders – to afford a reasonable but not infinite amount of breathing space to negotiate with stakeholders and to provide an even playing field for stakeholders during that process.

[13] Moreover, the issue raised by the proposed appeal is not of particular significance to the action. The Second Lien Noteholders are unaffected in the proposed plan. The stay provision

results in only a temporary stay of their rights under the indenture; the purpose of the stay provision is to preserve the status quo ante as it existed immediately prior to the Calfrac entities' filing of the application. At most, the provision suspends their rights for a brief period of time. The rights of the Second Lien noteholders are not compromised under this plan.

[14] At this point, the plan appears to be finding favour among stakeholders. An appeal on this issue will unduly hinder any potential implementation of the plan. There is a serious question as to whether the appeal could reasonably be disposed of before the return date of the fairness hearing, September 30, 2020. On the other hand, the Second Lien Noteholders and Wilks are unaffected creditors whose rights are, at most, suspended for a brief period of time. There can be little if any prejudice to them in the circumstances.

[15] For these reasons, the application for leave to appeal is dismissed.

Application heard on September 1, 2020

Reasons filed at Calgary, Alberta
this 8th day of September, 2020

Authorized to sign for: Paperny J.A.

Appearances:

C.D. Simard
K.J. Zych
for the Respondents

L. Jackson
for the Applicant

P.H.Griffin
L.E. Thacker
for G2S2 Capital Inc.

H. Gorman, Q.C.
for the Special Committee of the Board of Directors

R. Chadwick
for the Ad Hoc Committee of Noteholders

EXHIBIT 2

This is Exhibit "2" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

REDACTED

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

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

OBJECTION OF WILKS BROTHERS, LLC AND ITS AFFILIATED FUNDS TO PETITION FOR RECOGNITION AND CHAPTER 15 RELIEF

Wilks Brothers, LLC and its Affiliated Funds (collectively, "**Wilks**"), for their objection to the Petition for Recognition and Chapter 15 Relief, dated July 13, 2020 (the "**Petition**") filed by the above-captioned debtors (the "**Debtors**" or the "**Calfrac Entities**"), respectfully represent as follows:

PRELIMINARY STATEMENT[2]

Wilks, the holder of a majority of the Second Lien Notes issued by CHLP and guaranteed by Calfrac and CWSC, objects to recognition and to certain relief sought by the Debtors. As demonstrated below, the Debtors' center of main interest is in the United States, not Canada, and the Canadian Proceeding that serves as the basis for these Chapter 15 cases is not a foreign main proceeding. Indeed, it is doubtful that Debtors CHLP and CWSC have any establishment in Canada and, thus, the Chapter 15 Cases should not be recognized at all for either of those entities.

[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).

[2] Undefined capitalized terms used in this preliminary statement are given the definitions set forth elsewhere herein.

Wilks opposes recognition because the Canadian Proceeding which this Court is being asked to rubber-stamp is part of a brazen strategy by corporate insiders to enrich themselves at the cost to other stakeholders, like Wilks. That strategy, which is being deployed through the guise of an arrangement with the false veneer of being "harmless," has never been subjected to any market test or real consideration of alternatives and would impose a recapitalization transaction that does not fix what is fundamentally wrong with the company – only ensuring a further restructuring in the near future, this time with stakeholders like Wilks further subordinated.

Wilks's prior recapitalization proposals were rejected out of hand, because unfortunately all of the decision-making in connection with the recapitalization and commencement of these cases has been in the hands of corporate fiduciaries who are tainted by self-interest. Those insiders, acting in concert with the largest unsecured noteholder, devised a strategy to obtain majority ownership of the company while purporting to leave the Second Lien Notes unaffected, even though the proposed arrangement purports to layer on $60 million CAD of priming secured debt ahead of the Second Lien Notes. In order to implement this strategy, the company used a newly-formed shell company to gain access to the CBCA process and obtained entry of orders in the Canadian Proceeding that purport to prevent or to unwind the automatic acceleration of the Second Lien Notes that occurred when such proceedings were commenced, even though the Second Lien Notes were issued by a United States entity, are governed by New York law and are held primarily by United States creditors. These orders are contrary to U.S. law. This Court should not enforce any order of the Canadian Court in the United States, or against property in the United States, which purports to override sophisticated parties' bargained-for contractual rights.

Wilks recently made a new proposal for an alternative transaction, which is significantly more favorable to the company, its creditors and shareholders than the Debtors' plan of

arrangement. Wilks's proposal would properly capitalize the company by infusing four times the amount of cash available under the existing arrangement proposal, resulting in enhanced creditor recoveries and a much more positive outcome for equity holders. Notably, the company announced the formation of an independent special committee of its board of directors to consider Wilks's proposal, an action that was conspicuously absent in the company's consideration of prior Wilks proposals and seemingly also absent in the company's agreement to pursue the present plan of arrangement.

Wilks is currently conducting discovery pertaining to the factual issues underlying each individual Debtor's request for recognition. Based on information received to date, through discovery and from other available information, Wilks expects the evidence at the hearing on recognition (the "**Recognition Hearing**") will show that the Canadian Proceeding is not a foreign main proceeding for any of the Debtors and, as to Debtors CHLP and CWSC, that recognition of any form should be denied. Moreover, for the reasons discussed herein and as the factual record at the Recognition Hearing will further support, this Court should not recognize any order, ruling or finding by the Canadian Court that runs afoul of well-established bankruptcy jurisprudence in the United States by erasing self-effectuating contract provisions through the guise of a stay.

BACKGROUND

I. THE CBCA PROCEEDING AND THE CHAPTER 15 CASES

1. On July 13, 2020, the Calfrac Entities obtained ex parte entry of a *Preliminary Interim Order* (the "**Preliminary Interim Order**") from the Court of Queen's Bench of Alberta, Canada (the "**Canadian Court**") in the context of advising the Canadian Court that they were developing a proposed plan of arrangement (the "**Proposed Arrangement**") under the Canada Business Corporations Act, RSC 1985, c. C-44, as amended (the "**CBCA**"). The Preliminary Interim Order, inter alia, authorized a foreign representative of the Calfrac Entities to apply for

foreign recognition and approval in connection with the proceedings and to carry out the terms of the Preliminary Interim Order, including in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**").

2. The Debtors commenced these Chapter 15 cases (the "**Chapter 15 Cases**") on July 13, 2020 (the "**Petition Date**") and filed a *Verified Petition for Recognition and Chapter 15 Relief*, (the "**Petition**") [Docket No. 3], seeking: (i) recognition of the CBCA proceeding (the "**Canadian Proceeding**") as a foreign main proceeding or, alternatively, as a foreign non-main proceeding (as such terms are defined in the Bankruptcy Code) and (ii) granting relief under Chapter 15. Following a hearing on July 14, 2020 (the "**Initial Hearing**"), this Court entered its *Order Granting Emergency Provisional Relief* [Docket No. 23] (the "**Emergency Order**"), granting provisional relief pursuant to section 1519 of the Bankruptcy Code, and scheduling an August 25, 2020 hearing to consider recognition of the Canadian Proceeding. A copy of the transcript of the Initial Hearing ("**July 14 Tr.**") is annexed hereto as **Exhibit A**.

II. THE DEBTORS

3. CHLP, a Delaware limited partnership, is the issuer of the Second Lien Notes (as defined below). CWSC, a Colorado corporation, is the U.S. operating entity. Calfrac, the Canadian operating entity, and CCI, its wholly-owned subsidiary, are both corporations incorporated under the Alberta Business Corporations Act, R.S.A. 2000, c. B-9, as amended (the "**ABCA**").

4. Arrangeco, was incorporated under the CBCA on July 6, 2020, just one week before commencement of the Canadian Proceeding. Arrangeco does not have any assets or operations and appears to have been created solely for the purpose of allowing the Calfrac Entities to avail themselves of the arrangement provisions of the CBCA. But for Arrangeco's hasty incorporation under the CBCA, the Debtors would not have been able to develop the Proposed Arrangement

using the CBCA, and instead would have been required to commence a more traditional (and Wilks believes much more proper) insolvency proceeding.

III. THE CAPITAL STRUCTURE

5. The capital structure of the Calfrac Entities consists of: (i) an Amended and Restated Credit Agreement dated April 30, 2019 (the "**Credit Agreement**") with a syndicate of lenders (the "**First Lien Lenders**"), including HSBC Bank Canada as the Lead Arranger, Sole Bookrunner and Administration Agent (the "**First Lien Agent**"), who have a first-ranking security interest in all of the assets of Calfrac, CWSC and CHLP, (ii) the Second Lien Notes, described below, (iii) a series of 8.5% Senior Unsecured Notes (the "**Unsecured Notes**") issued by CHLP pursuant to an Indenture dated May 30, 2018, and (iv) common shares of Calfrac, which are publicly traded on the Toronto Stock Exchange.

6. Wilks holds a majority of the 10.875% Second Lien Secured Notes due 2026 issued by CHLP in the aggregate principal amount of US$120,000,000 ("**Second Lien Notes**") pursuant to an Indenture dated as of February 14, 2020 (the "**Second Lien Indenture**"). A copy of the Second Lien Indenture is annexed hereto as **Exhibit B**. The Second Lien Indenture is governed by New York law, and Wilmington Trust, National Association serves as the indenture trustee for the Second Lien Notes (the "**Second Lien Note Trustee**" and together with the holders of Second Lien Notes, the "**Second Lien Parties**").

7. Calfrac and CWSC have guaranteed CHLP's obligations under the Second Lien Indenture. The Second Lien Note Trustee holds a second-priority security interest in all of the assets of CHLP, CWSC, and Calfrac to secure those parties' obligations as issuer and guarantors for the benefit of the holders of the Second Lien Notes.

8. Through the Canadian Proceeding and the Chapter 15 Cases, the Debtors seek to implement the Proposed Arrangement, which, among other things, purports to prime the Second

Lien Notes with approximately $60 million CAD of new 1.5 Lien notes issued in a new private placement financing. See July 14 Tr. at 7.

9. The Debtors take the insupportable position that -- despite this priming, notwithstanding the commencement of the Canadian Proceeding and this Chapter 15 Cases and regardless of the entry of the Canadian Court's order rewriting the Second Lien Indenture so as to prevent automatic acceleration of the Second Lien Notes (as discussed below) -- the holders of the Second Lien Notes are "unaffected" by the Proposed Arrangement. The Debtors, thus, take the flawed position that the Proposed Arrangement may be implemented as a consensual process through the CBCA, without soliciting the approval of the Second Lien Parties.[3]

IV. AUTOMATIC ACCELERATION UNDER THE SECOND LIEN INDENTURE

10. The Second Lien Indenture sets out certain specified events of default ("**Events of Default**") and dictates the consequences of their occurrence.

11. Section 6.01(a)(9) provides that the commencement of a voluntary case by CHLP, Calfrac or certain subsidiaries, pursuant to or within the meaning of the defined term "Bankruptcy Law," is an Event of Default. The commencement of the Canadian Proceeding and of these Chapter 15 Cases each gave rise to an Event of Default under the Second Lien Indenture as each constituted the commencement of a voluntary case by CHLP and Calfrac pursuant to or within the meaning of "Bankruptcy Law."[4]

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[3] As of the date of this Objection, the final terms of the Proposed Arrangement have not been publicly disclosed. Wilks reserves all rights with respect to the final terms of the Proposed Arrangement.

[4] "Bankruptcy Law" is defined in the Second Lien Indenture as "the BIA, CCAA, WURA, the Bankruptcy Code and any similar federal, state, provincial or foreign bankruptcy, insolvency or receivership law for the relief of debtors and includes any orders made by a court of competent jurisdiction in any Insolvency or Liquidation Proceeding." "Insolvency or Liquidation Proceeding" is defined in the Second Lien Indenture as:

12. As is market-standard for similar loan instruments, the Second Lien Indenture mandates automatic acceleration upon a bankruptcy-related default. Specifically, Section 6.02 expressly states that -- unlike accelerations based on other Events of Default that do require notice -- upon an Event of Default under Section 6.01(a)(9) "all outstanding Notes will become due and payable immediately ***without further action or notice***." (Emphasis added.)

13. The Second Lien Indenture was heavily negotiated by sophisticated parties. It is identical in many material respects to the Indenture for the Unsecured Notes. There is, however, one critical difference relevant to the relief requested in the Verified Petition. The definition of "Bankruptcy Law" in the Indenture for the Unsecured Notes does not include the same reference contained in the Second Lien Indenture to an "Insolvency or Liquidation Proceeding." It appears that the inclusion of the "Insolvency or Liquidation Proceeding" reference was specifically negotiated in the context of the Second Lien Indenture, which was entered into less than five months ago. The purpose and intent of this addition to the Second Lien Indenture is clear: the Second Lien Noteholders negotiated for a seat at the table in any recapitalization of the Debtors, or else they were to be repaid in full, immediately.

> any insolvency or bankruptcy proceeding or any receivership, interim-receivership, liquidation, arrangement, reorganization, restructuring or similar proceedings (including any plan of arrangement or compromise under any statute or law (including the U.S. Bankruptcy Code and any other statute or law of United States of America or any state thereof) where a corporation proposes an arrangement involving a compromise or conversion of liabilities) in connection therewith relative to an Obligor or its property, or in the event of any proceedings for voluntary liquidation, dissolution or winding up of an Obligor under the BIA, the CCAA or any other applicable statute or law (including the U.S. Bankruptcy Code and any other applicable U.S. statute or law), the filing of a notice or intention to make a proposal or the filing of a proposal under the BIA, or in the event of any corporate reorganization of an Obligor to which the Applicable Agent does not consent in advance.

14. At the Initial Hearing, counsel for Wilks previewed for this Court the possibility that the Debtors would attempt to use the Canadian Proceeding to override the automatic acceleration of the Second Lien Notes. (July 14 Tr. at 24-25.) Counsel for Wilks also informed this Court that Wilks intended to return to the Canadian Court to challenge the stay in the Preliminary Interim Order and further previewed that the outcome of such a challenge may require the Court to revisit its Emergency Order, in particular because such Order was effectuating the Preliminary Interim Order. (July 14 Tr. at 18-20.)

15. Wilks thereafter filed an application for a comeback hearing before the Canadian Court, arguing that automatic acceleration occurred under the Second Lien Indenture by virtue of the commencement of the Canadian Proceeding and that such automatic acceleration was enforceable as a matter of United States law governing the Second Lien Indenture. The Canadian Court held the comeback hearing on July 23, 2020. A transcript of the July 23 hearing ("**July 23 Tr.**") is annexed hereto as **Exhibit C**.

16. On July 27, 2020, the Canadian Court denied Wilks's application and held that its Preliminary Interim Order stayed any acceleration under the Second Lien Indenture. A transcript of the July 27 ruling ("**July 27 Tr.**") is annexed hereto as **Exhibit D**. The Canadian Court ruled that the stay imposed by the Preliminary Interim Order (which by its terms was retroactive to 12:01 a.m. on the day the Canadian Proceeding was commenced, and therefore prior to the commencement of such proceeding) ***superseded*** the acceleration provision in the Second Lien Indenture, and that it was appropriate to preserve the *status quo ante* prior to the commencement of the Canadian Proceeding. (July 27 Tr. at 10-12.) Moreover, the Canadian Court concluded that automatic acceleration under the Second Lien Indenture was a prohibited *ipso facto* clause and was against public policy in Canada. (July 27 Tr. at 12-14.)

17. Importantly, the Canadian Court ***did not*** disagree that, under the terms of the Second Lien Indenture, the commencement of the Canadian Proceeding qualified as an Event of Default under Section 6.01(a)(9) nor that such Event of Default triggered automatic acceleration under Section 6.02, without the need for any notice or any further action by any party. ***Instead, the Canadian Court held that its stay powers effectively amended the Second Lien Indenture to extricate those self-effectuating acceleration provisions.***

ARGUMENT

I. THE CANADIAN PROCEEDING IS NOT A FOREIGN MAIN PROCEEDING AND, AS TO THE U.S. DEBTORS, RECOGNITION SHOULD BE DENIED

A. Legal Standards for Chapter 15 Recognition

18. To be granted recognition under Chapter 15, a foreign proceeding must be either a foreign main proceeding or a foreign non-main proceeding. See 11 U.S.C. § 1517(a)(1). A foreign main proceeding is "a foreign proceeding pending in the country where the debtor has the center of its main interest." 11 U.S.C. § 1502(4). In the case of a non-individual, "[i]n the absence of evidence to the contrary, the debtor's registered office . . . is presumed to be the center of the debtor's main interests." 11 U.S.C. § 1516(c). "Registered office" refers to place of incorporation. See In re Tri-Continental Exchange, Ltd., 349 B.R. 627, 635 (Bankr. E.D. Cal. 2006). This presumption may be rebutted by evidence to the contrary, In re Ran, 607 F.3d 1017, 1022 (5th Cir. 2010), and the burden of proof remains with the party seeking recognition. See, e.g., In re Tri-Continental Exchange, Ltd., 349 B.R. at 635.

19. "Center of main interest" (hereafter referred to as "**COMI**") is not defined in the Bankruptcy Code. In the case of a corporate entity, relevant factors in the analysis include:

> the location of the debtor's headquarters; the location of those who actually manage the debtor (which, conceivably could be the headquarters of a holding company); the location of the debtor's primary assets; the location of the majority of the debtor's creditors

> or a majority of the creditors who would be affected the case; and/or the jurisdiction whose law would apply to most disputes.

Ran, 607 F.3d at 1023 (quoting In re SPhinX, Ltd., 351 B.R. 103, 117 (Bankr. S.D.N.Y.2006), aff'd, 371 B.R. 10 (S.D.N.Y.2007)). These factors are not exclusive, nor must all factors be present in each case. See In re British Am. Ins. Co. Ltd., 425 B.R. 884, 909 (Bankr. S.D. Fla. 2010). Additionally, courts consider "the expectations of third parties with regard to the location of a debtor's COMI," meaning "COMI is affected not only by what a debtor does, but by what a debtor is perceived as doing." Id.; see also In re Suntech Power Holdings Co., 520 B.R. 399, 418 (Bankr. S.D.N.Y. 2014) (considering terms of indenture to establish creditor expectations regarding likely location of a restructuring as part of a COMI analysis).

20. A foreign non-main proceeding, on the other hand, is a "foreign proceeding, other than a foreign main proceeding, pending in a country where the ***debtor has an establishment***." 11 U.S.C. § 1502(5) (emphasis added). "Establishment" is defined as "any place of operations where the debtor carries out nontransitory economic activity." 11 U.S.C. § 1502(2); see also In re Mood Media Corp., 569 B.R. 556, 562 (Bankr. S.D.N.Y. 2017) ("the definition [of establishment] contemplates the existence of a place of business in the foreign country from which market-facing activities are conducted"). The debtor bears the burden of proof on whether it has an establishment in a jurisdiction, and establishment has been likened to a "seat of local business activity," requiring a "showing of a local effect on the marketplace, more than mere incorporation and record keeping and more than just the maintenance of property." British Am. Ins., 425 B.R. at 914-15.

21. In the case of multiple debtors that are part of a corporate group, the court's recognition determination (including determination of main or non-main status) must be made on an individual, debtor-by-debtor basis. See In re Serviços de Petróleo Constellation S.A., 600 B.R. 237, 243-46 (Bankr. S.D.N.Y. 2019); In re Oi Brasil Holdings Cooperatief U.A., 578 B.R. 169,

206 (Bankr. S.D.N.Y. 2017). A debtor's COMI is determined "based on its activities at or around the time the Chapter 15 petition is filed." In re Fairfield Sentry Ltd., 714 F.3d 127, 137 (2d Cir. 2013).

B. The U.S. Debtors Do Not Have an Establishment or COMI in Canada

22. For Debtors CHLP and CWSC (the "**U.S. Debtors**"), COMI is presumptively in the United States, given the states of formation or incorporation of these entities (in the case of CHLP, Delaware, and in the case of CWSC, Colorado). See 11 U.S.C. § 1516(c). Thus, in order to satisfy their burdens on recognition, the U.S. Debtors will need to either show that they have an establishment in Canada (to be recognized as a non-main proceeding) or rebut the presumption that their COMI is the United States (to be recognized as a main proceeding). Wilks expects that at the Recognition Hearing the U.S. Debtors will not be able to make either showing. Recognition should, therefore, be denied in its entirety as to the U.S. Debtors.

1. CHLP

23. CHLP is a Delaware partnership. The Debtors have already admitted that "CHLP has ***no*** material assets and conducts ***no*** operations." (Verified Petition ¶ 15 (emphasis added).) To date, the discovery the Debtors have produced confirms the accuracy of those admissions, admissions which are, in any event, binding on the Debtors. See McCreary v. Richardson, 738 F.3d 651, 659 n.5 (5th Cir. 2013) ("This circuit has long noted that factual statements in the pleadings constitute binding judicial admissions, or at the very least adverse evidentiary admissions.") (internal citations omitted); see also In re Sissom, 366 B.R. 677, 697 (Bankr. S.D. Tex. 2007). Accordingly, CHLP will be unable to prove that it has an "establishment" in Canada because it will be unable to prove that it has "a[] place of operations [in Canada] where [it] carries out nontransitory economic activity." 11 U.S.C. § 1502(2); see also In re Mood Media Corp., 569 B.R. at 562; British Am. Ins., 425 B.R. at 914-15. Because CHLP lacks even an establishment in

Canada, recognition should be denied as to that Debtor.

24. Alternatively, even assuming CHLP will be able to show that it has an establishment in Canada, at most, this Court should recognize the Canadian Proceeding as a foreign non-main proceeding because CHLP will be unable to rebut the presumption that its COMI is the United States.

(i) CHLP is Headquartered in the United States

25. First, as a Delaware limited partnership, CHLP is headquartered in the United States. [redacted]

(ii) CHLP Has No Primary Assets

26. Second, the Debtors have already admitted that CHLP has no material assets. Accordingly, the location of CHLP's "primary assets" -- of which there apparently are none -- cannot be relied on by CHLP to overcome the presumption that its COMI is the United States. To the extent the Debtors seek to rely on the location of the Calfrac Entities' assets generally, such reliance is misplaced because it ignores the fact that the COMI determination must be made on a debtor-by-debtor basis. And, regardless, as set forth in more detail below, see infra ¶ 43, the Calfrac Entities' U.S. assets account for approximately two-thirds of the entire enterprise. Thus, even if it was appropriate to consider ***all*** of the Debtors' assets, United States assets far surpass Canadian assets.

(iii) A Majority of CHLP's Creditors Who Will Be Affected By the Chapter 15 Case Are in the United States

27. Third, CHLP issued the Second Lien Notes and, as issuer, is a party to the Second Lien Indenture. (See Verified Petition ¶ 37.) It is our understanding that Wilks (consisting of a United States LLC and its United States-based affiliates) are the largest holders of the Second Lien

Notes.

(iv) New York Law Will Apply to the Main Dispute

28. Fourth, the principal dispute between the Debtors and Wilks relates to the treatment of the Second Lien Notes, including whether the Second Lien Notes accelerated by their plain terms upon the commencement of the Canadian Proceeding and/or these Chapter 15 Cases. The Second Lien Indenture is governed by New York law. See Exhibit B, Second Lien Indenture, § 12.08. Those disputes should be resolved by the laws of the United States, not Canada.

(v) Creditors Reasonably Expected that Any Restructuring of CHLP Would Take Place in the United States

29. Finally, creditors, including Wilks, reasonably expected that any restructuring of CHLP would take place in the United States, not in Canada. To evaluate creditor expectations, courts typically examine "the public documents and information available to guide creditor understanding of the nature and risks of their investment," including by "reviewing disclosures in offering memoranda and indentures." In re Serviços de Petróleo Constellation S.A., 600 B.R. at 274. Here, examination of the Second Lien Indenture and the offering memorandum used in connection with the issuance of the Second Lien Notes (the "**Offering Memorandum**") shows that creditors reasonably understood CHLP's COMI is the United States. A copy of the Offering Memorandum is annexed hereto as **Exhibit F**.

30. As already noted, the Second Lien Indenture is governed by New York law. Additionally, the Offering Memorandum, dated January 27, 2020, informed creditors that they "[redacted] (Offering Memorandum, Exhibit F at CF00001523 (emphasis added).) Further, [redacted]

[redacted] (Id. (emphasis added).)

31. Based on the governing law of the Second Lien Notes and the specific risk disclosures in the Offering Memorandum, creditors had no reason to expect that, ***less than six months*** after the date of the Offering Memorandum and the issuance of the Second Lien Notes, CHLP would be attempting to deprive the holders of the Second Lien Notes of their bargained for rights through application of general principles of Canadian law in a CBCA proceeding.[5]

(vi) Conclusion

32. In sum, consideration of the COMI factors leads to the inescapable conclusion that CHLP's COMI is the United States. At most, the Debtors will be able to show that CHLP's general partner, limited partner, and some of its officers are located in Canada. But that one factor is not enough to overcome the weight of the others, especially in light of the Debtors' admission that CHLP has no operations that require "active" management. See In re British Am. Ins. Co. Ltd., 425 B.R. at 909. Further, discovery produced to date indicates that [redacted]

[5] In a separate section, the Offering Memorandum also [redacted]. (Id.) The Offering Memorandum did not alert creditors that the Second Lien Indenture itself would be disregarded as part of a Canadian proceeding involving [redacted]

[redacted]. Thus, even this one factor actually points to a United States COMI. If recognition as to CHLP is to be granted (and it should not be since CHLP has no establishment in Canada), the Court should only recognize the Canadian Proceeding as a foreign non-main proceeding.

2. CWSC

33. CWSC is a Colorado corporation. It "acts as the United States operating entity" of Calfrac. (Verified Petition ¶ 16.) Wilks has not seen any evidence to date suggesting that CWSC has "a[] place of operations [in Canada] where [it] carries out nontransitory economic activity." 11 U.S.C. § 1502(2). Wilks, therefore, believes CWSC will be unable to prove that it has an "establishment" in Canada and that recognition is appropriate here as a non-main proceeding. See In re Mood Media Corp., 569 B.R. at 562; British Am. Ins., 425 B.R. at 914-15.

34. Even assuming CWSC will be able to show that it has an establishment in Canada, at most, this Court should recognize the Canadian Proceeding as a foreign non-main proceeding as to CWSC because CWSC will be unable to rebut the presumption that its COMI is the United States.

(i) CWSC is Headquartered in the United States

35. First, CWSC is headquartered in the United States. It is a Colorado corporation, and its principal place of business is in Colorado. Additionally, the evidence at the Recognition Hearing will show that CWSC has offices in multiple states, including Arkansas, Colorado, New Mexico, North Dakota, Pennsylvania, and Texas.

(ii) CWSC's Primary Assets are in the United States

36. Second, CWSC is the United States operating entity of the Debtors. Although discovery is ongoing, to date, it appears as if [redacted]

[redacted]. Accordingly, Wilks believes the evidence at the Recognition Hearing will show that, at the very least, [redacted].

(iii) CWSC's Managers are Located in the United States

37. Third, [redacted]. Thus, although the evidence might show that at least some executive-level decisions for CWSC are made in Canada or with the input of executives based in Canada, [redacted].

(iv) A Majority of CWSC's Creditors are in the United States and CWSC is Part of the Dispute Relating to the Second Lien Notes

38. Fourth, Wilks believes the evidence will show that a majority of CWSC's creditors and customers are in the United States, not Canada. Additionally, CWSC is a guarantor of the Second Lien Notes. For the reasons discussed above, see supra ¶¶ 29-31, this further weighs in favor of a finding that CWSC's COMI is the United States because (a) Wilks is the largest holder of the Second Lien Notes; (b) the Second Lien Indenture is governed by New York law; and (c) [redacted]

(v) Conclusion

39. As with CHLP, the overwhelming evidence produced to date shows that CWSC

will be unable to rebut the COMI presumption and show that its COMI is Canada, not the United States. [redacted] CWSC is exclusively, or, at the very least, primarily, engaged in United States markets. Its COMI is the United States, and, at most, this Court should recognize the Canadian Proceeding as a foreign non-main proceeding as to CWSC, although, for the reasons discussed above, it should not recognize it at all because CWSC has no establishment in Canada.

C. The Canadian Debtors' COMI is the United States

40. As for Calfrac, Arrangeco, and CCI (the "**Canadian Debtors**"), all three of those entities are registered in Canada. Nevertheless, Wilks believes sufficient evidence will be introduced at the Recognition Hearing such that the Debtors will be unable to carry their burden of proving that the Canadian Debtors' COMI is Canada.

41. As an initial matter, Wilks is hamstrung in its ability to assess the COMI factors as to each individual Debtor because, as of the date of this Objection, the Debtors' production is incomplete and, more importantly, because the Debtors largely ignored the required debtor-by-debtor analysis in their Verified Petition. Instead, they argued in conclusory fashion that their collective COMI is Canada because Canada is the "nerve center" of all of the Debtors and their non-debtor subsidiaries (collectively, the "**Calfrac Group**"). (See Verified Petition ¶ 70.) The Debtors' attempt to lump themselves together as one monolith entity is inappropriate as a matter of law and should be rejected. See In re Serviços de Petróleo Constellation S.A., 600 B.R. at 243-46; In re Oi Brasil Holdings Cooperatief U.A., 578 B.R. at 206.

42. Even if the Court were to consider the Debtors' COMI on an aggregate basis, the evidence at the Recognition Hearing will show that the Calfrac Group's most significant financial

resources and operational contributions come from business activities in the United States. As described in the *Declaration of Ronald P. Mathison in Support of Verified Petition for Recognition and Chapter 15 Relief*, filed on July 13, 2020 ("**Mathison Dec.**") [Docket No. 4], the base of operations of the Debtors has shifted from Canada to the United States over the past several years. In 2019, U.S. operations generated 57.4% of Calfrac Group's revenue, and 70.1% of revenue as between the U.S. and Canada. (Mathison Dec. ¶ 70.) U.S. operations also represented 65.49% of Calfrac Group's fracturing horsepower (more than triple the percentage allocable to Canadian operations), see id. ¶ 69, with fracturing services representing greater than 90% of Calfrac Group's revenues. (Id. ¶ 50.) Indeed, the President and Chief Operating Officer of Calfrac resides in Houston, Texas "to maintain close ties with CWSC's key customer base on behalf of the senior executive team in Calgary." (Id. ¶ 54.)

43. The Debtors themselves have recognized the relative value of their United States assets as compared to their Canadian assets. In late June, less than one month before the Debtors filed the Verified Petition, Wilks made two offers to purchase all of the Calfrac Group's United States assets. Both offers were rejected by the Calfrac Group, purportedly after consideration by Calfrac's Board of Directors, in part because Calfrac deemed the consideration offered insufficient. According to the Debtors' authorized foreign representative, Ronald P. Mathison, the Calfrac Group's "U.S. business represents, in approximate terms, **2/3 of the entire Company**," which the authorized foreign representative described as "the largest and most valuable division of Calfrac." (Letters from Calfrac Well Services to Wilks Brothers annexed hereto as **Exhibit G** at CF00000807, CF00000809 (emphasis added).)

44. At its core, the main dispute in this proceeding will revolve around rights and remedies under the Second Lien Indenture, which is governed by New York law. Wilks, the largest

holder of the Second Lien Notes, is a United States entity. Well over half of the assets that already secure the Second Lien Notes, and that will secure the newly issued 1.5 lien debt, are located in the United States. And those United States assets comprise the most valuable division of the Calfrac Group. Accordingly, even for the Canadian Debtors, and, assuming the appropriateness of the Debtors' attempt to lump themselves together for purposes of determining their individual COMI, this Court should find that their COMI is the United States.

II. THE COURT SHOULD NOT EFFECTUATE ANY CANADIAN ORDER OR RULING THAT EVISCERATES SELF-EFFECTUATING CONTRACT PROVISIONS

45. In their proposed order, the Debtors seek relief under sections 1520 and 1521 of the Bankruptcy Code, including: (i) the relief enumerated in section 1520 applicable in a foreign main proceeding, (ii) giving full force and effect to the Canadian Proceeding and all orders entered in the Canadian Proceeding including with respect to the Proposed Arrangement, (iii) entrustment of the distribution of U.S. assets to the Foreign Representative and (iv) until the effectiveness of the recapitalization contemplated by the Proposed Arrangement, enjoining the exercise of any legal right or commencement of any proceeding based on the Chapter 15, the Canadian Proceeding or the Proposed Arrangement. As demonstrated below, if recognition is granted, this relief should not be granted to the extent it would invalidate the automatic acceleration of the Second Lien Notes.

46. Section 1520(a), which provides that certain enumerated relief is granted automatically upon recognition of a foreign main proceeding, is inapplicable. As discussed above, we anticipate that the Debtors will not be able to meet their burdens to establish that the Canadian Proceeding is a foreign main proceeding as to each of the Debtors. In any event, to the extent section 1520 applies, none of the relief specified in that section (including section 362 as discussed below) would authorize a *de facto* amendment to the Second Lien Indenture that prevents

automatic acceleration from occurring.

47. At most, the Canadian Proceeding may constitute a foreign non-main proceeding as to certain of the Debtors, for which no automatic relief would be granted. Rather, Chapter 15 authorizes the Court, upon recognition, to grant: (i) pursuant to section 1521(a), "appropriate relief" (including certain enumerated forms of relief) necessary to "effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors," (ii) under section 1521(b), entrustment of the debtor's assets located in the United States for distribution provided the Court is satisfied that "the interests of creditors in the United States are sufficiently protected," and (iii) pursuant to section 1507(a), "additional assistance," subject to certain restrictions imposed by Chapter 15 and § 1507(b). The Fifth Circuit has provided the following framework for considering relief under these sections:

> First, because § 1521 lists specific forms of relief, a court should initially consider whether the relief requested falls under one of these explicit provisions . . . Second, if § 1521(a)(1)-(7) and (b) does not list the requested relief, a court should decide whether it can be considered "appropriate relief" under § 1521(a). This, in turn, requires consideration of whether such relief has previously been provided under § 304 . . . Third, only if the requested relief appears to go beyond the relief previously available under § 304 or currently provided for under United States law . . . should a court consider § 1507.

In re Vitro S.A.B. de C.V., 701 F.3d 1031, 1044 (5th Cir. 2012).

48. Any grant of relief under Chapter 15 is subject to a public policy exception under Section 1506 of the Bankruptcy Code:

> Nothing in this chapter prevents a court from refusing to take an action governed by this chapter if the action would be manifestly contrary to the public policy of the United States.

Application of the public policy exception considers: "(1) whether the foreign proceeding is or was procedurally unfair; and (2) whether the recognition of the foreign proceeding or application

of its laws would impinge upon a United States statutory or constitutional right." In re Manley Toys Ltd., 580 B.R. 632, 648 (Bankr. D. N.J. 2018). Moreover, section 1522(a) of the Bankruptcy Code provides that relief under section 1521 may only be granted "if the interests of creditors and other interested entities, including the debtor, are sufficiently protected." This requires the Court to "tailor relief and conditions so as to balance the relief granted to the foreign representative and the interests of those affected by such relief, without unduly favoring one group of creditors over another." In re Qimonda AG, 462 B.R. 165, 180 (Bankr. E.D. Va. 2011).

49. Any order or ruling by the Canadian court that effectively amends the Second Lien Indenture to delete the self-effectuating automatic acceleration provision is contrary to United States law, and should not be recognized or given effect in these Chapter 15 Cases. As a matter of governing New York contract law, such an automatic acceleration provision is clearly enforceable. See In re AMR Corp., 730 F.3d 88, 100-01 (2d Cir. 2013). The result is not different in a U.S. bankruptcy case. If an agreement provides for automatic acceleration upon the occurrence of a default, without any required act, the automatic stay will not prevent such a self-operative acceleration from occurring. See In re Premier Entertainment Biloxi LLC, 445 B.R. 582, 631 (Bankr. S.D. Miss. 2010) ("[A]utomatic acceleration clauses are self-operative under New York law when they provide for acceleration without notice upon an event of default by bankruptcy. […] The reason these clauses exist is to allow lenders to accelerate the debt without first having to petition the bankruptcy court to lift the automatic stay."); In re Solutia, Inc., 379 B.R. 473, 484 (Bankr. S.D.N.Y. 2007) ("It was entirely appropriate to provide for automatic acceleration in the Original Indenture since the giving of a notice of acceleration post-petition would violate the automatic stay"); see also In re Neusteter Realty Co., 79 B.R. 30, 32 (D. Colo. 1987) (rejecting debtor's contention that filing of bankruptcy petition on final day of a ten day cure

period stayed acceleration of debt, stating "Section 362 had no effect on the acceleration of the debts in question because no further affirmative acts which could be stayed were required to cause that acceleration. At the end of the ten day period given to the debtors to cure their defaults, the full indebtedness became due and payable."). By its plain language, section 362 stays affirmative acts, not the occurrence of events where no act is required. See In re Cowen, 849 F.3d 943, 949 (10th Cir. 2017) (discussing section 362(a)(3)). Here, the commencement of the Canadian Proceeding was an Event of Default triggering automatic acceleration, with no required act or notice, of the obligations under the Second Lien Indenture.

50. Paragraph 2 of the Emergency Order gave effect to the Preliminary Interim Order entered by the Canadian Court, providing that the Preliminary Interim Order was "recognized, granted comity, and entitled to full force and effect against all entities (as that term is defined in section 101(15) of the Bankruptcy Code) in accordance with their terms, and such terms shall be binding and fully enforceable on the Provisional Relief Parties for the purposes of U.S. law, whether or not they actually agreed to be bound by the Interim Order or participated in the Canadian Proceedings." Moreover, the Debtors now seek entry of a recognition order providing extensive relief, including that "pursuant to § 1520, all orders issued by the Canadian Court . . . shall be given its full force and effect," and that "[t]he Arrangement, all transactions or actions in connection therewith, and all orders entered by the Canadian Court in the Canadian Proceeding shall be given full faith and credit in the United States pursuant to Bankruptcy Code § l521(a), and shall be upon their entry in the Canadian Proceeding immediately valid and fully enforceable as to the Chapter 15 Debtors and their property and assets in the United States." (Verified Petition, Exhibit A.)

51. The Preliminary Interim Order, by preventing automatic acceleration from

occurring, is manifestly contrary to U.S. bankruptcy law as well as applicable New York law, as demonstrated above, and should not be given effect in these Chapter 15 Cases. Context is important here. The Debtors used a newly-formed CBCA shell company to gain access to the Canadian Court, for the purpose of proceeding under the CBCA to compromise U.S. creditors' rights under a New York law-governed indenture with a Delaware issuer.

52. The Debtors have assured this Court and the Canadian Court that the Preliminary Interim Order is merely a procedural stay to preserve the status quo, and not a determinant of substantive rights. (July 14 Tr. at 26-27 (Mr. Goldberg: "And what we're here today to seek is nothing more than preserving the status quo pending a hearing on the recognition Order and, frankly, your Honor, that does include granting effect to the Interim Order, whatever that may be"); July 23 Tr. at 21 (Mr. Simard: "the court is not determining substantive rights, instead the substantive rights are all getting preserved. That happens in many cases, and in this case, by way of a procedural stay. So the procedure stay prevents people from taking procedural steps, but it does not change anyone's substantive rights. The status quo ante is maintained and a level field, level playing field is maintained for the benefit of all").)

53. Notwithstanding the Debtors' assurances, the Preliminary Interim Order is clearly substantive, as the Canadian Court has clarified its intent to permanently override contractual acceleration rights. It is well settled that the automatic stay in the United States is a shield, not a sword, see In re Mirant Corp., 314 B.R. 347, 353 (Bankr. N.D. Tex. 2004) (collecting cases), but the order of the Canadian Court truly is a sword, cutting off these contractual rights to enable the Debtors' insiders to proceed with a transaction that is in their self-interest, rather than that of the Debtors and all of their stakeholders.

54. Courts have not hesitated to limit or deny relief in situations where a foreign

proceeding will achieve a result manifestly at odds with U.S. law and policy.

55. For example, the Bankruptcy Court for the Northern District of Texas declined to grant a section 1519 stay in In re Vitro, S.A.B. de C.V., 455 B.R. 571 (Bankr. N. D. Tex. 2011). In that case, the foreign representative of a Mexican holding company (Vitro SAB) filed a petition for recognition of Vitro SAB's reorganization proceeding in Mexico. The foreign representative sought a stay, pursuant to section 1519, "restraining and enjoining all the holders of the debt that it intends to restructure or discharge in the Voluntary Mexican Proceeding from commencing or continuing any and all litigation or actions to collect against Vitro SAB and its subsidiaries . . . other than the subsidiaries currently protected by the stay imposed under 11 U.S.C. § 362 by virtue of their pending bankruptcies filed in the United States." Vitro, 455 B.R. at 577. In denying injunctive relief under section 1519, the court noted:

> if this injunction is granted, the noteholders will be required to delay collection efforts while reorganization proceedings are pending in Mexico. This will result in the noteholders being substantially harmed by the lost interest and the possible cram down of their notes as a result of Vitro SAB's reorganization proceedings. ***Furthermore, the noteholders will have to adjudicate their claims and appeals in the Mexican legal system even though the notes were issued under indentures governed by New York law, underwritten by U.S. banks, and registered with the SEC. This illustrates the intent to have access to the U.S. courts.*** The harm to the noteholders far outweighs the harm to the Debtor; this factor favors the Ad Hoc Noteholder Group. Finally, the granting of an injunction will disserve the public interest.

455 B.R. at 581-82 (emphasis added). Moreover,

> Essentially, Vitro SAB is seeking a short-cut to the system; rather than the subsidiaries filing for bankruptcy and independently receiving protection through an automatic stay, the parent company is asking the Court to grant blanket protection for it and its subsidiaries.

Id. at 583. Similarly here, the Calfrac Entities seek to "shortcut the system" by creating a shell company to file a CBCA proceeding for related entities (including U.S. entities), thereby obtaining

relief that would not be available to the U.S. Calfrac entities had they commenced bankruptcy cases in their own country.

56. Subsequently, the Vitro court declined to enforce an order of the Mexican court approving Vitro's *Concurso* plan. See In re Vitro, S.A.B. de C.V., 473 B.R. 117 (Bankr. N.D. Tex.), aff'd, 701 F.3d 1031 (5th Cir. 2012). Following the bankruptcy court's recognition of Vitro SAB's Mexico proceeding as a foreign main proceeding, Vitro SAB's foreign representative filed a motion in the bankruptcy court to enforce an order of the Mexican court approving the *Concurso* plan which incorporated a release of non-debtor subsidiary guarantors. The court held that the Mexican court's order could not be enforced under section 1506, so as to permanently enjoin suits in the U.S. against debtor's non-debtor subsidiaries, as manifestly contrary to US public policy. The court also found that enforcing the foreign judgment was precluded under section 1522. Vitro, 473 B.R. at 132.

57. The court explained that section 1506 does not define "manifestly contrary to the public policy of the United States," but that courts have focused on whether: (i) the foreign proceeding is procedurally unfair; and (ii) the application of the foreign law would severely impinge the value and import of a U.S. statutory or constitutional right so that granting comity would severely hinder the U.S. bankruptcy court's ability to protect those rights. Id. at 123.

58. The court concluded that the protection of third-party claims in a bankruptcy case "is a fundamental policy of the United States," reflected in section 524 of the Bankruptcy Code and the case law in the Fifth Circuit, and that because the Mexican court's order did not recognize and protect such rights but rather extinguished them, the order violated that US public policy. Id. at 132. The court also found that the Mexican court's order failed to sufficiently protect the interests of creditors in the U.S., suggesting it was tantamount to an entrustment of the distribution

of the assets of the non-debtor U.S. subsidiaries without sufficiently protecting the objecting creditors. Id.

59. On appeal, the Fifth Circuit affirmed the bankruptcy court , stating:

> Applying our analytic framework to Vitro's request for relief, the bankruptcy court did not err in denying relief. Sections 1521(a)(1)-(7) and (b) do not provide for discharging obligations held by non-debtor guarantors. Section 1521(a)'s general grant of "any appropriate relief" also does not provide the necessary relief because our precedent has interpreted the Bankruptcy Code to foreclose such a release, and because when such relief has been granted, it has been granted under § 1507, not § 1521. Even if the relief sought were theoretically available under § 1521, the facts of this case run afoul of the limitations in § 1522. Finally, although we believe the relief requested may theoretically be available under § 1507 generally, Vitro has not demonstrated circumstances comparable to those that would make possible such a release in the United States, as contemplated by § 1507(b)(4).

Vitro, 701 F.3d at 1057-58.

60. Bankruptcy courts across the nation have ruled consistently with the holding in In re Vitro. For instance:

- In In re Sivec SRL, 476 B.R. 310, 323 (Bankr. E.D. Okla. 2012), a U.S. corporation (Zeeco), which was holding funds as warranty retainage under a contract, and its contract counterparty, an Italian corporation (Sivec), were parties to District Court litigation, eventually resulting in a judgment in favor of Zeeco and a smaller judgment in favor of Sivec on its counterclaims. While the litigation was pending, a foreign representative for Sivec filed a chapter 15 petition in the bankruptcy court. At issue was Zeeco's motion for relief from the chapter 15 stay in order to offset the two judgments. Following recognition of the Italian proceeding as a foreign main proceeding, the court received three "Requests for Comity," apparently from an Italian judicial official, requesting that the U.S. court stay Zeeco's lawsuit and require that Zeeco's setoff rights and disposition of the retainage funds be decided in Italy. In granting Zeeco's motion for stay relief, the court stated: "This Court denies the Requests for Comity and Sivec's request for turnover of funds because it does not believe Zeeco's interests will be sufficiently protected if it is ordered to turnover the funds and file a claim in Italy, and because the equities and law support recoupment and setoff. Comity is not appropriate because Zeeco's status in Italy would be vastly different from its status in the United States. In Italy, based upon the information provided by Sivec's attorneys, Zeeco was not considered a creditor at all, so at best it would be an unsecured, tardy claimant who would likely receive nothing on its claim. Zeeco's status in the U.S. is that of a secured creditor, and a creditor who is entitled to recoup or setoff the funds that it holds. This

Court is guided by the principles of Chapter 15 in the exercise of its broad discretion to fashion appropriate relief. The claims of each party arise out of one contract and transaction whereby the retainage was by agreement, and the natural and logical result is a mutual offset of claims." Sivec, 476 B.R. at 328-29.

- In In re Qimonda AG, 462 B.R. 165 (Bankr. E.D. Va. 2011), following the court's recognition of a German insolvency proceeding as a foreign main proceeding, the court issued a second order providing, among other things, for the application of section 365 of the Bankruptcy Code. After the bankruptcy court issued these orders, the foreign representative of the debtor sent letters to some of the debtor's U.S. patent licensees to elect nonperformance of their patent cross-licensing agreements pursuant to German Insolvency Code Section 103. In response to these letters, certain licensees argued that election not to perform these agreements was impermissible under section 365 of the Bankruptcy Code. To resolved the dispute, the foreign representative filed a motion with the bankruptcy court seeking to amend the second order to specify that section 365 did not apply. The court denied the foreign representative's motion, and refused to apply German law that would allow for the cancellation of the U.S. patent licenses. With respect to the section 1506 analysis, the bankruptcy court held that applying the German law to allow for the cancellation of the patents would be "manifestly contrary to the public policy of the United States," as severely impinging an important statutory protection accorded licensees of US patents under section 365(n) of the US Bankruptcy Code, i.e., the ability to retain its rights to use the intellectual property for the remaining term of the license following rejection, thereby undermining a fundamental US public policy of promoting technological innovation. Id. at 185. With respect to the 1522 analysis, the court weighed the interests of the debtor and creditors. The court found that the hardship to the foreign debtor, in depriving it of the opportunity to negotiate new licensing agreements at higher rates, was outweighed by substantial risk of harm to the licensees, whose continued manufacturing or sale on products in the United States would be jeopardized by the cancellation of the licenses.

- In In re Toft, 453 B.R. 186 (Bankr. S.D.N.Y. 2011), following recognition of a foreign main proceeding, the foreign representative was granted a "Mail Interception Order" in a German Court, which was later recognized and enforced by an *ex parte* order issued in an English Court. The foreign representative sought enforcement of the Mail Interception Order in the Chapter 15 proceeding. The bankruptcy court refused to recognize and enforce the foreign Mail Interception Order, which would have permitted the foreign representative to access the debtor's email accounts stored on servers within the United States, concluding that the requested relief would violate section 1506. Id. at 201. The court noted that the foreign law need not be identical to U.S. law to avoid violating section 1506, so therefore it was not dispositive that US law differed from German law. However, the court determined that recognition and enforcement of the Mail Interception Order would directly contravene U.S. laws and public policies with respect to: (1) the manner in which an order of recognition would be entered-without notice to the debtor-and (2) the relief sought-that German procedures would be given effect in this country regardless of the fact that they exceeded traditional limits on the powers of a trustee in bankruptcy under U.S. law and constituted relief that is banned by

> statute in this country and might subject those who carried it out to criminal prosecution. The court found that providing the relief sought "would directly compromise privacy rights subject to a comprehensive scheme of statutory protection, available to aliens, built on constitutional safeguards incorporated in the Fourth Amendment as well as the constitutions of many States." Id. at 198.

61. As these cases demonstrate, relief under Chapter 15 is not a "rubber-stamp" exercise, and this Court has ample discretion to deny relief or to tailor it to protect the rights of U.S. creditors. This Court should exercise such discretion by declining to recognize or to otherwise endorse any holding, ruling or finding by the Canadian Court that would negate the acceleration of the Second Lien Notes that occurred automatically upon commencement of the Canadian Proceeding and/or these Chapter 15 Cases.

62. Finally, Wilks is continuing its review of the Second Lien Indenture and the developing terms of the Proposed Arrangement, and, based on its initial review, believes there might be additional defaults under the Second Lien Indenture that require notice because of the commencement of the Canadian Proceeding and/or the Chapter 15 Cases, or defaults that will occur if the Canadian Court enters a final order approving the Proposed Arrangement. To the extent the Proposed Arrangement or any such final order purports to cure or release the Debtors from the ramifications of those defaults and/or prevent Wilks from noticing those defaults after the stay issued by the Canadian Court is lifted, that is yet another reason why the broad recognition order sought by the Debtors is inappropriate. If, as the Debtors have represented before this Court, Wilks will be "unaffected" by the Proposed Arrangement, this Court should refuse to recognize any order from the Canadian Court that purports to affect Wilks' rights under the Second Lien Indenture.

CONCLUSION

For the foregoing reasons, Wilks respectfully requests that this Court: (a) as to CHLP and CWSC, deny recognition of the Canadian Proceeding, or, in the alternative, recognize the Canadian Proceeding as a foreign non-main proceeding; (b) as to Calfrac, Arrangeco, and CCI, recognize the Canadian Proceeding as a foreign non-main proceeding; (c) decline to recognize or to endorse any holding, ruling or finding by the Canadian Court that would negate the acceleration of the Second Lien Notes that occurred automatically upon commencement of the Canadian Proceeding and/or these Chapter 15 Cases, or that otherwise purports to affect Wilks' rights under the Second Lien Indenture; and (d) grant to Wilks such other and further relief as is deemed just and proper.

Dated: August 11, 2020

Respectfully submitted,

/s/ Trey A. Monsour

Trey A. Monsour (Texas Bar No.: 14277200)
FOX ROTHSCHILD LLP
2843 Rusk Street
Houston, Texas 77003
Telephone: (713) 927-7469
Two Lincoln Centre
5420 Lyndon B. Johnson Freeway, Suite 1200
Dallas, Texas 75240
Telephone: (972) 991-0889
Facsimile: (972) 404-0516
Email: tmonsour@foxrothschild.com

Daniel A. Fliman (admitted *pro hac vice*)
Harold A. Olsen (admitted *pro hac vice*)
Patrick N. Petrocelli (admitted *pro hac vice*)
STROOCK & STROOCK & LAVAN LLP
180 Maiden Lane
New York, New York 10038
Telephone: (212) 806-5400
Facsimile: (212) 806-6006

Emails: dfliman@stroock.com
holsen@stroock.com
ppetrocelli@stroock.com

Co-Counsel for Wilks Brothers, LLC and its Affiliated Funds

EXHIBIT 3

This is Exhibit "3" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

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

ORDER GRANTING PETITION FOR RECOGNITION OF FOREIGN MAIN PROCEEDING AND MOTION FOR RELATED RELIEF

Upon consideration of the *Verified Petition for Recognition and Chapter 15 Relief* (the "**Petition**")[2] seeking (a) recognition by this Court of the Foreign Representative as the Chapter 15 Debtors' "foreign representative" as defined in § 101(24) of the Bankruptcy Code; (b) recognition of the Canadian Proceeding as a "foreign main proceeding" pursuant to Bankruptcy Code §§ 1515, 1517, and 1520; and (c) recognition of the Canadian Court's orders in connection with the Canadian Proceeding pursuant to Bankruptcy Code § 1521; and upon this Court's review and consideration of the Petition; and this Court having jurisdiction to consider the Petition and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 109 and 1501; and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and venue being proper before this Court pursuant to 28 U.S.C. § 1410; and appropriate, sufficient, and timely notice of the filing of the Petition having been given by Foreign Representative, pursuant to Rule 2002(q) of the Federal Rules of Bankruptcy Procedure (the

[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).

[2] Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Petition.

"**Bankruptcy Rules**"); and it appearing that the relief requested in the Petition is necessary and beneficial to the Chapter 15 Debtors; and this Court, except as set forth herein, having overruled objections to the Petition asserted by Wilks Brothers, LLC; and no other objections or other responses having been filed that have not been overruled, withdrawn, or otherwise resolved; and after due deliberation and sufficient cause appearing therefore, including based on the record established before the Court at the hearings on July 14, 2020 and August 25, 2020, the Court finds and concludes as follow:[3]

1. The Chapter 15 Cases were properly commenced pursuant to Bankruptcy Code §§ 1504, 1509, and 1515.

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

3. This Court may enter a final order consistent with Article III of the United States Constitution.

4. The Canadian Proceeding is pending in Canada.

5. CWSC, Arrangeco, Calfrac, and CCI (collectively, the "**Canadian COMI Debtors**") have their "center of main interests," as referred to in Bankruptcy Code § 1517(b)(l), in Canada, and accordingly, the Canadian Proceeding is a "foreign main proceeding" with respect to the Canadian COMI Debtors pursuant to § 1502(4), and is entitled to recognition as a foreign main proceeding pursuant to § 1517(b)(l).

---

[3] The findings and conclusions set forth herein and in the record of the hearing on the Petition constitute this Court's findings of facts and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law herein constitute findings of fact, they are adopted as such.

6. CHLP does not have its "center of main interests," as referred to in Bankruptcy Code § 1517(b)(1), in Canada. CHLP carries out nontransitory economic activity in Canada and has an "establishment" in Canada, as referred to in Bankruptcy Code § 1517(b)(2), and accordingly, the Canadian Proceeding is a "foreign nonmain proceeding" with respect to CHLP pursuant to § 1502(5), and is entitled to recognition as a foreign nonmain proceeding pursuant to § 1517(b)(2).

7. The Foreign Representative is a "person" pursuant to Bankruptcy Code § 101(41) and is the "foreign representative" of the Chapter 15 Debtors as such term is defined in § 101(24), and the Foreign Representative has satisfied the requirements of § 1515 and Bankruptcy Rule 1007(a)(4).

8. The Foreign Representative is entitled to all the relief provided pursuant to Bankruptcy Code §§ 1520 and 1521(a) because those protections are necessary to effectuate the purposes of chapter 15 and to protect the assets of the Chapter 15 Debtors and the interests of the Chapter 15 Debtors' creditors.

9. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the U.S., warranted pursuant to Bankruptcy Code §§ 1520 and 1521, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of granting that relief.

10. The Petition meets all of the requirements set forth in Bankruptcy Code § 1515 and Bankruptcy Rule 1007(a)(4).

11. The relief granted hereby is necessary to effectuate the purposes and objectives of chapter 15 and to protect the Debtors and the interests of their creditors and other parties in interest.

FOR ALL OF THE FOREGOING REASONS AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFOR, IT IS HEREBY

ORDERED, ADJUDGED, AND DECREED, that:

(A) The Petition is granted, and any objections thereto are overruled with prejudice, except as set forth herein.

(B) The Canadian Proceeding is recognized as a foreign main proceeding pursuant to Bankruptcy Code §§ 1517(a) and 1517(b)(1) with respect to the Canadian COMI Debtors, and as a foreign nonmain proceeding pursuant to Bankruptcy Code §§ 1517(a) and 1517(b)(2) with respect to CHLP, and all the effects of recognition as set forth herein shall apply.

(C) The relief provided for in Bankruptcy Code § 1520(a) is hereby granted with respect to CHLP pursuant to Bankruptcy Code § 1521(a).

(D) Upon entry of this Recognition Order, pursuant to Bankruptcy Code § 1521, until the effective date of the Recapitalization Transaction and the full implementation of the Arrangement, or such other date as the Canadian Court or this Court may order, no right, legal or conventional, may be exercised and no proceeding, at law or under a contract, by reason of or as a result of the Chapter 15 Debtors having made an application to the Canadian Court pursuant to the CBCA, the Chapter 15 Debtors being a party to, or having filed, the Canadian Proceeding or any other proceedings (including these Chapter 15 Cases), the Recapitalization Transaction or the Arrangement or any of the steps, transactions or proceedings contemplated thereby or relating thereto, however and wherever taken, may be commenced or proceeded with by any person against or in respect of any of the Chapter 15 Debtors, or any of the present or future property, assets, rights and undertakings of the Chapter 15 Debtors, of any nature and in any location, whether held directly or indirectly by the Chapter 15 Debtors, in any capacity whatsoever, or held by others for the Chapter 15 Debtors; *provided* that nothing in the Canadian Proceeding shall have the effect of

(i) staying the right of any person to obtain the distributions payable to it under the plan of arrangement in the manner contemplated in the Canadian Proceeding or (ii) preventing the exercise of any contractual or other rights not otherwise stayed in the Canadian Proceeding.

(E) The Foreign Representative and the Chapter 15 Debtors shall be entitled to the full protections and rights enumerated under Bankruptcy Code § 1521(a)(4), and accordingly, the Foreign Representative has the right and power to examine witnesses, take evidence or deliver information concerning the Chapter 15 Debtors' assets, affairs, rights, obligations, or liabilities.

(F) The Foreign Representative is hereby established as the representative of the Chapter 15 Debtors.

(G) The banks and financial institutions with which the Chapter 15 Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations are authorized and directed to continue to service and administer the Chapter 15 Debtors' bank accounts without interruption and in the ordinary course and to receive, process, honor, and pay any and all such checks, drafts, wires, and automatic clearing house transfers issued, whether before or after the Petition Date and drawn on the Chapter 15 Debtors' bank accounts by respective holders and makers thereof and at the direction of the Foreign Representative or the Chapter 15 Debtors, as the case may be.

(H) In the interests of comity only and without making any independent findings or conclusions as to any issued addressed in the Preliminary Interim Order, the Preliminary Interim Order entered by the Canadian Court in the Canadian Proceeding shall be given full force and effect and full faith and credit in the United States pursuant to Bankruptcy Code § 1521(a), and is immediately valid and fully enforceable as to the Chapter 15 Debtors and their property and assets in the United States; provided that this Paragraph (H) shall not be used by any party as a basis to

support or to oppose relief before the Canadian Court (or any appellate court in Canada) in connection with the Canadian Proceeding.

(I) The Debtors and the Foreign Representative are authorized to take all actions necessary to effectuate the relief granted pursuant to this Recognition Order.

(J) Notice of this Recognition Order and the Petition shall be given in accordance with the procedures further prescribed by the Court and served on: (a) the Office of the United States Trustee; (b) the Securities and Exchange Commission; (c) all parties to litigation currently pending in the United States in which any of the Chapter 15 Debtors is a party; (d) the First Lien Agent; (e) the Second Lien Note Trustee; (f) the Unsecured Note Trustee; and (g) all parties required to be given notice under Bankruptcy Rule 2002(q)(1) of which the Petitioner is aware.

(K) Service in accordance with this Recognition Order shall be deemed good and sufficient service and adequate notice for all purposes. The Foreign Representative, the Chapter 15 Debtors, and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or local rules of this Court.

(L) Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) this order shall be effective immediately and enforceable upon its entry; (b) the Foreign Representative is not subject to any stay of the implementation, enforcement, or realization of the relief granted in this Recognition Order; and (c) the Foreign Representative is authorized and empowered, and may in its discretion without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Recognition Order.

(M) This Court shall retain jurisdiction with respect to the effect, enforcement, amendment, or modification of this Recognition Order, any request for additional relief or any adversary proceedings brought in and through the Chapter 15 Cases, and any request by an entity

for relief from the provisions of this Recognition Order, for cause shown, that is properly commenced and within the jurisdiction of the Court.

(N) For the avoidance of doubt, this Recognition Order is without prejudice to the ability of any party in interest to seek relief under Bankruptcy Code § 1517(d).

(O) This Recognition Order shall be effective and enforceable immediately upon entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

Signed: September 15, 2020.

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 4

This is Exhibit "4" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	)	CASE NO: 20-33529
	)	CHAPTER 15
	)	
CALFRAC WELL SERVICES CORP.,	)	Houston, Texas
	)	
	)	Monday, August 31, 2020
Debtor.	)	
	)	1:00 p.m. to 3:01 p.m.

CLOSING ARGUMENTS

BEFORE THE HONORABLE DAVID R. JONES,
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES: SEE PAGE 2

Court Reporter: Recorded; FTR-Zoom/Web

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APPEARANCES FOR:

Debtors:

ADAM J. GOLDBERG, ESQ.
CHRISTOPHER HARRIS, ESQ.
Latham & Watkins, LLP
885 Third Avenue
New York, NY 10022

Wilks Brothers:

DANIEL A. FLIMAN, ESQ.
PATRICK PETROCELLI, ESQ.
Stroock & Lavan, LLP
180 Maiden Lane
New York, NY 10038

TREY A. MONSOUR, ESQ.
Fox Rothschild, LLP
2843 Rusk Street
Houston, TX 77003

INDEX

Houston, Texas; Monday, August 31, 2020; 1:00 p.m.

(Call to Order)

(Appearing via Video Conference)

THE COURT: All right. Good afternoon, everyone. The time is 1:00 o'clock. Today is Monday, August the 31st, 2020. This is the docket for Houston, Texas. Next on this afternoon's docket we have closing arguments in Case Number 20-33529, *Calfrac Well Services Corp.*

We'll remind everyone to make your electronic appearance. You do that simply by visiting my website. Make sure you do that before the conclusion of this afternoon's hearing. The first time that you speak, if you would state your name and who you represent so we have a good voice print in the event that a written transcript is required. And, finally, we are recording this afternoon using CourtSpeak. The audio will be up on the docket shortly after conclusion of the hearing.

All right. Gentlemen, have we talked about how we're going to go forward this afternoon with closing arguments? Or anything else we need to discuss before we get started?

MR. GOLDBERG: Good morning, your Honor, Adam Goldberg of Latham & Watkins on behalf of the foreign representative for the Calfrac Debtors.

THE COURT: Yes, sir.

MR. GOLDBERG: I think from our perspective, we're

ready to get started. Certainly welcome any comments from the Wilks before we do.

THE COURT: All right, thank you.

Mr. Fliman -- or Mr. Petrocelli -- my apologies.

MR. PETROCELLI: Good afternoon, Judge. Patrick Petrocelli on behalf of Wilks Brothers. Just one bit of housekeeping. We would like to offer into evidence now the replacement version of Exhibit WX091 which was filed on Tuesday at Docket Number 123 -- 1, 2, 3.

THE COURT: Any objection to that, Mr. Goldberg or Mr. Harris?

MR. GOLDBERG: No, your Honor.

THE COURT: All right, thank you. Then it's admitted.

(Wilks Brothers' Exhibit Number WX091 is received in evidence)

MR. PETROCELLI: And then just for the Court's benefit -- I apologize. I should have done this in the initial filing but the color coding for the highlighting on that exhibit, yellow was Wilks Brothers' initial designation, blue was the Debtor's initial designation, green was Wilks Brothers' responsive designation and then pink was the Debtors' responsive designation to the extent that it's helpful in reviewing the exhibit.

THE COURT: No. Thank you.

MR. FLIMAN: Good afternoon, your Honor. Daniel Fliman, Stroock and Lavan, on behalf of Wilks Brothers.

THE COURT: Yes, sir.

MR. FLIMAN: Aside from those preliminaries, I'll be making the address at the get-go and we can just proceed to closing at your Honor's request.

THE COURT: No, certainly.

MR. GOLDBERG: Thank you, your Honor. Again, for the record, Adam Goldberg of Latham & Watkins. The closing from our side will be split between myself and Mr. Harris. Mr. Harris will address the facts related to COMI and establishment and I will address the issues -- the other issues raised by the Wilks Brothers' objections related to their public policy issues in particular. And with that, I'll turn it over to Mr. Harris.

THE COURT: All right, thank you.

Mr. Harris, whenever you're ready.

MR. HARRIS: Thank you, your Honor. Would it be possible to make Ms. Riser the presenter? We have a few demonstrative slides which she will handle for us.

THE COURT: Of course. Let me just find her. All right, she should be the presenter.

MR. HARRIS: Thank you, your Honor.

And we've shared our demonstratives with Wilks and they have as well shared with us. So I think we're ready to

proceed.

THE COURT: Terrific.

MR. HARRIS: So, your Honor, as Mr. Goldberg said, I'm going to be handling the discussion of the facts related to COMI and establishment. But the first topic I wanted to address is whether recognition should be done at the level of the proceeding or at the level of each individual Debtor. Our view is that the analysis begins and ends with the statutory text and as your Honor pointed out at origin, the relevant statute, Section 1517, speaks of recognizing a proceeding, not a Debtor. That same term, "recognizing proceeding" occurs throughout 1515 and 1517 whenever the Court is asked to look at "recognizing proceeding."

And that approach is reinforced by Section 1501 which lays out the purpose for Chapter 15. It said that, Section 15

> "applies where assistance is sought in the U.S. by a foreign court or a foreign representative in connection with a foreign proceeding."

That's what your Honor is being asked to look at, should you recognize a foreign proceeding? Now, my understanding is that Wilks is focusing on the fact that the definition of a foreign main and foreign non-main proceeding as -- where the Debtor has a COMI or an establishment. But that's just because the proceeding doesn't conduct business or have management. Of course, you look at the Debtor but when you

make a decision, you're making a decision for the proceeding. And here there's a single proceeding. There's one proceeding in Canada for you to decide whether to recognize or not.

Your Honor decided this issue in origin and we believe your analysis was right on point. And just as in origin, your statutory analysis is supported by the facts. And so here the facts are that there was one Canadian proceeding, a CBCA proceeding. It's not individual proceedings that are jointly administered like you might have in a Chapter 11 here.

In addition and strengthening that point is that the CBCA proceeding is based on the existence of what we called the "arrange co" which is an entity organized under the CBCA. And without that entity, the other Debtors aren't qualified for relief under the CBCA. So you can't separate them out for purposes of determining whether the proceeding -- how to recognize it. You can't have recognition of individual debtors.

And, finally, the factual matter, the Calfrac group is operated as one cohesive entity. You're going to hear a lot more about that. At the highest level, you know, all management decisions, all decisions about allocating resources, about policies, you know, come from Calgary and they apply to every entity. And these entities don't have -- even have the capability to function as separate, stand-alone entities.

So we think the statute and the facts both reinforce

your decision at origin that you make one decision whether to recognize a proceeding as a foreign main or non-main proceeding.

You recognize that there are a couple of cases in the Southern District of New York which aren't binding here but that refer to determining COMI on an entity-by-entity basis. Your Honor, we disagree with that fact and it's not clear from those cases where that idea came from. The first case which is at the Wilks cite which is *In Re: Oi Brasil Holdings*, it cited to a European Court of Justice opinion, not anything in the U.S. And then the second case, *In Re: Servicos de Petroleo*, it just cites the *In Re Oi Brasil*. I'm not clear that the issue is actually disputed in either case and neither of those cases cite to the statutory language which points to assessing the proceeding.

And I think the most critical difference is that those cases didn't involve our facts of a single foreign proceeding but, instead, the foreign proceedings in both those cases were jointly administered. They were separate proceedings administered together as like a Chapter 11. They didn't even address our issue of a single proceeding with multiple debtors.

And, finally, even if you were to look at this on a debtor-by-debtor basis, you could still consider the operations of a whole group as a whole. And that's what, you know, many

Courts have done when they've analyzed COMI. Even on a debtor-by-debtor basis, they have looked at the entire operations of the group.

So I wanted to turn now to the legal standard that you apply for COMI and then for establishment. For a COMI analysis, I don't think anyone disputes that you look at the five factors from the Fifth Circuit *Rand* decision. In the first few factors, the headquarters and the location of the people who actually run the business, they overlap, you know, quite a bit and essentially they look at where's the nerve center.

Nothing takes you to the Supreme Court decision in *Hertz* which outlined the nerve center test for a principal place of business. And there are many bankruptcy Courts that have found that the headquarters for COMI purposes and even the entire COMI analysis turns on this *Hertz* nerve center test.

So there's the *In Re: Think3* case from the Western District of Texas where the Court said, "Courts have often equated a debtor's COMI with the debtor's principal place of business." Recently the U.S. Supreme Court held that a corporation's principal place of business is a place where a corporation's officers direct, control and coordinate the corporation's activities, otherwise known as the nerve center.

In lots of other bankruptcy cases, the (indisc.)come out that cite to *Hertz* to analyze COMI. There's the *Millennium*

case the parties cite, *In Re: Suntech*, *In Re: Servicos de Petroleo*, the *Fairfield* case. There's also -- if you look to the Northern District of Texas, there's *In Re: Stanford* which is 212 Westlaw 13093940 where the Northern District of Texas also said both of them believe the COMI determination is analogous to the principal place of business analysis under U.S. law and then it cites to *Hertz*. It uses that analysis.

So we suggest that at the very least, *Hertz* is persuasive if not determinative on what the headquarters is and perhaps COMI overall. What does *Hertz* say?

Ms. Riser, could you please turn to Slide 2? And it may take a second to load.

(Pause)

Your Honor, could you please switch to -- there's a second laptop, GR2. I think, Ms. Riser, LW/GR2. I'm sorry about that.

THE COURT: All right. That should be there.

MR. HARRIS: So a couple of things that I think are important in the *Hertz* decision. One is when they're deciding what the nerve center is, they explain that the nerve center is the corporate brain in contrast to the general business activities which aren't the nerve center.

And then they provide a very useful example. They say, for example, if the bulk of a company's business activities visible to the public a place in New Jersey, while a

top officer's regular activities just across the river in New York, the principal place of business is New York. So that's what we're looking at here.

And then for an example of how you apply this test, you could look at the *Balen* (phonetic) *Chadar* (phonetic) decision from the Southern District of Texas that we cited applying *Hertz*. So in that case, the Southern District of Texas found that the principal place of business was in Kuala Lumpur even though almost all the employees were in Houston. There wasn't an office or even a mail drop box in KL and the Houston employees had a certain degree of authority to enter into contracts up to a certain level and to hire and fire employees below VP.

But the Southern District of Texas still held that the nerve center within KL because Houston needed to consult with the CEO and CFO who were in Kuala Lumpur on all high-level hiring decisions and significant contracts. So that's what the nerve center is at, where the high-level decisions are made and high-level contracts.

The last point I'd make on this is in practice, the nerve center usually turns out to be the most important factor and it's notable that Wilks doesn't cite any cases in which the Court found that COMI could be somewhere other than where it found the nerve center. You don't see that.

And, in fact, there's many cases citing to COMI where

the nerve center is even though the operations aren't focused there. So that's -- to give an example, the *Millennium* case, *In Re: Servicos de Petroleo, British American*, the *Fairfield* case, *In Re: Gohm* (phonetic) *Innovations*. All of them -- a lot of -- the bulk of the assets and operations were elsewhere but the Court found the COMI to be where the nerve center was.

Okay. Let me talk about the facts now and apply that. So I'm going to address the first and second *Rand* factors which, as I indicated, are the most important combined because the facts overlap.

Would you please turn to the next slide? Thank you.

So Calfrac was founded in Calgary with its name an abbreviation for Calgary Fracking. The parent Calfrac Limited is in Calgary, the controlling entity for the whole group. The decision to create each Calfrac entity and the decision where they would be incorporated was all made and emanates (indisc.) in Calgary. The decision to issue debt and equity occurred in Calgary. All significant management decisions are made in Calgary for every entity. That is what the testimony of Mr. Mathison and Mr. Rosen said.

Can you pull up the next slide, please?

And it's not just that the decisions are made in Calgary but the key functions themselves -- for every entity, its key functions are in Calgary and that's including for Well Services Corp and the LP, the two U.S. incorporated entities

that we've been talking about. So monthly executive reports for the global operations are generated in Calgary. The two HSC functions are all centralized in Calgary.

All technology and IT systems are designed and implemented in Calgary including the recent shift to a new ERP program for every office. All the intellectual property is owned in Calgary. The finance functions, including the location of the books and records for every entity, are in Calgary. Audit and accounting functions are in Calgary. Tax strategy and related functions are by the tax director in Calgary.

All insurance is issued out of Calgary. The main lab for research and development and technical services is in Calgary. All employee policies and benefit plans come out of Calgary and authority to hire and fire emanates from Calgary. All legal services come out of Calgary including negotiating and approving all significant contracts. Risk strategy and documenting each entity's formal meeting, all done out of Legal in Calgary.

All corporate development occurs in Calgary. Capital markets is in Calgary. And acquisitions -- but that includes if you want to make an acquisition in the U.S., done out of Calgary. And most generally, allocation of resources is in Calgary including moving equipment between the divisions and inside the divisions.

Could you turn to the next slide, please?

So in addition to decision-making and the location of the key functions, there's also policies. And Calgary issues a great number of policies that set the requirements for the operation even on a granular level for every Calfrac entity. So I won't bore you excessively by going through them all but there's policies for credit risks, transfer of intercompany funds, treasury and banking approval, all spending limits, capital expenditures, audit services, procurements, anti-driver and anti-corruption, employer responsibility training, all the pandemic response, the quality manual, change of service, risk assessment, whistleblower, code of conduct -- very extensive policies. They set minutia and it all comes from Calgary.

If you could turn to the next slide, please.

And if you look at the location of the individual who actually managed the Calgary -- the Calfrac group there in Calgary. So the core executive team of Calfrac all have their offices there. That's Mr. Mathison; Mr. Olinek, the CFO; and Mr. Link, the COO.

Now, you heard some back-and-forth about where exactly is Mr. Link located. Well, he splits his time but his main office is in Calgary. Mr. Rosen testified to that at Page 121 and Mr. Link in his deposition transcript, which is designated to you, at 126 says, "I call it," meaning his Spring office, "a sub office because my main office is up here in

Calgary where my PA," his administrative assistant, "is in such."

In addition, he also explained that he's in Calgary when he does policy-making and strategy decision-making for the Calfrac group. That's in his deposition transcript at 246.

So beyond the three members of the executive team, all the directors of the parent are in Calgary and with an asterisk on Mr. Link. All the board of director meetings are there. All members of every committee of the board of directors are in Calgary and may set -- it's those committees that set the policies for every entity. Two-thirds of the officers are in Canada and of the ones that don't reside there, many of them split their time and some are in Russia or Argentina.

And, finally, there are ten times more corporate level employees in Canada than there are in the U.S. That's at Debtors' Exhibit 34. I think the only argument that Wilks makes in response to this overwhelming evidence of Calgary control is a somewhat remarkable argument that Mr. Link must really secretly be running the whole global company all by himself out of his satellite Houston office.

MR. SPEAKER: What conference is this?

MR. HARRIS: Can you say that again? Sorry, sir.

THE COURT: That wasn't -- I'm sorry.

MR. SPEAKER: I thought I went to him directly.

THE COURT: Yes, sir. Who --

MR. SPEAKER: What company is this?

THE COURT: This -- who are you calling in for?

MR. SPEAKER: I was asking what conference this is. It doesn't sound like what I'm looking for.

THE COURT: Well, this is Judge Jones and you're on my conference line. So you can hang up now.

MR. SPEAKER: Yes, your Honor. Thank you, Judge Jones. I know who you are but I was just asking. Thank you though.

THE COURT: All right, Mr. Harris, my apologies for the interruption. Go ahead, please.

MR. HARRIS: I was just explaining that Mr. Link never claims to be running the global enterprise out of his Houston office. In fact, the opposite. If you look at his deposition transcript on Page 153 to 154, he says, "I don't think I am that ultimate person. I'm the President and CEO, yes. I have an executive team and a board to answer to here in Calgary. So it kind of leads me down the path. I get to decide everything and while it might be a nice place to be, it is not reality. I don't have ultimate authority."

So it's not surprising that he would take that position because Mr. Mathison as Executive Chairman and Mr. Olinek and CFO and Mr. Link hold weekly management

meetings. I believe you may hear some argument that Mr. Mathison, in fact, doesn't lead the company because he doesn't inspect job sites. You know, I respectfully say that doesn't reflect the reality of how a global company with operations in three continents is run.

Now, you've heard Mr. Mathison testify. He has a deep knowledge of the business. He knows how to run a fracturing services company. If they had any real argument about that, they could have asked him questions to probe his knowledge. He runs the business. The evidence is overwhelming that Calgary makes all important management decisions and is the nerve center for the entire group. And that's why the Alberta Court already held that the nerve center for Calfrac is Alberta. That's in the August 7th transcript. That's Debtors' Exhibit 120 at Page 5 to 6.

So that's the first two factors. The third *Rand* factor, which is the location of assets, this is more split but it also favors Canada.

If you could turn to the next slide, please.

So as of the time of the petition, which was the middle of July, there were substantial assets in Canada and the Canadian operations predominated over the U.S. operation. So Canada had higher revenue, higher operating income, more coils to the unit, higher personnel field count, higher trade accounts payable, trade accounts receivable and higher product

inventory.

You can turn to the next slide.

Canada also has more total personnel which has been true historically as well. Now, you understand that Wilks focuses on what revenues were like last year and that last year and even in the first half of this year before the filing, revenues were higher in the U.S.

And that's true but by the time of the Chapter 15 filing, Canada was generating more revenues and Mr. Mathison explained that's because they've had a quicker recovery from the pandemic and he also testified that Calfrac anticipates that Canada will continue to have more revenue and operating income for the rest of 2020. This test is done at the time of the filing and at that time, Canada had more revenue and other metrics.

The other thing that Wilks focuses on is the amount of fracking units and while it is true that there is currently more horsepower of fracking units in the U.S., that statistic is entirely transitory. Mr. Mathison testified that those units are literally on wheels and get moved from location to location wherever the business comes up. And that decision to move them is made in Calgary.

Related to that, I think the other factor that Wilks focuses on is a statement in Calfrac's letter back to Wilks when they offered to buy the U.S. assets. And in that

statement, Mr. Mathison said on behalf of the company that the Wilks' proposal undervalues the U.S. assets because it represented about two-thirds of Calfrac's business. That's clearly what he said.

But what he explained in his testimony is that he was just using a shorthand by looking at the fracking horsepower, not a formal valuation.

If you could turn to the next slide.

And on the flip side to what Mr. Mathison said is what Wilks has said. So Wilks itself appears to value the U.S. assets at less than one-third of the Calfrac's enterprise value. So what you have displayed here is the stipulation they entered into in lieu of providing a deposition but they stipulated that they believe their offer for the U.S. assets was fair value.

Turn to the next slide, please.

And that offer was for approximately a hundred million dollars. And they've also testified -- or they also recently submitted their own valuation of the enterprise of 375 million. So taking them at their word, their own statement suggests that they believe the U.S. assets are worth one-third of the global enterprise.

We can talk about the fourth factor, location of creditors and -- but in particular, the location of creditors that are affected by the foreign proceeding and that heavily

favors Canada. So regarding the trade creditors, as of the petition date, we already talked about how there's more trade payable in Canada than in the U.S.

Regarding the funded debt, which is the great bulk of the debt here, that favors Canada. Now, Wilks focuses repeatedly on just the second-lien debt but that's the smallest of the three categories of funded debt and it's not even affected by the Canadian proceeding, as the Alberta Court already held.

So the first-lien debt, which is 173 million, is entirely held by Canadian banks.

If you could turn to the next slide.

You can see the banks holding it are all Canadian, as is the agent, the lead arranger and the administrative agent, all Canadian. That's the first-lien debt.

The second-lien debt, which is smaller, is unaffected and so not nearly as relevant to this factor. But even if it were affected, the two wells are a mix of Canadian and U.S. That's what Mr. Mathison testified to and as of the filing date, the mix was more heavily in the Canadian favor because some of the Wilks' recent purchases are after the filing date.

And the third group is the unsecured notes. They are mostly Canadian. Mr. Mathison testified to that and, again, that was even more true on the filing date because Wilks made all those purchases of unsecured notes after the filing date.

Could you turn to the next slide, please?

All right. The fifth factor -- I'd like to address the fifth factor, the law which is likely to govern disputes and then this extra factor that some Courts have looked at, the expectation of creditors. I'm going to address them combined because the facts of them overlap but they favor Canada here.

The first-lien credit agreement is governed by Canadian law and establishes Canada as the party (indisc.). The second lien indenture, a selection of your laws, the one I just pointed out, but the second lien is not affected by the Canadian proceeding. And in any event, the second lien is subject to the 1L 2L inter-creditor agreement which is governed by Alberta law and identifies Alberta as the choice of venue.

Could you turn to the next slide?

In addition, the notice provision for all three funded debt agreements elects Calfrac Limited in Alberta as the noticed party.

If you could turn to the next slide.

In addition, the second-lien noteholder and the note indenture -- in it, Calfrac submits to the jurisdiction of a suit brought against it in Canada. So it's a mixed bag but I think the -- if you look at the funded debt documents, they would tend to lean toward Canadian jurisdiction and law.

If you could turn to the next slide, please.

And if you look at specifically the focus of Wilks as

a creditor, Wilks itself has selected Canadian law to govern its disputes with Calfrac. So you heard testimony about the 2018 litigation over an NDA that Wilks find that Calfrac in which Wilks -- and Calfrac selected Alberta law. And in that litigation, Wilks submitted to the jurisdiction of the Calvary Court.

In addition, you heard testimony that Wilks and Calfrac began negotiating an additional NDA this year and they selected Alberta law for that. And I think critically is Wilks knows that the issues about U.S. assets are going to be decided in Canada. That's why in June when they reached out to buy the U.S. assets, they made a -- they reached out to Calgary management exclusively and their offer to purchase the U.S. assets, as you can in Section 8 on the top, was made pursuant to Alberta law.

And the other thing about their proposals, which I think is relevant, is in their most restructuring proposal, their own proposal asked to have all the Debtors continue to be subject to the CBCA proceeding. Even Wilks anticipates that the issues, including issues about U.S. assets and about the entities that they're saying now are U.S. entities, are going to be resolved by -- under Canadian law in a Canadian restructuring.

In response, I think the main argument they've made is to highlight a certain statement made in the 2L offering

memorandum --

If you could turn to the next slide, please.

-- which they indicate mentions the risk of a U.S. bankruptcy proceeding and it does but there are other statements in the same location in the offering memorandum that highlight the risk of a Canadian bankruptcy proceeding. And that's not just for Calfrac Limited. It highlights that we -- and this is a document issued by the issuer, the LP -- that we, the CHLP, could be subject to a Canadian restructure.

The last point I'll make on expectations is just stepping back. Everyone knows Calfrac is Canadian. Mr. Mathison testified to that. There is no challenge to that. Named as Canadians, the press releases for every entity comes out of Canada. Financial statements are consolidated. Stockholders are -- meetings are in Canada. People expect that issues will be resolved in Canada. I don't think there's any real dispute that on a consolidated basis, the COMI contracts in Canada.

So let me shift and then talk about the individual debtor-by-debtor analysis. A lot of this involves facts that you've already heard when you go through the (indisc.). Let me talk first about EALP. That's the LP that issued the debt.

Could you turn to the next slide, please?

So the COMI for the LP is in Canada because all of CHLP's action and its decisions are made in Alberta by the GP.

Mr. Mathison testified to that and the partnership agreement says that. If you look at 4.1, it says the GP has complete authority over and the exclusive control of management of the business, operations, conduct and affairs of the partnership. That GP is in Alberta.

It also says, although we didn't actually highlight this here, that the LP acts through the GP. That's in Section 1.4A. And because that's how the LP is structured, the testimony is that CHLP's offices are in Calgary. Mr. Mathison testified to that at Page 22.

And that's true on a practical level as well. The LP's only activities is soliciting and raising debt and those actions are done by Calgary executives. They made the decision to raise the debt. They solicited the investors. They negotiated the credit agreement. They draw down on the line of credit and they have their communications with the investors. Mr. Mathison testified to all of that.

For the first two *Rand* factors, the headquarters and the location of people who actually manage the company indicate Calgary. The third factor, location of assets, the CHLP has no operating assets but its books and records are in Calgary. Mr. Mathison testified to that at Page 40. And in terms of the fourth, fifth and sixth factors, CHLP's creditors are the funded debt holders. We've gone through how the funded debt holders, and particularly the ones who are affected by the

proceeding, are Canadian.

The last thing I'd just say is to point out a few cases that we believe strongly support that the COMI under these facts for CHLP are in Calgary. There's the *British American* case which found the headquarters were in Trinidad, not the place of incorporation, Bahamas, because the debtor outsourced its central management to an affiliate of the debtors in Trinidad, similar situation here.

Likewise, *In Re: Millennium* where the day-to-day management of the funds' investment activities to be in the UK but the Court determined that Bermuda was the funds' COMI because there were telephone calls from management there, corporate books and records were there, accounts were maintained there. The only logical place for the COMI to be here where things actually -- management decisions are made is in Calgary.

Turning briefly to establishment for CHLP, its only economic activities -- and they are economic activities -- are soliciting investors and issuing debt. It does that regularly. It's done it several times for the issue of all the credit agreements, the second lien and for the unsecured note. Those activities are done in Canada by the Canadian management team. Mr. Mathison testified to that. It involved soliciting Canadian investors. That's why they also had an economic impact in Canada and their market base is (indisc.).

And it's also, finally, managed entirely in Canada as noted above. And so that satisfies the definition of an establishment as described in *Rand* which is a place from which economic activities are exercised on the market, i.e., externally whether the said activities are commercial, industrial or professional. So that's the LP.

I'd finally like to talk about the corp, CWSC. But focusing first on COMI, the first two factors, the location of headquarters and location of the persons who actually manage the entity strongly favor Canada. This is the nerve center test. You're looking at the brain where the high-level decisions occur and that nerve center is in Calgary.

Everything of any substance for the corp is decided in Calgary. Headquarters are in Calgary. That's what Mr. Mathison and Mr. Rosen both testified. All strategic decision-making is in Calgary. They both testified to that. All policies are set in Calgary. We went through a litany of those. The books and records for corp are in Calgary. Mr. Mathison testified to that. Calgary negotiates and approves all contracts for the corp. Calgary sets the budget, even though they are proposed by the Court, they're actually set by Calgary.

Calgary decides all capital expenditures. It sets all spending authority, both for the entity and for all individuals. And Calgary decides on all acquisitions of U.S.

assets.

All of that was in Mr. Mathison's testimony.

So the authority of the individuals at Corp, at CWSC, is highly limited. U.S. division can't buy any equipment without Calgary approval -- Mr. Rosen.

It can't set its own budgets and forecasts. And individuals only have limited spending authority, and in to enter into contract, and it can't hire or fire employees without authority from Calgary. Both Mr. Mathison and Mr. Rosen testified to that.

In addition -- and this is important -- it doesn't have its own independent tax or legal or insurance or accounting; auditing, finance, corporate development, any of those functions that you have. It's been testified to that in Mr. Rosen.

What that means is, it doesn't even advocate the ability needed to function independently. Mr. Rosen testified to that. It's not a separate operating entity, as Mr. Mathison explained.

So just to round this out, the Corp board does not hold formal meetings. Mr. Mathison explained that. The board doesn't direct U.S. operation; Calgary does. Mr. Mathison testified to that.

If you could pull up the next slide, please.

And even just looking at the officers of Corp, six or

seven, depending on how you count Mr. Link, are in Calgary. And the remaining U.S. officers, Mr. Mathison testified, aren't able to run Corp independently.

So I know that Wilks will focus on certain operational decisions that U.S. employees can make. They certainly can. But those are operational level. They're not high-level management decisions, which is the test for a nerve center.

Do the people at Corp have some discretion?

Of course they do. It's quite limited, and it's all defined by what Calgary chooses to grant them.

Wilks also, you know, grasps at certain statements made in completely unrelated lawsuits that the principal place of business for Corp is in Colorado.

But what I'd say about that is, if you -- first, those are just incidental statements. It didn't matter to those lawsuits either in substance or jurisdiction. It didn't matter whether the principal place of business was Calgary or Colorado in those cases.

They're also not judicial admissions, because a judicial admission has to be in that same proceeding. That's black letter law, including in the Fifth Circuit.

And the other thing I'd like to point out is that, these are the kinds of statements that the Supreme Court, in Hertz, said were not determinative for principal place of

business.

And that's why the Southern District of Texas, in the Balachander case, said to look past these kinds of statements.

In that case, there was a statement at a prior lawsuit that the principal place of business was in the U.S., that is, it was Houston. And there were also statements in state tax filings that said that.

But the Southern District of Texas said -- Courts explicitly said that the principal place of business is not determined by the filing of a form; you look at the actual fact. And that's why we said they decided that the actual facts indicate (indisc.).

Just a few other points. Your location of assets; that factor does favor the U.S. The great bulk of Corp's hard assets are certainly in the U.S. But most of management and certain key employees are in Canada. And the decision to move those assets around are made in Calgary.

The location of Creditors favors Canada. The trade Creditors are not affected; nor is the 2L. And the affected Creditors are all heavily Canadian, as we talked about already.

And notably, none of those affected Creditors -- the 1L, the unregistered noteholders -- none of them have objected to the Canadian proceeding or the Chapter 15 recognition of request here.

Finally, the jurisdiction and all that apply to the

expectation of Creditors, it's mixed, as we talked about. But it favors Canada.

We've gone through the indentures of seeing that there are provisions both ways. We talked about the offering memorandum. And the -- and we talked about communications and the financial statements, the press release has all been issued out of Calgary.

Can you turn to the last slide, please?

You know, the last point I'd make and reiterate here, specifically to Corp, is that Wilks Brothers understands that Corp is managed out of Calgary.

When they wanted to purchase the U.S. assets, they dealt exclusively with Canadian management. This is from the stipulation they entered into.

They reached out to Mr. Mathison, as the executive chairman of Calfrac. They issued a letter of intent to buy the U.S. assets to Canada. And their most recent restructuring proposals were sent to Canada, and contemplated a continuation of the Canadian proceedings for all of the Chapter 15 Debtors.

They know the Calfrac Group is a single enterprise managed out of Calgary, and they've acted accordingly.

That's it on COMI.

Last point is the establishment. Even if their COMI was not in Canada for Corp, the evidence shows that Corp has an establishment in Canada. And that's because the U.S. division,

Corp, purchases goods and services from Canadian vendors and suppliers.

Mr. Rosen testified to that. It's also documented at Debtor's Exhibit 107.

They purchase chemical, control cables, centrifugal pumps. And it's not only that they purchased them, but the decisions to purchase them are made out of Calgary. So those vendors are selected and hired by Corp's V.P. of global operations and Corp's manager of maintenance in Calgary.

So by doing so, they have a Calgary location that puts -- adds an impact on the Canadian market.

Your Honor, that's the facts that we wanted to go through. I'll turn it over to my colleague, Mr. Goldberg, unless you had some questions you wanted to raise on those.

THE COURT: I don't. Thank you.

Mr. Goldberg?

MR. GOLDBERG: Thank you, your Honor. For the record, Adam Goldberg of Latham & Watkins.

Your Honor, there are two narrow issues before the Court today. And they should be viewed distinctly.

First is whether the requirements for recognition have been satisfied. And second is whether the Court should enforce the -- the Canadian Court's preliminary interim order within the United States.

These questions should be viewed distinctly. And the

Fifth Circuit's decision in Vitro is exactly on point to that.

Vitro dealt with two issues. First, what's recognition, and second, was the type of relief available in a Chapter 15 case.

The Fifth Circuit affirmed granting Chapter 15 recognition to the proceeding, despite them finding that the type of relief requested was not available.

In other words, your Honor, recognition, under Fifth Circuit law, is a procedural step that is separate from endorsement of the relief provided by the proceeding.

The second question in Vitro was the type of relief available. In that -- for that question, your Honor, contact is critical, and I expect we may hear a lot about Vitro from Wilks Brothers. So I'd like to discuss the context of that case for a moment.

Vitro concerned the Debtor's request for comity of a non-Debtor release benefitting subsidiary guarantors approved in a Mexico bankruptcy case of the parent company only.

That Mexican bankruptcy was filed after the company undertook transactions pre-petition that resulted in massive intercompany claims.

Then the company filed the Mexican bankruptcy case nearly a year after the transactions so that the, quote, suspicion period for the period -- for review of those transactions in the Mexican bankruptcy cases have.

And then they used the procedures available in the Mexican case to allow the intercompany claim held -- controlled by insiders to outvote third-party bond claims through consolidated voting in a single class.

The terms of the Mexican plan then provided for relief of guarantees issued by the subsidiaries that were not Debtors in the Mexican bankruptcy. And Vitro saw an enforcement of that relief in the United States, notwithstanding that the subsidiaries were subject to judgments on the guarantee claims in the U.S., issued by U.S. Courts.

Now, in that context, the Court found that approval of an nonconsensual third-party relief -- release was not available in the Fifth Circuit.

And for that reason, the Court found that relief was not available under Sections 1521 or 1507.

In particular, the Court found that Section 1521 was not a basis for release -- of release in that case because a non-Debtor release is not permitted under Fifth Circuit law for Pacific Lumber. The Court did not reach the public policy exception of 1506.

Your Honor, Wilks Brothers does not dispute the satisfaction of elements for recognition, other than the existence of COMI or an establishment in Canada for two of the Debtors. And those other requirements for recognition are satisfied here.

Mr. Harris has addressed our position on COMI and establishment. And I'll skip over the other factors relevant to recognition in the interest of time, unless the Court would like me to discuss that.

THE COURT: I'm fine. Go ahead.

MR. GOLDBERG: Thank you. I would like -- however, like to echo Mr. Harris in that, looking at the practical outcomes, as your Honor instructed in Argent, recognition is justified for all of the Debtors in the proceeding because the same release is available regardless of the approach you take to COMI and establishment.

Even if your Honor does grant Chapter 15 recognition for all of the entities, including the Limited Partnership and Calfrac Wells Services Corp., your Honor can still grant comity and enforcement to the preliminary interim order in the United States. The preliminary interim order applies a stay to all of the Chapter 15 Debtors. That is because they are all subject to the same CBCA proceeding as a matter of Canadian law.

And that release is authorized by Section 1521, that allows the Court to impose additional stays of suspension of rights, as well extending interim relief; this path of using Section 1521 to extend relief in furtherance of the CBCA proceeding, notwithstanding that not all of the Debtors in that proceeding were granted recognition, with the path taken by the Bankruptcy Court for the Southern District of New York, in the

case of Mood Media.

So that path is available here as a practical matter.

Wilks Brothers argues that the preliminary interim order should not be given effect because it is somehow a modification or amendment of the second lien indenture, and they argue that would be manifested contrary to the public policy of the United States.

First of all, your Honor, this position is a collateral attack on an issue that the Wilks Brothers litigated in Canada and lost. They've turned or submitted to the jurisdiction of the Canadian Court. And that Court's ruling will remain binding on the Wilks Brothers regardless of your Honor's decision today.

Second, despite the pages of briefings submitted by the Wilks Brothers on the issue, there is nothing in the preliminary interim order that is an amendment of the second lien indenture.

The key provisions of that -- of that order are paragraphs 7 and 8, which are a stay of actions of the second lien noteholders, including an acceleration based on the filings of the CBCA proceeding or these Chapter 15 cases.

There is nothing in the order that provides an amendment or modification of the second lien indenture.

But the order does not say that the indenture is amended in any way. It says that certain rights may not be

exercised. This is simply a stay on acceleration and enforcement pending the outcome of the CBCA proceeding.

Such as stays preserve the *status quo*, it's entirely interested with U.S. law. In fact, it's exactly what we have in a Chapter 11 case through the global automatic stay, under Section 362.

Furthermore, eliminating any acceleration of a financial debt is not contrary to U.S. policy. It actually is U.S. policy to permit a Debtor to override the acceleration of debts caused by a bankruptcy filing.

Section 1124 of the Bankruptcy Code expressly provides that a debt is unimpaired if all debt defaults are cured other than *ipso facto* defaults.

This is more commonly known as reinstatement. And it allows a Debtor to maintain prepetition terms of a debt, notwithstanding acceleration by virtue of a bankruptcy filing.

This is completely analogous to the treatment to be provided to the second lien debt in the CBCA arrangement. The only difference here is that, in the U.S., the bankruptcy case does not stay acceleration, but may unwind it later.

And in Canada, the stay, under the preliminary interim order stays the acceleration, pending the final hearing on the CBCA arrangement, which is currently set for September 30th.

And, your Honor, this is a distinction without any

practical difference. If this were a Chapter 11 case, Wilks would be stayed from any enforcement action. And that result is the same in the CBCA proceeding. And that result is all we're asking your Honor to approve.

The Wilks Brothers argues that acceleration is substantive insofar as, quote, the Canadian Court has clarified its intent to permanently override contractual acceleration rights. That's in paragraph 53 of their objection.

This refers, your Honor, to the terms of the arrangement that would leave the second lien debt in place and unaffected, or in our terminology, reinstated and unimpaired.

Your Honor, it's why they say that the public policy exception should be interpreted narrowly. Even the Fifth Circuit made that clear in Vitro, that a fifth -- that a foreign proceeding does not have to be identical to a U.S. bankruptcy case.

The Fifth Circuit said, quote, given Chapter 15's heavy emphasis on comity, it is not necessary, nor to be expected, that the relief requested by a foreign representative be identical to, or available under, United States law.

The Fifth Circuit went on to say, "It's sufficient that relief in a foreign proceeding is comparable, and that foreign law must merely not be repugnant to our law."

To the extent that Wilks Brothers makes this a question of conflict with New York law, I'd like to highlight

Judge Glenn's statement, in the Metcalfe case, where he said, quote, it is well settled, in New York, that judgment for Canadian Courts are to be given effect under the principles of comity.

And I doubt that -- in Vitro, the Fifth Circuit quoted Judge Glenn with approval from Metcalfe, saying, quote, the key determination required by this Court is whether the procedures used in the foreign proceeding meet our fundamental standards of fairness.

There is no argument here that the Canadian process does not accord due process. And there's a long history of recognition of Canadian judgments in the United States.

In our brief, we cited Supreme Court case law going back to 1883, recognizing Canadian arrangements of New York (indisc.).

Despite this long history, the Wilks still argue that if the relief requested is manifestly contrary to the public policy of the United States.

But really the question is: What practical effect does this stay on acceleration of -- we'll highlight -- actually have right now?

The answer is: None.

They are stayed in Canada, and they will be stayed in the United States upon Chapter 15 recognition. The clear reason that Wilks pursues their objection is to serve their

purposes in objecting to the CBCA arrangement.

And whether there is any substantive impact on the Wilks Brothers, from the CBCA arrangement, and whether that violates U.S. public policy, is not before the Court today.

Likewise, Wilks attempts to paint the CBCA process, based on the involvement of Mr. Mathison, are completely irrelevant, especially at this stage.

Wilks Brothers will have their day in Court, in Canada, at the final hearing, on September 30, and later, before this Court, when we seek comity and enforcement of the CBCA pay arrangement in the United States.

Thank you, your Honor.

So if there's any questions you may have, we'd like to reserve our remaining time for rebuttal.

THE COURT: Certainly. I'll give everybody a chance.

All right. Mr. Petrocelli and Mr. Fliman, who is going first?

MR. FLIMAN: That's going to be me, your Honor.

THE COURT: Okay.

MR. FLIMAN: If I ask that you give control of the screen to Mr. Petrocelli, he's even controlling presentation that we have. And, as Mr. Harris noted, we have shared this with -- with the Debtors earlier today.

THE COURT: Got it. All right. Give me just one second.

Mr. Petrocelli, you should have control.

MR. PETROCELLI: Yes. Thank you, Judge.

THE COURT: Okay.

MR. FLIMAN: So, your Honor, I'm going to go through this presentation. I may be, you know, skipping over some things. Mr. Petrocelli's going to try to keep up as I go through it. Because I'm going to try to also be responsive to what I just heard from Mr. Goldberg and Mr. Harris, as I go through it.

Your Honor, as an overview of the arguments that we had, we believe that the -- as to the United States Debtors -- and by that, I mean, you know, LP and Corp, we believe that the Debtors have failed to overcome the presumption that COMI is in the United States.

We also believe the Debtors have not met their burden to establish -- establishment as to those two Debtors. And, for that reason, we believe that there should be no recognition in this proceeding for those two entities.

And, your Honor, even if we were to do this on a consolidated basis -- and I'll get into this in a minute why we don't believe that is the proper way to apply the law -- we likewise believe that COMI is not in Canada.

When you look at the economics, when you look at the business performance, and when you look at the management, and when you look at the well-established COMI factors -- which, I

think, you know, we seem to be in agreement on the Debtors.

And, last, your Honor, what I'll be covering is, you know, what relief should your Honor accord, if your Honor were to recognize the proceeding as to these two Debtors.

We believe you should not recognize the proceedings. But if you do, we think that any relief granted needs to be narrowly tailored and needs to be limited so as not to -- not to affect substantive rights of parties via the order that's being asked for your Honor to enter in connection with recognition.

Beginning on the entity-by-entity analysis for consolidated, your Honor, our reading of the code provisions focus on Sections 1502(4) and 1502(5).

Both those provisions, with respect to foreign main proceeding and foreign non-main proceeding, discuss attached as to the Debtor.

Of course, Debtors are correct that, when you get to 1517, the language speaks about the proceeding.

But I think, your Honor, I would submit that the right way to marry those two provisions is that you start with the definitions for, "foreign main," and, "non-main," which is tested Debtor by Debtor.

And then, having done the test Debtor by Debtor, you then figure out whether you recognize the proceeding as to those Debtors, meaning Debtor by Debtor.

I think that is the way of marrying the provisions in the code itself. And I think that the very fact that the code has a presumption for COMI, for the location (audio blip).

THE COURT: Folks, if you are on the line, and you're not speaking, please mute your phone.

Mr. Fliman, I am not getting enough of an audio signal that I can figure out the phone number. And I don't want you interrupted.

What I'm going to do, is I'm going to mute all the lines and ask that you hit five-star.

All right. My apologies.

And, Mr. Harris, if you would go ahead and hit five-star as well, just in case there's a reason that you need to speak.

All right. Mr. Fliman, again, my apologies.

MR. FLIMAN: No problem, your Honor.

The point I was making is that (indisc.) that it has found recognition it be done Debtor by Debtor is the fact that Section 1516(c) gives you a presumption that COMI exists where their registered offices are.

That very presumption indicates that Congress wanted you test recognition on that Debtor by Debtor basis.

If you were test it on a consolidated basis, at the Debtor's request, then how would you possibly apply the presumptions that necessarily must be tested on a situation as

to any specific cases?

So one of the tests for COMI, your Honor -- and we're on page 5. I think we got an agreement on the established, you know, RAM factors, we call them, which is the headquarters location of management, location of assets, location of Creditors, jurisdiction of applicable law in expectation of third parties.

Where I think we have a disagreement with the Debtors is whether the nerve center analysis (indisc.). The nerve center analysis derives from the Hertz opinion, which has to do with principal place of business and, likewise, the Balachander case that the Debtors refer to as a case about principal place of business, not about COMI.

We think that Congress, when it set forth COMI, wanted that to be the test; not principal place of business, and not nerve center.

And, really, what we need to focus on are the COMI factors that Mr. Harris walked through and that I'm about to walk through as well.

Once your Honor concludes -- and we submit respectfully that you should -- that neither of the Debtors has -- neither of the U.S. Debtors, has their COMI in Canada, then the test -- and we're on page 7 -- is, in order to have a foreign non-main proceeding, there needs to be an establishment as to those entities.

If there's not COMI and no establishment, there's no recognition.

Establishment, your Honor, requires non-transitory economic activity, and really market spacing activities that are conducted in the jurisdiction.

And, again, your Honor, the Debtors have the burden of proof in order to establish the (indisc.) to seek recognition as to the entities.

So let's focus on each of the U.S. Debtors. On page 8, we've got the (indisc.) chart. The two entities we're going to focus on, and Mr. Harris focused on, are Calfrac Holdings LP and Calfrac Wells Services Corp. One is a Delaware Limited Partnership; the other is a Colorado corporation.

So turning to Calfrac Holdings LP, looking at the partnership agreement -- and I think we saw some of this from the Debtors. But let's look at the registered office that's set forth in the limited partnership agreement itself.

It specifies, as to this entity, that the registered office is in Denver, Colorado.

Turning to the next page, where are the officers of this entity?

Well, the officers of this entity include Mr. Link -- which I'll get to in a minute -- Mr. Ellingson, Mr. Toney. It's undisputed that Mr. Ellingson and Toney are both based in the United States.

And as to Mr. Link -- I think we heard some of this from the Debtors -- the testimony -- that I will get to in a little bit -- is that Mr. Link was relocated. Relocated from Calgary to Denver. And then he was relocated to Houston.

Those are the Debtor's words and the Debtor's submission; that he was relocated.

The submission now, that he spends most of his time in Calgary, is undermined by Mr. Link's own testimony, where he says that, in 2017, he spent twenty -- 19 percent majority of his time, by far, in Houston, as well as to date, in 2020 -- which I'll get to in a minute.

And now, on page 12, we actually have an excerpt from Mr. Mathison's declaration, where he identifies the relocation of Mr. Link.

On page 13, we've got relevant excerpts from Mr. Link's deposition testimony, where he acknowledges the fact that he was relocated by the company to Houston specifically to be closer to key customers.

And, in fact, on page 15, we have testimony from Mr. Link that, since he was relocated to Houston, he's accomplished exactly what it is exclusively, which is to strengthen the relationship with the U.S. customers.

That's what he was asked to -- that's why he was brought to Houston, and that's what he's been doing.

On page 16, we've got -- what we learned as to

Mr. Link, including that he purchased a home in Spring, Texas, and he's a resident of Texas; not a resident of Calgary.

As I said before, he spent 70 percent of his time in the United States, in 2019 -- at least as reported to the IRS. He spent 60 percent of his time in the United States, in 2020, so far. And that he is paid by Calfrac Wells Services Corp. That's who cuts a check for Mr. Link.

Mr. Link certainly thinks that he's based in Texas. As we can tell on the next page, his own signature block, (indisc.), had an address at Spring, Texas; does not have an address in Calgary.

He certainly thinks he's based in Texas. That's what he wrote on his LinkedIn page, which we've got on the next page, and on his LinkedIn bio, which puts him based in Houston; not in Calgary.

Your Honor, the bottom line is that Mr. Link is now based in Houston. The Debtors moved him, understandably, in order to be closer to their customers -- that that's where he's based.

And the Debtor's attempt now, in order to -- you know, in order to alter the record, in order to try to establish that any way that Mr. Link spends the majority of his time in Calgary, is just not supported by the record.

On page 20, your Honor, we discussed the next factor that has to do with the coding analysis which is location of

Creditors.

You know, I think I heard Mr. Harris make the statement, which is not supported by the evidence, when he said that, as of the filing date, a majority of the Creditors, under the second lien indenture, were Canadian. I just don't think there's anything about that in the record.

The testimony is correct that mister -- that the Wilks Brothers sized up their position to be north of 50 percent after the following. And they are, in fact, based in Texas. But I don't know what the basis is to say that every other holder is based in Canada.

But in any event, the Debtors try to take the test, the location of Creditors, and really try to make it all about effective Creditors.

But that's just not part of the standard, your Honor. That's almost a judgment call as to what is happening in the plan of arrangement is not (indisc.) plan arrangement.

The reality is that, under the second lien indenture, more than 50 percent of the Creditors are located in Texas, and that, we believe, is imperative for the analysis of COMI as to this entity.

On pages 21 and 22 -- and I think the Debtors conceded this. I'm not going to spend a lot of time on it. The applicable law under the second lien indenture and the unsecured indenture, your Honor, both for which Calfrac Holding

LP is the issuer, (indisc.).

And as to expectation of the parties, as previewed by the Debtors, in the offering memorandum, for the second lien notes, and on page 24, the risk factors that were identified when issuing those notes included specifically -- and I'm looking at the top portion there on page 24 -- is that you may have difficulty administering a Canadian bankruptcy and solvency case involving the company Calfrac or other guarantors, because they're center of main interest and are substantially majority (indisc.) located outside of Canada.

That is what the company told their investors, what the investors relied on when they were seeking parties to participate in the second lien note issuance.

And we know that Calfrac Holding LP really has had no contact with market space in Canada, because when the exchange was gone -- and I'm on page 25. When the exchange was ultimately gone, we know that that was done through Global (indisc.) Services; acted as the exchange engine, as the information agent, and as we see on 25, that is an entity that is based on New York.

The company did not go to either an exchange agent or an information agent located in Calgary. Rather they did the issuance through a Delaware Limited Partnership in an indenture governed by New York law, utilizing an exchange agent, information agent in New York.

And we know that Calfrac Holding LP really has no assets, has no operations. It is just a financing arm for the issuance of the unsecured notes and the second lien notes.

And so I don't see how the Debtors could anywhere meet their burden to establish that there's any establishment in Canada with respect to this entity, much less of this COMI in Canada.

At page 28, we have some more information, as Mr. Mathison admitted, that there's no assets. There's no operations with respect to this entity.

And so to kind of summarize what we've looked at in the COMI analysis, the establishment analysis for Calfrac Holding LP, as listed in its own partnership agreement in headquarters, in Denver.

Of its officers, three of the five are located in the U.S., has no assets. It has no operations for which it could look to establish anything in Canada. The majority of the second lien note holders lived in Texas. New York law is governing -- it's funded that.

And in terms of expectation of parties, when those parties read the confidential operating memorandum to the note, and they saw that there was a risk factor specifically, that there may not be COMI in Canada, and they saw the fact that the exchange engine information (indisc.) New York, parties reasonably would have concluded that this is not an entity that

has COMI, much less any establishment in Canada.

Your Honor, for those reasons, we submit that the CDCA is not a foreign-made proceeding and not a foreign non-made proceeding, with respect to Calfrac Holding LP.

And for that reason, we ask that there should be no recognition with respect to that entity.

Next, your Honor, I'll go to Calfrac Wells Services Corp. And that begins on page 31.

The directors of that entity are all located in the United States. That's Fred Toney, Mark Ellingson, and Lindsay Link.

And I -- on page 33, I laughed, because I think Mr. Harris put the exact opposite of this demonstrative when he was up. But I'm highlighting here everybody that is an officer at Calfrac Wells Services Corp. that is located in the United States.

On page 34, we've got the certificate of good standing entry for Calfrac Wells Services. It shows the principal officers in Denver.

And jumping ahead to page 37 and 38, which I know Mr. Harris previewed, these are instances in which Calfrac Wells Services (indisc.) was filed in Court, in the United States, as recently as April of 2020 -- conceded or admitted the fact that the principal -- that the principal place of business is located in Denver, Colorado, and that the control

and direction happens out of Colorado as well.

Mr. Harris characterized these as incidental admissions, that they are admissions, nonetheless, made in Court filings -- which I think are relevant to this.

So what do we know about Calfrac Wells Services?

On page 39, we (indisc.) the fact that the evidence shows that they've got significant real estate in the United States; there's operating divisions in the United States, an overwhelming majority of their customers are based in the United States, all operations are performed in the U.S.

And we have several slides here talking about the chain of command and the responsibility within Calfrac Wells Services Corp.

And as a reminder, your Honor, we have Mr. Toney as the president of Calfrac -- of the U.S. division. And then we've got Mr. Rosen, who your Honor heard from, who is the vice-president of operations.

And the next several slides talk about the testimony that we were able to get at trial in order to show the level of authority, the level of discretion that the management of this entity, located in the United States, has.

And running through it, there's the ability to hire and fire by Mr. Rosen, on page 41.

There's the very important function of maintaining the condition of the fleet, that Mr. Rosen, very proudly, is

responsible for, on page 42.

There is the quality review process for the customers in the United States, which is an imperative process that the company goes through in order to access the needs and to be responsive to their customers' priority. And that is done in the United States by U.S. employees.

And we have more about that on page 44.

And, your Honor, in order to give an illustration of the process for procurement as for advancement of customer relationships, we had conversations on the record with Mr. Rosen with respect to one particular customer; a very important customer of the company, and what the process looked like, in order to take on spot work with respect to that company.

What we learned was the wide amount of discretion and authority that Mr. Rosen has in doing that. And he basically runs the whole process, makes the assessments.

Ultimately, he would take that to Mr. Link, who, as I said, is located in Houston. And Mr. Link would ultimately weigh in on it.

But as far as Mr. Rosen testified, that was the extent to which anybody, you know, would be super -- supervising that -- that decision and that chain of command.

Skipping to page 50, as I mentioned before, Mr. Toney is the president of the U.S. division.

We heard testimony via Mr. Link's deposition, that we have designated for your Honor, about the fact that Mr. Toney really operates independently; the fact that he has a lot of discretion in his decision making.

We also -- on page 52 here, we have testimony directly from Mr. Link, that he agrees that Mr. Toney is able to make tactical decisions on behalf of Calfrac Wells Services Corp., this U.S. company.

Now, we heard Mr. Harris go through issues concerning forecasting and budgeting. But the reality is, as we heard from Mr. Rosen, the forecasting process, the budgeting process, that's performed in the United States.

It's performed in the United States because that's where the contacts are with the customers. Those are the people that are charged with being closest to the customers, understanding their prior demands and their future demands.

And that all results in forecasts that do get submitted for certain level of approvals by others. But the primary contact reviewing that is Mr. Link, who is based in Houston as well.

In terms of the organizational structure, I'm on page 57, we also heard from Mr. Rosen when he testified at the evidentiary hearing, your Honor, very proudly tell us about the fact that he was the one that really ended up designing the current organizational structure for the U. S. enterprise, the

U. S. division. And it was all employees located in the United States that came up with this and they took it for some approvals, but being the ones on the ground that really understood how this worked, they're the ones that developed the organizational structure that's currently being used by the United States division today.

And, your Honor, at the following pages we kind of discussed the structure being the senior managing directors that are supervising the work, the fracturing manager, the field supervisors, all these people that are making day-to-day decisions as well as managerial decisions, strategic decisions because they're the face of the company and interacting with customers on a day-to-day basis.

Finally, on page 61, we've got the testimony of Mr. Rosen. The questions and the answers here I think are very indicative. We asked Mr. Rosen, you know, you have oversight of U. S. operations. He said, yes. We said Mr. Toney also has oversight U. S. operations; he said, yes. And, you know, I think that that discussion is very indicative.

Your Honor, I will add one thing here. I think we kind of just ran through some of the COMI aspects. But with respect to establishment, I think the only thing we've heard from the Debtors with respect to establishment on Calfrac Wells Services Corp. in Canada is the fact that they are -- that they purchase certain goods and services from Canadian companies.

Your Honor, I submit that's insufficient to meet establishment. I think if that were the case then, you know, every company that in any way imports any good or service would be submitting himself to the establishment of proceedings in those jurisdictions. Your Honor, that can't be enough in order to satisfy the Debtors' burden with respect to establishment here.

And on page 62, your Honor, we have a summary of what I just walked through with respect to Calfrac Well Services, headquarters are in Denver, Colorado. As to the management, the chief operating officer is located in Houston, paid by Calfrac Well Services. The president of the U. S. division based in Denver and Houston. The vice president of the U. S. division based in Houston. And the senior district managers are all located throughout the United States. As to the primary assets, your Honor, there can be no doubt that the primary assets (indisc.) here in the United States. It is a party to agreements with its U. S.-based customers. It is the employer of the U. S.-based employees, it pays those U. S.-based employees. It owns real estate and other assets in the United States. We've talked about the creditors previously in connection with the other entity. This entity's a guarantor on the New York law-governed senior second lien notes and unsecured notes.

And, finally, as to expectation of the parties, your Honor, I think it's the expectation of these U. S. customers

who deal day-in and day-out basis with U. S. employees of this U. S. company that they're dealing with a U. S. company, not dealing with a Canadian asset (phonetic).

So turning to page 64, your Honor, we submit that even if the Debtors are correct in their view of the law and that this all needs to be done on an enterprise-wide basis rather than by debtor, and as I said, we (indisc.) think that that is inconsistent with the Code, we think even on a consolidated basis you would not be able to find that there's COMI or establishment with respect to the relevant entities. And, your Honor, that really -- that primarily turns into operations and performance metrics which I'm about to get into.

You know, we note on page 66, your Honor, that Mr. Mathison somehow claimed that he didn't really notice which, you know, seems inconsistent with the job he purports to play. But in any event, looking at page 67, your Honor, I did want to note one thing just for comparison, and I don't know that we have the technology to pull it up, but Mr. Harris at page eight of his demonstrative, he put up, you know, some bullet points which included, you know, higher revenue in Canada, higher operating (indisc.) in Canada, more coil tubing in Canada. What I want to make sure is very clear, your Honor, is the citation to that in page eight of the Debtors' presentation is DX-75, and that is solely about July of 2020 and performance during that month. So the Debtors are relying

on that month, and that month straddles the commencement of these proceedings on July 14th, the Debtors are solely relying on that month to show you the comparables between the United States and Canada. In juxtaposition, your Honor, what we have here is years and years of financials to show you how the U. S. consistently is a much bigger operation and outperforms the Canadian operation. So as we have on 67 with the citation to the relevant exhibit, in 2017, 2018, 2019, the United States reported more revenue than Canada, more operating income than Canada, more assets, and more capex. There's more investments being made in the U. S. business.

On page 68, we talked about the most relevant full month for which we have information because, your Honor, I think the law is clear here that you're doing this test as of the commencement date, July 14. Well, as of July 14th, the only full month financial that we have is for the month ended June 30th. So let's look at that month. So as of the month ended June 30th, going through the end of that month we've got several comparison metrics starting on page 69, right? So through the end of June and for each month of 2020, and because of confidentiality issues we didn't put the specific numbers, we just put in, you know, the headline comparison. But your Honor can look at the actual exhibits to see the numbers that correspond with it. But here we've got revenue comparisons for January, February, March, April, May, and June of 2020; U. S.

higher every single month. Top ten customers, this is the comparison chart the company has of where the top customers are. Again, every month in the year so far U. S. higher than Canada. Fracturing revenue per job, there's one outlier in April, every other month we have the United States higher than Canada. Horsepower, which I think you've heard testimony that is a very important metric to tracking performance of fracking companies, horsepower, U. S. has exceeded Canada every single month this year through the end of June. Same with fracturing pumper -- pumping units which is contained on the next page, as well as capex through the end of June.

Turning to page 76, so let's see what the Debtors have said to the world with respect to the comparative value of the U. S. Canadian assets, and here we have the statements that have been made by the company as recently as the end of June, 2020, putting the value of the U. S. enterprise versus the Canadian enterprise, the U. S. accounting for two-thirds. And we also have then a press release issued on the day that this proceeding was commenced on July 14th. We've got the Debtors likewise saying two-thirds of the value is in the United States.

Turning to page 79, your Honor, if we're looking at this on a consolidated basis, and we submit that it should not be, and if we accept the Debtors' supposition that the decisions, you know, are made by some core executive, let's

focus on what that core executive is. As we heard from Mr. Mathison, he defined a group of three people as the core executive team. His testimony is that the core executive team makes final decision making -- has final decision-making authority, oversees the large management team of this enterprise. And so let's look at that core executive team, right? We've got Mr. Link, Mr. Olinek, and Mr. Mathison. So Mr. Link we discussed before, he has an operation experience, he's based in Houston. I've got Mr. Olinek, right, who's the chief financial officer, and as Mr. Mathison said, he's not even aware of him having any operational background and his background is in accounting. So it's a fair assumption that Mr. Olinek would not have any operational supervision with respect to the U. S. division. So let's turn to Mr. Mathison, right? Mr. Mathison's background is in investment and banking. He worked at an investment bank before he joined (indisc.) starting Calfrac. He testified he had no experience operating fracking business before he joined Calfrac. And we also heard various things that indicate that he plays a minimal role with respect to Calfrac, including the fact that he doesn't even have an office at Calfrac's Calgary offices, he infrequently visits the Houston office, he has not visited jobsites in years, he does not regularly meet with customers, he's not involved in the negotiations of any customer contracts, and he even there -- he infrequently speaks with any investors. And

we also discussed, you know, what else is Mr. Mathison up to? Well, we know that he's on many, many other boards. He couldn't even remember how many boards he's on but he said that more than 30 other boards for which he is the chairman, two of them are public. And so we know that his time and attention is extended. And we bring all this to your Honor because to the extent that the core executive team really has any oversight here, any operational oversight, we're really talking about Mr. Link, right? He's the one with the operational background and he's the one that's located in Houston having been relocated at the request of the company.

Your Honor, so even on a consolidation -- consolidated basis, the Debtors cannot establish (indisc.) Canada. The U. S. operations historically consistently far exceed the Canadian operations. Management decisions are made in the U. S., they're made from U. S. employees concerning U. S. customers who pay the U. S. entity, employees that are paid by the U. S. entity, employed by the U. S. entity. And finally, your Honor, any operational oversight that's done is done by Mr. Link, who's U. S.-based.

So that brings us to the relief, your Honor, the forms of relief. For the reasons I just walked through, we believe that your Honor should not recognize the proceeding as to the U. S. debtors. If your Honor is inclined to do so, then let's talk about what the recognition (phonetic) order should

or shouldn't -- should look like. Your Honor, if these two entities are in fact subject foreign main proceedings, then the code in 1520 (indisc.) automatic relief that is applicable to those entities. But importantly, that automatic relief does not include anything that would effectively suspend something that happens automatically under a contract. Even Section 362, your Honor, the automatic stay, and I'll get (indisc.) moment, makes State entities parties (indisc.) certain things, it doesn't modify contracts or suspend their natural operation. And I'll talk to you in a minute why that's relevant. And if this is a foreign non-main proceeding, your Honor, under 1521 your Honor could authorize relief that is appropriate. And we would submit that the relief that's being requested of you, and I'll get into that in one sec, is not appropriate. The overlay here, your Honor, is the public policy exception under 1506, and that tells you that whether it's a foreign main or foreign non-main proceeding, either way the relief that your Honor grants should not be manifested contrary to public policy of the United States.

So what relief are you being asked of -- to provide, your Honor? I'm on page 88. The Debtors ask the Court to find that the Canadian proceedings are foreign main proceedings as to all the Chapter 15 debtors, which as I've just discussed your Honor should not find. And then they ask the Court, right, and this is in the revised proposal that they submitted,

they ask your Honor to find, number one, that pursuant to 1520, the preliminary interim order issued by the Canadian court shall be given full force and effect, right? And, number two, that the preliminary interim order shall be given full faith and credit in the U. S. and is immediately valid and enforceable as to the Chapter 15 Debtors and their properties and assets in the United States. Now, I'll pause there to note, your Honor, that Mr. Goldberg essentially told your Honor it doesn't make a practical difference whether this -- whether the interim -- the preliminary interim order is in fact enforced in this way because the automatic stay precludes us from doing anything. Well, your Honor, I've got two responses to that. Number one, if that's the case, then the Debtors could have avoided all this (indisc.) by basically modifying their order to say that they're no -- that in no way they're asking your Honor to endorse the finding of the Canadian court that there was no acceleration. If it really were here -- neither here nor there and it really made no difference, the Debtors could have avoided a lot of time and expense by just asking -- dropping the ask for your Honor to endorse that relief.

But the second reason, your Honor, is because the Debtors really need this finding because if in fact there's acceleration of the second lien notes, the plan arrangement doesn't work, the CBCA just doesn't work. And they know that.

And they need your Honor to bless the finding from Justice Nixon, and I'll get to what that finding was in a minute, because they need to be able to take that to Canada in order to give -- in order to argue in favor of the legalese (indisc.) plan arrangement.

So what exactly is the finding of the Canadian court that you're being asked to endorse, your Honor? So turning to page 89, right, the second lien indenture here and the market standard, the second lien indenture here has a provision that automatic acceleration upon certain events of default. Those events of default include the commencement of the CBCA or this chapter (indisc.) proceeding. And I note that when this went back to the comeback hearing in front of Justice Nixon he seemed to embrace and acknowledge the fact that's exactly what the indenture said. Now, he said that he could supersede the indenture, and we disagree with that. But I think everybody seems to agree that the indenture on its four corners provide that there's an event of default (indisc.) the commencement of the CBCA or the -- and/or this proceeding and that that leads to automatic acceleration under the four corners of the indenture. And that's market standard, your Honor.

So here's the text of the preliminary interim order on page 90, your Honor. And this is the language of the preliminary interim order. And as your Honor may recall at the first hearing in this case on July 14, I mentioned this on the

record, your Honor, and I said, Judge, we're worried where this is going, that this language in the preliminary interim order will end up being used by the Debtors to basically try to wave a magic wand, pretend this acceleration never happened (indisc.) indenture. And that's exactly what they did, right? So this language is the stay provision in the preliminary interim order and it talks about certain things that cannot happen. And it says that certain things -- that you can't exercise, commence, or proceed with certain things. And it actually imposes that stay on parties, right, including the second lien noteholders, meaning consistent with the automatic stay in the United States, as drafted, this is our position, this language was about a stay of entities, of people from doing something but not about something that happens automatically under a contract. And so as previewed to your Honor at the first hearing, and I've got the excerpts of that transcript at page 91, we went back to the Canadian court to try to clarify that a preliminary interim order could not operate to stop something from happening automatically under a document. And we were there on July 27th. And my Canadian co-counsel argued these very issues to Justice Nixon. And the Canadian court entered an order and that order ended up finding in a ruling with a reasoning that went behind it ended up finding that by virtue of the fact that the court's order in Canada was retroactive to 12:01 a.m. and it contains a stay,

and that stay is read broadly by that court to prevent things from happening, not people from doing things, that the acceleration never happened under the indenture. That's the ruling that the justice reached on July 27th. And that is the language that informs for the Debtors and for the Canadian court the reading of the preliminary interim order. And what this means, your Honor, is that when you're being asked to give full force and effect, right, when you're being asked to give full faith and credit to that preliminary interim order, you're being asked, your Honor, you're being asked to find that there was no acceleration of the second lien notes. You're being asked to suspend the language of this New York law-governed indenture issued by this Delaware limited partnership based on this preliminary interim order entered in Canada. You're being asked to find that the filing (indisc.) supersedes the operative language of the indenture. As we point out at page 94, your Honor, by this the Debtors ask you to modify substantive rights. This is not just a stay, right? This is depriving parties that negotiated this contract of the automatic operation of that contract. This is not something anybody has to do, it does not require a notice, it's what the contract provides. And, again, the plan of arrangement hinges on this. The Debtors need you to make that finding or there's a problem with their plan of arrangement.

And, your Honor, on page 95, I want to point out that

we're here ironically even though the Debtors assured the court in Canada this is a Canada issue. As we quote on page 95, Mr. Samar at the July 23rd comeback hearing, he said this to the court. He said the suggestion that this matter, meaning the stay of acceleration, could or should somehow be heard by the U. S. Bankruptcy Court, with respect, makes absolutely no sense. This is a CBCA case. It's in your court. There's an ancillary U. S. Chapter 15 case, there's stay on both sides of the border, but the substantive issue will have to be determined by this court, meaning CBA court, with respect to fairness and substantive rights. So, your Honor, the Debtors are here bringing this issue to you today that the Debtors have asked your Honor to get involved because they've asked you to give full force and effect, full comity to the preliminary interim order as clarified by Justice Nixon, which means that you need to bless the fact that the commencement of the CBCA superseded the language of the negotiated indenture governed by New York law.

Turning to page 96, your Honor, this Court is being asked to do several things. One of the things your Honor is being asked to do is effectively to enable what we believe is an insider (indisc.) plan that hinges on impairing the 2L notes, right? So the 1L bank (phonetic) that is supportive because they're being paid down in part by this new one and a half (indisc.) debt that's being issued. The unsecured

creditors are supportive because they're being equitized. The existing equity is going to be solicited for a vote. But the 2L notes are not being solicited to vote in any manner. Your Honor may recall the testimony of Mr. Mathison at trial where I asked him about the benefit that he personally was going to get out of this transaction. And we learned that he is the only non-unsecured noteholders that is being allowed to participate in the one-half (indisc.) issuance and the one-half (indisc.) issuance, your Honor, the reason this is so important is because the one-half of the issuance (phonetic) will be convertible at the election of the holder into equity at a very favorable conversion price. We also had Mr. Mathison acknowledge that he's going to get board designation rights, thereby ensuring that he's going to remain on the board. We also heard that he's going to retain his employment agreement, that that's part of the deal that he has here. And we also heard, your Honor, problematic for us, that while Mr. Mathison has acknowledged to the board that he's conflicted because he's announced to the board that he's going to do a transaction that apparently is not available to anybody else, he still remained involved in key deliberations and he's been present for very important votes on this process.

On page 97, your Honor, showing why we believe the relief being requested with respect to the endorsement of preliminary interim order is contrary to U. S. public policy.

Your Honor, I point out that Congress in the Bankruptcy Code identified specific instances in which ipso facto provisions are struck out, in which they're invalidated. But that does not apply to indentures. That may apply to the ability to assign executory contractors, that may apply to other circumstances, but it does not apply with respect to finance (indisc.) like the indenture. Congress did not go there, did not vest that authority in your Honor to just read out those ipso facto provisions. And we submit that your Honor should not do so here.

The other point, your Honor, again I've mentioned this before, 362(a) talks about a stay on entities. And I think as Mr. Goldberg I think acknowledged, we know that in U. S. bankruptcy court and U. S. bankruptcy system the commencement of a proceeding does not stay things that happen automatically under a document. But that's exactly what you're being asked to endorse today, your Honor.

So, your Honor, for all those reasons, we respectfully submit that to the extent, your Honor, we're to recognize either or both of the U. S. Debtors' proceedings, we believe you should not because we think it's pretty clear there's no (indisc.) of establishment. But if you do, your Honor, we think that your Honor should not recognize in the manner that's going to give full force and effect to the preliminary interim order on this very important issue of

endorsing the suspension of the provision of the indenture in a way that we think is contrary to what was negotiated by the parties in a contract governed by New York law with respect to an issuer located in the United States. Your Honor, unless you have any questions, that's what I had.

THE COURT: So take me one step further. So let's assume -- and I haven't heard from Mr. Goldberg or Mr. Harris yet, but let's assume that your theory on the recognition and what's -- what is trying to be accomplished is exactly what you believe it to be, what's the next step in that process in your mind?

MR. FLIMAN: So, your Honor, is your question about what happens in the Canadian process or what happens (indisc.) your Honor?

THE COURT: Here.

MR. FLIMAN: Your Honor, from my perspective, if these -- if the cases, the U. S. cases, were not recognized, you would not enter any relief, you would not recognize the preliminary interim order as to those entities. And I believe that that would tie into the fight that's inevitably going to happen in Canada with respect to the plan of arrangement.

THE COURT: Got it. So I asked a poor question. So let me -- give me a do-over because that wasn't what I had in my head. So let's assume that there is recognition of sorts, and we get to the last argument that you made, that there

shouldn't be an adoption, if you will, of the preliminary interim order in its entirety; what is the implication of either recognizing or not recognizing the preliminary order here?

MR. FLIMAN: Right. So, your Honor, I think -- and we spent a lot of time kind of thinking about how that plays out. I think we recognized we would continue to be bound by the stay, right, meaning that we as noteholders could not take any action that would be inconsistent with that, meaning we couldn't enforce on the acceleration because we would be bound by a stay while the proceeding is pending. Where we think this plays out and where it's germane is for the litigation that's playing out in Canada with respect to the plan of arrangement because my Canadian co-counsel are going to be tackling plan of arrangement, and I think to them -- and I think the arguments that are teed up there, it is significant whether there was recognition of this order in the United States or not, in particular given that this is a New York-governed indenture, not to sound like a broken record, but a New York-governed indenture issued by U. S. issuers. So I think this plays out, we recognize we continue -- if your Honor recognizes the proceeding as to the U. S. Debtors but doesn't enter the full relief being asked by the Debtors, we would continue to be bound by the stay, we couldn't enforce any remedies on account of that, but it would play out in the litigation on the plan of

arrangement and fairness up in Canada.

THE COURT: So if I could put it in vernacular that I understand, so your concern is, is that it then becomes an evidentiary issue in Canada, well, Jones said it was okay so therefore it must be okay, therefore you should continue to do the following, even though all I was doing was saying what the Canadian justice has done was okay with me, it then gets used back against him; is that the concern? It's sort of --

MR. FLIMAN: That's --

THE COURT: -- circular, isn't it? Yeah.

MR. FLIMAN: That's exactly right, that is a concern. And, your Honor, and I put it back to the Debtors because otherwise why do they need this order, right? Why wouldn't they narrow the relief to remove this concern that we've raised since the first day of this hearing? The reason they need that is because they want your endorsement to take it to the Canadian court to give credence to their argument there's been no acceleration.

THE COURT: Got it. Okay, I'm not sure I fully appreciated that until this argument so that's really helpful. Thank you. Let me -- Mr. Goldberg, Mr. Harris, you want to respond?

MR. HARRIS: Thank you, your Honor. I'll respond quickly on just a few points about COMI and establishment, then Mr. Goldberg will address the other issues.

THE COURT: Yeah, let me -- if I could help narrow the issue. So I know what I said in *Argent* and I've actually been preparing for this. I went back and looked at it and I think I remember why I did what I did. In terms of looking at this -- and I'll just tell you, I mean, I want to be as transparent as I possibly can be because I need -- I want to understand the implications of everything I'm doing because I'm not just affecting what I do tomorrow, I'm affecting potentially what a judge in another country is doing, and I want to make sure that I appreciate that. So from an operational standpoint, I will tell you that I'm very comfortable that COMI is in Canada. I just am. And I appreciate the arguments that have been made but I just from an operational standpoint, I'm just -- I -- it's going to take a log of persuading to get me away from that issue. And when I say "operationally," in my mind that's everybody but the LP.

And on the financial or looking at the LP and the financial place that it occupies in the structure, when I go through and I look at the RAND factors, which I agree are exactly the analysis I should be doing, I am right there on the fence three, two, two, three, one way or the other. So let me for purposes of my question, let's assume that the three, two goes against you. So question number one is what does that do to the Canadian proceeding if you have what is it four or five where it's a foreign main and one that it's a foreign non-main,

what does that do to the proceedings going forward and what issues am I creating? And then question number two, and maybe this is where the split, Mr. Harris, with Mr. Goldberg comes, is with respect to endorsing the order, is Mr. Fliman right, is that what I'm being asked to do is to create a litigation advantage in Canada? Because if so, I mean, I really want to understand that and I want to understand why. I -- if I haven't been clear, I have very much attempted to stay out of and give comity to the Canadian proceedings simply because that's, you know, that's where the debtor chose to file and there's a process that's ongoing. And I've tried really hard not to insert myself into that proceeding so that the Canadian court, not that they would, but so that the Canadian court is free to do whatever the Canadian court believes is appropriate. So if I'm really being asked to create leverage in the Canadian proceeding, that's something I really don't want to do. I looked when I read sort of the enforce the preliminary order, I just looked at it as we want to make sure that no one can circle around the Canadian proceedings and start -- I'm making this up, start exercising grab law or start, you know, exercising provisional remedies while the Canadian proceeding was ongoing. I never looked at it as any more than that so I really do want to understand if my adoption of that is being used tactically as opposed to practically. So if you could -- and I don't care how you guys split it up. Those are two

things I really would like to understand more of, more about. Did we lose Mr. Harris? Oh, no, he's back. No, you froze for a second.

MR. HARRIS: I'm here but Mr. Goldberg is going to answer those better than I would so --

THE COURT: All right. Mr. Goldberg.

MR. GOLDBERG: (No audible response)

THE COURT: Oh, Mr. Goldberg, I am so sorry. My apologies. I didn't realize when I muted everybody I didn't unmute you.

MR. GOLDBERG: Thank you, your Honor. And for the record, Adam Goldberg of Latham and Watkins on behalf of the foreign representative.

Let me begin, you know, one of the things I was thinking about responding to in Mr. Fliman's remarks was where he put up the slide with a remark from our co-counsel, Mr. Samar, in before the Canadian court. And let me fully embrace that to your Honor. The idea that the substantive merits of the CBCA proceeding and what is being proposed there should in any way be judged by -- before this Court, before this U. S. Bankruptcy Court, that makes absolutely no sense. This is an ancillary proceeding, and what the substantive issues for the CBCA case should be judged in Canada. We are not seeking any determination by your court to go and use that before the CBCA proceeding. The purpose of our request today

is exactly as you put your finger on, to prevent Wilks Brothers from using the refusal to recognize the suspension of acceleration as somehow and end-run and collateral attack on the ability to what we think is ultimately reinstatement of the second lien debt through the CBCA plan. And let me just on that point in particular respond precisely to a comment that Mr. Fliman made, which was that the Bankruptcy Code absolutely does allow your Honor to override ipso facto provisions in the second lien indenture. And that's Section 1124 of the Bankruptcy Code that allows reinstatement of debts notwithstanding ipso facto defaults.

On your question as to main versus non-main recognition, if your Honor is prepared to grant the relief in the non-main case that we would request to ensure that the stay remains in place, the preliminary interim order is granted effect in the United States so that everyone can have their day in court in Canada, then that would I think meet our needs here, your Honor. I don't see that as negatively or in any way impacting one way or the other the issues before the Canadian court.

And let me just emphasize one critical point here, your Honor, is that we view this all as a collateral attack on the Canadian proceeding. We haven't heard one suggestion from Mr. Fliman that somehow the Canadian court is not providing due process and giving Wilks Brothers their day in court. We saw

presentations from the transcripts that show that the Canadian court directly heard their issues and that they lost. And so we think the Canadian court is the right place for all of these issues and that we're seeking to keep that as the center stage.

THE COURT: So let me ask both of you if I could. And I say both of you, Mr. Fliman, Mr. Goldberg. If -- and, again, you're preserving all of your arguments, all your complaints. But let's assume that I'm going to -- that let's assume that I'm going to recognize the proceeding in one form or another and that I'm going to enforce the preliminary interim order with the caveat that I am doing so in the interest of comity, and my adoption, enforcement, whatever words you want to use, is not to be used in the Canadian proceeding as evidence other -- of anything other than that I have recognized the interim order in the interest of comity. Does that -- Mr. Fliman, does that solve -- I think it solves your concern and it also at least in my mind as I'm thinking about it, it really does preserve the status quo in my mind until I can see what's going to happen; because I can always come back and reevaluate what under 1517(d), I mean, I can always come back and make a change if I learn a new piece of information.

MR. FLIMAN: So I think, your Honor, I think it goes a long way. I think that if it was clear that your Honor's not making any finding with respect to the acceleration issue, --

THE COURT: No, --

MR. FLIMAN: -- which I would say I think --

THE COURT: I wouldn't be. It is whatever it is. And --

MR. FLIMAN: Right.

THE COURT: -- all I -- but what I do want to make sure that I'm doing is that I want the status quo maintained, i.e., with the implementation of the stay so that the Canadian court can continue its proceeding uninterrupted and effectively -- you know, effectively I'm the support guy on the side. I mean, I'm providing support while the Canadian court determines whether or not the plan works or it doesn't work or whatever it might be. That support shouldn't give either side a tactical advantage. In my mind, it ought to preserve the status quo so that everyone knows what the landscape looks like. Is that -- am I missing something? Have I made it too simplistic?

MR. FLIMAN: I think, your Honor, if your starting point is that you're going to recognize the proceedings, then I think, right, and, you know, if that ship has sailed, then I think then that's, you know, that makes sense for us to end up in that posture, yeah, is that there's no findings on this issue, it's not prejudicing anybody's arguments in the Canadian proceeding with respect to this issue.

THE COURT: Great. And, Mr. Goldberg, does that accomplish the I called it status quo, I've forgotten what your

words were, but does that accomplish what you think needs to occur?

MR. GOLDBERG: For the record, your Honor, Adam Goldberg of Latham and Watkins. Yes, it does, your Honor. And just to be abundantly clear, I think what we're discussing is that your Honor would be granting enforcement of the preliminary interim order in the United States but it would have no effect on anyone's arguments in the Canadian process.

THE COURT: And --

MR. GOLDBERG: And we're totally on board with that.

THE COURT: And would not be used in the Canadian proceeding to -- I'm going to leave it to you all to come up with the right words, but it won't be --

MR. GOLDBERG: Yes, your Honor.

THE COURT: -- used to advocate a particular position one way or the other, it's just a fact that I've recognized that I'm enforcing it solely out of comity for the Canadian proceeding.

MR. GOLDBERG: Yes, your Honor, that works for us. We are not going to use your Honor's ruling granting comity to advocate before the Canadian court.

THE COURT: And it goes both ways. Again, I'm looking at it -- and I get Mr. Fliman's concern. I -- not that I'm suggesting that it would be done but I at least understand the argument. And he's being very careful and thorough as he

should be. So let me do this. And again, Mr. Fliman, I appreciate you engaging me in this.

And this is all without any prejudice to your right to object to, seek review of, complain about anything that I may rule, but let me go ahead and do this so that everyone knows exactly at least where I think it comes out, is with respect to the request for recognition, I do find that I have jurisdiction over the matter pursuant to 28 USC Section 1334. I do think the matter constitutes a core proceeding under 28 USC Section 157. I also think that I have the requisite constitutional authority to enter a final order with respect to the request.

The parties have more than adequately researched the applicable law. The RAND factors are something that I have depended upon since the first Chapter 15 case I ever got involved in. And I -- you know, I applaud everybody for really looking at the law and understanding and giving it to me just plain and simple. And when I apply those factors -- and, again, is the way I read RAND, it's a non-exhaustive list and so I have always applied as I do a lot of times my own common sense view of, well, if I look at it as an outsider, what does this look like. And if I apply those RAND factors, I will find that the center of main interest with respect to all of the entities is in Canada, and I will find under 1517, let's see, B-1, yeah, 1517(b)(1) that with respect to those entities that

I will recognize the proceeding as a foreign main proceeding.

With respect to the LP, I will find that the record establishes the existence of an establishment and I will recognize the Canadian proceeding as a foreign non-main proceeding with respect to the LP, and that's simply because I do think unlike in *Argent*, I do think that there is a very clear dividing line. It just makes sense to me. Sometimes, you know, when I say things they come across as absolutes, but I do think that this is a very fact-specific inquiry and I think that the separation is appropriate.

And with respect to the request for enforcement of the preliminary interim order, subject to some appropriate language, which I'm going to look to you all to come up with, that makes it very clear that I am enforcing the preliminary interim order in the interest of comity and to allow the Canadian proceedings to run their full course. And, again, it is subject to 1517(d). Should the facts change and that any party, both sides, can come back and say that I need to reevaluate one way or the other the ruling that I made and I'm more than happy to do that. The goal is just to get it right.

So with respect to that, I will -- Mr. Fliman, so that you have your record, except to the extent that I've granted limited relief, the objection's overruled so you've got a final order in the event that you need to seek review.

And, Mr. Goldberg, with respect to your client, I

didn't grant the requested relief in its entirety, so to the extent that I didn't grant your request, the request is overruled.

Can I look to you all to submit a form of order which you will each approve as to form only? And, again, I'll put on the record that by approving as to form only you're not waiving any right of review or appeal that you may have, you're simply confirming that the paper corresponds to the ruling that I've made on the record pursuant to 7052. Can I ask you all to do that?

MR. FLIMAN: Yes, your Honor.

MR. GOLDBERG: Thank you, your Honor, we will do so.

THE COURT: Tell me -- I know you have -- you all have many things to do, everybody's very busy, can I get this say, you know, end of next week, is that enough time? You need longer?

MR. GOLDBERG: Oh, I think plenty of time, yes, thank you, your Honor.

THE COURT: All right. And, Mr. Monsour, since you're local, could I ask you once you get all of this, could you just coordinate with Mr. Alonzo and let him know when it's been uploaded?

MR. MONSOUR: (No audible response)

THE COURT: All right, thank you. My guess is you're muted as well but I read your lips so we're all good. All

right, anything else we need to talk about today? I really did enjoy the argument. It was really, really well done. I actually talked about you all in a speech that I gave last week about how effective advocates could be using the video. And it's a tribute to your skillsets. It was very helpful. I don't know that it -- I hate to say this, I don't know that it could have been any better if you were standing in my courtroom; although it would have been more fun. But I very much appreciate the preparation and the skillsets. All right.

MR. SPEAKER: Thank you, your Honor.

THE COURT: Thank you all. We'll be --

MR. GOLDBERG: Thank you, your Honor.

THE COURT: -- adjourned until 3:30. Thank you.

(This proceeding was adjourned at 3:01 p.m.)

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

Signed

September 3, 2020

Dated

TONI HUDSON, TRANSCRIBER

EXHIBIT 5

This is Exhibit "5" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

[**Redacted Version**]

SHAREHOLDER SUPPORT AGREEMENT

This support agreement dated as of July 13, 2020 (together with all schedules annexed hereto and incorporated herein, the "**Agreement**") is entered into by and between: (i) Calfrac Well Services Ltd. (the "**Company**"), and [**Redacted**] (the "**Supporting Shareholder**"), being a holder of common shares of the Company (the "**Shares**"), regarding a recapitalization transaction (the "**Transaction**") involving the Company, as more fully set out in the term sheet attached as Schedule B hereto (the "**Term Sheet**"), which Transaction is to be implemented pursuant to a plan of arrangement (the "**CBCA Plan**") to be filed in proceedings (the "**CBCA Proceedings**") under the *Canada Business Corporations Act* commenced before the Court of Queen's Bench of Alberta (the "**Court**").

Capitalized terms used but not otherwise defined in the main body of this Agreement have the meanings given to them in Schedule A hereto or the Term Sheet, as applicable. The Company and the Supporting Shareholder are collectively referred to herein as the "**Parties**" and each as a "**Party**". Holders of Shares are herein referred to as "**Shareholders**".

In consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

1. SUPPORTING SHAREHOLDER COVENANTS

In consideration of the matters set forth in this Agreement, the Supporting Shareholder hereby covenants that it shall:

(a) consent to the Transaction substantially on the terms set out in the Term Sheet, and consent to such amendments, modifications and/or supplements to the Transaction and Term Sheet and to such other transactions as may be otherwise approved by the Board to the extent the terms thereof are not materially adversely different to the Supporting Shareholder from those set out in the Term Sheet (collectively, "**Other Transactions**");

(b) vote (or cause to be voted) all of its Relevant Shares (as defined below), in the event a vote of Shareholders is required in connection with the Transaction and the CBCA Plan or any Other Transaction for any reason (including pursuant to the rules of the Toronto Stock Exchange), in favour of the approval, consent, ratification and adoption of the Transaction and the CBCA Plan or Other Transaction (and any actions required in furtherance thereof) in accordance with the terms herein, and if requested by the Company, any written consent in lieu of a meeting to evidence its approval, consent, ratification and adoption of the Transaction and the CBCA Plan or Other Transaction;

(c) support the Company in obtaining approval of the Transaction and CBCA Plan by the Court and all other applicable orders in connection therewith on terms consistent with the Term Sheet;

(d) execute those documents and perform such commercially reasonable acts that are required to satisfy all of its obligations hereunder;

(e) not to, directly or indirectly, exercise any rights of dissent or appraisal with respect to the Transaction, the CBCA Plan or any Other Transaction; and

(f) not to, directly or indirectly, object to, delay or take any other action to interfere with the consideration, acceptance or implementation of the Transaction and the CBCA Plan and any Other Transaction.

2. REPRESENTATIONS AND WARRANTIES OF THE SUPPORTING SHAREHOLDER

The Supporting Shareholder hereby represents and warrants to the Company (and acknowledges that the Company is relying upon such representations and warranties) that:

(a) it is the sole legal or beneficial holder of, or exercises control and direction and has sole control and investment discretion over that number of Shares set forth on its signature page to this Agreement (the "**Relevant Shares**") and no other Shares;

(b) it has the authority to vote or direct the voting of its Relevant Shares and none of the Relevant Shares is subject to any liens, charges, encumbrances, obligations or other restrictions that would reasonably be expected to adversely affect its ability to perform its obligations under this Agreement;

(c) it (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision to enter into this Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied in such analysis or decision on any person other than its own independent advisors;

(d) this Agreement has been duly authorized, executed and delivered by it, and, assuming the due authorization, execution and delivery by the Company, this Agreement constitutes a legal, valid and binding obligation of it, enforceable in accordance with its terms;

(e) if a corporation, partnership, unincorporated association or other entity, it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and has all necessary power and authority to execute and deliver this Agreement resulting from its acceptance hereof and to perform its obligations hereunder;

(f) if an individual, he or she is of the full age of majority and is legally competent to execute this Agreement and take all action pursuant hereto;

(g) the execution and delivery of this Agreement by it and the completion by it of the transactions contemplated herein do not and will not violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to the Supporting Shareholder; and

(h) it acknowledges and agrees that the entitlements set forth in the Term Sheet represent all of the entitlements which such Supporting Shareholder shall be entitled to in connection with the Transaction and the CBCA Plan and the Other Transactions.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Supporting Shareholder (and acknowledges that the Supporting Shareholder is relying upon such representations and warranties) that:

(a) the Board approved the transactions contemplated by the Transaction;

(b) it (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision to enter into this Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied in such analysis or decision on any person other than its own independent advisors;

(c) this Agreement has been duly authorized, executed and delivered by it, and, assuming the due authorization, execution and delivery by the Supporting Shareholder, this Agreement constitutes a legal, valid and binding obligation of it, enforceable in accordance with its terms;

(d) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and has all necessary power and authority to execute and deliver this Agreement resulting from its acceptance hereof and to perform its obligations hereunder; and

(e) the execution and delivery of this Agreement by it and the completion by it of the transactions contemplated herein do not and will not violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to the Company.

4. TERMINATION

This Agreement shall terminate upon the earlier of (a) the date the noteholder support agreement dated July 13, 2020 among the Company and the Senior Unsecured Noteholders is terminated in accordance with its terms; (b) the Effective Date; and (c) October 31, 2020.

5. RELEASES

The Parties agree that there shall be usual and customary mutual releases pursuant to the CBCA Plan in connection with the implementation of the Transaction to be effective as of the Effective Date (collectively, the "**Releases**"). The Releases shall provide, *inter alia*, that the Company, the Consenting Noteholders, the Shareholders, and each of the foregoing persons' respective principals, members, managed accounts or funds, fund advisors, current and former directors and officers, employees, financial and other advisors, legal counsel and agents, each in their capacity as such (collectively, the "**Released Parties**") shall be released and discharged from any and all present and future actions, causes of action, damages, judgments, executions, obligations and claims of any kind or nature whatsoever (other than liabilities or claims attributable to any of Released Party's gross negligence, fraud or willful misconduct as determined by the final, non-appealable judgment of a court of competent jurisdiction) arising on or prior to the Effective Date in connection with the Senior Unsecured Notes, the Senior Unsecured Note Indenture, the Shares, this Agreement, the Transaction (or any Other Transaction), the CBCA Plan, the CBCA Proceedings, the transactions contemplated herein, and any other actions, agreements, documents or matters related directly or indirectly to the foregoing; provided that the Supporting Shareholder shall not be released from or in respect of any of its obligations under this Agreement.

6. PUBLIC ANNOUNCEMENTS

All public announcements in respect of the Transaction (or any Other Transaction) shall be in form and substance acceptable to the Company and, to the extent in writing and referring to the Supporting

Shareholder, the Supporting Shareholder; provided that, nothing herein shall prevent (a) a Party from making public disclosure in respect of the Transaction (or any Other Transaction) to the extent required by applicable law; and (b) the Company from disclosing the number of Relevant Shares held by all supporting Shareholders in the aggregate from time to time in any public disclosure, including, without limitation, in any press releases or court materials.

7. MISCELLANEOUS

(a) This Agreement may be modified, amended or supplemented as to any matter in writing (which may include e-mail) by the Parties. No Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Party hereto.

(b) This Agreement shall be governed by, construed and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction).

(c) This Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

CALFRAC WELL SERVICES LTD.

By: *(signed) "Michael Olinek"*

Name: Michael Olinek
Title: Chief Financial Officer

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

Name of Supporting Shareholder **[Redacted]**

By: (**signed**)
Name: **[Redacted]**
Title: **[Redacted]**

Address: **[Redacted]**

[Redacted]

[Redacted]

Number of Shares subject to this Agreement: **[Redacted]**

Custodian / CDS or DTC Participant: **[Redacted]**

SCHEDULE A
DEFINITIONS

"**Board**" means the board of directors of the Company.

"**Effective Date**" means the date on which the Transaction (or any Other Transaction) is implemented pursuant to the CBCA Plan.

SCHEDULE B
TERM SHEET

CALFRAC WELL SERVICES LTD.

RECAPITALIZATION TRANSACTION TERM SHEET

SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

This term sheet dated as of July 13, 2020 (the "**Term Sheet**") describes the principal terms of a potential recapitalization transaction to be agreed upon between Calfrac Well Services Ltd., for and on behalf of itself and certain subsidiaries set forth in Schedule A (collectively, the "**Company**"), and the Consenting Noteholders in connection with certain indebtedness of the Company (the "**Recapitalization Transaction**").

Capitalized terms used and not otherwise defined in this Term Sheet shall be as defined in Section 4 of this Term Sheet.

1. RECAPITALIZATION TRANSACTION	
Implementation	The Recapitalization Transaction shall be implemented pursuant to a plan of arrangement (a "**Plan**") to be filed under the *Canada Business Corporations Act* ("**CBCA**").
Recapitalization Transaction Summary	Conditional upon and concurrent with the completion of the Recapitalization Transaction, the Company shall complete the New Financing (as defined below). The Recapitalization Transaction shall provide that, pursuant to the Plan: (a) Each Senior Unsecured Noteholders shall receive its pro rata share (based on face value of the Senior Unsecured Notes) of 86% of the Pro Forma Common Shares; (b) Each Early Consenting Noteholder shall receive its pro rata share (based on face value of the Senior Unsecured Notes of all Early Consenting Noteholders) of 6% of the Pro Forma Common Shares; and (c) The Existing Shareholders shall retain their Common Shares, subject to dilution based on the New Shares, and subject further to the Share Consolidation, which shall equal 8% of the Pro Forma Common Shares, following the Effective Time; in each case, as described in greater detail below, and subject to dilution for the Backstop Shares.
New Financing	The Company shall carry out a new financing of $60 million aggregate principal amount of New 1.5 Lien Notes (the "**New Financing**"), issued as set out in a separate New 1.5 Lien Notes Term Sheet, and in accordance with applicable securities laws and under applicable exemptions from prospectus and registration requirements. In connection with the New Financing, pursuant to the Commitment Letter, a backstop commitment fee in the amount of approximately $1.5 million shall be payable to the Commitment Parties through the issuance of new Common

1. RECAPITALIZATION TRANSACTION	
	Shares at the Conversion Price (as defined in the New 1.5 Lien Notes Term Sheet) (the "**Backstop Shares**").
Treatment of Existing Lenders under Credit Agreement	The Credit Agreement shall be amended and restated to: (a) provide relief in respect of the Funded Debt to EBITDA covenant; and (b) reflect such amendments or waivers as are necessary to permit the Recapitalization Transaction and New 1.5 Lien Notes and to reflect the Company's post-Recapitalization Transaction organization and capital structure and liquidity requirements. The Existing Lenders shall be unaffected under the Plan. All aspects of this Term Sheet in respect of the Existing Lenders shall be implemented pursuant to an amendment to the Credit Agreement (the "**Credit Agreement Amendment**").
Treatment of Second Lien Notes	Each Second Lien Noteholder, in its capacity as such, shall be unaffected by the implementation of the Plan.
Treatment of Senior Unsecured Notes	Pursuant to the Recapitalization Transaction, each Senior Unsecured Noteholder as of the Record Date shall receive at the Effective Time, in full and complete satisfaction of its respective claims under or in respect of the Senior Unsecured Notes and the Senior Unsecured Notes Indenture: (a) such Senior Unsecured Noteholder's pro rata share of a pool of Common Shares representing 86% of the Pro Forma Common Shares; and (b) if such Senior Unsecured Noteholder is an Early Consenting Noteholder, such Senior Unsecured Noteholder's pro rata share (as compared to all Early Consenting Noteholders) of a pool of Common Shares representing 6% of the Pro Forma Common Shares, in each case, subject to dilution for the Backstop Shares.
Treatment of Equity Securities	Existing Shareholders of the Company as of the Record Date shall retain their Common Shares (subject to the Share Consolidation pursuant to the Plan, the "**Existing Shareholder Shares**"), and subject to dilution resulting from the issuance of the New Shares pursuant to the Plan, which Existing Shareholder Shares shall equal 8% of the Pro Forma Common Shares following the Effective Time, subject to dilution for the Backstop Shares.
Treatment of Employee Obligations	All obligations to employees of the Company (whether for salary, wages, benefits, severance or otherwise) shall be unaffected by the Recapitalization Transaction.

1. RECAPITALIZATION TRANSACTION	
Treatment of Trade Debt	The trade debt obligations of the Company shall be unaffected by the Recapitalization Transaction and shall be paid or satisfied in the ordinary course of business.
Treatment of Equity Incentive Plans	All existing equity incentives shall be treated as follows: (a) all stock options shall be terminated for no consideration, as such options are out-of-the-money; (b) all equity-based PSUs shall vest at the Effective Time in accordance with their terms and be settled in cash for total cash consideration not exceeding $175,000 and all performance-based PSUs shall be terminated for no consideration; and (c) all DSUs shall continue to exist or be settled for total cash consideration not exceeding $50,000, in accordance with their terms.
MIP	Up to 10% of the Pro Forma Common Shares shall be reserved for a new management incentive plan (the "**MIP**"), to be allocated as determined by the Board following implementation of the Plan.
Governance	The composition and size of the Board of the Company following implementation of the Plan shall be acceptable to each of the Majority Commitment Parties, the Majority Initial Consenting Noteholders and as may otherwise be required pursuant to the terms of any Support Agreement or the Commitment Letter.
CBCA Matters	The Company will seek to continue into the federal jurisdiction of Canada under the CBCA (the "**Federal Continuance**"), and may seek to reduce its stated capital in respect of the Common Shares (the "**Stated Capital Reduction**") prior to the implementation of the Plan, in order to implement the Plan pursuant to the CBCA. Pursuant to the *Business Corporation Act* (Alberta), the Existing Shareholders shall have dissent rights in connection with the Federal Continuance.
Share Consolidation	As a step in the Plan, the Common Shares shall be consolidated (the "**Share Consolidation**") using a ratio that is acceptable to the Company, the Majority Commitment Parties, and the Majority Initial Consenting Noteholders, each acting reasonably. No fractional Common Shares will be issued in connection with the Share Consolidation, and any Common Shares to be issued shall be rounded down to the nearest whole number of Common Shares. No compensation will be issued to any shareholder as a result of rounding down, which may result in certain shareholders failing to receive any Common Shares as a result of the Share Consolidation.
Stated Capital Reduction	The Stated Capital Reduction may be required prior to the implementation of the Plan or as a step in the Plan, to ensure that the Company meets CBCA solvency requirements post-Recapitalization Transaction.
Shareholder Rights Plan	The Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders shall use commercially reasonable efforts to negotiate a customary shareholder rights plan to be adopted by the Company.
Conditions Precedent	Customary closing conditions for a transaction of this type, including but not limited to:

1.	RECAPITALIZATION TRANSACTION	
	(a)	Board approval of the Recapitalization Transaction;
	(b)	receipt of definitive legal documentation (the "**Definitive Documents**") implementing the Recapitalization Transaction (including, without limitation, the Plan), which Definitive Documents shall be in form and substance acceptable to the Company, the Majority Commitment Parties, the Majority Initial Consenting Noteholders and as may otherwise be required pursuant to the terms of any Support Agreement;
	(c)	execution of the Credit Agreement Amendment by the Existing Lenders, which Credit Agreement Amendment shall be in form and substance acceptable to the Company, the Majority Commitment Parties, the Majority Initial Consenting Noteholders, each acting reasonably, and as may otherwise be required pursuant to the terms of any Support Agreement;
	(d)	approval of the Recapitalization Transaction by the requisite majorities of Senior Unsecured Noteholders and Existing Shareholders (if required by the Court pursuant to the Interim Order) at one or more meetings to consider the Plan;
	(e)	issuance of new Common Shares necessary to reflect the terms hereof and to allow for the implementation of the Recapitalization Transaction in accordance with this Term Sheet and the Support Agreement in form and substance acceptable to the Company and the Majority Initial Consenting Noteholders;
	(f)	approval of the Plan by the Court;
	(g)	the New Financing shall have been completed prior to or concurrent with the completion of the Recapitalization Transaction pursuant to the terms of the Commitment Letter;
	(h)	the conditional approval of the TSX to the issuance of the common shares upon the conversion of the New 1.5 Lien Notes;
	(i)	all outstanding fees and expenses owed to the Company's advisors and the Ad Hoc Advisor (as defined in the Support Agreement, and in accordance with its written fee agreements with the Company) shall be paid in full;
	(j)	all necessary governmental, regulatory and stock exchange approvals shall have been received on terms and conditions satisfactory to the Company, the Majority Initial Consenting Noteholders and the Initial Commitment Parties, each acting reasonably; and
	(k)	any additional closing conditions set forth in the Support Agreement with the Consenting Noteholders.

1. RECAPITALIZATION TRANSACTION	
Documentation	The Company and its advisors will work cooperatively with the Majority Initial Consenting Noteholders and the Initial Commitment Parties and their respective advisors to prepare and finalize all Definitive Documents (including, without limitation, all Court documents and the Plan) required to implement the Recapitalization Transaction.
Timeline for Implementation	The actions necessary to structure and implement the Recapitalization Transaction will be completed by the Company in accordance with the timelines for the Milestones (as defined in the Support Agreement).
Releases	Those releases contemplated by the Support Agreement shall be provided or effective at closing of the Recapitalization Transaction.
2. OTHER MATTERS	
Fractional Securities	No fractional securities will be issued. Any fractional securities that would otherwise have been issued shall be rounded down to the nearest whole number, with no additional consideration being provided in respect of the rounding down of such fractional securities.
Change of Control	Any change of control provisions contained in any material third party contracts with the Company or any agreement between the Company and any director, officer or employee that may result in the termination of such material contract and/or a material payment by the Company to another party as a result of the completion of the Recapitalization Transaction shall be addressed in a manner acceptable to the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders, acting reasonably.
Tax Considerations	The Recapitalization Transaction will be structured in a manner acceptable to the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders to effectuate the terms and conditions outlined herein in a tax efficient and acceptable manner for the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders.
D&O Insurance	All existing directors and officers insurance coverage and indemnification obligations shall be unaffected by the Recapitalization Transaction and shall continue in effect pursuant to their applicable terms, and shall not be cancelled, terminated or amended in any manner that would decrease or eliminate the benefit provided thereby to any officer or director.
No Admission	Nothing in this Term Sheet is or shall be deemed to be an admission of any kind.
Currency	All amounts in this Term Sheet are in Canadian dollars unless otherwise stated.
Notices	All notices, requests, consents and other communications hereunder shall be contained in a written instrument and may be delivered in person or sent by internationally-recognized overnight courier or email.

1. RECAPITALIZATION TRANSACTION	
Public Announcements	All public announcements in respect of the Recapitalization Transaction shall be made in accordance with the terms of the Support Agreement and the Commitment Letter.
Governing Law	This Term Sheet, the Support Agreement and any other agreement necessary to implement the Recapitalization Transaction shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein.
3. DEFINITIONS	
Definitions	"**Board**" means the board of directors of the Company. "**Calfrac LP**" means Calfrac Holdings LP, a limited partnership formed under the laws of the State of Delaware. "**Credit Agreement**" means the Amended and Restated Credit Agreement dated April 30, 2019 between Calfrac Well Services Ltd., as borrower, HSBC Bank Canada ("**HSBC**") and each of the other financial institutions party thereto, as lenders, and HSBC, as Agent (as amended, restated or supplemented from time to time). "**Commitment Letter**" means the commitment letter dated July 13, 2020 between the Company and the Initial Commitment Parties, in respect of the New Financing. "**Common Shares**" means common shares in the capital of CWS. "**Consenting Noteholders**" means Noteholders who enter into a Support Agreement (including by way of a Joinder Agreement) and have complied with their obligations pursuant thereto (up to the Effective Date). "**Court**" means the Court of Queen's Bench of Alberta. "**CWS**" means Calfrac Well Services Ltd., a corporation formed under the laws of the Province of Alberta. "**Early Consent Date**" means a date to be determined by the Initial Consenting Noteholders and the Company, each acting reasonably, but not earlier than 15 days following the Interim Order. "**Early Consenting Noteholders**" means Noteholders who provide voting instructions to vote in favour the Plan on or prior to the Early Consent Date, and does not withdraw such voting instructions. "**Effective Time**" means the time at which the Plan becomes effective. "**Existing Lenders**" means the lenders under the Credit Agreement.

1.	RECAPITALIZATION TRANSACTION
	"**Existing Shareholders**" means the current holders of Common Shares as of the Record Date. "**Initial Commitment Parties**" means those Consenting Noteholders (and others) who have executed the Commitment Letter, and are defined as "Initial Commitment Parties" therein. "**Initial Consenting Noteholders**" means Noteholders who, on or prior to July 13, 2020 entered into the Support Agreement (including by way of a Joinder Agreement), provided that such Initial Consenting Noteholder continues to hold at least 80% of its respective principal amount of Relevant Senior Unsecured Notes as set out on its signature page to the Support Agreement. "**Joinder Agreement**" means a joinder agreement, the form of which will be appended to the form of Support Agreement, pursuant to which a Noteholder agrees, among other things, to be bound by and subject to the terms of the Support Agreement and thereby become a Consenting Noteholder. "**Majority Commitment Parties**" has the meaning given to it in the Commitment Letter. "**Majority Initial Consenting Noteholders**" means Initial Consenting Noteholders holding not less than 66 ⅔% of the aggregate principal amount of the Senior Unsecured Notes held by all Initial Consenting Noteholders. "**New 1.5 Lien Notes**" means in aggregate the CAD$60 million in new 10% PIK interest convertible secured notes to be issued prior to or concurrent with the completion of the Recapitalization Transaction. "**New Shares**" means all Common Shares of CWS issued to Senior Unsecured Noteholders pursuant to the Plan. "**Noteholders**" means, collectively, the Senior Unsecured Noteholders. "**Proceedings**" means the Company's proceedings under the CBCA pursuant to which the Plan shall be implemented. "**Pro Forma Common Shares**" means all of the issued and outstanding common shares of CWS, as at immediately following the Effective Time and taking into account the Existing Shareholder Shares and the New Shares, but not taking into account the Backstop Shares issued pursuant to the Plan, and subject to dilution pursuant to conversion of the New 1.5 Lien Notes. "**Record Date**" means July 13, 2020. "**Second Lien Noteholders**" means a holder or holders of the Second Lien Notes, in their capacity as such.

1.	RECAPITALIZATION TRANSACTION
	"**Second Lien Notes**" means the 10.875% second lien secured notes of Calfrac LP in the maximum aggregate amount of USD$120,000,100 due 2026 and issued and outstanding pursuant to the Second Lien Note Indenture. "**Second Lien Note Indenture**" the indenture dated February 14, 2020 among Calfrac LP, as issuer of the Second Lien Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and Wilmington Trust, National Association, as trustee. "**Senior Unsecured Noteholders**" means a holder or holders of the Senior Unsecured Notes as of the Record Date. "**Senior Unsecured Notes**" means the 8.50% senior unsecured notes of Calfrac LP in the maximum aggregate amount of USD$650,000,000 due 2026 and issued and outstanding pursuant to the Senior Unsecured Note Indenture. "**Senior Unsecured Note Indenture**" means the indenture dated May 30, 2018 among Calfrac LP, as issuer of the Senior Unsecured Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and Wells Fargo Bank, National Association, as trustee. "**Support Agreement**" means one or more noteholder support agreements dated on or about July 13, 2020 among the Company and certain Senior Unsecured Noteholders to which this Term Sheet is appended (and including any joinders thereto).

SCHEDULE A

SUBSIDIARIES

ENTITY	JURISDICTION
Calfrac (Canada) Inc.	Alberta
Calfrac Holdings LP	Delaware
Calfrac Well Services Corp.	Colorado

EXHIBIT 6

This is Exhibit "6" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

[Redacted Version]

NOTEHOLDER SUPPORT AGREEMENT

This support agreement dated as of July 13, 2020 (together with all schedules annexed hereto and incorporated herein, the "**Agreement**") is entered into by and among: (i) Calfrac Well Services Ltd. (the "**Company**"), (ii) Calfrac Holdings LP and Calfrac Well Services Corp. (each a "**Company Subsidiary**" and collectively, the "**Company Subsidiaries**"), and (iii) each of the other signatories to this Agreement (or a Joinder Agreement (as defined herein)) (each a "**Consenting Noteholder**", and collectively the "**Consenting Noteholders**"), with each Consenting Noteholder being a holder of, and/or investment advisor or manager with sole investment discretion with respect to holdings in, the Company's Senior Unsecured Notes (as defined herein) issued pursuant to the Senior Unsecured Note Indenture (as defined herein), regarding a recapitalization transaction (the "**Transaction**") pursuant to which, among other things, all of the Company's Senior Unsecured Notes will be exchanged for New Common Shares (each as defined herein) pursuant to a plan of arrangement (the "**CBCA Plan**") to be implemented pursuant to proceedings (the "**CBCA Proceedings**") under the *Canada Business Corporations Act* (the "**CBCA**") and the Company will obtain additional financing pursuant to the New Financing, subject to the terms and conditions set forth in this Agreement and the term sheet attached hereto as Schedule C (the "**Term Sheet**"), and/or as may otherwise be agreed by the Company and the Initial Consenting Noteholders (as defined herein) together with any additional consents required pursuant to the Commitment Letter (as defined herein).

Capitalized terms used but not otherwise defined in the main body of this Agreement have the meanings given to them in Schedule A hereto or the Term Sheet, as applicable. The Company, the Company Subsidiaries and the Consenting Noteholders are collectively referred to herein as the "**Parties**" and each of the Company and each Consenting Noteholder is a "**Party**".

In consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

1. Transaction

The principal terms of the Transaction (the "**Transaction Terms**") as agreed among the Parties are set forth in this Agreement and the Term Sheet, and, except as it relates to portions of the New Financing, will be set forth in the CBCA Plan. The Term Sheet is incorporated herein and made part of this Agreement. In the case of a conflict between the provisions contained in the main body of this Agreement and the Term Sheet, the provisions of the Term Sheet shall govern. In the case of a conflict between the provisions contained in this Agreement or the Term Sheet and the CBCA Plan, the terms of the CBCA Plan shall govern.

2. Representations and Warranties of the Consenting Noteholders

Each Consenting Noteholder, severally and not jointly, hereby represents and warrants to the Company (and hereby acknowledges that the Company is relying upon such representations and warranties) that:

(a) as of the date hereof, it (A) is the sole legal and beneficial owner of, or (B) has the sole voting and investment discretion over, and the power and authority to bind the beneficial owner(s) of, the following:

(i) Senior Unsecured Notes in the aggregate principal amount set forth on its signature page to this Agreement (or its Joinder Agreement) (such Senior Unsecured Notes

being the "**Relevant Senior Unsecured Notes**", and the principal amount of the Relevant Senior Unsecured Notes together with all obligations in respect of the Relevant Senior Unsecured Notes, including all accrued and unpaid interest and any other amount that such Consenting Noteholder is entitled to claim in respect of the Relevant Senior Unsecured Notes, being its "**Relevant Senior Unsecured Debt**"), and no other Senior Unsecured Notes;

(ii) Second Lien Notes, if any, in the aggregate principal amount set forth on its signature page to this Agreement (or its Joinder Agreement) (such Second Lien Notes being the "**Relevant Second Lien Notes**", and the principal amount of the Relevant Second Lien Notes together with all obligations in respect of the Relevant Second Lien Notes, including all accrued and unpaid interest and any other amount that such Consenting Noteholder is entitled to claim in respect of the Relevant Second Lien Notes, being its "**Relevant Second Lien Debt**"), and no other Second Lien Notes; and

(iii) that number of Existing Shares, if any, set forth on its signature page to this Agreement (or its Joinder Agreement) (such Existing Shares being the "**Relevant Shares**"), and no other Existing Shares;

(b) it has the power and authority to vote or direct the voting of its Relevant Debt and Relevant Shares, and is not a party to or subject to any voting trust, voting agreement, proxy, power of attorney or other voting arrangement in respect of the voting of its Relevant Debt and Relevant Shares which would reasonably be expected to adversely affect the ability of such Consenting Noteholder to comply with its obligations under this Agreement, including its obligations under Section 4;

(c) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization, and it has all requisite corporate or other power and capacity to enter into this Agreement and to perform its obligations hereunder and consummate the transactions contemplated hereby;

(d) the execution and delivery of, and performance by such Consenting Noteholder of its obligations under, this Agreement do not (i) contravene its certificate of incorporation, articles, by-laws, partnership or membership agreement, limited partnership agreement or other organizational documents, as applicable, (ii) violate any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to it or any of its assets, or (iii) conflict with, result in the breach of, constitute a default under, or require a consent under any contract material to such Consenting Noteholder, in all cases to the extent such contravention, violation, conflict, breach or default could reasonably be expected to prevent or delay the consummation of the Transaction;

(e) assuming the due authorization, execution and delivery by the Company and the Company Subsidiaries, this Agreement constitutes a legal, valid and binding obligation of such Consenting Noteholder, enforceable against it in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(f) it (i) is a sophisticated party with sufficient knowledge and experience to properly evaluate the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision, in the exercise of its independent judgment, to enter into this Agreement;

(iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied on the analysis or the decision of any Person other than its own members, employees, representatives or independent advisors;

(g) neither its Relevant Debt nor its Relevant Shares are subject to any liens, charges, encumbrances, obligations or other restrictions that would reasonably be expected to adversely affect its ability to perform its obligations under this Agreement, including its obligations under Section 4;

(h) other than, to the extent applicable in connection with the CBCA Plan, (i) the Interim Order and any approvals required by the Interim Order, and (ii) the Final Order, no authorization, approval, license, permit, order, authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required to be obtained or made by or with respect to such Consenting Noteholder in connection with the execution, delivery and performance by the Consenting Noteholder of this Agreement and consummation of the transactions herein or the performance of its obligations hereunder;

(i) to the best of its knowledge, after due inquiry, there is no proceeding, claim or investigation pending before any Governmental Entity, or threatened against it or any of its properties that, individually or in the aggregate, would reasonably be expected to impair such Consenting Noteholder's ability to execute and deliver this Agreement and comply with its terms; and

(j) it is resident in the jurisdiction indicated on its signature page to this Agreement.

3. The Company's Representations and Warranties

The Company and each Company Subsidiary hereby represents and warrants to each Consenting Noteholder (and the Company and each Company Subsidiary hereby acknowledges that each Consenting Noteholder is relying upon such representations and warranties) that:

(a) the Board has approved the Transaction;

(b) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization, and it has all requisite corporate power and corporate capacity to enter into this Agreement and to perform its obligations hereunder and consummate the transactions contemplated hereby;

(c) the execution and delivery of this Agreement by it and satisfaction of the obligations hereunder, and the completion of the transactions contemplated herein do not and will not, subject to obtaining all requisite approvals required in connection with the CBCA Plan and approval of the TSX: (i) violate or conflict in any material respect with any Law applicable to it or any of its property or assets; or (ii) result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under its certificate of incorporation, articles, by-laws or other organizational or similar documents;

(d) assuming the due authorization, execution and delivery by the Consenting Noteholders, this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms, subject to laws of general application and

bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(e) it: (i) is a sophisticated party with sufficient knowledge and experience to properly evaluate the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision, in the exercise of its independent judgment, to enter into this Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied on the analysis or the decision of any Person other than its own members, employees, representatives or independent advisors;

(f) to the best of its knowledge, after due inquiry, there is not now pending or threatened against it, nor has it received written notice in respect of, any claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any Governmental Entity, which would reasonably be expected to impair its ability to execute and deliver this Agreement and to comply with its terms;

(g) no Event of Default (as defined under the Senior Unsecured Note Indenture and the Second Lien Note Indenture, as applicable), other than any Event of Default arising from the CBCA Matter or any Interest Non-Payment, has occurred or is continuing under the Senior Unsecured Note Indenture or the Second Lien Note Indenture;

(h) except as disclosed in the Information, there are no agreements (whether oral or written), arrangements or understandings (including any key employee retention plan or similar arrangement) with any director or officer of the Company pursuant to which any payment (including any severance payment, change of control payment, or bonus), compensation, consideration, or benefit is owed or will be owed or payable as a result of or upon the implementation of the Transaction;

(i) except as disclosed in the Information, none of the Company's directors, officers or direct or indirect shareholders, or any associate or Affiliate of any such Person, (i) is a party to any loan, contract or agreement with the Company, or (ii) has been party to a transaction with the Company in the one (1) year period prior to the date of this Agreement;

(j) it and its directors, officers and employees have and are conducting its business in material compliance with all applicable Laws (including any Laws regarding the environment and all permits, licenses and other authorizations which are required thereunder) and it has not received any notice or otherwise been advised that, it or its directors, officers or employees are not in material compliance with such Laws (including any Laws regarding the environment and all material permits, licenses and other authorizations which are required thereunder);

(k) except as disclosed in the Information, it has no material liabilities or obligations (whether absolute, accrued, contingent or otherwise) other than liabilities incurred in the ordinary course of business;

(l) except as disclosed in the Information, to the best of its knowledge, after due inquiry, there is no material litigation or other claims commenced or threatened in writing against it that would reasonably be expected to result in a material adverse change in respect of the Company;

(m) to the best of its knowledge, after due inquiry, there are no undisclosed facts or circumstances relating to the Company or its business or assets which, if publicly disclosed, would reasonably be expected to be material to the determination of the Initial Consenting Noteholders to subscribe for New 1.5 Lien Notes in connection with the New Financing;

(n) the financial statements issued by the Company on or after December 31, 2019, fairly reflect in all material respects as of the dates thereof, the consolidated financial condition of the Company and the results of its operations for the periods covered thereby and have been prepared in accordance with IFRS and, since December 31, 2019, there has been no material adverse change in the consolidated financial condition of the Company or its properties, assets, condition or undertakings except as publicly disclosed (including in financial statements issued by the Company on or after December 31, 2019);

(o) it has complied with its public reporting obligations under applicable securities Laws in all material respects and all documents filed by the Company with the relevant securities regulators since December 31, 2019: (i) complied with all applicable securities Laws in all material respects; and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(p) it is authorized to issue an unlimited number of common shares without nominal or par value, of which 145,171,194 common shares are issued and outstanding as of the date hereof. There are no other outstanding shares or other equity securities of the Company, or options, warrants, convertible securities or rights of any kind to purchase or otherwise acquire shares or other securities of the Company, other than no more than 9,858,981 stock options and 890,770 performance share units; and

(q) no order halting or suspending trading in securities of the Company or prohibiting the sale of such securities has been issued to and is outstanding against the Company, and to the best of its knowledge, after due inquiry, no investigations or proceedings for such purpose are pending or threatened.

4. Consenting Noteholders' Covenants and Consents

Commencing on the date hereof and continuing until the date this Agreement is terminated as to such Consenting Noteholder (unless otherwise set forth herein), subject to, and in consideration of, the terms and matters set forth in this Agreement, each Consenting Noteholder (severally and not jointly) hereby acknowledges, covenants and agrees:

(a) subject to the terms and conditions of this Agreement, to support the Transaction and the Transaction Terms in respect of all of its Relevant Debt and Relevant Shares, and the implementation of the Transaction pursuant to the CBCA Plan;

(b) not to, directly or indirectly:

(i) sell, assign, lend, pledge, mortgage or hypothecate, dispose or otherwise transfer (in each case, "**Transfer**") any of its Relevant Debt or Relevant Shares, or any rights or interests therein, including, but not limited to, the right to vote (or permit any of the foregoing with respect to any of its Relevant Debt or Relevant Shares), or enter into any agreement, arrangement or understanding in connection

therewith, except with the prior written consent of the Company; provided that, subject to applicable Laws, without the consent of the Company:

(A) each Consenting Noteholder may Transfer its Relevant Debt and/or Relevant Shares to another Consenting Noteholder, provided that such transferring Consenting Noteholder shall within three (3) Business Days of such Transfer provide written notice to the Company and Bennett Jones LLP advising of (x) the Transfer by such Consenting Noteholder of Relevant Debt and/or Relevant Shares, and (y) the principal amount of Relevant Debt and/or the number of Relevant Shares subject to the Transfer, as applicable;

(B) each Consenting Noteholder may Transfer its Relevant Debt and/or Relevant Shares to another fund or account or Affiliate that is managed by such Consenting Noteholder or any Affiliate of such Consenting Noteholder and for which such Consenting Noteholder has (and continues to exercise) sole voting and investment discretion with respect to the Relevant Debt and Relevant Shares subject to such Transfer, and such Consenting Noteholder shall continue to be bound by this Agreement in respect of all of the Relevant Debt and Relevant Shares;

(C) each Consenting Noteholder may Transfer its Relevant Debt and/or Relevant Shares to any other entity that first agrees in writing to be bound by the terms of this Agreement by executing and delivering a Joinder Agreement to Bennett Jones LLP (in each case, an "**Approved Transferee**") with respect to the transferred Relevant Debt and/or Relevant Shares, in which event the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement in respect of such transferred Relevant Debt and/or Relevant Shares;

provided further, that no Consenting Noteholder may Transfer its Relevant Debt and/or Relevant Shares to any Person specifically designated by the Company, in its reasonable business judgment, as a competitor of the Company, or any Affiliate, partner, member, manager, owner or principal of any such competitor, without the prior written consent of the Company. Any Transfer that does not comply with this Section 4(b)(i) shall be void *ab initio*; and

(ii) except as contemplated by this Agreement, deposit any of its Relevant Debt or Relevant Shares into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Debt or Relevant Shares if such trust, grant, agreement, understanding or arrangement would be reasonably expected to adversely impact the ability of the Consenting Noteholder to comply with its obligations under this Agreement, including the obligations in this Section 4;

(c) that if a Consenting Noteholder acquires additional Senior Unsecured Notes or Second Lien Notes other than the Relevant Debt ("**Additional Debt**") or additional Existing Shares of the Company other than the Relevant Shares (the "**Additional Shares**") that are not otherwise subject to this Agreement, such Additional Debt and/or Additional Shares shall

automatically and immediately upon acquisition by such Consenting Noteholder be deemed to constitute Relevant Debt (together with all accrued and unpaid interest thereon and any other amounts that the Consenting Noteholder is entitled to claim in respect of the Additional Debt) and Relevant Shares, respectively, of such Consenting Noteholder subject to all of the terms of this Agreement, and such Consenting Noteholder hereby agrees to provide written notice to the Company and Bennett Jones LLP advising of (i) the acquisition by such Consenting Noteholder of Additional Debt or Additional Shares, (ii) the principal amount of Additional Debt or the number of Additional Shares acquired by such Consenting Noteholder, as applicable, and (iii) the date of such acquisition, within three (3) Business Day of any such acquisition;

(d) not to take any action, directly or indirectly, that is inconsistent with its obligations under this Agreement or that would frustrate, hinder or delay the consummation of the Transaction (which includes any applications to the TSX necessary to implement the Transaction Terms), *provided that* nothing in this Agreement shall restrict, limit, prohibit or preclude, in any manner not inconsistent with its obligations under this Agreement, any Consenting Noteholder from (i) appearing in Court with respect to any motion or application in the CBCA Proceedings and objecting to any relief sought by the Company to the extent such relief is inconsistent with the terms of this Agreement, (ii) enforcing any rights under this Agreement, including any consent or approval rights set forth herein, or (iii) contesting whether any matter, fact or thing is a breach of, or is inconsistent with, this Agreement, or exercising any rights or remedies reserved herein;

(e) to vote (or cause to be voted) all of its Relevant Debt and Relevant Shares, as applicable:

(i) in favour of the approval, consent, ratification and adoption of the CBCA Plan (and any actions required in furtherance thereof, including the Shareholder Approval Matters) in accordance with the terms herein; and

(ii) against the approval, consent, ratification and adoption of any matter or transaction for the Company that, if approved, consented to, ratified or adopted could reasonably be expected to delay, challenge, frustrate or hinder the consummation of the Transaction and/or the CBCA Plan, as applicable;

and that it shall tender its proxy or voting instructions for any such vote in a timely manner in compliance with any applicable deadlines; provided that, for certainty, in respect of the CBCA Plan, it shall tender its proxy or voting instructions in favour of the CBCA Plan by the Consent Date;

(f) not to propose, file, solicit, vote for (or cause to vote for), agree to or otherwise support any alternative offer, transaction (including exchange transaction), restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for the Company, including, without limitation, any proceeding or plan of arrangement under the CBCA, other legislation or otherwise, or note exchange transaction pursuant to an exchange offer or otherwise, that is inconsistent with the Transaction or this Agreement;

(g) to use its commercially reasonable efforts to support, and to instruct its respective advisors to support, all motions filed by the Company in the CBCA Proceedings that are consistent with and in furtherance of this Agreement, the Transaction and the CBCA Plan;

(h) if requested by the Company, to use commercially reasonable efforts to assist the Company in obtaining any required regulatory approvals and/or required material third party approvals to effect the Transaction, in each case at the sole expense of the Company;

(i) to execute any and all documents and perform any and all commercially reasonable acts required by this Agreement to satisfy its obligations hereunder and complete the Transaction pursuant to the terms hereof, including any consent, approval, amendment or waiver reasonably requested by the Company that is consistent with this Agreement and required for the completion of the Transaction;

(j) that, pursuant to this Agreement, any default or event of default under the Relevant Debt (or the Indentures relating thereto) that may occur solely as a direct result of the commencement and/or continuation of the CBCA Proceedings for the purpose of implementing the Transaction (the "**CBCA Matter**") is hereby waived, which waiver shall be irrevocable and shall survive any termination of this Agreement;

(k) to forbear from enforcing any right, taking any action or initiating any proceeding in respect of any non-payment by the Company of interest in respect of the Relevant Debt ("**Interest Non-Payment**") during the period commencing on the date hereof and ending on the termination of this Agreement (the "**Forbearance Period**");

(l) to consent in the CBCA Proceedings to a stay of proceedings in respect of any default as a result of the CBCA Matter or any Interest Non-Payment during the Forbearance Period (and to direct any trustee or agent in respect of any of the Relevant Debt to consent to such stay);

(m) to forbear from exercising (or directing any trustee or agent in respect of any of the Relevant Debt to exercise) any remedies, powers or privileges, or from instituting (or directing any trustee or agent in respect of any of the Relevant Debt to institute) any enforcement actions or collection actions, with respect to any obligations under the Relevant Debt in connection with (i) the CBCA Matter or (ii) during the Forbearance Period, any Interest Non-Payment. In the event a Consenting Noteholder Transfers its Relevant Debt and/or Relevant Shares pursuant to Section 4(b) hereof, the Approved Transferee shall, immediately upon Transfer, be bound by this Agreement, including, without limitation, Sections 4(j), 4(k), 4(l) and 4(m) hereof;

(n) subject to Sections 13 and 15, to the existence and terms of this Agreement, the Transaction and the Transaction Terms being set out in any public disclosure, including, without limitation, press releases and court materials, produced by the Company, and to this Agreement being filed on SEDAR and with the Court in connection with any CBCA Proceedings, as applicable; and

(o) that it is dealing with each of the other Consenting Noteholders at arm's length for the purposes of the *Income Tax Act* (Canada) and that it will not, after the Effective Date, act in concert as a group without separate interests with any of the other Consenting Noteholders with respect to its investment in the Company.

5. Company's Covenants

Commencing on the date hereof and continuing until the date this Agreement is terminated as to the Company, subject to, and in consideration of, the matters set forth in this Agreement, the Company (on its own behalf and on behalf of the Company Subsidiaries) hereby acknowledges, covenants and agrees:

(a) to the Transaction Terms and to support and take all reasonable actions necessary to implement the Transaction in accordance with this Agreement and on the timetable set forth herein;

(b) to file the CBCA Plan on a timely basis consistent with the terms and conditions of this Agreement, recommend that any Person entitled to vote on the CBCA Plan vote in favour of the CBCA Plan, and take all commercially reasonable actions necessary to obtain any regulatory approvals required to implement the Transaction and to achieve the following timeline (which timeline may be extended at any time as agreed in writing (which may be by email) by the Company and the Initial Consenting Noteholders):

(i) file the application in the CBCA Proceedings seeking the Interim Order by no later than August 7, 2020;

(ii) obtain approval of the Interim Order by the Court by no later than August 7, 2020;

(iii) obtain approval of the Final Order by the Court by no later than September 11, 2020; and

(iv) implement the Transaction pursuant to the CBCA Plan on or prior to the Outside Date;

(c) to provide draft copies of all motions or applications and other material documents with respect to the Transaction and the CBCA Plan that the Company intends to file with the Court in connection with the CBCA Proceedings or with the court overseeing the Chapter 15 Proceedings to the Ad Hoc Advisor at least two (2) Business Days prior to the date when the Company intends to file or otherwise disseminate such documents (or, where circumstances make it impracticable to allow for two (2) Business Days' review, with as much opportunity for review and comment as is practically possible in the circumstances), and all such filings and other documents submitted to the Court shall be in a form consistent with this Agreement and the Term Sheet and otherwise acceptable to the Initial Consenting Noteholders;

(d) not to, directly or indirectly, without the prior written consent (which may be by email) of the Initial Consenting Noteholders, modify the Transaction, in whole or in part, in a manner that is inconsistent with the terms of this Agreement, or take any action that is materially inconsistent with, or is intended or is likely to interfere with or materially delay the consummation of, the Transaction;

(e) to use commercially reasonable efforts to timely file, where applicable, a formal objection to any action by any Person seeking to object to, delay, impede or take any other action to interfere with the approval of implementation of the Transaction;

(f) to use commercially reasonable efforts to (i) preserve intact in all material respects the current business operations of the Company, (ii) keep available the services of its current

officers and key employees (in each case, other than voluntary resignations, terminations for cause, or terminations consistent with applicable fiduciary duties); and (iii) preserve in all material respects its relationships with customers, suppliers, distributors, and others, in each case, having material business dealings with the Company (other than terminations for cause or consistent with applicable fiduciary duties);

(g) to promptly notify the Ad Hoc Advisor if it becomes aware of the occurrence of any material breach of a representation, warranty or covenant by the Company or a Company Subsidiary under this Agreement which would, with or without the passage of time, result in a failure to satisfy the conditions set out in Section 8 of this Agreement;

(h) to promptly notify the Ad Hoc Advisor if, at any time before the Effective Date, it becomes aware that any material application for a regulatory approval or any other material order, registration, consent, filing, ruling, exemption or approval under applicable Law contains a statement which is materially inaccurate or incomplete or is information that otherwise requires an amendment or supplement by the Company to such application, and the Company shall prepare such amendment or supplement as required;

(i) to use commercially reasonable efforts to obtain any and all required regulatory and/or third party approvals necessary for the implementation of the Transaction;

(j) except with the prior written consent of the Initial Consenting Noteholders, or as specifically permitted by this Agreement (including the Term Sheet) and the Transaction, which includes the New Financing, to not: (i) prepay, redeem prior to maturity, defease, repurchase or make other prepayments in respect of any indebtedness for borrowed money; (ii) other than in the ordinary course of business consistent with past practice, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any indebtedness for borrowed money; (iii) create, incur, assume or otherwise cause or suffer to exist or become effective any new lien, charge, mortgage, hypothec or security interest of any kind whatsoever on, over or against any of its assets or property (except for any lien, charge, mortgage, hypothec or security interest that is incurred in the ordinary course of business and that is not material); or (iv) declare or pay any dividends or distributions on or in respect of any shares of the Company or redeem, retract, purchase or acquire any of such shares;

(k) to not, without the prior consent of the Initial Consenting Noteholders, amend, modify, replace, terminate, repudiate, disclaim or waive any rights under or in respect of its Material Contracts in any manner that would reasonably be expected to be materially adverse to the Company;

(l) to maintain good standing under the laws of the jurisdictions in which the Company and the Company Subsidiaries are incorporated, subject to the continuance of the Company to the CBCA contemplated in connection with the CBCA Plan;

(m) to comply with the Senior Unsecured Note Indenture and the Second Lien Note Indenture, other than any breach by the Company or the Company Subsidiaries of the terms thereof as a result of the CBCA Matter or any Interest Non-Payment during the Forbearance Period;

(n) to provide, upon reasonable request, the Ad Hoc Advisor with reasonable access to the books and records of the Company (other than books or records that are subject to solicitor-

client privilege and subject to the Company having the right not to provide any material non-public information unless otherwise agreed by the Company and the Ad Hoc Advisor) for review in connection with the Transaction;

(o) to not seek discovery in connection with, or initiate, any legal proceeding that challenges the amount, validity, enforceability or priority of the Relevant Debt of any Consenting Noteholder;

(p) to not (i) materially increase compensation, severance, change of control or other benefits payable to its officers or directors, including by way of a key employee retention or incentive plan, or (ii) take or omit to take any action that would entitle any Person to any bonus, lump sum, change of control, severance, retention, incentive or other payment any time prior to the last date that such person would be entitled to receive such payment in accordance with a binding written agreement with the Company entered into prior to the date of this Agreement;

(q) except with the prior written consent of the Initial Consenting Noteholders or as contemplated by the Transaction, to not make any cash payment under any equity or equity-linked incentive plans;

(r) to not sell, transfer or otherwise dispose of any assets or property, and to cause its Affiliates not to sell, transfer or otherwise dispose of any assets or property, without the prior written consent of the Initial Consenting Noteholders, provided that the Company and its Affiliates shall be permitted to sell, transfer or otherwise dispose of assets or property in the ordinary course of business without the prior written consent of the Initial Consenting Noteholders provided that the proceeds of any such sale transactions do not exceed $7,500,000 in respect of any particular sale transaction or $15,000,000 in the aggregate in respect of all such sale transactions;

(s) except with the prior written consent of the Initial Consenting Noteholders, to operate its business in the ordinary course of business, having regard to its current financial condition; and

(t) if applicable, to pay the reasonable and documented outstanding fees and expenses of the Ad Hoc Advisor in full in cash in accordance with its written agreement with the Company.

6. Negotiation of Documents

(a) Subject to the terms and conditions of this Agreement, the Parties shall reasonably cooperate with each other and shall coordinate their activities (to the extent practicable) in respect of (i) the timely satisfaction of conditions with respect to the effectiveness of the Transaction as set forth herein and the CBCA Plan, (ii) all matters concerning the pursuit, support and implementation of the Transaction as set forth herein and the CBCA Plan, and (iii) the satisfaction of each Party's own obligations hereunder. Furthermore, subject to the terms and conditions of this Agreement, each of the Parties shall take such commercially reasonable actions as may be reasonably necessary to carry out the purposes and intent of this Agreement, including making and filing any required regulatory filings.

(b) Subject to the terms and conditions of this Agreement, each Party hereby covenants and agrees (i) to use its commercially reasonable efforts to negotiate, in good faith and consistent with this Agreement, the Definitive Documents and all ancillary documents

relating thereto, as applicable; and (ii) to the extent it is party thereto, to execute, deliver and otherwise perform its obligations under such documents.

7. Conditions to Consenting Noteholders' Voting Obligations

Each Consenting Noteholder's obligation to vote in favour of the CBCA Plan pursuant to Section 4(e)(i) hereof shall be subject to the satisfaction of the following conditions, each of which may be waived in whole or in part, solely by the Initial Consenting Noteholders (provided that such conditions shall not be enforceable by the Consenting Noteholders if the failure to satisfy any such conditions results from an action, error or omission by or within the control of the Consenting Noteholder seeking enforcement or a breach by the Consenting Noteholder of its own representation, warranty, agreement or covenant under this Agreement):

(a) this Agreement shall not have been terminated;

(b) the Interim Order shall have been obtained on terms consistent with this Agreement (as such terms may be amended, modified, varied and/or supplemented pursuant to the terms hereof) and shall be in form and substance acceptable to the Initial Consenting Noteholders, acting reasonably;

(c) the CBCA Plan and all other Definitive Documents filed by or on behalf of the Company shall be in form and substance acceptable to the Initial Consenting Noteholders, acting reasonably;

(d) all orders made and judgments rendered by any competent court of law and all rulings and decrees of any competent regulatory body, agent or official in respect of the CBCA Proceedings and the Transaction shall be satisfactory to the Initial Consenting Noteholders, acting reasonably;

(e) the Company shall have complied in all material respects with each covenant and obligation in this Agreement that is to be performed on or before the date that is three (3) Business Days prior to the Consent Date;

(f) the representations and warranties of the Company set forth in this Agreement shall be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) as of the Consent Date with the same force and effect as if made at and as of such date, except (i) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date, and (ii) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement;

(g) there shall not be in effect any decision, order or decree by a Governmental Entity, and no action or investigation shall have been announced or commenced by any Governmental Entity, in consequence of or in connection with the Transaction or the CBCA Plan, that restrains, prohibits or materially impedes (or if granted would reasonably be expected to restrain, prohibit or materially impede), the Transaction or the CBCA Plan, or requires or purports to require a material variation of the Transaction Terms that is not acceptable to the Initial Consenting Noteholders, acting reasonably;

(h) all actions taken by the Company in furtherance of the Transaction and the CBCA Plan shall be consistent in all material respects with this Agreement; and

(i) the Company shall have provided the Ad Hoc Advisor with a certificate signed by an officer of the Company certifying compliance with the terms of this Section 7 as of the Consent Date.

8. Conditions to the Transaction

(a) The Transaction shall be subject to the reasonable satisfaction of the following conditions prior to or on the Effective Date, each of which is for the benefit of the Company, on the one hand, and the Consenting Noteholders, on the other hand, and may be waived in whole or in part by the Company and the Initial Consenting Noteholders (provided that conditions shall not be enforceable by a Party if any failure to satisfy such condition results from an action, error or omission by or within the control of that Party or a breach by a Party of its own representation, warranty, agreement or covenant under this Agreement):

(i) this Agreement shall not have been terminated;

(ii) the CBCA Plan shall have been approved by the Court and the requisite majorities of affected stakeholders as and to the extent required by the Court, in a form consistent with this Agreement or otherwise acceptable to the Initial Consenting Noteholders;

(iii) the Company shall have received any and all required consents and approvals from required third parties, unless otherwise addressed pursuant to the Final Order;

(iv) the Final Order, in form and substance satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably, shall have been granted by the Court, and the implementation, operation or effect of the Final Order shall not have been stayed or varied in a manner not acceptable to the Company or the Initial Consenting Noteholders, each acting reasonably;

(v) the Final Order shall not be subject to appeal or an application for leave to appeal, and all applicable appeal periods in respect of the Final Order shall have expired, provided that if all other conditions hereunder in favour of the Initial Consenting Noteholders have been satisfied or waived by October 31, 2020 (other than the condition set out in this Section 8(a)(v) and those conditions that, by their nature, must be satisfied on the Effective Date), then the Outside Date shall be extended until November 16, 2020;

(vi) the CBCA Plan and the Definitive Documents shall be on terms consistent with this Agreement (as such terms may be amended, modified, varied and/or supplemented pursuant to the terms hereof) and shall be in form and substance satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably;

(vii) all press releases in respect of the Transaction shall be in form and substance acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably;

(viii) all material filings that are required under applicable Laws in connection with the Transaction shall have been made and any material third party or regulatory consents or approvals that are required in connection with the Transaction shall have been obtained on terms satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably, or obtained pursuant to the Final Order, and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;

(ix) all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the Transaction and the CBCA Plan shall be satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably;

(x) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action shall have been announced or commenced by any Governmental Entity, in consequence of or in connection with the Transaction or the CBCA Plan that restrains, prohibits or materially impedes (or if granted would reasonably be expected to restrain, prohibit or materially impede), the Transaction or the CBCA Plan, or requires or purports to require a material variation of the Transaction Terms that is not acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably;

(xi) the Director appointed pursuant to section 260 of the CBCA shall have issued a certificate of arrangement or other confirmation of filing giving effect to the articles of arrangement in respect of the CBCA Plan;

(xii) any required amendments or waivers of the Credit Agreement shall have been obtained to reflect the terms of and allow for the implementation of the Transaction in accordance with the Term Sheet in form and substance acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably;

(xiii) the New Financing shall be completed concurrently with the completion of the Transaction, with New 1.5 Lien Notes issued pursuant to and in accordance with the Commitment Letter; and

(xiv) the Effective Date shall occur by the Outside Date or such later date as the Company and the Initial Consenting Noteholders may agree.

(b) The obligations of the Company to complete the Transaction and the other transactions contemplated hereby are subject to Section 10 hereof and to the satisfaction of the following conditions prior to or on the Effective Date, each of which is for the exclusive benefit of the Company and may be waived, in whole or in part, solely by the Company (provided that such conditions shall not be enforceable by the Company if the failure to satisfy any such conditions results from an action, error or omission by or within the control of the Company or a breach by the Company of its own representation, warranty, agreement or covenant under this Agreement):

(i) the Consenting Noteholders shall have complied in all material respects with their covenants and obligations in this Agreement that are to be performed on or before the Effective Date; and

(ii) the representations and warranties of the Consenting Noteholders set forth in this Agreement shall be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) as of the Effective Date with the same force and effect as if made at and as of such date, except (A) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date, and (B) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement.

(c) The obligations of the Consenting Noteholders to complete the Transaction and the other transactions contemplated hereby are subject to the satisfaction of the following conditions prior to or on the Effective Date, each of which is for the exclusive benefit of the Consenting Noteholders and may be waived, in whole or in part, solely by the Initial Consenting Noteholders (provided that such conditions shall not be enforceable by the Consenting Noteholders if the failure to satisfy any such conditions results from an action, error or omission by or within the control of the Consenting Noteholder seeking enforcement or a breach by the Consenting Noteholder of its own representation, warranty, agreement or covenant under this Agreement):

(i) the Company and the Company Subsidiaries shall have: (A) achieved the Milestones on or before the applicable dates set forth herein (as such dates may be extended pursuant to this Agreement); and (B) complied in all material respects with their covenants and obligations in this Agreement that are to be performed on or before the Effective Date;

(ii) the representations and warranties of the Company and the Company Subsidiaries set forth in this Agreement shall be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) as of the Effective Date with the same force and effect as if made at and as of such date, except (A) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date, and (B) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement;

(iii) the composition and size of the Board as of the Effective Date shall be satisfactory to the Company and the Initial Consenting Noteholders, each acting reasonably;

(iv) as of the Effective Date, the Company shall have available liquidity from cash balances and immediate borrowing availability under the Credit Agreement of not less than $20,000,000;

(v) the terms of any engagement letters or other agreements between the Company and its advisors relating to the Transaction shall be acceptable to the Initial Consenting Noteholders by no later than July 20, 2020, acting reasonably;

(vi) all securities of the Company to be issued in connection with the Transaction, when issued and delivered, shall be duly authorized, validly issued and, with respect to the New Common Shares, fully paid and non-assessable;

(vii) all common shares of the Company, including the New Common Shares, shall be listed and conditionally approved for trading on the TSX, subject only to the receipt of customary final documentation;

(viii) the reasonable and documented outstanding fees and expenses of the Ad Hoc Advisor shall have been paid in full in cash in accordance with its written agreement with the Company, provided that the Ad Hoc Advisor shall have provided the Company with invoices for all such fees and expenses at least three (3) Business Days prior to the Effective Date; and

(ix) the Company shall have provided the Ad Hoc Advisor with a certificate signed by an officer of the Company certifying compliance with the terms of this Section 8 as of the Effective Date.

9. Releases

The Parties agree that there shall be usual and customary releases pursuant to the CBCA Plan in connection with the implementation of the Transaction to be effective as of the Effective Date (collectively, the "**Releases**"). The Releases shall provide, *inter alia*, that the Company, the Existing Shareholders, the Consenting Noteholders, the Senior Unsecured Notes Trustee, the Existing Lenders, the Agent and each of the foregoing persons' respective principals, members, managed accounts or funds, fund advisors, current and former directors and officers, employees, financial and other advisors, legal counsel and agents, all of the foregoing each in their capacity as such (collectively, the "**Released Parties**") shall be released and discharged from any and all present and future actions, causes of action, damages, judgments, executions, obligations and claims of any kind or nature whatsoever (other than liabilities or claims attributable to any of Released Party's gross negligence, fraud or willful misconduct as determined by the final, non-appealable judgment of a court of competent jurisdiction) arising on or prior to the Effective Date in connection with the Senior Unsecured Notes, the Senior Unsecured Note Indenture, the Existing Shares, this Agreement, the Transaction, the CBCA Plan, the CBCA Proceedings, the transactions contemplated herein and any other actions, agreements, documents or matters related directly or indirectly to the foregoing; provided that the Released Parties shall not be released from or in respect of any of their respective obligations under the Transaction, this Agreement, the CBCA Plan, as applicable, any document ancillary to any of the foregoing or from any and all present and future actions, causes of action, damages, judgments, executions, obligations and claims of any kind or nature whatsoever arising or in existence on or prior to the Effective Date and relating to any such Party other than in respect of their respective roles as Existing Shareholders, Consenting Noteholders, Senior Unsecured Notes Trustee, Existing Lenders or Agent, provided further that nothing herein shall release any claims of the Company as asserted in Court File Number 1801-07588, in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary.

10. Superior Proposal

(a) Except as otherwise provided in this Section 10 or with the prior consent of the Initial Consenting Noteholders, the Company shall not, directly or indirectly, commence, consummate an agreement to commence, make, seek, solicit, assist, initiate, encourage, facilitate, propose, file, support, or initiate any discussions or negotiations regarding any alternative restructuring or recapitalization, sale of substantially all of its assets, merger, workout, plan of arrangement or plan of reorganization other than the Transaction.

(b) Notwithstanding Section 10(a) or any other provision of this Agreement, in the event the Company receives a *bona fide* unsolicited proposal (including, for greater certainty, any acquisition or financing proposal), the Company is permitted to negotiate and enter into a

transaction in respect of any such proposal if, following receipt of advice from outside legal and financial advisors and discussions with the Initial Consenting Noteholders, the Board believes in good faith, in the exercise of its fiduciary duties, that such proposal (A) could reasonably be expected to result in a transaction more favourable to the Company and its stakeholders (including the Senior Unsecured Noteholders) than the Transaction, and (B) is supported by Senior Unsecured Noteholders holding not less than $66^{2/3}$% of the aggregate principal amount of the Senior Unsecured Notes outstanding or is capable of being implemented without the support of Senior Unsecured Noteholders holding not less than $66^{2/3}$% of the aggregate principal amount of the Senior Unsecured Notes outstanding (a "**Superior Proposal**"); provided that if the Company receives a Superior Proposal, it shall disclose to the Initial Consenting Noteholders and the Ad Hoc Advisor within three (3) Business Days of the receipt of such Superior Proposal: (i) the receipt thereof; and (ii) the material terms of such Superior Proposal and copies of all material documents received in respect of such Superior Proposal from or on behalf of such Person, in each case subject to any confidentiality restrictions in respect of such Superior Proposal and provided that the Initial Consenting Noteholders and the Ad Hoc Advisor shall agree to keep such information confidential. The Company shall keep the Initial Consenting Noteholders and the Ad Hoc Advisor informed of the status of material developments with respect to such Superior Proposal, in each case subject to any confidentiality restrictions in respect of such Superior Proposal and provided that the Initial Consenting Noteholders and the Ad Hoc Advisor shall agree to keep such information confidential. The Company shall use its commercially reasonable efforts to prevent any applicable confidentiality agreement from restricting the provision of the foregoing information to the Initial Consenting Noteholders and the Ad Hoc Advisor.

(c) If at any time following the execution of this Agreement, the Company receives a request for material non-public information, or to enter into discussions, from a Person that proposes to the Company an unsolicited *bona fide* proposal that did not result from a breach of this Agreement and the Company determines, in good faith following receipt of advice from outside legal and financial advisors, that such proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal (disregarding, for the purposes of such determination, any due diligence access condition to which such proposal is subject), then the Company may:

(i) provide the Person making such proposal with, or access to, information regarding the Company, but only to the extent that the Ad Hoc Advisor has previously been, or is concurrently, provided with access to the same information; and/or

(ii) enter into, participate in, facilitate and maintain discussions or negotiations with, or otherwise cooperate with or assist the Person making such proposal with respect to such proposal,

if, and only if:

(iii) the Company has entered into a confidentiality agreement on market terms that will preserve the confidentiality of information provided by the Company if the alternative proposal does not proceed; and

(iv) the Company has been, and continues to be, in compliance in all material respects with this Section 10.

11. Termination

(a) This Agreement (and, for certainty, any Joinder Agreement) may be terminated as to all Parties by the Majority Initial Consenting Noteholders, by providing written notice to the Company in accordance with Section 16(q) upon the occurrence and continuation of any of the following events:

(i) a material breach of any covenants, undertakings or agreements set forth in this Agreement by the Company or any Company Subsidiary that has not been cured (if capable of being cured) within five (5) Business Days after written notice by the Initial Consenting Noteholders to the Company of such material breach;

(ii) any representation, warranty or acknowledgement of the Company made in this Agreement shall prove untrue in any material respect as of the date when made that has not been cured (if capable of being cured) within five (5) Business Days after written notice by the Initial Consenting Noteholders to the Company of such breach;

(iii) the Company fails to meet any of the Milestones on or before the applicable dates set forth herein, as such Milestones may be extended pursuant to the terms hereof;

(iv) the failure to obtain the conditional approval of the TSX to the issuance of the common shares issuable pursuant to the New 1.5 Lien Notes;

(v) the Company enters into a written agreement (other than a confidentiality agreement permitted pursuant to Section 10), or publicly supports or announces its intention, to pursue a Superior Proposal; provided that, in such event, if the Initial Consenting Noteholders do not provide written notice to terminate this Agreement within five (5) Business Days following the occurrence of such event, any Consenting Noteholder which is also an Initial Commitment Party shall thereafter be permitted to withdraw from this Agreement by providing written notice to the Company upon which all rights and obligations of such Consenting Noteholder hereunder shall immediately terminate;

(vi) (A) any Definitive Document is materially inconsistent with this Agreement, or is otherwise not in form and substance acceptable to the Initial Consenting Noteholders, acting reasonably, or (B) any of the material terms or conditions of any Definitive Document is waived, amended or modified, or the Company files a pleading seeking authority to waive, amend or modify, any of the material terms or conditions of any Definitive Document, without the Initial Consenting Noteholders' prior written consent (including via email), acting reasonably, in each case which remains uncured for three (3) Business Days after the receipt by the Company of written notice from the Initial Consenting Noteholders;

(vii) if any final decision, order or decree is made by a Governmental Entity, or if an action or investigation is announced or commenced by any Governmental Entity, in consequence of or in connection with the Transaction that restrains, prohibits or materially impedes the Transaction;

(viii) if the CBCA Proceedings are dismissed or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator is appointed with

respect to the Company, unless such appointment is made with the prior written consent of the Initial Consenting Noteholders;

(ix) if the Company files a motion or pleading seeking an order disallowing, subordinating, avoiding or recharacterizing claims or interests held by any Consenting Noteholder against the Company;

(x) (A) any of the conditions set forth in Section 7 are not satisfied or waived by the Consent Date, or (B) any of the conditions set forth in Sections 8(a) and 8(c) are not satisfied or waived by the Outside Date;

(xi) the support agreement between the Company and **[Redacted]** is terminated or otherwise ceases to be in full force and effect through the Effective Date, other than the termination of such support agreement concurrently with the implementation of the Transaction;

(xii) the Commitment Letter is terminated or otherwise ceases to be in full force and effect; or

(xiii) if any court of competent jurisdiction has entered a final non-appealable judgment or order declaring this Agreement or any material portion thereof to be unenforceable (subject to Section 16(r)),

in each case, unless the event giving rise to the termination rights is waived or cured in accordance with the terms hereof. Any such termination of the Agreement as to all Parties shall be effective upon the giving of written notice by the Majority Initial Consenting Noteholders in accordance with Section 16(q).

(b) This Agreement (and, for certainty, any Joinder Agreement) may be terminated by the Company as to all Parties by providing written notice to the Consenting Noteholders in accordance with Section 16(q) upon the occurrence and continuation of any of the following events:

(i) the Company enters into a written agreement, or publicly announces its intention, to pursue a Superior Proposal in accordance with Section 10;

(ii) the Senior Unsecured Notes are repaid in cash in full prior to the Effective Date;

(iii) the Transaction is not completed by the Outside Date, as it may be extended pursuant to this Agreement; or

(iv) if any decision, order or decree is made by a Governmental Entity, or if an action or investigation is announced or commenced by any Governmental Entity, in consequence of or in connection with the Transaction that restrains, prohibits or materially impedes the Transaction,

in each case, unless the event giving rise to the termination rights is waived or cured in accordance with the terms hereof.

(c) This Agreement (and, for certainty, any Joinder Agreement) may be terminated by the Company as to a breaching Consenting Noteholder (the "**Breaching Noteholder**") only,

by providing written notice to such Breaching Noteholder in accordance with Section 16(q):

(i) if the Breaching Noteholder has taken any action inconsistent with this Agreement or failed to comply with, or defaulted in the performance or observance of, in any material respect, any term, condition, covenant or agreement set forth in this Agreement that has not been cured (if capable of being cured) within five (5) Business Days after written notice by the Company to the Breaching Noteholder of such failure or default; or

(ii) any representation, warranty or acknowledgement of such Breaching Noteholder made in this Agreement shall prove untrue in any material respect as of the date when made that has not been cured (if capable of being cured) within five (5) Business Days after written notice by the Company to the Breaching Noteholder of such breach,

and the Breaching Noteholder shall thereupon no longer be a Consenting Noteholder.

(d) This Agreement may be terminated by any Consenting Noteholder in respect of itself by providing written notice to the Company in accordance with Section 16(q) if the Effective Date does not occur on or prior to the Outside Date, and such Consenting Noteholder shall thereupon no longer be a Consenting Noteholder.

(e) If this Agreement is amended, modified or supplemented in a manner which (i) adversely affects the recoveries and treatment of Consenting Noteholders compared to the recoveries and treatment set forth in the Term Sheet, or (ii) extends the Outside Date beyond October 31, 2020, then any Consenting Noteholder that objects to any such amendment, modification or supplement may, within five (5) Business Days of receiving notice of such amendment, modification or supplement, terminate such Consenting Noteholder's obligations under this Agreement by providing written notice to the Company in accordance with Section 16(q) and such Consenting Noteholder shall thereupon no longer be a Consenting Noteholder.

(f) This Agreement may be terminated at any time as to all Parties by mutual written consent of the Company and the Initial Consenting Noteholders.

(g) This Agreement shall terminate automatically as to all Parties on the Effective Date upon the implementation of the Transaction.

12. Effect of Termination

Upon termination of this Agreement as to any Party pursuant to the terms hereof, this Agreement shall be of no further force and effect as to such Party, and each such Party hereto shall be automatically and simultaneously released from its commitments, undertakings and agreements under this Agreement, except for the rights, agreements, commitments and obligations under Sections 4(j), 4(m), 5(t) (solely with respect to any fees and expenses incurred up to the date of termination of this Agreement), 12, 13 and 16, which shall survive the termination of this Agreement, and each Party shall have the rights and remedies that it would have had if it had not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement. For greater certainty, the representations, warranties and covenants herein shall not survive and shall be of no further force or effect from and after the Effective Date, provided that the rights,

agreements, commitments and obligations under Sections 12, 13 and 16 shall survive the Effective Date. Each Party shall be responsible and shall remain liable for any breach of this Agreement by such Party occurring prior to the termination of this Agreement.

13. Confidentiality

The Company agrees, on its own behalf and on behalf of its Representatives, not to disclose the identity of, or the principal amount of Relevant Debt or number of Relevant Shares held by, any individual Consenting Noteholder; provided, however, that such information may be disclosed: (a) to the Representatives of the Company, provided that each such Representative (i) needs to know such information for purposes of the Transaction, and (ii) is informed of the confidentiality of such information; and (b) in response to, and to the extent required (as determined by the Company following advice of the Company's legal counsel) by applicable Law, by any stock exchange rules on which its securities are traded, by any Governmental Entity or by any subpoena or other legal process, including, without limitation, by any court of competent jurisdiction or applicable rules, regulations or procedures of a court of competent jurisdiction; provided that, if the Company or any of its Representatives is required to disclose the identity or specific holdings of a Consenting Noteholder in the manner set out in the preceding sentence, the Company shall provide the Consenting Noteholder with prompt written notice of any such requirement, to the extent permissible and practicable under the circumstances, so that the Consenting Noteholder may (at the Consenting Noteholder's sole expense) seek a protective order or other appropriate remedy or waiver of compliance with such requirement; provided further that (x) the aggregate principal amount of Relevant Debt and number of Relevant Shares held by all Consenting Noteholders collectively, from time to time, in the aggregate, may be set out in any public disclosure, including, without limitation, press releases and court materials, produced by the Company, (y) the Company may disclose the identity and holdings of Relevant Debt and Relevant Shares of a Consenting Noteholder in any action to enforce this Agreement against such Consenting Noteholder, and (z) the Company may disclose in any proxy or information circulars (and any supplements and/or related materials, including press releases and/or court materials relating to the CBCA Plan), the identity of and number of Relevant Shares held by a Consenting Noteholder, and/or common shares of the Company expected to be held by a Consenting Noteholder on implementation of the Transaction, to the extent required by applicable securities laws or any stock exchange rules on which the Company's securities are traded (as determined by the Company following advice of the Company's legal counsel and in consultation with the Ad Hoc Advisor).The Company further agrees that any public filings of this Agreement that includes executed signature pages to this Agreement shall include such signature pages only in redacted form with respect to the identity and holdings of each Consenting Noteholder.

14. Further Assurances

Subject to the terms and conditions of this Agreement, each Party shall use commercially reasonable efforts to perform all obligations required to be performed by it under this Agreement and take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents, and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other Party the benefits of this Agreement, including the consummation of the Transaction.

15. Public Announcements

All public announcements in respect of the Transaction shall be made solely by the Company, and shall be in form and substance acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably, and subject to any additional requirements under the Commitment Letter; provided that, nothing

herein shall prevent a Party from making public disclosure in respect of the Transaction to the extent required by applicable Law.

16. Miscellaneous

(a) Notwithstanding anything herein to the contrary, this Agreement applies only to each Consenting Noteholder's Relevant Debt and Relevant Shares (including any Additional Debt and Additional Shares in accordance with Section 4(c) hereof) and to each Consenting Noteholder solely with respect to its legal and/or beneficial ownership of, or its investment and voting discretion over, its Relevant Debt and Relevant Shares (including any Additional Debt and Additional Shares in accordance with Section 4(c) hereof) and not, for greater certainty, to any other securities, loans or obligations that may be held by any client of such Consenting Noteholder whose funds or accounts are managed by such Consenting Noteholder, where those funds or accounts are not otherwise subject to this Agreement (including, for greater certainty, where such funds or accounts become subject to any Transfer permitted pursuant to Section 4(b)(i) hereof) and, without limiting the generality of the foregoing, shall not apply to:

(i) any securities, loans or other obligations that may be held, acquired or sold by, or any activities, services or businesses conducted or provided by, any group or business unit within an Affiliate of the Consenting Noteholder: (A) that has not been involved in and is not acting at the direction of, or with knowledge of the affairs of the Company provided by, any Person involved in the Transaction discussions; or (B) that is on the other side of an information firewall with respect to the officers, partners and employees of such Consenting Noteholder who have been working on the Transaction and is not acting at the direction of, or with knowledge of the affairs of the Company provided by, any officers, partners and employees of such Consenting Noteholder who have been working on the Transaction;

(ii) any securities, loans or other obligations that may be beneficially owned by clients of a Consenting Noteholder, including accounts or funds managed by the Consenting Noteholder, that are not Relevant Debt or Relevant Shares; or

(iii) any securities, loans or other obligations that may be beneficially owned by clients of a Consenting Noteholder that are not managed or administered by the Consenting Noteholder.

(b) Subject to Sections 4 and 16(a) hereof, nothing in this Agreement is intended to preclude a Consenting Noteholder from engaging in any securities transactions, subject to: (i) compliance with applicable securities Laws; and (ii) the agreements set forth herein with respect to the Consenting Noteholder's Relevant Debt and Relevant Shares.

(c) At any time, a Senior Unsecured Noteholder that is not a Consenting Noteholder may agree with the Company to become a Party to this Agreement by executing and delivering pursuant to Section 16(q) hereof to the Company, with copies to Bennett Jones LLP and to the Ad Hoc Advisor, a Joinder Agreement.

(d) The headings in this Agreement are for convenience of reference and are not part of and are not intended to govern, limit, modify, restrict or aid in the construction or interpretation of any term or provision hereof.

(e) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

(f) Unless otherwise specifically indicated, all sums of money referred to in this Agreement are expressed in lawful money of Canada.

(g) This Agreement (including the Term Sheet and the other schedules attached to this Agreement and the Term Sheet) constitutes the entire agreement among the Parties and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof; provided, however, that this Agreement does not alter or supersede any confidentiality or non-disclosure agreement in effect between the Company and any of the Consenting Noteholders and/or the Ad Hoc Advisor. No prior history, pattern or practice of sharing confidences among or between the Parties shall in any way affect or negate this understanding and agreement.

(h) Any Person signing this Agreement in a representative capacity: (i) represents and warrants that he/she is authorized to sign this Agreement on behalf of the Party he/she represents and that his/her signature upon this Agreement will bind the represented Party to the terms hereof; and (ii) acknowledges that the other Party hereto has relied upon such representation and warranty.

(i) None of the Consenting Noteholders shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities to each other, the Company or its Affiliates, or the Company's or its Affiliates' creditors or other stakeholders and, other than as expressly set forth in this Agreement, there are no commitments among or between the Consenting Noteholders with respect to the subject matter hereof.

(j) Except as otherwise expressly provided herein, this Agreement may be modified, amended or supplemented as to any matter by an instrument in writing (which may include email) by the Company and the Initial Consenting Noteholders, and any matter requiring the agreement, waiver, consent, acceptance or approval under this Agreement of the Consenting Noteholders shall require the agreement, waiver, consent, acceptance or approval in writing (which may include email) of the Initial Consenting Noteholders. In addition to confirmation from the applicable Consenting Noteholders themselves, the Company shall be entitled to rely on written confirmation (which may include email) from the Ad Hoc Advisor that the applicable Consenting Noteholders have agreed, waived, consented to, accepted or approved a particular matter pursuant to this Agreement without any obligation to inquire into the Ad Hoc Advisor's authority to do so on behalf of the applicable Consenting Noteholders. The Consenting Noteholders shall be entitled to rely on written confirmation from Bennett Jones LLP (which may include email) that the Company has agreed, waived, consented to, accepted or approved a particular matter pursuant to this Agreement.

(k) If the transactions contemplated herein are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all rights. Pursuant to applicable rules of evidence, including Federal Rule of Evidence 408 and rules of similar import, this Agreement and all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement or the payment of damages to which a Party may be entitled under this Agreement.

(l) It is understood and agreed that none of the Consenting Noteholders have any agreements, commitments or undertakings by, among or between any of them with respect to any voting arrangements or otherwise in connection with the Transaction or otherwise with respect to the matters that are the subject of this Agreement.

(m) Time is of the essence in the performance of the Parties' respective obligations. Any date, time or period referred to in this Agreement shall be of the essence, except to the extent to which the Parties agree in writing (which may include email) to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

(n) No condition in this Agreement shall be enforceable by a Party if any failure to satisfy such condition results from an action, error or omission by or within the control of such Party.

(o) The agreements, representations and obligations of the Consenting Noteholders under this Agreement are, in all respects, several and not joint and several.

(p) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise.

(q) All notices and other communications which may be or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if delivered in person, or by internationally recognized overnight courier or email. All notices required or permitted hereunder shall be deemed effectively given: (i) upon personal delivery to the Party to be notified; (ii) when sent by email if sent during normal business hours of the recipient, and if not, then on the next Business Day of the recipient; or (iii) one (1) Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. Any Party may change the address to which notice should be given to such Party by providing written notice to the other Parties hereto of such change. The address and email for each of the Parties shall be as follows:

(i) If to the Company, at:

Calfrac Well Services Ltd.
411 – 8th Avenue SW
Calgary, Alberta T2P 1E3

Attention: Joel Gaucher
Email: jgaucher@calfrac.com

With a required copy (which shall not be deemed notice) to:

Bennett Jones LLP
4500 Bankers Hall East
855 - 2nd Street SW
Calgary, Alberta T2P 4K7

Attention: Kevin Zych and Brent Kraus
Email: zychk@bennettjones.com; krausb@bennettjones.com

(ii) If to one or more of the Consenting Noteholders, at the address set forth for each applicable Consenting Noteholder on its signature page to this Agreement or a Joinder Agreement, as applicable, with a required copy (which shall not be deemed notice) to:

Goodmans LLP
3400 – 333 Bay Street
Toronto, Ontario M5H 2S7

Attention: Robert J. Chadwick and Bradley Wiffen
Email: rchadwick@goodmans.ca; bwiffen@goodmans.ca

(r) If any term or other provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, void or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the greatest extent possible.

(s) Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other Person shall be a third party beneficiary hereof.

(t) Except as otherwise set forth in Section 4(b), no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties hereto.

(u) It is understood and agreed by the Parties that money damages may not be a sufficient remedy for any breach of this Agreement and each non-breaching Party shall be entitled, in addition to any other remedy that may be available under applicable law, to seek specific performance and injunctive or other equitable relief as a remedy of any such breach, including an order by a court of competent jurisdiction requiring any Party to comply promptly with any of such obligations, without the necessity of proving the inadequacy of money damages as a remedy. Each Party hereby waives any requirement for the security or posting of any bond in connection with such remedies.

(v) All rights, powers, and remedies provided under this Agreement or otherwise in respect hereof at Law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

(w) This Agreement shall be governed by, construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to principles of conflicts of law. Each Party submits to the jurisdiction of the courts of the Province of Alberta in any action or proceeding arising out of or relating to this Agreement. The Parties shall not raise any objection to the venue of any proceedings in any such court, including the objection that the proceedings have been brought in an inconvenient forum.

(x) The Parties waive any right to trial by jury in any proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement, present or

future, and whether sounding in contract, tort or otherwise. Any Party may file a copy of this provision with any court as written evidence of the knowing, voluntary and bargained for agreement between the Parties irrevocably to waive trial by jury, and that any proceeding whatsoever between them relating to this Agreement or any of the transactions contemplated by this Agreement shall instead be tried by a judge or judges of the court sitting without a jury.

(y) This Agreement may be signed in counterparts, each of which, when taken together, shall be deemed an original. Execution of this Agreement is effective if a signature is delivered by electronic (*e.g.*, pdf) transmission.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been agreed and accepted as of the date first written above.

CALFRAC WELL SERVICES LTD.

Per: *(signed) "Michael Olinek"*
Name: Michael Olinek
Title: Chief Financial Officer

CALFRAC HOLDINGS LP, by its general partner,
CALFRAC (CANADA) INC.

Per: *(signed) "Michael Olinek"*
Name: Michael Olinek
Title: Chief Financial Officer

CALFRAC WELL SERVICES CORP.

Per: *(signed) "Michael Olinek"*
Name: Michael Olinek
Title: Chief Financial Officer

CONFIDENTIAL

Name of Consenting Noteholder: **[Redacted]**

By: (*signed*)

Name: **[Redacted]**

Title: **[Redacted]**

Jurisdiction of residence for legal purposes: **[Redacted]**

Email: **[Redacted]**

Address: **[Redacted]**

[Redacted]

[Redacted]

Notes	Principal Amount	Name of Registered Holder
8.50% Senior Notes due 2026	**[Redacted]**	**[Redacted]**
10.875% Second Lien Notes due 2026	**[Redacted]**	**[Redacted]**

Equity	Number of Shares	Custodian / CDS or DTC Participant
Common Shares	**[Redacted]**	**[Redacted]**

SCHEDULE A

DEFINITIONS

"**Additional Debt**" has the meaning set forth in Section 4(c).

"**Additional Shares**" has the meaning set forth in Section 4(c).

"**Ad Hoc Advisor**" means Goodmans LLP.

"**Affiliate**" of any Person shall mean any Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. For greater certainty, an Affiliate of a Person shall include such Person's investment funds and managed accounts and any funds managed or directed by the same investment adviser.

"**Agreement**" has the meaning set forth in the preamble to this Agreement.

"**Approved Transferee**" has the meaning set forth in Section 4(b)(i).

"**Board**" means the board of directors of the Company.

"**Breaching Noteholder**" has the meaning set forth in Section 11(c).

"**Business Day**" means each day, other than a Saturday or Sunday or a statutory or civic holiday, on which banks are open for business in Toronto, Ontario and Calgary, Alberta.

"**Calfrac LP**" means Calfrac Holdings LP, a limited partnership formed under the laws of the State of Delaware.

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended.

"**CBCA Matter**" has the meaning set forth in Section 4(j).

"**CBCA Plan**" has the meaning set forth in the preamble to this Agreement.

"**CBCA Proceedings**" has the meaning set forth in the preamble to this Agreement.

"**Chapter 15 Proceedings**" means proceedings in respect of the Company or its affiliates pursuant to chapter 15, title 11 of the *United States Code*.

"**Company**" has the meaning set forth in the preamble to this Agreement.

"**Commitment Letter**" means the commitment letter dated July 13, 2020 between the Company and the Initial Commitment Parties, in respect of the New Financing.

"**Consent Date**" means August 14, 2020, or such other date as may be agreed by the Company and the Initial Consenting Noteholders.

"**Consenting Noteholders**" has the meaning set forth in the preamble to this Agreement.

"**Contracts**" means all agreements, contracts, leases (whether for real or personal property), purchase orders, undertakings, covenants not to compete, employment agreements, confidentiality agreements, licenses, instruments, obligations and commitments to which a Person is a party or by which a Person or any of its assets are bound or affected, whether written or oral.

"**Court**" means the Court of Queen's Bench of Alberta.

"**Credit Agreement**" means the Amended and Restated Credit Agreement dated April 30, 2019 between Calfrac Well Services Ltd., as borrower, HSBC Bank Canada ("**HSBC**") and each of the other financial institutions party thereto, as lenders, and HSBC, as agent (as amended, restated or supplemented from time to time).

"**Definitive Documents**" means all material agreements, transaction documents, court materials and other material documents in connection with the Transaction, the CBCA Proceedings and the Chapter 15 Proceedings (as applicable) and any and all amendments, modifications or supplements relating to any of the foregoing, including, without limitation: (a) this Agreement; (b) the Term Sheet; (c) the CBCA Plan and all supplements and exhibits thereto; (d) the Information Circular; (e) the Interim Order, the Final Order, and all other orders granted in the CBCA Proceedings or Chapter 15 Proceedings and all motions or applications and other material court documents filed in connection with the foregoing or the CBCA Plan; (f) the New 1.5 Lien Notes indenture, and (g) the organizational and governance documents in respect of the Company, and related documents.

"**Effective Date**" means the date on which the Transaction is completed.

"**Existing Lenders**" has the meaning set forth in the Term Sheet.

"**Existing Shareholders**" means the holders of the Existing Shares.

"**Existing Shares**" means the common shares of the Company issued and outstanding prior to the implementation of the Transaction.

"**Final Order**" means a final order of the Court pursuant to the CBCA that, *inter alia*, approves the CBCA Plan.

"**Forbearance Period**" has the meaning set forth in Section 4(k).

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Indentures**" means, collectively, the Second Lien Note Indenture and the Senior Unsecured Note Indenture.

"**IFRS**" means the International Financial Reporting Standards.

"**Information**" means all information set forth or incorporated in the Company's public disclosure documents filed on SEDAR and all information otherwise provided to the Initial Consenting Noteholders by the Company or its Representatives (including through any virtual data room), in each case prior to the date of this Agreement.

"**Information Circular**" means the management information circular of the Company in respect of the CBCA Plan, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent by the Company to, *inter alia*, the Senior Unsecured Noteholders in connection with the Senior Unsecured Noteholder Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"**Initial Commitment Parties**" means those Consenting Noteholders (and others) who have executed the Commitment Letter, and are defined as "Initial Commitment Parties" therein.

"**Initial Consenting Noteholders**" means those Consenting Noteholders represented by the Ad Hoc Advisor who have executed this Agreement on the date on the first page of this Agreement, provided that such Initial Consenting Noteholder continues to hold at least 80% of its respective principal amount of Relevant Senior Unsecured Notes as set out on its signature page to this Agreement.

"**Interest Non-Payment**" has the meaning set forth in Section 4(k).

"**Interim Order**" means an interim order of the Court pursuant to the CBCA that, *inter alia*, provides for the calling of the Senior Unsecured Noteholder Meeting to consider and vote on the CBCA Plan.

"**Joinder Agreement**" means a joinder agreement, substantially in the form attached as Schedule B to this Agreement, pursuant to which a Senior Unsecured Noteholder agrees, among other things, to be bound by and subject to the terms of this Agreement and thereby may become a Consenting Noteholder.

"**Law**" or "**Laws**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law, whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"**Material Contract**" means each Contract of the Company: (i) with any of the directors or officers of the Company; (ii) that is material to the business of the Company; or (iii) the breach of which would reasonably be expected to have a material adverse effect on the Company.

"**Majority Initial Consenting Noteholders**" means Initial Consenting Noteholders who hold in the aggregate not less than $66^{2/3}\%$ of the principal amount of Senior Unsecured Notes held by all Initial Consenting Noteholders.

"**Milestones**" means those milestones set forth in Section 5(b).

"**New Common Shares**" means new common shares of the Company to be issued on the Effective Date by the Company on the terms set forth in the Term Sheet and/or as may otherwise be agreed by the Company and the Initial Consenting Noteholders.

"**New Financing**" has the meaning set forth in the Term Sheet.

"**New 1.5 Lien Notes**" has the meaning set forth in the Term Sheet.

"**Outside Date**" means October 31, 2020, or such other date as the Company and the Initial Consenting Noteholders may agree.

"**Parties**" and "**Party**" each have the meaning set forth in the preamble to this Agreement.

"**Person**" means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Entity, and a natural person including in such person's capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

"**Relevant Debt**" means, collectively, all Relevant Senior Unsecured Notes and Relevant Second Lien Notes held by a Consenting Noteholder.

"**Relevant Second Lien Notes**" has the meaning set forth in Section 2(a)(ii).

"**Relevant Senior Unsecured Notes**" has the meaning set forth in Section 2(a)(i).

"**Relevant Shares**" has the meaning set forth in Section 2(a)(iii).

"**Representative**" means in respect of a particular Party, that Party's directors, officers, employees, auditors, financial advisors, legal advisors and other agents.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Second Lien Note Indenture**" means the indenture dated February 14, 2020 among Calfrac LP, as issuer of the Second Lien Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and the Second Lien Notes Trustee, as trustee.

"**Second Lien Noteholders**" means holders of the Second Lien Notes, and "**Second Lien Noteholder**" means any holder of Second Lien Notes.

"**Second Lien Notes**" means the 10.875% second lien secured notes of Calfrac LP in the maximum aggregate amount of USD$120,000,100 due 2026 and issued and outstanding pursuant to the Second Lien Note Indenture.

"**Second Lien Notes Trustee**" means Wilmington Trust, National Association, as trustee under the Second Lien Note Indenture.

"**Senior Unsecured Note Indenture**" means the indenture dated May 30, 2018 among Calfrac LP, as issuer of the Senior Unsecured Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and the Senior Unsecured Notes Trustee, as trustee.

"**Senior Unsecured Noteholders**" means holders of the Senior Unsecured Notes, and "**Senior Unsecured Noteholder**" means any holder of Senior Unsecured Notes.

"**Senior Unsecured Noteholder Meeting**" means the meeting of the Senior Unsecured Noteholders entitled to vote on the CBCA Plan.

"**Senior Unsecured Notes**" means the 8.50% senior unsecured notes of Calfrac LP in the maximum aggregate amount of USD$650,000,000 due 2026 and issued and outstanding pursuant to the Senior Unsecured Note Indenture.

"**Second Lien Notes Trustee**" means Wells Fargo Bank, National Association, as trustee under the Second Lien Note Indenture.

"**Shareholder Approval Matters**" means those matters which may require approval of the Existing Shareholders in order to implement the CBCA Plan and the Transaction, including the Federal Continuance, the Stated Capital Reduction (if necessary), the Share Consolidation (to the extent it is not a step in the CBCA Plan), the MIP (as each such term is defined in the Term Sheet) and the CBCA Plan itself, along with, if and to the extent required by Law (including TSX requirements), the approval of the New Financing including the shares issuable upon conversion of the New 1.5 Lien Notes.

"**Superior Proposal**" has the meaning set forth in Section 10(b).

"**Term Sheet**" has the meaning set forth in the preamble to this Agreement.

"**Transaction**" has the meaning set forth in preamble to this Agreement and includes, for greater certainty, the New Financing.

"**Transaction Terms**" has the meaning set forth in Section 1.

"**Transfer**" has the meaning set forth in Section 4(b)(i).

"**TSX**" means the Toronto Stock Exchange.

SCHEDULE B

JOINDER AGREEMENT

This Joinder Agreement (the "**Joinder Agreement**") is made as of [●], 2020 by the undersigned (the "**Consenting Party**") in connection with the support agreement dated July 13, 2020 (the "**Support Agreement**") among (i) Calfrac Well Services Ltd. (the "**Company**"), (ii) the Company Subsidiaries (as defined in the Support Agreement), and (iii) the Consenting Noteholders (as defined in the Support Agreement). Capitalized terms used herein have the meanings assigned to such terms in the Support Agreement unless otherwise defined herein.

WHEREAS the Support Agreement allows Senior Unsecured Noteholders that are not Consenting Noteholders to become a party thereto by executing a Joinder Agreement;

WHEREAS the Consenting Party desires to become a party to, and to be bound by the terms of, the Support Agreement; and

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Consenting Party hereby agree as follows:

1. The Consenting Party hereby acknowledges that the Consenting Party has received and reviewed a copy of the Support Agreement.

2. The Consenting Party hereby acknowledges and agrees to be fully bound as a Consenting Noteholder under the Support Agreement in respect of its Relevant Debt and Relevant Shares that are identified on the signature page hereto, and hereby represents and warrants that the Relevant Debt and Relevant Shares set out on the signature page hereto constitute all of the Relevant Debt and Relevant Shares that are legally or beneficially owned by such Consenting Noteholder or which such Consenting Party has the sole power to vote or dispose of.

3. The Consenting Party hereby represents and warrants to each of the other Parties that the representations and warranties set forth in Section 2 of the Support Agreement are true and correct with respect to such Consenting Party as if given on the date hereof.

4. This Joinder Agreement may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. Delivery of an executed signature page of this Joinder Agreement by email transmission will be effective as delivery of a manually executed counterpart hereof.

5. This Joinder Agreement and the Support Agreement express the entire understanding of the Parties with respect to the transactions contemplated hereby. No prior negotiations or discussions shall limit, modify or otherwise affect the provisions hereof.

6. If any term or other provision of this Joinder Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, all other terms and provisions of this Joinder Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, void or unenforceable, the parties hereto shall negotiate in good faith to modify this Joinder Agreement so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner in order that the terms of this Joinder Agreement remain as originally contemplated to the greatest extent possible.

7. This Joinder Agreement shall be governed by, construed and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction), and all actions or proceedings arising out of or relating to this Joinder Agreement shall be heard and determined exclusively in the courts of the Province of Alberta.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first written above.

Name of Consenting Noteholder: _____

By: _____

Name:

Title:

Jurisdiction of residence for legal purposes: _____

Email: _____

Address: _____

_____

_____

Notes	**Principal Amount**	**Name of Registered Holder**
8.50% Senior Notes due 2026		
10.875% Second Lien Notes due 2026		

Equity	**Number of Shares**	**Custodian / CDS or DTC Participant**
Common Shares		

SCHEDULE C

TERM SHEET

[See attached]

CALFRAC WELL SERVICES LTD.

RECAPITALIZATION TRANSACTION TERM SHEET

SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

This term sheet dated as of July 13, 2020 (the "**Term Sheet**") describes the principal terms of a potential recapitalization transaction to be agreed upon between Calfrac Well Services Ltd., for and on behalf of itself and certain subsidiaries set forth in Schedule A (collectively, the "**Company**"), and the Consenting Noteholders in connection with certain indebtedness of the Company (the "**Recapitalization Transaction**").

Capitalized terms used and not otherwise defined in this Term Sheet shall be as defined in Section 4 of this Term Sheet.

1. RECAPITALIZATION TRANSACTION	
Implementation	The Recapitalization Transaction shall be implemented pursuant to a plan of arrangement (a "**Plan**") to be filed under the *Canada Business Corporations Act* ("**CBCA**").
Recapitalization Transaction Summary	Conditional upon and concurrent with the completion of the Recapitalization Transaction, the Company shall complete the New Financing (as defined below). The Recapitalization Transaction shall provide that, pursuant to the Plan: (a) Each Senior Unsecured Noteholders shall receive its pro rata share (based on face value of the Senior Unsecured Notes) of 86% of the Pro Forma Common Shares; (b) Each Early Consenting Noteholder shall receive its pro rata share (based on face value of the Senior Unsecured Notes of all Early Consenting Noteholders) of 6% of the Pro Forma Common Shares; and (c) The Existing Shareholders shall retain their Common Shares, subject to dilution based on the New Shares, and subject further to the Share Consolidation, which shall equal 8% of the Pro Forma Common Shares, following the Effective Time; in each case, as described in greater detail below, and subject to dilution for the Backstop Shares.
New Financing	The Company shall carry out a new financing of $60 million aggregate principal amount of New 1.5 Lien Notes (the "**New Financing**"), issued as set out in a separate New 1.5 Lien Notes Term Sheet, and in accordance with applicable securities laws and under applicable exemptions from prospectus and registration requirements. In connection with the New Financing, pursuant to the Commitment Letter, a backstop commitment fee in the amount of approximately $1.5 million shall be payable to the Commitment Parties through the issuance of new Common

1. RECAPITALIZATION TRANSACTION	
	Shares at the Conversion Price (as defined in the New 1.5 Lien Notes Term Sheet) (the "**Backstop Shares**").
Treatment of Existing Lenders under Credit Agreement	The Credit Agreement shall be amended and restated to: (a) provide relief in respect of the Funded Debt to EBITDA covenant; and (b) reflect such amendments or waivers as are necessary to permit the Recapitalization Transaction and New 1.5 Lien Notes and to reflect the Company's post-Recapitalization Transaction organization and capital structure and liquidity requirements. The Existing Lenders shall be unaffected under the Plan. All aspects of this Term Sheet in respect of the Existing Lenders shall be implemented pursuant to an amendment to the Credit Agreement (the "**Credit Agreement Amendment**").
Treatment of Second Lien Notes	Each Second Lien Noteholder, in its capacity as such, shall be unaffected by the implementation of the Plan.
Treatment of Senior Unsecured Notes	Pursuant to the Recapitalization Transaction, each Senior Unsecured Noteholder as of the Record Date shall receive at the Effective Time, in full and complete satisfaction of its respective claims under or in respect of the Senior Unsecured Notes and the Senior Unsecured Notes Indenture: (a) such Senior Unsecured Noteholder's pro rata share of a pool of Common Shares representing 86% of the Pro Forma Common Shares; and (b) if such Senior Unsecured Noteholder is an Early Consenting Noteholder, such Senior Unsecured Noteholder's pro rata share (as compared to all Early Consenting Noteholders) of a pool of Common Shares representing 6% of the Pro Forma Common Shares, in each case, subject to dilution for the Backstop Shares.
Treatment of Equity Securities	Existing Shareholders of the Company as of the Record Date shall retain their Common Shares (subject to the Share Consolidation pursuant to the Plan, the "**Existing Shareholder Shares**"), and subject to dilution resulting from the issuance of the New Shares pursuant to the Plan, which Existing Shareholder Shares shall equal 8% of the Pro Forma Common Shares following the Effective Time, subject to dilution for the Backstop Shares.
Treatment of Employee Obligations	All obligations to employees of the Company (whether for salary, wages, benefits, severance or otherwise) shall be unaffected by the Recapitalization Transaction.

1. RECAPITALIZATION TRANSACTION	
Treatment of Trade Debt	The trade debt obligations of the Company shall be unaffected by the Recapitalization Transaction and shall be paid or satisfied in the ordinary course of business.
Treatment of Equity Incentive Plans	All existing equity incentives shall be treated as follows: (a) all stock options shall be terminated for no consideration, as such options are out-of-the-money; (b) all equity-based PSUs shall vest at the Effective Time in accordance with their terms and be settled in cash for total cash consideration not exceeding $175,000 and all performance-based PSUs shall be terminated for no consideration; and (c) all DSUs shall continue to exist or be settled for total cash consideration not exceeding $50,000, in accordance with their terms.
MIP	Up to 10% of the Pro Forma Common Shares shall be reserved for a new management incentive plan (the "**MIP**"), to be allocated as determined by the Board following implementation of the Plan.
Governance	The composition and size of the Board of the Company following implementation of the Plan shall be acceptable to each of the Majority Commitment Parties, the Majority Initial Consenting Noteholders and as may otherwise be required pursuant to the terms of any Support Agreement or the Commitment Letter.
CBCA Matters	The Company will seek to continue into the federal jurisdiction of Canada under the CBCA (the "**Federal Continuance**"), and may seek to reduce its stated capital in respect of the Common Shares (the "**Stated Capital Reduction**") prior to the implementation of the Plan, in order to implement the Plan pursuant to the CBCA. Pursuant to the *Business Corporation Act* (Alberta), the Existing Shareholders shall have dissent rights in connection with the Federal Continuance.
Share Consolidation	As a step in the Plan, the Common Shares shall be consolidated (the "**Share Consolidation**") using a ratio that is acceptable to the Company, the Majority Commitment Parties, and the Majority Initial Consenting Noteholders, each acting reasonably. No fractional Common Shares will be issued in connection with the Share Consolidation, and any Common Shares to be issued shall be rounded down to the nearest whole number of Common Shares. No compensation will be issued to any shareholder as a result of rounding down, which may result in certain shareholders failing to receive any Common Shares as a result of the Share Consolidation.
Stated Capital Reduction	The Stated Capital Reduction may be required prior to the implementation of the Plan or as a step in the Plan, to ensure that the Company meets CBCA solvency requirements post-Recapitalization Transaction.
Shareholder Rights Plan	The Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders shall use commercially reasonable efforts to negotiate a customary shareholder rights plan to be adopted by the Company.
Conditions Precedent	Customary closing conditions for a transaction of this type, including but not limited to:

1.	RECAPITALIZATION TRANSACTION	
	(a)	Board approval of the Recapitalization Transaction;
	(b)	receipt of definitive legal documentation (the "**Definitive Documents**") implementing the Recapitalization Transaction (including, without limitation, the Plan), which Definitive Documents shall be in form and substance acceptable to the Company, the Majority Commitment Parties, the Majority Initial Consenting Noteholders and as may otherwise be required pursuant to the terms of any Support Agreement;
	(c)	execution of the Credit Agreement Amendment by the Existing Lenders, which Credit Agreement Amendment shall be in form and substance acceptable to the Company, the Majority Commitment Parties, the Majority Initial Consenting Noteholders, each acting reasonably, and as may otherwise be required pursuant to the terms of any Support Agreement;
	(d)	approval of the Recapitalization Transaction by the requisite majorities of Senior Unsecured Noteholders and Existing Shareholders (if required by the Court pursuant to the Interim Order) at one or more meetings to consider the Plan;
	(e)	issuance of new Common Shares necessary to reflect the terms hereof and to allow for the implementation of the Recapitalization Transaction in accordance with this Term Sheet and the Support Agreement in form and substance acceptable to the Company and the Majority Initial Consenting Noteholders;
	(f)	approval of the Plan by the Court;
	(g)	the New Financing shall have been completed prior to or concurrent with the completion of the Recapitalization Transaction pursuant to the terms of the Commitment Letter;
	(h)	the conditional approval of the TSX to the issuance of the common shares upon the conversion of the New 1.5 Lien Notes;
	(i)	all outstanding fees and expenses owed to the Company's advisors and the Ad Hoc Advisor (as defined in the Support Agreement, and in accordance with its written fee agreements with the Company) shall be paid in full;
	(j)	all necessary governmental, regulatory and stock exchange approvals shall have been received on terms and conditions satisfactory to the Company, the Majority Initial Consenting Noteholders and the Initial Commitment Parties, each acting reasonably; and
	(k)	any additional closing conditions set forth in the Support Agreement with the Consenting Noteholders.

1. RECAPITALIZATION TRANSACTION	
Documentation	The Company and its advisors will work cooperatively with the Majority Initial Consenting Noteholders and the Initial Commitment Parties and their respective advisors to prepare and finalize all Definitive Documents (including, without limitation, all Court documents and the Plan) required to implement the Recapitalization Transaction.
Timeline for Implementation	The actions necessary to structure and implement the Recapitalization Transaction will be completed by the Company in accordance with the timelines for the Milestones (as defined in the Support Agreement).
Releases	Those releases contemplated by the Support Agreement shall be provided or effective at closing of the Recapitalization Transaction.
2. OTHER MATTERS	
Fractional Securities	No fractional securities will be issued. Any fractional securities that would otherwise have been issued shall be rounded down to the nearest whole number, with no additional consideration being provided in respect of the rounding down of such fractional securities.
Change of Control	Any change of control provisions contained in any material third party contracts with the Company or any agreement between the Company and any director, officer or employee that may result in the termination of such material contract and/or a material payment by the Company to another party as a result of the completion of the Recapitalization Transaction shall be addressed in a manner acceptable to the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders, acting reasonably.
Tax Considerations	The Recapitalization Transaction will be structured in a manner acceptable to the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders to effectuate the terms and conditions outlined herein in a tax efficient and acceptable manner for the Company, the Initial Commitment Parties and the Majority Initial Consenting Noteholders.
D&O Insurance	All existing directors and officers insurance coverage and indemnification obligations shall be unaffected by the Recapitalization Transaction and shall continue in effect pursuant to their applicable terms, and shall not be cancelled, terminated or amended in any manner that would decrease or eliminate the benefit provided thereby to any officer or director.
No Admission	Nothing in this Term Sheet is or shall be deemed to be an admission of any kind.
Currency	All amounts in this Term Sheet are in Canadian dollars unless otherwise stated.
Notices	All notices, requests, consents and other communications hereunder shall be contained in a written instrument and may be delivered in person or sent by internationally-recognized overnight courier or email.

1. RECAPITALIZATION TRANSACTION	
Public Announcements	All public announcements in respect of the Recapitalization Transaction shall be made in accordance with the terms of the Support Agreement and the Commitment Letter.
Governing Law	This Term Sheet, the Support Agreement and any other agreement necessary to implement the Recapitalization Transaction shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein.
3. DEFINITIONS	
Definitions	"**Board**" means the board of directors of the Company. "**Calfrac LP**" means Calfrac Holdings LP, a limited partnership formed under the laws of the State of Delaware. "**Credit Agreement**" means the Amended and Restated Credit Agreement dated April 30, 2019 between Calfrac Well Services Ltd., as borrower, HSBC Bank Canada ("**HSBC**") and each of the other financial institutions party thereto, as lenders, and HSBC, as Agent (as amended, restated or supplemented from time to time). "**Commitment Letter**" means the commitment letter dated July 13, 2020 between the Company and the Initial Commitment Parties, in respect of the New Financing. "**Common Shares**" means common shares in the capital of CWS. "**Consenting Noteholders**" means Noteholders who enter into a Support Agreement (including by way of a Joinder Agreement) and have complied with their obligations pursuant thereto (up to the Effective Date). "**Court**" means the Court of Queen's Bench of Alberta. "**CWS**" means Calfrac Well Services Ltd., a corporation formed under the laws of the Province of Alberta. "**Early Consent Date**" means a date to be determined by the Initial Consenting Noteholders and the Company, each acting reasonably, but not earlier than 15 days following the Interim Order. "**Early Consenting Noteholders**" means Noteholders who provide voting instructions to vote in favour the Plan on or prior to the Early Consent Date, and does not withdraw such voting instructions. "**Effective Time**" means the time at which the Plan becomes effective. "**Existing Lenders**" means the lenders under the Credit Agreement.

1.	RECAPITALIZATION TRANSACTION
	"**Existing Shareholders**" means the current holders of Common Shares as of the Record Date. "**Initial Commitment Parties**" means those Consenting Noteholders (and others) who have executed the Commitment Letter, and are defined as "Initial Commitment Parties" therein. "**Initial Consenting Noteholders**" means Noteholders who, on or prior to July 13, 2020 entered into the Support Agreement (including by way of a Joinder Agreement), provided that such Initial Consenting Noteholder continues to hold at least 80% of its respective principal amount of Relevant Senior Unsecured Notes as set out on its signature page to the Support Agreement. "**Joinder Agreement**" means a joinder agreement, the form of which will be appended to the form of Support Agreement, pursuant to which a Noteholder agrees, among other things, to be bound by and subject to the terms of the Support Agreement and thereby become a Consenting Noteholder. "**Majority Commitment Parties**" has the meaning given to it in the Commitment Letter. "**Majority Initial Consenting Noteholders**" means Initial Consenting Noteholders holding not less than 66 ⅔% of the aggregate principal amount of the Senior Unsecured Notes held by all Initial Consenting Noteholders. "**New 1.5 Lien Notes**" means in aggregate the CAD$60 million in new 10% PIK interest convertible secured notes to be issued prior to or concurrent with the completion of the Recapitalization Transaction. "**New Shares**" means all Common Shares of CWS issued to Senior Unsecured Noteholders pursuant to the Plan. "**Noteholders**" means, collectively, the Senior Unsecured Noteholders. "**Proceedings**" means the Company's proceedings under the CBCA pursuant to which the Plan shall be implemented. "**Pro Forma Common Shares**" means all of the issued and outstanding common shares of CWS, as at immediately following the Effective Time and taking into account the Existing Shareholder Shares and the New Shares, but not taking into account the Backstop Shares issued pursuant to the Plan, and subject to dilution pursuant to conversion of the New 1.5 Lien Notes. "**Record Date**" means July 13, 2020. "**Second Lien Noteholders**" means a holder or holders of the Second Lien Notes, in their capacity as such.

1.	RECAPITALIZATION TRANSACTION
	"**Second Lien Notes**" means the 10.875% second lien secured notes of Calfrac LP in the maximum aggregate amount of USD$120,000,100 due 2026 and issued and outstanding pursuant to the Second Lien Note Indenture. "**Second Lien Note Indenture**" the indenture dated February 14, 2020 among Calfrac LP, as issuer of the Second Lien Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and Wilmington Trust, National Association, as trustee. "**Senior Unsecured Noteholders**" means a holder or holders of the Senior Unsecured Notes as of the Record Date. "**Senior Unsecured Notes**" means the 8.50% senior unsecured notes of Calfrac LP in the maximum aggregate amount of USD$650,000,000 due 2026 and issued and outstanding pursuant to the Senior Unsecured Note Indenture. "**Senior Unsecured Note Indenture**" means the indenture dated May 30, 2018 among Calfrac LP, as issuer of the Senior Unsecured Notes, CWS and Calfrac Well Services Corp., as initial guarantors, and Wells Fargo Bank, National Association, as trustee. "**Support Agreement**" means one or more noteholder support agreements dated on or about July 13, 2020 among the Company and certain Senior Unsecured Noteholders to which this Term Sheet is appended (and including any joinders thereto).

SCHEDULE A

SUBSIDIARIES

ENTITY	JURISDICTION
Calfrac (Canada) Inc.	Alberta
Calfrac Holdings LP	Delaware
Calfrac Well Services Corp.	Colorado

EXHIBIT 7

This is Exhibit "7" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Insider transaction detail - View details for insider

2020-08-24 21:31 ET

Transactions sorted by : Insider
Insider family name : wilks (Starts with)
Transaction date range : January 1, 2020 - August 24, 2020
Debt securities : Bonds, Commercial Paper, Convertible Debentures, Convertible Notes, Debentures, Medium Term notes, Notes, Promissory Notes, Other
Equity securities : American Depository Receipts, Common Shares, Convertible Preferred Shares, Exchangeable Shares, General Partnership Units, Instalment Receipts, Limited Partnership Units, Multiple Voting Shares, Non-Voting Shares, Participation Units, Preferred Shares, Special Shares, Subordinate Voting Shares, Trust Units, Units, Other
Third party derivatives : Equity Swap - Long Position, Equity Swap - Short Position, Exchange Traded Call Options, Exchange Traded Put Options, Forward Purchase, Forward Sale, Futures Contract - Long Position, Futures Contract - Short Position, OTC Calls (including Private Options to Purchase), OTC Puts (including Private Options to Sell), Other
Issuer derivatives : Options, Rights, Special Warrants, Subscription Rights, Warrants, Other

Insider name: Wilks, Dan

Legend: O - Original transaction, A - First amendment to transaction, A' - Second amendment to transaction, AP - Amendment to paper filing, etc.

Insider's Relationship to Issuer: 1 - Issuer, 2 - Subsidiary of Issuer, 3 - 10% Security Holder of Issuer, 4 - Director of Issuer, 5 - Senior Officer of Issuer, 6 - Director or Senior Officer of 10% Security Holder, 7 - Director or Senior Officer of Insider or Subsidiary of Issuer (other than in 4,5,6), 8 - Deemed Insider - 6 Months before becoming Insider.

Warning: The closing balance of the " equivalent number or value of underlying securities" reflects the" total number or value of underlying securities" to which the derivative contracts held by the insider relate. This disclosure does not mean and should not be taken to indicate that the underlying securities have, in fact, been acquired or disposed of by the insider.

Transaction ID	Date of transaction YYYY-MM-DD	Date of filing YYYY-MM-DD	Ownership type (and registered holder, if applicable)	Nature of transaction	Number or value acquired or disposed of	Unit price or exercise price	Closing balance	Insider's calculated balance	Conversion or exercise price	Date of expiry or maturity YYYY-MM-DD	Underlying security designation	Equivalent number or value of underlying securities acquired or disposed of	Closing balance of equivalent number or value of underlying securities
Issuer name: Calfrac Well Services Ltd.													
Insider's Relationship to Issuer: 3 - 10% Security Holder of Issuer													
Ceased to be Insider: Not applicable													

Transaction ID		Date of transaction YYYY-MM-DD	Date of filing YYYY-MM-DD	Ownership type (and registered holder, if applicable)	Nature of transaction	Number or value acquired or disposed of	Unit price or exercise price	Closing balance	Insider's calculated balance	Conversion or exercise price	Date of expiry or maturity YYYY-MM-DD	Underlying security designation	Equivalent number or value of underlying securities acquired or disposed of	Closing balance of equivalent number or value of underlying securities
Security designation: Notes 10.875% Second Lien Secured Notes due 2026														
O	3565102	2020-06-11	2020-06-18	Control or Direction : THRC Holdings LP	97 - Other	+$7,156,700	0.6000 USD							
A	3565102	2020-06-11	2020-06-18	Control or Direction : THRC Holdings LP	97 - Other	+$7,156,700	0.6000 USD	$7,156,700						
	3565116	2020-06-15	2020-06-18	Control or Direction : THRC Holdings LP	97 - Other	+$11,689,700	0.6050 USD	$18,846,400						
	3565121	2020-06-16	2020-06-18	Control or Direction : THRC Holdings LP	97 - Other	+$2,040,000	0.6150 USD	$20,886,400						
	3565125	2020-06-17	2020-06-18	Control or Direction : THRC Holdings LP	97 - Other	+$8,910,000	0.6600 USD	$29,796,400						
	3566357	2020-06-18	2020-06-22	Control or Direction : THRC Holdings LP	97 - Other	+$3,000,000	0.7525 USD	$32,796,400						
	3566358	2020-06-19	2020-06-22	Control or Direction : THRC Holdings LP	97 - Other	+$1,890,350	0.7800 USD	$34,686,750						
	3566359	2020-06-19	2020-06-22	Control or Direction : THRC Holdings LP	97 - Other	+$7,000,000	0.7900 USD	$41,686,750						
	3568409	2020-06-24	2020-06-29	Control or Direction : THRC Holdings LP	97 - Other	+$5,000,000	0.7700 USD	$46,686,750						

Transaction ID	Date of transaction YYYY-MM-DD	Date of filing YYYY-MM-DD	Ownership type (and registered holder, if applicable)	Nature of transaction	Number or value acquired or disposed of	Unit price or exercise price	Closing balance	Insider's calculated balance	Conversion or exercise price	Date of expiry or maturity YYYY-MM-DD	Underlying security designation	Equivalent number or value of underlying securities acquired or disposed of	Closing balance of equivalent number or value of underlying securities
3568410	2020-06-25	2020-06-29	Control or Direction : THRC Holdings LP	97 - Other	+$11,314,650	0.7600 USD	$58,001,400						
3568414	2020-06-26	2020-06-29	Control or Direction : THRC Holdings LP	97 - Other	+$2,000,000	0.7613 USD	$60,001,400						
3579455	2020-07-21	2020-07-22	Control or Direction : THRC Holdings LP	97 - Other	+$7,291,900	0.7450 USD	$67,293,300						
Security designation: Notes 8.50% Senior Unsecured Notes due 2026													
3579451	2020-07-17	2020-07-22	Control or Direction : THRC Holdings LP	97 - Other	+$8,651,000	0.1025 USD	$8,651,000						
3579452	2020-07-21	2020-07-22	Control or Direction : THRC Holdings LP	97 - Other	+$12,780,000	0.1050 USD	$21,431,000						
3579896	2020-07-22	2020-07-23	Control or Direction : THRC Holdings LP	97 - Other	+$8,000,000	0.1050 USD	$29,431,000						

EXHIBIT 8

This is Exhibit "8" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Wilks Brothers, LLC Announces Proposal for Superior Calfrac Recapitalization Transaction

NEWS PROVIDED BY
Wilks Brothers LLC →
Aug 04, 2020, 08:00 ET

- *Stakeholders are encouraged to review the Term Sheet available at www.afaircalfrac.com*

CISCO, Texas, Aug. 4, 2020 /CNW/ - Wilks Brothers, LLC ("**Wilks**"), a significant, long-term shareholder and debtholder of Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) announces that, further to Calfrac's announced recapitalization transaction (the "**Initial Management Transaction**"), it has submitted a superior alternative recapitalization transaction (the "**Superior Alternative Proposal**") to the board of directors of Calfrac today.

The Superior Alternative Proposal will significantly de-lever Calfrac and provide a superior recovery to stakeholders at all levels of Calfrac's capital structure. The Superior Alternative Proposal is fully committed, not subject to any financing or due diligence conditions and capable of being immediately implemented. The Initial Management Transaction, if it proceeds, would instead 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 (the "**Select Investors**").

Superior Alternative Proposal vs. Initial Management Transaction Class-by-Class Comparison
Using an enterprise value of C$374 million, the value implied by the current trading prices of Calfrac's public securities, the dollar recovery under the Superior Alternative Proposal to each group of Calfrac's stakeholders (other than to the Select Investors) is demonstrably greater:

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 Superior Alternative Proposal

The Superior Alternative Proposal is structured as a fully consensual transaction involving all levels of Calfrac's capital structure. It significantly de-levers Calfrac, and provides 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 pro forma equity) than the consideration provided under the Initial Management Transaction (C$60 million for 63% of pro forma equity).

Advantages of the Superior Alternative Proposal:

- Significantly reduces Calfrac's total debt (not including capital leases) to less than C$95 million, and meaningfully increases cash and working capital to ensure a healthy and de-levered Calfrac. Under the Initial Management Transaction, total debt remains at no less than C$286 million, creating very real risk of an imminent bankruptcy.
- Better treatment to existing shareholders by providing them with no less than 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 Initial Management Transaction that offers existing shareholders less than 3% of pro forma equity after dilution in a company with no less than C$286 million of debt.[1]
- Better treatment to Unsecured Noteholders by providing them with no less than 35% of the pro forma equity in a reorganized company with dramatically less debt, compared with the Initial Management Transaction that offers existing Unsecured Noteholders 34% of the pro forma equity after dilution in a company with no less than C$286 million of debt.[1]
- Provides almost 3x the consideration for the new equity issued. The Superior Alternative Proposal converts C$160 million of Second Lien Debt and invests a further C$80 million of cash for a 60% pro forma equity position. Under the Initial Management Transaction, the Select Investors would receive 63% of the pro forma common shares upon conversion of their C$60 million "loan".
- Provides a greater paydown of the First Lien Debt (C$75 million) and payment of amendment fees to the First Lien Lenders, compared to the paydown under the Initial Management Transaction (C$45 million). Under the Superior Alternative Proposal, Wilks would also commit to arrange to fully re-finance the existing First Lien Debt.

Wilks encourages all interested stakeholders to review its Term Sheet, available at www.afaircalfrac.com, for full details on the Superior Alternative Proposal.

Initial Management Transaction Contains Serious Flaws

In addition to the inferior value for each class noted above, the Initial Management Transaction contains serious flaws, including:

- **High probability of a near term bankruptcy**: With no less than C$286 million of secured debt, the Initial Management Transaction leaves the Company overleveraged. Given ongoing concerns in the energy market, this sizeable level of debt significantly increases the probability that Calfrac will need to seek bankruptcy protection even if it completes the transaction, erasing value for all stakeholders except those holding secured debt.
- **Enriches a select group of insiders**: The securities owned by the 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 (collectively, the "**Impaired Classes**").
- **Favorable treatment of a select group in a non-arm's length investment**: The Company has agreed to favor a select group of unsecured noteholders to participate in their non-arm's length investment to the detriment of non-insiders in the Impaired Classes, without disclosing the identities of these parties.
- **Calfrac never pursued a market test of the Initial Management Transaction**: The Initial Management Transaction was never subjected to a market test of "higher and better offers". The Superior Alternative Proposal is clearly a superior transaction and should be pursed for the benefit of Calfrac and its stakeholders

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[1] Shareholders and Unsecured Noteholders in the Initial Management Transaction receive up to 7.8% and 89.2%, respectively, of the pro forma equity *before the applicable dilution*, in a Company with no less than C$346 million of debt.

Questions

Stakeholders with questions may contact our communications advisor, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

Early Warning Disclosure

The following information is disclosed in compliance with National Instruments 62-103 and 62-104.

Wilks announces that they have filed an amended early warning report to disclose changes in certain material facts relating to their ownership of securities of Calfrac. In the amended report, Wilks discloses, among other things, that (i) they intend to seek to influence voting by

shareholders and debtholders at any shareholders or debtholders meetings called to consider the Initial Management Transaction, any amendment to such proposal or any other restructuring proposal in any manner permitted by applicable law including, without limitation, the solicitation of proxies from Calfrac's securityholders and (ii) consistent with disclosure made in Wilks' previous early warning reports, Wilks may seek to effect material changes in Calfac's business, capital or corporate structure including, without limitation, changes to the board of directors or management, the sale or transfer of material assets of Calfrac or its subsidiaries and/or the issue or exchange of securities.

Wilks and Dan and Staci Wilks (the "**Wilkses**" and together with Wilks, the "**Acquirors**") together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management discussion and analysis for the three months ended March 31, 2020, that there are 145,171,194 Common Shares outstanding.

Calfrac is located at 411 – 8th Avenue S.W., Calgary, Alberta, T2P 4G8. Wilks is located at 17010 Interstate 20, Cisco, Texas, 76437. A copy of the early warning report can be obtained from Wilks (817-850-3600) or on the SEDAR profile of Calfrac at www.sedar.com

SOURCE Wilks Brothers LLC

EXHIBIT 9

This is Exhibit "9" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Special Committee of Independent Directors of Calfrac Completes Evaluation of Proposal from Wilks Brothers

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Aug 17, 2020, 06:00 ET

CALGARY, AB, Aug. 17, 2020 /CNW/ - (TSX: CFW) As previously disclosed, Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") received an alternative business proposal from Wilks Brothers, LLC ("**Wilks Brothers**") on August 4, 2020. The Special Committee of Independent Directors of Calfrac has determined that the Wilks Brothers proposal is not a "Superior Proposal", as that term is defined in the support agreements governing Calfrac's proposed recapitalization transaction, as described in the July 14, 2020 press release (the "**Recapitalization Transaction**"). As part of its determination, amongst other factors, and based on direct discussions with holders of Senior Unsecured Noteholders holding the majority of the face value of the Senior Unsecured Notes, the Special Committee concluded that the Wilks Brothers proposal could not reasonably be expected to result in a transaction more favourable to the Corporation and its stakeholders (including the Senior Unsecured Noteholders) as it lacks the required level of support from Senior Unsecured Noteholders. This determination means that Calfrac will be continuing to seek approval for the Recapitalization Transaction, which is to be implemented pursuant to a plan of arrangement (the "**Plan of Arrangement**").

The Special Committee reached its conclusion after careful and thorough investigation and consideration, and with the input and advice of its independent legal counsel, Norton Rose Fulbright Canada LLP, and from financial advisors Perella Weinberg Partners/Tudor, Pickering, Holt & Co. and RBC Capital Markets.

Further, the Special Committee took note of the Company's previously announced Recapitalization Transaction, which now has the support of holders (the "**Supporting Noteholders**") of approximately 78% of the Senior Unsecured Notes, surpassing the required $66^{2/3}$% support of that class required to effect the Plan of Arrangement. The Supporting Noteholders have entered into support agreements with the Company and have agreed to vote in favour of and support the Recapitalization Transaction and Plan of Arrangement, subject to certain conditions.

Should the Recapitalization Transaction not be approved by Senior Unsecured Noteholders and Shareholders, in the absence of any transaction that is capable of receiving any requisite broad support throughout the Company's capital structure, the Company may be required to consider or proceed with one or more alternative transactions that could result in a reduced recovery to Senior Unsecured Noteholders and, potentially, no prospective recovery to Shareholders.

Meeting and Voting Information

The Meetings in respect of the Plan of Arrangement are scheduled to be held on September 17, 2020 in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta. Pursuant to the Interim Order, the Senior Unsecured Noteholders' Meeting is scheduled to begin at 1:00 p.m. (Calgary time), and the Shareholders' Meeting is scheduled to begin at 2:00 p.m. (Calgary time). The previously obtained Interim Order also authorized a new record date for purposes of voting at the Meetings, being 5:00 p.m. (Calgary time) on August 10, 2020.

The deadline for Senior Unsecured Noteholders and Shareholders to submit their proxies or voting instructions in order to vote on the Plan of Arrangement and other items to be considered at the applicable Meeting is 5:00 p.m. (Calgary time) on September 15, 2020.

Any questions or requests for further information regarding voting at the Meetings should be directed to **Kingsdale Advisors by: (i) telephone, toll-free in North America at 1-877-659-1822 or at 416-867-2272 outside of North America; or (ii) e-mail to** contactus@kingsdaleadvisors.com.

All references to "$" are to Canadian dollars, unless otherwise indicated.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information concerning: stakeholder support for the Recapitalization Transaction; the holding and timing of, and matters to be considered at the Meetings as well as with respect to voting at such Meetings; and the effect of the Recapitalization Transaction and the potential effect of the Wilks Brothers' proposal.

Although Calfrac believes that the expectations and assumptions on which such forward looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; default under the Company's credit facilities and/or the Company's senior notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and holders of Senior Unsecured Notes to vote in favour of the Recapitalization Transaction; failure to receive all applicable regulatory, court, third party and other stakeholder approvals in respect of the Recapitalization Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 10, 2020 and filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future

events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States.

SOURCE Calfrac Well Services Ltd.

For further information: please contact: Scott Treadwell, Vice President, Capital Markets and Strategy, Telephone: (403) 266-6000, Fax: (403) 266-7381

Related Links

http://www.calfrac.com

EXHIBIT 10

This is Exhibit "10" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Summary Rejection by Calfrac's Special Committee of Wilks' Superior Proposal Unfairly Disregards the Interests of All Stakeholders; Superior Proposal Will Remain Available to the Company if Shareholders Reject the Initial Management Transaction

NEWS PROVIDED BY
Wilks Brothers LLC →
Aug 18, 2020, 08:20 ET

- *The Special Committee admits to having made their decision based solely on the views and interests of a self-selected group of insiders and unsecured noteholders who will disproportionately benefit from the insider deal*
- *Independent analysts agree that the Wilks' Superior Alternative Proposal is "unambiguously" a financially superior transaction*
- *Shareholders should not be intimidated into supporting the inferior and flawed insider deal by thinly-veiled threats made by the Special Committee*
- *If shareholders reject the insider deal, Wilks' Superior Alternative Proposal, the full details of which are available at www.afaircalfrac.com, will remain available to the Company*

CISCO, Texas, Aug. 18, 2020 /CNW/ - Wilks Brothers, LLC ("**Wilks**") responds to the August 17, 2020 announcement of Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) that the Company's special committee of directors (the "**Special Committee**") determined that Wilks' proposed alternative recapitalization transaction (the "**Superior Alternative Proposal**") is

not a "Superior Proposal" as defined in the support agreements for the management-led recapitalization transaction (the "**Initial Management Transaction**"), and that the Company will continue to seek approval for the Initial Management Transaction at meetings of noteholders and shareholders to held on September 17, 2020.

The Special Committee's determination is deeply troubling as the announcement stated that the Special Committee's rejection of the Superior Alternative Proposal was based solely on the lack of support from a small group of self-selected unsecured noteholders and not on a determination that the Superior Alternative Proposal did not provide better recoveries to stakeholders and enhance the Company's financial condition.

The Special Committee provided market participants with no analysis or comparison of the economic benefits and consequences to the Company and its stakeholders of the Superior Alternative Proposal versus the Initial Management Transaction. This is undoubtedly because the Special Committee and the Company recognize that, in fact, the Wilks proposal delivers superior recoveries across the Company's capital structure and results in a stronger, more sustainable, capital structure for Calfrac.

Independent analysts agree:

> *"In our view, the new Wilks Bros restructuring proposal is unambiguously superior to the original proposal for equity holders and 2nd lien noteholders."* – Raymond James Ltd., August 4, 2020

> *"We believe that should the Wilks proposal succeed, Calfrac's survivability would be materially improved and have raised our target from zero to $0.15 (13.5x 2021 EV/EBITDA) and rating to Market Perform from Reduce on the potential success of the deal and deleveraging of the Company."* – Cormark Securities Inc., August 5, 2020

Wilks encourages all stakeholders to review its Term Sheet, available at www.afaircalfrac.com, for full details on the Superior Alternative Proposal.

In Wilks' view, the Board failed to adequately discharge their fiduciary duties by giving undue power to a self-selected group of unsecured creditors, thereby unfairly disregarding the interests of other stakeholders. This small group of unsecured creditors now controls Calfrac's restructuring process and will acquire a controlling position in the Company's equity should the inferior Initial Management Transaction proceed.

Calfrac threatens that, should shareholders fail to approve the Initial Management Transaction, they may effectively be wiped out if the Company is forced to consider an alternative transaction. That is simply not true. There is a fair and viable alternative transaction on the table, the Superior Alternative Proposal, which provides far superior recoveries to all stakeholders, including shareholders. Wilks commits that its Superior Alternative Proposal will remain available to the Company if shareholders reject the Initial Management Transaction.

Shareholders are encouraged to vote their shares AGAINST the Initial Management Transaction in order to stop this self-enrichment at their expense.

Wilks will vote all of its shares[i] AGAINST the inferior and flawed Initial Management Transaction and strongly recommends that its fellow shareholders do the same.

Voice Your Support / Questions

Stakeholders who wish to voice their support for the Superior Alternative Proposal, or who have questions, may contact our communications advisor, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

Additional Disclosure

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent. Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3.

Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

[i] Wilks, together with Dan and Staci Wilks, hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management discussion and analysis, prepared as of July 29, 2020, that as at July 29, 2020 there are 145,171,194 Common Shares outstanding.

SOURCE Wilks Brothers LLC

EXHIBIT 11

This is Exhibit "11" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac Files Circular for Recapitalization Transaction; Confirms Key Information; and Sets the Record Straight about Wilks Brothers

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Aug 21, 2020, 08:43 ET

- ***The Recapitalization Transaction remains the only transaction being voted upon, notwithstanding other contrary assertions in the media.***
- ***The Recapitalization Transaction already has the contractual support of 78% of Senior Unsecured Noteholders and 23% of Shareholders.***
- ***The board of directors of Calfrac unanimously recommends that all Senior Unsecured Noteholders and Shareholders of Calfrac VOTE FOR the Recapitalization Transaction, as proposed.***
- ***The Recapitalization Transaction is the only available alternative to potentially very adverse outcomes for Calfrac and its stakeholders.***

CALGARY, AB, Aug. 21, 2020 /CNW/ - (TSX: CFW) Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") announced today that it has filed a Management Information Circular (the "**Information Circular**") with respect to its previously announced Recapitalization Transaction and the upcoming Meetings of Senior Unsecured Noteholders and Shareholders (the "**Meetings**"), to be held in Calgary on September 17, 2020.The Information Circular has been posted on SEDAR and the Company's website.

The reasons that the Recapitalization Transaction is necessary are well-known: 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.

Calfrac now has more indebtedness than is sustainable, notwithstanding extensive prior efforts to reduce its debt. Calfrac's capital structure and liquidity position are no longer tenable, and without the Recapitalization Transaction, Calfrac would have insufficient financial flexibility to advance its business going forward. The Recapitalization Transaction resolves the Company's capital structure and liquidity issues.

The Recapitalization Transaction is the result of an extensive review of alternatives, and arms-length negotiation with creditors. The Company's process included invitations to Wilks Brothers to participate in constructive restructuring discussions.

The Recapitalization Transaction provides the following benefits:

- It is actionable and comprehensive. It materially lowers Calfrac's debt by $571.8 million and annual interest expense by $52.7 million. Liquidity improves through a new $60 million 1.5 Lien Note issuance. It averts any reasonable prospect of a near term insolvency;
- Calfrac remains an independent company, free of competitor control. This preserves the ability to pursue future value-enhancing or change of control transactions in more advantageous market conditions; and
- Shareholders and Senior Unsecured Noteholders retain the opportunity to participate in the economic benefit of Calfrac share ownership as business conditions improve.

Wilks Brothers Considerations

Wilks Brothers, LLC ("**Wilks Brothers**"), a direct competitor of Calfrac, has publicly proposed an alternative transaction (the "**Wilks Brothers Proposal**"), which has **not been accepted** by Calfrac or supported by the majority of its Senior Unsecured Noteholders.

Wilks Brothers, a private entity, appears to have extensive business interests. Of note are: its 100% ownership of a direct competitor of Calfrac, ProFrac Services, LLC ("**ProFrac**"); its ownership of securities in other oilfield services companies; and its ownership of Second Lien

Notes and Senior Unsecured Notes of Calfrac Holdings LP, as well as 19.78% of the common shares of Calfrac.

Wilks Brothers has recently taken many actions in the pursuit of its own agenda. Stakeholders should carefully evaluate Wilks Brothers' true motives.

Calfrac identifies the following **four main issues** with the Wilks Brothers Proposal in the Information Circular.

1. **The Wilks Brothers 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 Brothers proposes to own a controlling interest of in excess of 60%.**

Wilks Brothers has failed to explain its business logic. Unaddressed issues include: which company would compete for which clients' work; how clients would actually be served; how each company would quote pricing; how the entities would compete for capital, people and supplies; and how the businesses would generally function without continuously colliding. These matters have all been ignored by Wilks Brothers. It is also unclear whether the Wilks Brothers Proposal could simply be a precursor to a later planned merger or other transaction, possibly between ProFrac and Calfrac, a situation in which the Calfrac minority shareholders would have limited or no other alternatives.

2. **In addition to the competitive and other conflicts, any implementation of the Wilks Brothers Proposal would likely negatively impact the trading value and liquidity of Calfrac's common shares. It would limit the opportunity of any other acquiror being able to purchase Calfrac at a premium in the future.**

Giving up control of the Company's future destiny is a matter of considerable importance to stakeholders.If Calfrac, was majority-controlled by its competitor, Wilks Brothers, it would likely be continuously attributed a lower ongoing valuation by the stock market. This is critically important, given that the recoveries that are being suggested by Wilks Brothers rely entirely on the value of the shares to be received by Senior Unsecured Noteholders and Shareholders of

Calfrac. In addition, other industry participants would be unable to acquire a restructured Calfrac that would already be controlled by Wilks Brothers, thereby denying Calfrac shareholders the opportunity to receive a potential premium in the future.

3. **The Wilks Brothers Proposal seeks to secure for the Wilks Brothers a change of control of Calfrac, without paying any premium to Shareholders.**

The Wilks Brothers Proposal is a thinly-veiled change of control transaction offering no change of control or "takeover" premium to Shareholders.

The Recapitalization Transaction will preserve Calfrac's ability to consider future corporate alternatives, and would not prohibit Calfrac from subsequently executing a consensual deal with anyone.

4. **Wilks Brothers is a wolf in sheep's clothing and its actions seem intended to intimidate Shareholders and Senior Unsecured Noteholders. Wilks Brothers has provided incomplete information regarding the Wilks Brothers Proposal and has made public statements that are factually incorrect or misleading.**

Wilks Brothers was repeatedly invited to join the stakeholder negotiations that eventually led to the Recapitalization Transaction. Wilks Brothers only engaged with Calfrac, pursuing its own agenda and interests, after other investors had already stepped forward to finance the Recapitalization Transaction and the terms of the Recapitalization Transaction were made public. Since the announcement of the Recapitalization Transaction, Wilks Brothers has opposed the court ordered stays that would permit a restructuring of Calfrac's capital structure to proceed. So far, Wilks Brothers has on four occasions opposed the protective court applications being made by Calfrac in Canada and the United States, including arguing to the U.S. Court that Calfrac should be put into insolvency.

The numerous positive aspects of the Recapitalization Transaction presented by Calfrac, and the serious deficiencies with the Wilks Brothers Proposal, should now make the path clear:

Shareholders and Senior Unsecured Noteholders should **VOTE FOR** the Recapitalization Transaction.

Meeting and Voting Information

The Meetings in respect of the Plan of Arrangement are scheduled to be held on September 17, 2020 in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta. Pursuant to the Interim Order, the Senior Unsecured Noteholders' Meeting is scheduled to begin at 1:00 p.m. (Calgary time), and the Shareholders' Meeting is scheduled to begin at 2:00 p.m. (Calgary time). The previously obtained Interim Order also authorized a new record date (the "**Record Date**") for purposes of voting at the Meetings, being 5:00 p.m. (Calgary time) on August 10, 2020.

The deadline for Senior Unsecured Noteholders and Shareholders to submit their proxies or voting instructions in order to vote on the Plan of Arrangement and other items to be considered at the applicable Meeting is 5:00 p.m. (Calgary time) on September 15, 2020.

Senior Unsecured Noteholders that wish to receive their pro rata share of the 6% Early Consent Consideration (as defined in the Information Circular) must submit to their intermediaries on or prior to 5:00 p.m. (Calgary time) on September 8, 2020, *or such earlier deadline as their intermediaries may advise,* the required documentation or information described in the Information Circular.

Any questions or requests for further information regarding voting at the Meetings should be directed to **Kingsdale Advisors by: (i) telephone, toll-free in North America at 1-877-659-1822 or at 416-867-2272 outside of North America; or (ii) e-mail to contactus@kingsdaleadvisors.com**.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to: (a) the completion of the proposed Recapitalization Transaction, including expected reductions in total debt and cash interest expenses, the Company's ability to pursue future value-enhancing or change of control transactions and the Shareholders and Senior Unsecured Noteholders' ability to participate in future economic benefits of the

Company; and (b) the Wilks Brothers Proposal, including the operation of the Company under Wilk Brothers' control and the effects on trading value and liquidity of Calfrac's common shares.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Recapitalization Transaction will be completed as proposed; Calfrac's expectations regarding trading value and liquidity if it were subject to competitor control; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers; default under the Company's credit facilities and/or the Company's senior notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and Senior Unsecured Noteholders to vote in favour of the Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Recapitalization Transaction; global economic conditions; along with those risk and

uncertainties identified under the heading "Risk Factors" and elsewhere in the Information Circular and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com .

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.

SOURCE Calfrac Well Services Ltd.

For further information: please contact: Scott Treadwell, Vice President, Capital Markets and Strategy, Telephone: (403) 266-6000, Fax: (403) 266-7381

Related Links

http://www.calfrac.com

EXHIBIT 12

This is Exhibit "12" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Wilks Brothers, LLC Releases an Economic Comparison Presentation of its Calfrac Superior Alternative Proposal Versus the Initial Management Transaction at www.afaircalfrac.com

NEWS PROVIDED BY
Wilks Brothers LLC →
Aug 21, 2020, 18:43 ET

- *Stakeholders must not be misled and deserve a comparison of the proposals and details on the disproportionate beneficiaries of the Company's insider deal*
- *In addition to providing a significantly superior economic recovery across all levels of Calfrac's capital structure, the substantially reduced debt levels inherent in Wilks' proposal ensures a stronger, more sustainable, capital structure for Calfrac*
- *If shareholders reject the insider deal, Wilks' Superior Alternative Proposal, the full details of which are available at www.afaircalfrac.com, will remain available to the Company*

CISCO, Texas, Aug. 21, 2020 /CNW/ - Wilks Brothers, LLC ("**Wilks**") announced today they have released a presentation to the stakeholders of Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) that provides details of Wilks' proposed alternative recapitalization transaction (the "**Superior Alternative Proposal**") to the self-interested management-led recapitalization transaction (the "**Initial Management Transaction**").

In response to the Special Committee's deeply troubling rejection of the Superior Alternative Proposal, based solely on the lack of support from a small group of self-selected unsecured noteholders and not on a determination that the Superior Alternative Proposal did not provide

better recoveries to stakeholders and enhance the Company's financial condition, Wilks believes all stakeholders deserve a comparative analysis. The presentation details the key terms of the Superior Alternative Proposal, as well as a capital structure comparison between the two transactions and a recovery analysis.

Wilks encourages all stakeholders to review its Presentation and Term Sheet. Both are available at www.afaircalfrac.com.

It is important that stakeholders properly compare their recoveries under the competing plans using a realistic assessment. In that regard, the presentation provides a comparison using the best and most prudent gauge for enterprise value, the one implied by the market prices of the Company's securities.

Stakeholders should note that in addition to providing a significantly superior economic recovery across all levels of Calfrac's capital structure, the Superior Alternative Proposal provides significantly less downside risk to recovery due to substantially reduced debt levels.

Shareholders are encouraged to vote their shares AGAINST the Initial Management Transaction in order to stop this self-enrichment at their expense.

Wilks will vote all of its shares[i] AGAINST the inferior and flawed Initial Management Transaction and strongly recommends that its fellow shareholders do the same.

Voice Your Support / Questions

Stakeholders who wish to voice their support for the Superior Alternative Proposal, or who have questions, may contact our communications advisor, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

Additional Disclosure

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast

solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent. Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

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[i] Wilks, together with Dan and Staci Wilks, hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management discussion and analysis, prepared as of July 29, 2020, that as at July 29, 2020 there are 145,171,194 Common Shares outstanding.

SOURCE Wilks Brothers LLC

CLERK'S STAMP

CLERK OF THE COURT
FILED
SEP 25 2020
JUDICIAL CENTRE
OF CALGARY

FORM 49

COURT FILE NUMBER	2001-08434
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	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.
APPLICANTS:	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.
RESPONDENT:	Not Applicable
DOCUMENT	**AFFIDAVIT**
CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	**BENNETT JONES LLP** Barristers and Solicitors 4500, 855 – 2nd Street S.W. Calgary, Alberta T2P 4K7 Attention: Chris Simard/Kevin Zych/Justin Lambert Telephone: 403.298.4485/416.777.5738/ 403.298.3046 Facsimile: 403.298.3100 Email: simardc@bennettjones.com/ zychk@bennettjones.com/ lambertj@bennettjones.com

VOLUME 2 OF 2

EXHIBIT 13

This is Exhibit "13" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

WILKS BROTHERS

WILKS BROTHERS PROPOSAL

Supplemental Information

8.21.20

LEGAL DISCLAIMER

RELIANCE ON PUBLIC BROADCAST EXEMPTION

Wilks Brothers LLC ("Wilks") is relying on the exemption under section 9.2(4) of National Instrument 51-102-Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "Order") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent and will receive fees for its services plus ancillary payments and disbursements. Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada T2P 4K7 and its head office is at 411-8th Avenue S.W. Calgary, Alberta T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this presentation are or contain "forward-looking statements" and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties that could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "intends", "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Wilks believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Material factors or assumptions that were applied in formulating the forward-looking information contained herein include assumptions regarding the future enterprise value of Calfrac, examples setting out illustrative recoveries to various classes of security holders; assumptions as to EBITDA; the assumption that the business and economic conditions affecting Calfrac's operations will continue substantially in the current state, including, without limitation, with respect to industry conditions, general levels of economic activity, continuity and availability of personnel and third party service providers, local and international laws and regulations, foreign currency exchange rates and interest rates, inflation, and taxes, and that there will be no unplanned material changes to Calfrac's facilities, operations and customer and employee relations. Wilks cautions that the foregoing list of material factors and assumptions is not exhaustive. Many of these assumptions are based on factors and events that are not within the control of Wilks and there is no assurance that they will prove correct. Important factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements include, among other things, actions taken by Calfrac with respect to the Management Transaction, and agreements entered into among the parties to such transaction, industry risk and other risks inherent in the running of the business of Calfrac, foreign currency exchange rates and interest rates, general economic conditions, legislative or regulatory changes, changes in income tax laws, and changes in capital or securities markets. These are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of Wilks' forward-looking statements. Other unknown and unpredictable factors could also impact its results. Many of these risks and uncertainties relate to factors beyond Wilks' ability to control or estimate precisely. Consequently, there can be no assurance that the actual results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, Calfrac, its future results and performance. Forward-looking statements in this press release are based on Wilks' beliefs and opinions at the time the statements are made, and there should be no expectation that these forward-looking statements will be updated or supplemented as a result of new information, estimates or opinions, future events or results or otherwise, and Wilks disavows any obligation to do so except as required by law.

Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Initial Management Transaction are legally permissible, appropriate or capable of implementation.

SUMMARY OF THE WILKS SUPERIOR ALTERNATIVE PROPOSAL

- On August 4th, the Wilks Brothers, LLC submitted a superior alternative recapitalization proposal to the board of directors of Calfrac (the "Wilks Superior Alternative Proposal" or the "Wilks Proposal")
- The Wilks Superior Alternative Proposal will significantly de-lever Calfrac and provide superior value to stakeholders at all levels of Calfrac's capital structure
- The significantly reduced debt levels under the Wilks Proposal will allow the Company to effectively compete against other well-capitalized peers without being hamstrung by onerous debt service requirements
- The Wilks Proposal is fully committed, not subject to any financing or due diligence conditions and capable of being immediately implemented
- In contrast, the management-led recapitalization transaction (the "Initial Management Transaction" or the "Management Transaction"), if it proceeds, would instead 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

KEY TERMS OF THE WILKS PROPOSAL

Wilks Brothers would provide consideration of C$239mm[1] toward the funding of the recapitalization transaction, and in exchange would receive 60% of the pro forma equity of the recapitalized Company. As part of the Wilks Proposal, stakeholders would receive the following treatment:

Class	Amount	Illustrative Treatment
CAD Revolving Term Loan Holders	C$170 million [2]	To receive C$75 million pay down. Market standard amendment fee payable to term loan holders. Replacement financing of the term loan available at option of the holders.
10.875% 2L Secured Noteholders	C$164 million [2]	Bought out at 102% of par by Wilks Consideration.
Unsecured Noteholders	C$591 million [2]	Receive 35% of pro forma equity in exchange for extinguishment of their Unsecured Notes.
Existing Common Equity		Maintain no less than 5% of pro forma equity, and receive Shareholder Warrants for an additional 5% of equity upon exercise (for a total of 10% on a fully diluted basis).

Notes:

1) Consideration consists of extinguishment of C$164mm of 2L Secured Notes and payment of C$75mm to be used toward the paydown of the CAD revolving term loan. The number is net of the breakup fee that would be payable to insiders.
2) Debt balances are shown as of the 2Q20 Interim Report.

CAPITAL STRUCTURE COMPARISON

The Management Transaction leaves the Company more than 5x leveraged than in the Wilks Proposal

Investors should not be fooled by the Pre-1.5L Conversion pro forma equity ownership under the Management Transaction, given the extremely low, deep-in-the-money conversion price of the Notes

Stakeholders should compare the Post-1.5L Conversion capital structure to the Wilks Proposal

Pro-Forma Capital Structure *(C$ millions)*		**Management Transaction**			**Wilks Superior Alternative Proposal**
	Status Quo	**Pre 1.5L Conversion**	**Post 1.5L Conversion**	**Full PIK, Post 1.5L Conversion**	
CAD Revolving Term Loan Facility	170	125	125	125	95
New Money 1.5L Convertible PIK Notes Due 2023 (10% PIK)	-	60	-	-	-
USD 10.875% 2L Secured Notes Due 2026	164	164	164	164	-
Secured Debt	**334**	**349**	**289**	**289**	95
USD 8.500% Senior Unsecured Notes Due 2026	591	-	-	-	-
CAD Lease Obligations	33	33	33	33	33
Total Debt	**958**	**382**	**322**	**322**	128
Less: Cash and Cash Equivalents	(88)	(88)	(88)	(88)	(88)
Net Debt	**870**	**294**	**234**	**234**	40
Pro Forma Equity Ownership					
Equity Ownership to Current Shareholders	100.0%	7.8%	3.5%	3.0%	5.0%
Equity Ownership to Unsecured Noteholders	-	89.3%	40.6%	34.2%	35.0%
Equity Ownership to 1.5L Notes	-	2.9%	55.9%	62.9%	-
Equity Ownership to Wilks Brothers in exchange for Consideration	-	-	-	-	60.0%

Notes:

- Debt and cash balances as of 2Q20 interim report
- Assumes the 1.5L notes convert at maturity after accruing three years of 10% PIK (payment-in-kind) interest

1.5L NOTE DILUTION: DON'T BE FOOLED

It is important that stakeholders receiving or retaining equity under the Management Transaction properly understand and account for the tremendous dilution of the 1.5L Notes

- The 1.5L Notes have the right to convert into 37,530 shares per C$1,000 principal, i.e., the conversion price is C$0.02665
- Therefore, holders of the $60mm 1.5L Notes can convert their loan into 2.25 billion shares on day 1 of issuance
- Furthermore, due to PIK interest, the loan balance at the end of three years will have grown to C$80.41mm, and can then convert into 3.02 billion shares, for no additional consideration
- Thus, the conversion price, when accounting for the PIK interest, is actually $0.01988 (i.e., C$60mm ÷ 3.02 billion shares) **– more than 87% below the 8/14/20 closing price of C$0.15**

This means Current Shareholders and Noteholders will almost certainly face significant dilution of the equity received under the Management Transaction. The only scenario where they don't, is where shares have been nearly entirely wiped out and are trading for less than C$0.02!

RECOVERY ANALYSIS

- On the following slides, we compare pro-forma recoveries to the Current Shareholders and Unsecured Noteholders under the Wilks Proposal and the Management Transaction
- It is important that stakeholders properly compare their recoveries under the competing plans using a **realistic assessment** of enterprise value
- The following comparisons are done using the best and most prudent gauge for enterprise value; the one implied by the market prices of the Company's securities (see Appendix)
- We then show a recovery analysis for both plans over a wide range of enterprise values centered around the market implied enterprise value

Stakeholders should note that in addition to providing a significantly superior economic recovery across a range of enterprise values, the Wilks Proposal provides significantly less downside risk to recovery due to the substantially reduced leverage inherent in the Wilks Proposal

EQUITY HOLDERS RECEIVE SUPERIOR VALUE UNDER THE WILKS PROPOSAL

Management Transaction	
C$ millions	
Enterprise Value	375
Less: CAD Revolving Term Loan	(125)
Less: 10.875% 2L Secured Notes	(164)
Less: New Money 1.5L	(60)
Equity Value	26
Less: Value of Warrants Issued	-
Distributable Value	26
Share of Common	7.8%
Value attributable to pro-forma common shares	2
Value attributable to warrants	-
Total Value to Shareholders	**2**

Wilks Proposal	
Enterprise Value	375
Less: CAD Revolving Term Loan	(95)
Less: 10.875% 2L Secured Notes	-
Less: New Money 1.5L	-
Equity Value	280
Less: Value of Warrants Issued	(3)
Distributable Value	277
Share of Common	5.0%
Value attributable to pro-forma common shares	14
Value attributable to warrants	3
Total Value to Shareholders	**17**

UNSECURED NOTEHOLDERS RECEIVE SUPERIOR VALUE UNDER THE WILKS PROPOSAL

Management Transaction

C$ millions

Enterprise Value	375
Less: CAD Revolving Term Loan	(125)
Less: 10.875% 2L Secured Notes	(164)
Less: New Money 1.5L	(60)
Equity Value	26
Less: Value of Warrants Issued	-
Distributable Value	26
Balance of 1.5L Note after 3-YR PIK	80
Investment in 1.5L Note	(60)
Net Proceeds of 1.5L Note	20
Share of Common	89.3%
Share of 1.5L	15.0%
Value attributable to pro-forma common shares	23
Value attributable to warrants	3
Total Value to Unsecured	**26**

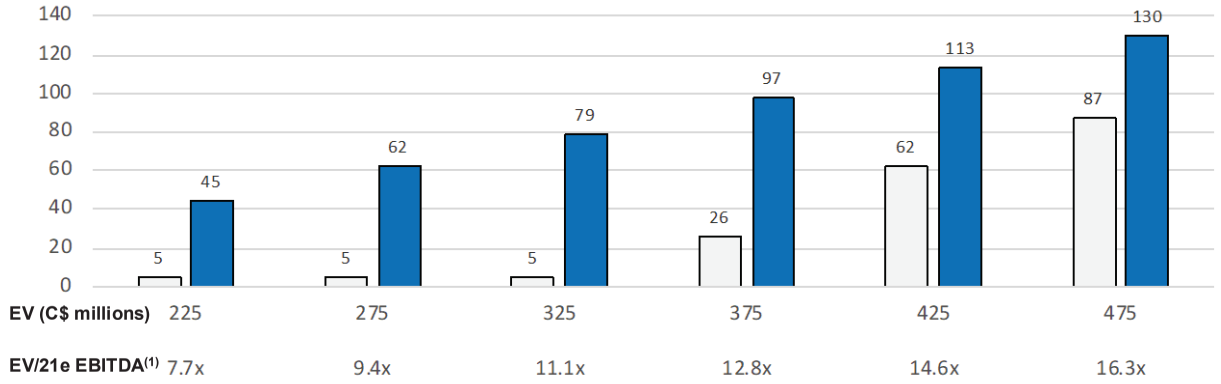
Wilks Proposal

Enterprise Value	375
Less: CAD Revolving Term Loan	(95)
Less: 10.875% 2L Secured Notes	-
Less: New Money 1.5L	-
Equity Value	280
Less: Value of Warrants Issued	(3)
Distributable Value	277
Share of Common	35.0%
Value attributable to pro-forma common shares	97
Total Value to Unsecured	**97**

COMPARISON ACROSS A RANGE OF ENTERPRISE VALUES (EV)

C$ millions

Illustrative Recoveries to Unsecured Noteholders

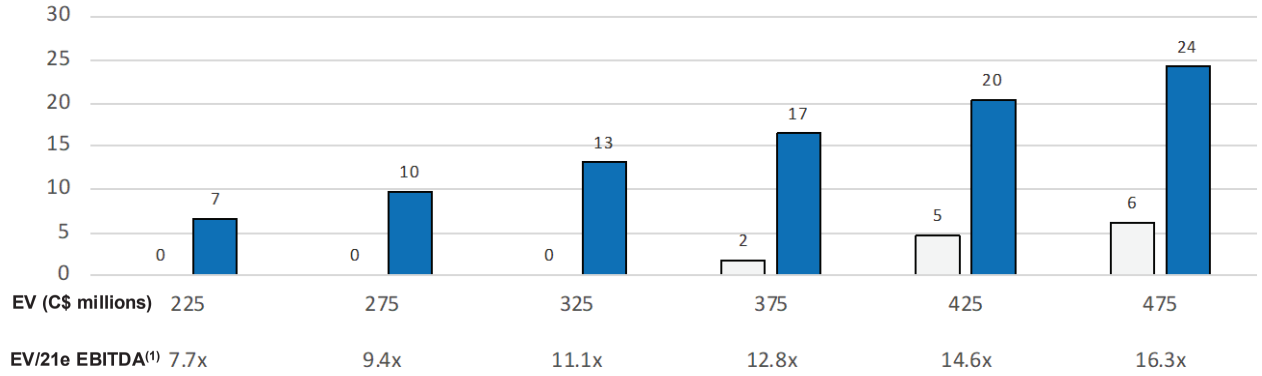


Legend

Wilks Proposal

Management Transaction

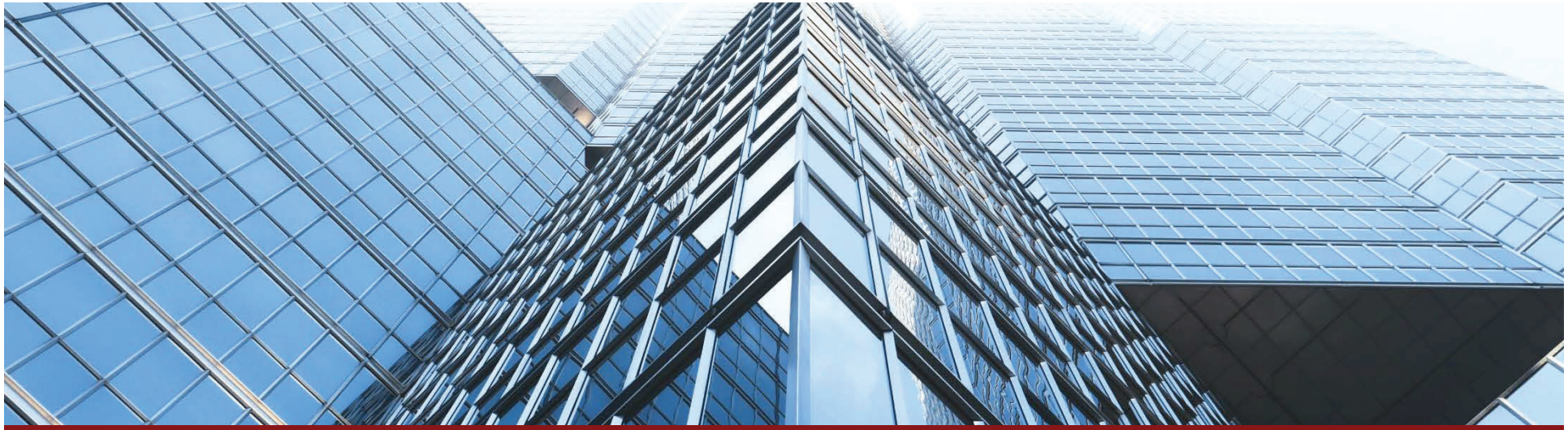
Illustrative Recoveries to Current Shareholders



Under the Management Transaction, recoveries to Current Shareholders and Unsecured Noteholders are easily wiped out, due to excessive levels of debt

Note:

1) Bloomberg consensus 2021 EBITDA of C$29.2mm



APPENDIX

Supplemental Information

MARK-TO-MARKET ENTERPRISE VALUE

The enterprise value implied by the market prices of the Company's securities is the most realistic and prudent barometer of value for assessing recovery under the competing plans.

C$ millions

Facility	Face Amount Outstanding	Current Price	Current Market Value
CAD Revolving Term Loan Facility	170	-	170
USD 10.875% 2L Secured Notes	161	75%	121
USD 8.500% Senior Unsecured Notes	579	11%	64

	Shares Out (mm)	Current Price	Current Market Value
Common Stock	146	0.14	20

Total EV	375

Notes:

- Face amounts and shares outstanding sourced from Q220 interim report
- Face amounts in USD were converted using the 8.3.20 CAD/USD exchange rate of 0.7463
- Bond and stock prices sourced from Bloomberg as of 7.31.20

EXHIBIT 14

This is Exhibit "14" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Wilks Brothers LLC Files Proxy Circular and Addresses Deceptive Information from Calfrac, Including the Real Impact of the Proposed Management Transaction; Encourages Shareholders to Protect Their Interests by Voting AGAINST the Management Transaction

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Aug 24, 2020, 14:14 ET

Highlights from the Proxy Circular:

- The Management Transaction delivers Calfrac to a self-selected group of unsecured creditors and insiders, including the Chairman, Mr. Ron Mathison, his company MATCO Investments Ltd. and an activist investor, G2S2Capital Inc., in a transaction that will massively dilute to approximately 3% or completely eliminate Shareholders ownership stake in Calfrac

- If completed, the Management Transaction will result in G2S2 Capital Inc. owning 41.2% of the shares of Calfrac. G2S2 Capital is an investment vehicle controlled by Mr. George Armoyan, an "activist investor" who is also (through G2S2 and Clarke Inc.) a significant shareholder (19.23%) of Trican Well Service Ltd., a direct Canadian competitor of Calfrac.

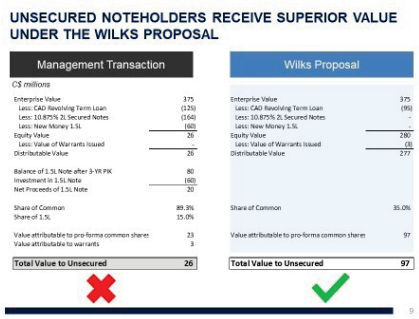
- G2S2 Capital and Mr. Mathison will, between them, be in a position to control **over 50%** of Calfrac's outstanding shares if the Management Transaction is completed. Notably, no change of control premium will have been paid to the Shareholders of Calfrac in this transaction.

- Concerned about the true level of support of Shareholder support and in a clear attempt to suppress shareholder voting against the Management Transaction, Calfrac has announced that they have now switched the Meeting to be an in-person meeting only. This notwithstanding the prior announcement that the Meeting would be held virtually given the COVID 19 pandemic, related Border closures and attendant risks to Shareholders who attend in person. An in-person Meeting in this current pandemic is inexplainable when virtual voting is now common place.

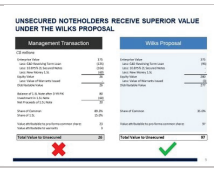
- Calfrac's announced levels of Shareholder support for the Management Transaction is deceptive and misleading. The announced level of support includes shares held by Mr. Mathison and/or MATCO which will NOT be entitled to vote as part of the "minority" vote in respect of the Management Transaction that is required under Canadian securities laws. Independent Shareholders do not support the Management Transaction.

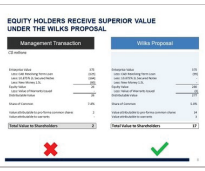
- Shareholders should vote **Against** the Management Transaction to protect their interests from the true "wolves in sheep's clothing." If the Management Transaction is rejected by Shareholders, the Wilks Superior Alternative Proposal, *the full details of which are available at www.afaircalfrac.com* , will remain available to Calfrac and provide a premium recovery to all stakeholders.

CISCO, Texas, Aug. 24, 2020 /CNW/ - Wilks Brothers, LLC ("Wilks") announced today they have filed and will mail out a proxy circular and BLUE voting form, to the shareholders of Calfrac Well Services Ltd. ("Calfrac" or the "Company") (TSX: CFW) in advance of the special meeting of Calfrac shareholders scheduled to occur on September 17, 2020 (the "Meeting"). Wilks urges shareholders to vote the BLUE form of proxy or BLUE voting instruction form ("VIF") AGAINST the self-interested management-led recapitalization transaction (the "Management Transaction").



Unsecured Noteholders Receive Superior Value Under the Wilks Proposal (CNW Group/Wilks Brothers, LLC.)





The proxy circular includes a letter from Wilks to their fellow Calfrac Shareholders that focuses on the real agenda that is being played out via the Management Transaction. The letter is set out below:

"Dear Fellow Calfrac Shareholders:

This is a decisive moment in Calfrac's history.

Like you, we are long-time shareholders of Calfrac and have watched as the current, entrenched Board and Management have led Calfrac to the brink of bankruptcy.

They now seek to implement a "restructuring" of Calfrac (the "Management Transaction") that will deliver the company to a self-selected group of unsecured creditors and insiders, including the Chairman, Mr. Ron Mathison, and his company MATCO Investments Ltd. ("MATCO"), and an activist investor, G2S2Capital Inc., in a transaction that will massively dilute or completely eliminate your ownership stake in Calfrac.

The entrenched Board and Management have tried to distract you from the truth by painting Wilks, a long-time shareholder, as an "activist" investor with hidden motivations. In their Management Information Circular, they advised you to carefully assess "the motives and actions" of Wilks. Yet they do not advise similar caution with respect to the motives and actions of the self-selected group of unsecured creditors and insiders (including Mathison and his personal holding company, MATCO) who have proposed the "restructuring".

If completed, the Management Transaction will result in G2S2 Capital Inc. owning 41.2%[1] of the shares of Calfrac. G2S2 Capital is an investment vehicle controlled by Mr. George Armoyan, an "activist investor"[2] who is also (through G2S2 and Clarke Inc.) a significant shareholder (19.23%) of Trican Well Service Ltd., a direct Canadian competitor of Calfrac. G2S2 Capital's holdings of Common Shares, even on an undiluted basis, will be sufficient for it to block any transaction requiring 66 2/3% shareholder approval.

Further, G2S2 Capital and Mr. Mathison will, between them, be in a position to control **over 50%**[3] of Calfrac's outstanding shares if the "restructuring" is completed. No change of control premium will have been paid to the Shareholders of Calfrac. Instead, they will face immediate massive and continuing dilution of their ownership interest.

The concerns regarding "conflicts and unknown risks" to Calfrac stakeholders that the entrenched Board and Management of Calfrac express with respect to Wilks acquiring a controlling interest seem to magically vanish in the case of Calfrac's proposed Management 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.

You have also been threatened by the entrenched Board and Management team. They have told you that the Management Transaction is the only viable alternative and that, if you do not vote for it, your investment will be wiped out. That is false. Wilks Brothers LLC ("Wilks") have made an alternative superior proposal to Calfrac for a superior alternative recapitalization

transaction (the "Superior Alternative Proposal") that provides a premium recovery to Shareholders over the proposed restructuring transaction. The Superior Alternative Proposal will remain available to Calfrac if Shareholders vote to reject the Management Transaction.

The entrenched Board and Management of Calfrac also claim that holders of 23% of the outstanding shares of Calfrac support the Management Transaction. This is misleading and vastly overstates the level of required support they actually have 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" in respect of the restructuring that is required under Canadian securities laws.

Protecting the interests of Calfrac's Shareholders will come down to all of us, the "minority" Shareholders of Calfrac. We are the only ones who can stop this.

THE ENTRENCHED BOARD AND MANGEMENT ARE TRYING TO SUPPRESS THE SHAREOLDER VOTE

The entrenched Board and Management of Calfrac is clearly concerned about the shareholder vote and are taking measures to suppress it. In the published version of the Management Information Circular Calfrac announced that the Meeting is to be held as an in-person meeting only, notwithstanding the COVID 19 pandemic and the attendant risks to Shareholders who attend in person. In the version of the Circular they filed with the Court in connection with obtaining the Interim Order they proposed having a "virtual only" meeting. Calfrac's rationale for changing to an in-person meeting is that: *"Given the fundamental nature of the [transaction]...the Company determined that the Meeting should be held in person..."*. This is, of course, absurd on its face. On the day after Calfrac published its circular with this cynical and self-serving rationale for holding an in-person meeting, Alberta reported 144 new cases of COVID 19 and was second only to Quebec in terms of total active cases.[4]

Calfrac knew that changing to an in-person only meeting would prevent Wilks' representatives from attending and participating in the Meeting due to travel restrictions and quarantines and discourage other Shareholders from attending the Meeting due to health concerns.

If Calfrac were truly interested in ensuring that as many of its Shareholders as possible voted, it would provide alternative methods for voting that enfranchised as many Shareholders as possible while ensuring their safety. Many companies this year have held hybrid meetings, which allow holders to attend in person, while also allowing the opportunity for appointed proxyholders and registered holders who are unable to attend due to health-related concerns, to attend and vote online.

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1 On a fully-diluted basis. G2S2 would own 38.1% on a non-diluted basis and 59.4% on a partially- diluted basis, see page 76 of Calfrac's Management Information Circular dated August 17, 2020.

2 Financial Post January 9, 2014: "Activist George Armoyan set for Proxy Fight at Sherritt after negotiations fall apart".

3 On a fully-diluted basis; Page 76 of Calfrac's Management Information Circular dated August 17, 2020.

4 www.cbc.ca "What you need to know about COVID-19 in Alberta on Saturday, August 22, 2020".

WILKS' SUPERIOR ALTERNATIVE PROPOSAL

On August 4th, 2020, Wilks made the Superior Alternative Proposal to Calfrac. That proposal was summarily rejected by the "Special Committee" of the Board that was created to consider it.

The rejection was based, not on the economics, and vastly superior recoveries to Shareholders provided in the Superior Alternative Proposal but ***solely because it would not be acceptable to the self-selected group of insiders and unsecured noteholders who will disproportionately benefit from their own insider deal and ultimately control Calfrac (the "Select Insiders").***

At the time Calfrac rejected the Wilks proposal, they offered no analysis or comparison of the economic benefits and consequences to the Company and its stakeholders of Wilks' Superior Alternative Proposal versus the Management Transaction. This is undoubtedly because the Special Committee and Calfrac recognize that, in fact, the Wilks proposal delivers superior recoveries across the Company's capital structure and results in a stronger, more sustainable, capital structure for Calfrac.

Independent analysts agree:

"In our view, the new Wilks Bros restructuring proposal is unambiguously superior to the original proposal for equity holders and 2nd lien noteholders." – Raymond James Ltd., August 4, 2020

"We believe that should the Wilks proposal succeed, Calfrac's survivability would be materially improved and have raised our target from zero to $0.15 (13.5x 2021 EV/EBITDA) and rating to Market Perform from Reduce on the potential success of the deal and deleveraging of the Company." – Cormark Securities Inc., August 5, 2020.

ADVANTAGES OF THE SUPERIOR ALTERNATIVE PROPOSAL

- **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 Management Transaction ($31 million, if $6 million of PIK interest on the 1.5 Lien Notes is included).
  - Under the Management Transaction, total debt remains at no less than C$286 million, creating very real risk of an imminent bankruptcy.

- **Better treatment to existing Shareholders:**
  - Provides existing Shareholders with no less than 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 Management Transaction that offers existing Shareholders less than 3% of pro forma equity after dilution in a company with no less than C$286 million of debt.

- **Better treatment to Unsecured Noteholders:**
  - Provides no less than 35% of the pro forma equity in a reorganized company with dramatically less debt, compared with the Management Transaction that offers existing Unsecured Noteholders 34% of the pro forma equity after dilution in a company with no less than C$286 million of debt.

- **Provides almost 3x the consideration for the new equity issued.**
  - The Superior Alternative Proposal converts C$160 million of Second Lien Debt and invests a further C$80 million of cash for a 60% pro forma equity position.
  - Under the Initial Management Transaction, certain key insiders and a small select group of stakeholders of the Company (the "**Select Investors**") would receive 63% of the pro forma common shares upon conversion of their C$60 million "loan".

- **Provides a greater paydown of the First Lien Debt:**

- The Superior Alternative Proposal 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 Management Transaction of C$45 million.
- Under the Superior Alternative Proposal, Wilks would also commit to arrange to fully re-finance the existing First Lien Debt.

THE MANAGEMENT TRANSACTION IS SERIOUSLY FLAWED

In addition to the inferior value for each class noted above, the Management Transaction is seriously flawed, including:

- **High probability of a near term bankruptcy:**
  - With no less than C$286 million of secured debt, the Management 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 Management 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 the Select 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% of Calfrac's market capitalization on the date it was agreed to.

- **Calfrac never pursued a market test of the Initial Management Transaction:**
  - The Management Transaction was never subjected to a market test of "higher and better offers".
  - The Superior Alternative Proposal is clearly a superior transaction and should be pursued for the benefit of Calfrac and its stakeholders

SUPERIOR ALTERNATIVE PROPOSAL VS. MANAGEMENT TRANSACTION CLASS-BY-CLASS COMPARISON

Using the current enterprise value of C$374 million, the value implied by the current trading prices of Calfrac's public securities, the dollar recovery under the Superior Alternative Proposal to each group of Calfrac's stakeholders (other than the Select Insiders) is demonstrably greater:

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

RECOVERY ANALYSIS

It is important that stakeholders properly compare their recoveries using a **realistic assessment** for enterprise value. We have provided the following comparisons based on current Enterprise Value (see appendix A). Stakeholders should note that in addition to providing a significantly superior economic recovery across a range of enterprise values, the Wilks Superior Alternative Proposal provides **significantly less downside risk** to recovery due to the substantially reduced leverage inherent in the Wilks Superior Alternative Proposal.

We will be voting AGAINST the Management Transaction.

We encourage all Shareholders to vote their shares **AGAINST** the Management Transaction and the related proposals in order to stop this self-enrichment at their expense. A superior outcome for Shareholders is within your control.

Sincerely Yours,

"Matthew D. Wilks"

Matthew D. Wilks
Wilks Brothers, LLC"

We encourage all Shareholders to carefully read the Wilks Proxy Circular and vote AGAINST approval of the Management Transaction.

Additional Disclosure

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Cautionary Statement Regarding Forward-Looking Information

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the continuing economic and social impacts of the current COVID 19 pandemic and, in particular, the effects of the pandemic on the demand for oil and gas and related services; Calfrac's future growth potential; its results of operations; future cash flows; the future performance and business prospects and opportunities of Calfrac; the response to and outcome of any court applications relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the implementation and timing of Calfrac's business strategy; the current general and regulatory environment and economic conditions remaining unchanged; the availability of financing; operating and capital costs; Calfrac's available cash resources; Calfrac's ability to attract and retain skilled staff; sensitivity to commodity prices and other sensitivities; the supply and demand for, and the level and volatility of the price of, oil and natural gas; the supply and availability of consumables and services; currency exchange rates; energy and fuel costs; required capital investments; estimates of net present value and internal rate of returns; capital and operating cost estimates and the assumptions on which such estimates are based; market competition; ongoing relations with employees and impacted communities; and general business and economic conditions.

Forward-looking information contained in this Press Release reflect current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including without limitation, the ability of Calfrac to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners; the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; availability of credit and other financing; the financial markets in general; price volatility; increases in costs; environmental compliance and changes in environmental legislation; regulation and policies; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. Many of these risks and uncertainties could affect Calfrac's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking

information provided by Wilks. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. All of the forward-looking information reflected in this Circular is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac. Forward-looking information is provided, and forward-looking statements are made as of the date of this Circular and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise.

Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Management Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

For further information: Questions/ Voting Assistance: Stakeholders who have questions or require voting assistance, may contact our communications advisor and proxy solicitation agent, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com

EXHIBIT 15

This is Exhibit "15" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Cassels

August 27, 2020

Via E-Mail

jroy@cassels.com
tel: +1 416 860 6616
fax: +1 416 640 3164

Bennett Jones LLP
4500 Bankers Hall East
855 2nd Street SW
Calgary, Alberta
T2P 4K7

Attention: **Brent Kraus**

Dear Mr. Kraus:

Re: Special Meeting of Shareholders of Calfrac Well Services Ltd. ("Calfrac")

We are writing to you today in connection with the Special Meeting of Shareholders of Calfrac to be held on September 17, 2020 (the "**Meeting**"). In particular, we are writing to ask, on behalf of our client, Wilks Brothers, LLC ("**Wilks**") that the Meeting be held as a "virtual" meeting or at minimum that a "virtual" meeting option be available. As Calfrac stated in its Management Information Circular dated August 17, 2020, the business to be considered at the Meeting is "fundamental". That being so, the Company should ensure that the Meeting is conducted in manner that enfranchises as many shareholders as possible and provides shareholders who cannot attend the Meeting in person (whether for COVID-19 related health reasons, border closures or trans-border quarantine requirements) with the ability to make submissions to and otherwise participate in the Meeting.

Calfrac seemed to recognise this need at the hearing for the interim order when Calfrac sought and obtained court authorization to hold virtual meetings "in light of the COVID-19 pandemic and public health recommendations around physical distancing", as set out in affidavit of Ronald Mathison sworn July 31, 2020. Further, the draft of the Management Information circular that was presented to the Court as an exhibit to this affidavit provided for a "virtual" meeting **only**. That version of the Circular stated that:

> This is a necessary and prudent approach as we adjust to the extremely serious impact of COVID-19, which continues to evolve rapidly across the world, and in response to the public health measures enacted by the federal and provincial governments, Alberta Health Services and the City of Calgary. Protecting the health and well-being of our communities and our Shareholders, Senior Unsecured Noteholders, employees, service partners and other stakeholders that participate in the Meetings is our priority.

Further, the Applicants' bench brief in support of the Interim Order stated that:

> In light of the COVID-19 pandemic, the Applicants are seeking authorization to hold the Meetings "by means of a telephonic, electronic or other communication facility **that permits all participants to communicate adequately with each other during the meeting**". This will allow for the safest method of meeting, **while still ensuring a procedurally fair process** as all participants will be able to communicate with each other during the Meetings.

We are at a loss to understand what changed during the period between the granting of the Interim Order on August 7, 2020 and the finalization of the Management Information Circular on August 17, 2020 that caused the switch to an "in person" meeting only. It is certainly not that the situation in Alberta regarding the spread of COVID has improved. In fact, it has arguably become worse.

We consider this to be a fundamental issue of procedural fairness concerning the Meeting and we would certainly have raised these concerns to the Court at the Interim Order fairness hearing had the Applicants communicated their intention to hold an in-person meeting in their Interim Order court materials.

As you are aware, Wilks is located in the United States. Due to border closures and quarantine restrictions, it is not practicable for Wilks representatives to travel to Calgary to attend the Meeting. They do, however wish to participate in the Meeting and are extremely concerned by Calfrac's change in course.

We strongly urge Calfrac to hold a virtual meeting as originally announced, or at minimum to provide a "hybrid" format for the Meeting, with both in-person and virtual components, to ensure that all shareholders who wish to participate may do so without regard to travel and quarantine restrictions (and without potentially exposing themselves to the COVID 19 virus). We point out that the vast majority of shareholder meetings that have occurred since the onset of the COVID 19 crisis have been done as virtual only or "hybrid" meetings.

Yours truly,

Cassels Brock & Blackwell LLP

Jeffrey Roy

EXHIBIT 16

This is Exhibit "16" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Bennett Jones

Bennett Jones LLP
4500 Bankers Hall East, 855 2nd Street SW
Calgary, Alberta, T2P 4K7 Canada
T: 403.298.3100
F: 403.265.7219

Brent Kraus
Partner
Direct Line: 403.298.3071
e-mail: KrausB@bennettjones.com

August 28, 2020

Via Email

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza, 40 King Street West
Toronto, ON M5H 3C2

Attention: Jeffrey P. Roy, Partner

Dear Mr. Roy:

RE: Calfrac Well Services Ltd. – Special Meeting of Shareholders

We acknowledge receipt of your letter dated August 27, 2020 (the "**Letter**"). On behalf of Calfrac Well Services Ltd. (the "**Corporation**"), we wish to respond to provide background in respect of the Corporation's decision to proceed with an in person special meeting of shareholders on September 17, 2020 (the "**Meeting**"). In addition, as elaborated further below, we disagree with your assertions that an in person meeting would affect the procedural fairness of the Meeting or the associated votes to be conducted at such Meeting.

As noted in your Letter, the Corporation did originally intend to pursue a virtual meeting format. However, the Corporation's registrar and transfer agent, Computershare Trust Company of Canada ("**Computershare**"), was not prepared to provide virtual meeting services (whether solely virtual or in a hybrid meeting format) for the Meeting due to the anticipated contested nature of the Meeting. Computershare's reasons, which are well-known issues associated with meetings in a virtual format, included the propensity for the virtual meeting format itself to become a point of contention between the issuer and a dissident, and the view that the two-step proxy appointment process associated with virtual meetings is considered to potentially disenfranchise beneficial holders.

We trust that the procedural fairness risks associated with holding a virtual or hybrid meeting in a contested situation are no surprise to you, including in the context of the COVID-19 pandemic, as your firm has in fact proactively advocated against the use of virtual meeting format in contested situations:

> *"Although a virtual AGM can be an effective way of communicating with a large number of shareholders globally, with the potential to increase shareholder engagement at potentially lower costs, **it is not a recommended method for a contested or potentially contested meeting (e.g., a proxy battle or potentially contentious special business to be put before shareholders)**."* [emphasis added]
>
> - Cassels Brock "COVID-19 Impact: Welcome to Our 2020 AGM – Through Our Virtual Gateway"

Lastly, we refer you to paragraph 5 of the interim order granted by Mr. Justice Nixon on August 7, 2020 in connection with, among other things, the procedural aspects of the Meeting (the "**Interim Order**"), which permitted the Corporation to "change the location or method of holding the Meetings (including by holding **physical**, virtual or hybrid Meetings) through the issuance of a press release containing the updated details of the date, time and place of the Meetings." [Emphasis added]. The physical nature, date, time and place of the Meetings were announced by news release on August 7, 2020.

As you are aware, the Interim Order was the subject of significant debate. The form of order was reviewed by your firm, and your client's input thereon submitted to the Court prior to its issuance.

In the context of securing the services of the Corporation's transfer agent for a contested Meeting and the procedural risks associated with virtual and hybrid meeting formats, the Corporation is of the view that the in person Meeting format balances the relative considerations in a reasonable manner and, above all, will not detract from any shareholder's ability to vote their shares, or cause their shares to be voted, at the Meeting.

With respect to your client's representation at the Meeting, the Corporation confirms that should your client not be able to attend the meeting in person, it will admit your client's duly authorized proxyholder, as well as representatives of Cassels Brock as its legal counsel. Furthermore, the Corporation intends to implement reasonable social distancing precautions in connection with the holding of the Meeting.

Yours truly,

BENNETT JONES LLP

Brent W. Kraus

cc: Chris Simard, Bennett Jones LLP

Cassels

COVID-19 Impact: Welcome to our 2020 AGM – Through our Virtual Gateway

Andrea FitzGerald
March 18, 2020

In the current environment of rapid change in response to COVID-19, including social distancing, the closing of non-essential public venues and prohibitions on public gatherings, many Canadian companies who traditionally have held in person annual shareholder meetings (AGMs) are suddenly finding themselves pivoting towards holding a virtual AGM. A virtual AGM is a meeting of shareholders conducted entirely through electronic means over the internet with no physical meeting location. Although many of the corporate statutes in Canada permit virtual shareholder meetings, such a forum has not been used as widely by Canadian companies to-date as they have in the United States; this trend is about to change. Given the limited number of service providers available to facilitate virtual meetings of Canadian issuers, and the sudden increased demand for virtual meetings as a result of COVID-19, now is the time to act.

Key Considerations

- As a first step, companies need to check their governing corporate statute, articles and by-laws to determine if they are permitted to hold a virtual meeting. The corporate statutes differ across provinces and companies are advised to consider the language in their particular statute.
- It is expected that any required court orders to permit companies to hold a virtual meeting would be granted given the current environment we are in, however the timing for obtaining such order may be impacted due to the recent court closures.
- An alternative to a virtual meeting, in the event that this is not a viable option for certain issuers at the present time, is to hold a "hybrid" meeting where there is still a physical location for the meeting but shareholders and proxyholders can choose whether to participate in person or electronically.
- Although a virtual AGM can be an effective way of communicating with a large number of shareholders globally, with the potential to increase shareholder engagement at potentially lower costs, it is not a recommended method for a contested or potentially contested meeting (e.g., a proxy battle or potentially contentious special business to be put before shareholders).
- Although proxy advisory firms, such as ISS and Glass Lewis, will likely relax policies surrounding virtual-only shareholder meetings for this proxy season, we can expect that they will continue to scrutinize the conduct and disclosure of companies in connection with such meetings.

Check your Governing Corporate Statute and Constating Documents

Many of the corporate statutes provide for the ability to hold a shareholder meeting by electronic means, subject to meeting certain requirements and subject to certain exceptions. One key consideration is whether a quorum can be established for the meeting if conducted entirely through electronic means, meaning whether a company can count a shareholder or proxyholder who votes or establishes a communication link through such electronic means as "present" at the meeting.

Under subsection 94(2) of the Ontario *Business Corporations Act* (the OBCA), unless the articles or the by-laws of the company provide otherwise, a meeting of shareholders may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed to be present at the meeting, thus satisfying any quorum requirement.

Under subsections 132(4) and 132(5) of the *Canada Business Corporations Act* (the CBCA), if the by-laws provide, a company may hold a shareholders meeting entirely by means of a telephonic, electronic or other communication facility, however, the facility must permit all participants to communicate adequately with each other during the meeting and, unless the by-laws otherwise provide, any person entitled to attend a meeting of shareholders may participate in the meeting by such means and such person is deemed to be present at the meeting. The statute does not provide guidance on what is meant by "*communicate adequately*" and the Canadian courts have not provided interpretation of these provisions to-date. Accordingly, companies should work with their electronic solutions provider to ensure that the technology platform they intend to use allows for what management and the board,

using business judgement, determines to be adequate communication. The Alberta *Business Corporations Act* contains similar provisions to the CBCA.

Section 174 of the British Columbia *Business Corporations Act* (the BCBCA) has similar provisions to the OBCA regarding shareholder participation in a meeting by telephone or other communications medium, and further provides that a shareholder so participating is deemed to be present at that meeting for the purposes of determining quorum. Similar to the CBCA, Section 174 requires that the shareholders be able to "*communicate with each other*." This requirement could be satisfied by a chat function or audio.

However the BCBCA specifically requires that a shareholder meeting be held at a determined physical "location." British Columbia companies should consider whether a "hybrid" meeting is a more practical alternative (see below), which would still require the meeting to be convened with shareholders being entitled to attend the meeting in person if they so choose. For a fully "virtual" meeting, section 186 of the BCBCA contemplates that a company may apply to the Court for an order that the meeting be called, held and conducted "*in any manner the Court considers appropriate*." The Court may make such an order for any reason, including if it is "*impracticable for any reason*" to conduct the meeting in the manner required under the BCBCA. We know of at least one large British Columbia company that has recently obtained such an order, permitting it to hold a fully "virtual" meeting.

If a company is considering switching to a virtual meeting but has already filed its proxy materials contemplating a physical meeting, it must take steps to provide notice of such change as soon as possible. The company should also make clear in its notice of change that an in-person meeting will no longer be held due to the COVID-19 outbreak and provide clear instruction and information to its shareholders (for example, in addition to any corporate law requirements, see "Consider Proxy Advisory Firm Expectations" below).

The United States Securities and Exchange Commission recently announced certain exceptions to its proxy rules in light of COVID-19, permitting issuers to notify shareholders of a change in the date, time or location of annual meetings via press release without mailing additional materials or amending proxy materials, subject to certain additional requirements. Neither Canadian regulators nor government agencies have issued any comparable guidance to-date regarding such changes to meetings by Canadian issuers. Under most Canadian corporate statutes, notice of the meeting must be sent to shareholders at least 21 days prior to the meeting date, and the notice must be delivered by mail or personal delivery (unless, depending on the statute, an issuer has obtained the consent of the shareholder to receive communications electronically, or it is implied if a shareholder does not object). If a company cannot meet the 21-day notice requirement, it may choose to apply to court for an order permitting a shorter notice period and delivery of such notice in a different manner (e.g., via press release and posting on its website).

Consider the Hybrid Meeting Alternative

As an alternative to holding a virtual AGM, companies may consider holding a hybrid meeting where there is still a physical location for the meeting but shareholders and proxyholders have the choice to participate either in person or electronically. This may be a viable alternative for companies that (i) are not able to currently secure a virtual platform given the current demand on service providers, (ii) are not permitted, by reason of their corporate governing statute and constating documents, to hold a virtual AGM (e.g., required to hold a shareholder meeting in a specific location such as under the BCBCA) or (iii) have typically had very few shareholders attend in person at their AGMs.

In most cases, a hybrid meeting will ensure that the company's quorum requirement is met if the management nominees who serve as proxyholders are physically in attendance, as they commonly hold a sufficient number of proxies to satisfy such quorum requirement. Most corporate statutes permit, and most companies have traditionally provided for, electronic voting at their shareholder meetings even where the statutes or by-laws do not automatically deem a shareholder to be present at the meeting for the purposes of establishing quorum.

It should be pointed out that many Canadian companies provide a webcast of their shareholder meetings online for shareholders to watch or listen to, which is not the same as a virtual or hybrid meeting that requires the ability of shareholders to participate, communicate and vote at the meeting.

Consider Proxy Advisory Firm Expectations

Proxy advisory firms, such as Institutional Shareholder Services, Inc. (ISS) and Glass Lewis & Co. (Glass Lewis), have historically frowned upon virtual only shareholder meetings. Glass Lewis will generally recommend voting against members of the governance

committee where the board is planning to hold a virtual-only shareholder meeting and the company does not include robust disclosure in its information circular which assures shareholders that they will be afforded the same rights and opportunities to participate as they would at an in-person meeting.

Given the COVID-19 environment, it is expected that the proxy advisory firms will relax their policies on the basis that full and transparent disclosure in connection with conducting virtual meetings is provided to shareholders in the proxy materials. Examples of effective disclosure in this regard include: (i) addressing the ability of shareholders to ask questions during the meeting, including time guidelines for shareholder questions, rules around what types of questions are allowed, and rules for how questions and comments will be recognized and disclosed to meeting participants; (ii) procedures, if any, for posting appropriate questions received during the meeting, and the company's answers, on the investor page of their website as soon as is practical after the meeting; (iii) addressing technical and logistical issues related to accessing the virtual meeting platform; and (iv) procedures for accessing technical support to assist in the event of any difficulties accessing the virtual meeting.

Additional resources related to the impact of the COVID-19 pandemic can be found here.

EXHIBIT 17

This is Exhibit "17" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac Sets the Record Straight; Recapitalization Transaction is the Only Executable Transaction; Voting for the Recapitalization Transaction is in the Best Interests of Stakeholders

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Aug 28, 2020, 08:13 ET

- ***Fact: The Recapitalization Transaction is the only transaction being voted on. It is recommended that all Calfrac stakeholders VOTE FOR this transaction.***
- ***Fact: Holders of 78% of the Unsecured Notes continue to support the Recapitalization Transaction. No other party has presented anything that Unsecured Noteholders will approve.***
- ***Fact: Wilks Brothers' Proposal cannot be executed and would make Calfrac subservient to a competitor. A deal with Wilks Brothers would carry significant, unmeasurable risks.***

CALGARY, AB, Aug. 28, 2020 /CNW/ - (TSX: CFW) Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") announced today that it has filed updated presentation materials addressing the many inaccuracies in the Wilks Brothers proxy circular pertaining to the upcoming meetings of Unsecured Noteholders and Shareholders (the "**Meetings**") for the Recapitalization Transaction. Calfrac's new investor presentation has been posted on SEDAR and the Company's website and is available **here**.

Calfrac has been transparent with all stakeholders about the process and the evaluation of alternatives. The facts about the Company's proposed Recapitalization Transaction are:

- It is the **ONLY** executable transaction available and being voted on.
- It ensures that Shareholders retain value in Calfrac's future business.
- It is a consensual non-insolvency restructuring which protects Calfrac's employees, customers, suppliers and brand.
- The necessary capital infusion has been sourced from parties willing to sign an NDA and commit to real solutions (unlike Wilks Brothers).
- Holders of 78% of Unsecured Notes contractually support the Recapitalization Transaction, having had the opportunity to independently make up their own minds. Wilks Brothers does **NOT** have the support of Unsecured Noteholders.
- Wilks Brothers' "proposal" provides inferior recoveries to Unsecured Noteholders. Without Unsecured Noteholder support, the risk of an adverse event for all stakeholders materially increases.
- Wilks Brothers persists with aggressive legal maneuvers to put Calfrac into insolvency while simultaneously claiming to care about the future of Calfrac.
- Wilks Brothers is seeking to own over 63% of Calfrac's equity in a no-premium change of control at historically low values.
- Wilks Brothers owns 100% of a direct competitor (ProFrac). This would diminish future business opportunities for Calfrac, in particular, Calfrac's ability to pursue a premium value transaction at a better time in the cycle.
- G2S2 Capital and MATCO act entirely independently and at arm's length – adding together their holdings to invent a control position is simply wrong.
- Wilks Brothers' "proposal" is **NOT** a "Superior Proposal", as determined by Independent Directors on the Special Committee of the Board of Directors.

Inaccurate Wilks Brothers' Statements

- **Characterization of the Recapitalization Transaction:** Wilks Brothers seeks to portray Calfrac's Recapitalization Transaction as an inappropriate transaction with certain Unsecured Noteholders and MATCO. The Recapitalization Transaction is the result of arms-length negotiations, to which Wilks Brothers was invited, but declined. The Unsecured Noteholders are an entire creditor class, that predated this transaction. 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.
- **Illusory Availability of an Alternative Proposal:** There is no certainty that Wilks Brothers' alternative proposal will ever see the light of day. 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. There are many legal, regulatory and business uncertainties about what would happen next, in such an adverse circumstance. If Shareholders do not vote for the Recapitalization Transaction, they would be running the very real risk of a more adverse outcome.
- Calfrac corrects a series of additional inaccuracies from Wilks Brothers in its new investor presentation referred to **above**.

Clear Benefits of Calfrac's Recapitalization Transaction

The Recapitalization Transaction provides the following clear benefits to stakeholders:

- It is actionable and comprehensive. It materially lowers Calfrac's debt by $571.8 million and annual interest expense by $52.7 million. Liquidity improves through a new $60 million 1.5 Lien Note issuance;
- Calfrac remains an independent company, free of competitor control. This preserves the ability to pursue future value-enhancing or change of control transactions in more advantageous market conditions; and
- Shareholders and Unsecured Noteholders retain the opportunity to participate in the economic benefit of Calfrac share ownership as business conditions improve.

The numerous positive aspects of the Recapitalization Transaction presented by Calfrac make the choice clear:

Shareholders and Unsecured Noteholders should **VOTE FOR** the Recapitalization Transaction only on the Company's Proxy/VIF. Do **NOT** vote on the Wilks Brothers Blue Proxy/VIF.

Meeting and Voting Information

The Meetings in respect of the Plan of Arrangement are scheduled to be held on September 17, 2020 in the McMurray Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta. Pursuant to the Interim Order, the Unsecured Noteholders' Meeting is scheduled to begin at 1:00 p.m. (Calgary time), and the Shareholders' Meeting is scheduled to begin at 2:00 p.m. (Calgary time). The previously obtained Interim Order also authorized a new record date (the "**Record Date**") for purposes of voting at the Meetings, being 5:00 p.m. (Calgary time) on August 10, 2020.

The deadline for Unsecured Noteholders and Shareholders to submit their proxies or voting instructions in order to vote on the Plan of Arrangement and other items to be considered at the applicable Meeting is 5:00 p.m. (Calgary time) on September 15, 2020.

Unsecured Noteholders that wish to receive their pro rata share of the 6% Early Consent Consideration (as defined in the Information Circular) must submit to their intermediaries on or prior to 5:00 p.m. (Calgary time) on September 8, 2020, *or such earlier deadline as their intermediaries may advise,* the required documentation or information described in the Information Circular.

Any questions or requests for further information regarding voting at the Meetings should be directed to **Kingsdale Advisors by: (i) telephone, toll-free in North America at 1-877-659-1822 or at 416-867-2272 outside of North America; or (ii) e-mail to contactus@kingsdaleadvisors.com.**

SOURCE Calfrac Well Services Ltd.

For further information: Scott Treadwell, Vice President, Capital Markets and Strategy
Telephone: (403) 266-6000, Fax: (403) 266-7381

Related Links

http://www.calfrac.com

EXHIBIT 18

This is Exhibit "18" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

August 28, 2020

Calfrac Well Services Ltd.

Calfrac Sets the Record Straight on Its Important Recapitalization Transaction

Setting the Record Straight – ONLY ONE CALFRAC TRANSACTION

1. **Fact:** The Calfrac Recapitalization Transaction is the **only transaction being voted on**. The meetings are scheduled for **September 17, 2020**. It is recommended that all Calfrac stakeholders **VOTE FOR** this transaction.

2. **Fact:** Holders of 78% of the **Unsecured Notes continue to support the Recapitalization Transaction**. No other party has presented anything that Unsecured Noteholders will approve.

3. **Fact:** Calfrac has been criticized for agreeing to its new financing with parties who hold Unsecured Notes. To be clear, these were the parties prepared to provide new, much-needed financing to Calfrac on reasonable terms; and MATCO's participation was considered to be an important reassurance to other investors. Wilks Brothers declined any consensual discussions, and only tried to lever its way in after a deal had already been struck with these other investors.

   Importantly, Calfrac already owed the Unsecured Noteholders **US$431.8 million and accrued interest**, which represents most of the Company's now-unsustainable debt burden. The most recent interest payment due on these notes was not paid.

4. **Fact:** It is impossible for Calfrac shareholders to know how they would fare if they ended up in a company controlled by Wilks Brothers. Wilks Brothers will simply not explain how Calfrac could ever prosper, with Wilks Brothers as a future 63% shareholder, while competing and colliding directly with ProFrac, which is 100%-owned by Wilks Brothers.

   An **independent Calfrac is far better** than one controlled by Wilks Brothers, which would then hold the power, if it wished: to squeeze Calfrac out of business; and to propose another disadvantageous business combination, where Calfrac would have essentially no alternatives. **A deal with Wilks Brothers would carry significant, unmeasurable risks**.

5. **Fact:** Wilks Brothers also never explains why it continuously seeks, in both Canada and the United States, **to force Calfrac into insolvency**, while it concurrently seeks to seduce Calfrac stakeholders into rejecting the only executable deal that is on the table. This combination of actions makes no common sense, and creates untenable risk for stakeholders.

Setting the Record Straight

▪ Wilks Brothers remains a Wolf in Sheep's Clothing

- **So far, Wilks Brothers has:**
  - aggressively pursued legal maneuvers in the Canadian and US courts to try to force Calfrac into insolvency;
  - submitted only fire-sale bids for Calfrac's assets;
  - tried to undermine Calfrac's Recapitalization Transaction, with inaccuracies and blustery statements;
  - promoted an alternative that is illusory and not up for a vote; and
  - laid blame on everyone but itself.

- **Calfrac is in it for the long haul:**
  - Calfrac has elected to pursue a consensual non-insolvency restructuring in order to protect its employees, customers, suppliers and brand.
  - The value of Calfrac's business is being maintained through the Recapitalization Transaction.
  - There is material upside potential in Calfrac.
  - Calfrac can still pursue a corporate transaction, after the closing of the Recapitalization Transaction, with any party who is willing to recognize fair value.
  - Calfrac believes that the current low total enterprise value ("TEV") will not stay at today's depressed level forever. Calfrac's Recapitalization Transaction shows faith in a recovery.

Setting the Record Straight

▪ Inaccuracies of Wilks Brothers' Statements:

- **Characterization of the Recapitalization Transaction**. Wilks Brothers seeks to portray Calfrac's Recapitalization Transaction as an inappropriate transaction with certain Unsecured Noteholders and MATCO.
  - The Recapitalization Transaction is the result of arms-length negotiations, to which Wilks Brothers **was invited, but declined**.
  - The Unsecured Noteholders are an entire creditor class, that predated this transaction. 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**.
  - George Armoyan and his affiliated company, G2S2 Capital, act entirely independently and at arm's length to MATCO and the other parties to this transaction. Adding together the holdings of these parties to invent a control position does not equate to the 63% control position sought by Wilks Brothers.
  - The portrayal by Wilks Brothers of the parties willing to finance and work with Calfrac borders on malicious and defamatory.

- **Illusory Availability of an Alternative Proposal**. Wilks Brothers is urging Calfrac Shareholders to reject the Recapitalization Transaction.
  - There is no certainty that Wilks Brothers' alternative proposal will ever see the light of day. 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. There are many legal, regulatory and business uncertainties about what would happen next, in such an adverse circumstance.
  - If Shareholders do not **VOTE FOR** the Recapitalization Transaction, they would be running the very real risk of a more adverse outcome.

There are misleading inaccuracies in the materials produced and statements made by Wilks Brothers, as detailed on the following slides.

Note: All figures in Canadian dollars unless otherwise noted.

Correcting Inaccuracies From Wilks Brothers

Inaccuracies **Wilks Brothers**	**The Truth** **Recapitalization Transaction**
× ***"Calfrac has consistently avoided constructive engagement with Wilks"***	✓ Calfrac has made **numerous invitations to engage under an NDA**(1). ✓ **Wilks Brothers dithered and then declined,** and instead: delivered unexecutable, self-interested proposals; petitioned the courts to declare Calfrac insolvent; and litigated essentially everything.
× ***"Calfrac summarily rejected Wilks' confidential proposals"***	✓ Wilks Brothers June 14 "proposal" was only US$102 million for all of Calfrac's U.S. assets, or just over US$100 per hydraulic horsepower. This was preposterous. ✓ At an 80% discount to new-build costs and **the lowest metrics of any comparable transaction in industry history**, Calfrac properly rejected Wilks Brothers "proposal".
× ***"Merits of Alternative Proposal" and "Alternative Proposal Will Remain Available"***	✓ **Wilks Brothers "proposal" provides inferior recoveries to Unsecured Noteholders** ✓ Unsecured Noteholders will not support an inferior transaction. ✓ Without Unsecured Noteholders' support, the risk of a more adverse event for all Calfrac stakeholders materially increases. ✓ Wilks Brothers paints its alternative as remaining "available to Calfrac", but such a statement carries many legal, regulatory and business uncertainties and risks. It ignores reality.

Source: Public Filings.
(1) "NDA" is a non-disclosure agreement, created to protect the confidential information of Calfrac, and executed in substantially the same form with numerous stakeholders of Calfrac.

Correcting Inaccuracies From Wilks Brothers (Cont.)

Inaccuracies **Wilks Brothers**	**The Truth** **Recapitalization Transaction**
× *"[Calfrac] Proposes to Cede Control to a Competitor"*	✓ The real problem is: Wilks Brothers seeking to own over 63% of Calfrac's equity in a no-premium change of control, while it also owns 100% of a direct competitor (ProFrac). This would **diminish future opportunities for Calfrac**, in particular, pursuing a premium value at a better time in the cycle. ✓ Necessary **capital infusion has been sourced from parties willing to sign an NDA and commit to real solutions** (unlike Wilks Brothers). ✓ The track record of Wilks Brothers has been considered by the Board and needs to be considered carefully by Calfrac stakeholders (breached NDA, "all-time-low" proposals).
× *"Trying to suppress the shareholder vote [through in-person meeting]"*	✓ Calfrac did not initially seek an in-person Shareholders' meeting and wanted a hybrid (virtual and in-person) meeting. ✓ Calfrac's transfer agent was unable to accommodate Calfrac's request to have hybrid meetings. ✓ Ironically, this was due to Wilks Brothers' actions and the contested nature of the meetings. ✓ All shareholders may vote by proxy or at the meeting. ✓ Wilks Brothers' own legal counsel has recently publicly stated that [a virtual AGM] "is not a recommended method for a contested or potentially contested meeting (e.g., a proxy battle or potentially contentious special business to be put before shareholders)." *Cassels Brock "COVID-19 Impact: Welcome to Our 2020 AGM – Through Our Virtual Gateway".* ✓ **Wilks Brothers should apologize for its erroneous and inflammatory accusations.**

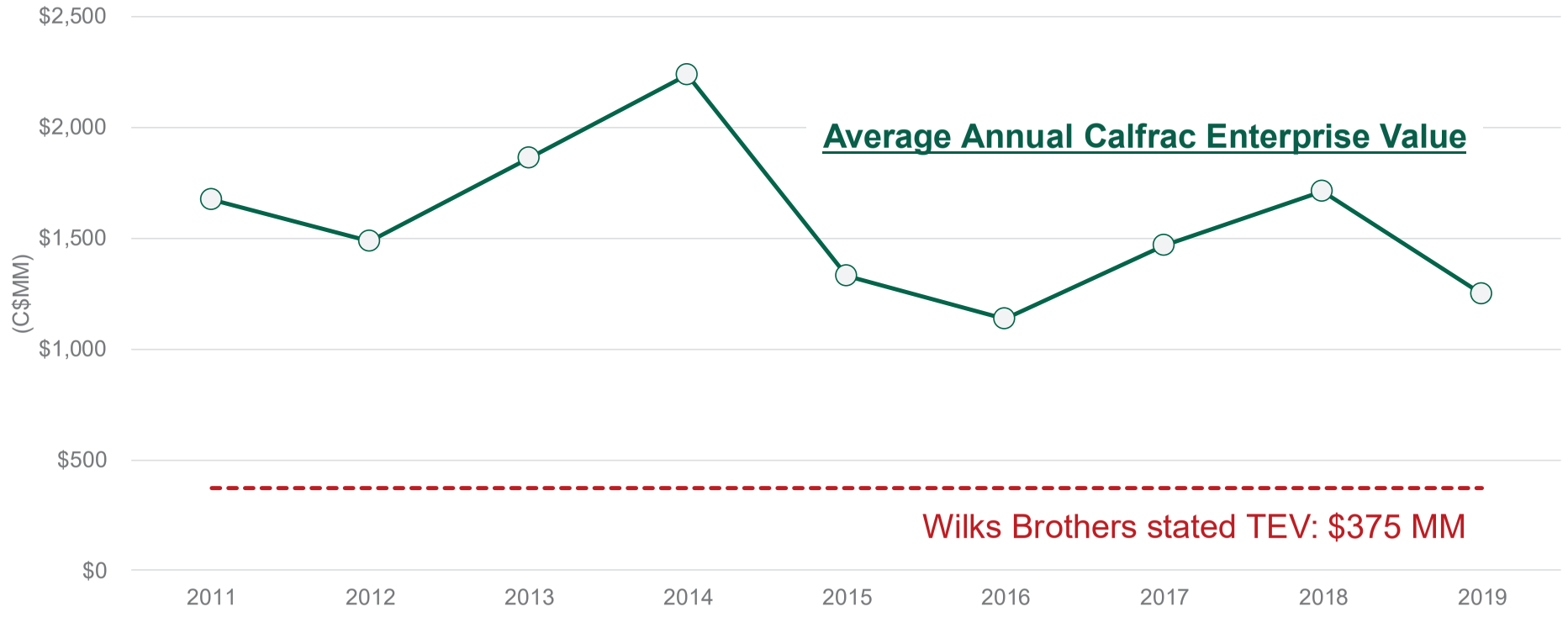
Source: Public Filings.

Correcting Inaccuracies From Wilks Brothers (Cont.)

Inaccuracies **Wilks Brothers**	**The Truth** **Recapitalization Transaction**
× *"Better treatment to Unsecured Noteholders"*	✓ The Recapitalization Transaction is better for Unsecured Noteholders above $400 million TEV. ✓ Holders of 78% of Unsecured Notes contractually support the Restructuring Transaction, and not any other proposal. ✓ The **Unsecured Noteholders have already told Wilks Brothers what they think.**
× *"Enriches a select group of insiders"*	✓ **New capital is immediately needed** to maintain sufficient liquidity in the business. ✓ Unsecured Noteholders now have a US$431 million claim, plus accrued interest. ✓ A significant majority of the new capital is being provided by independent Unsecured Noteholders. The new investors considered the benefit of MATCO investing alongside them, as reassurance to other investors. ✓ All eligible Unsecured Noteholders have the opportunity to participate in the 1.5 Lien Notes.
× *"Better treatment to existing Shareholders"*	✓ **Wilks Brothers "proposal" is not superior** to the Recapitalization Transaction, as determined by independent directors on the Special Committee of the Board of Directors. ✓ Without Unsecured Noteholder support, the **Wilks Brothers "proposal" is an illusion that is misleading to Shareholders.** ✓ There is only one transaction available to Shareholders, the Recapitalization Transaction. ✓ If the Recapitalization Transaction does not proceed, Shareholders will face significant risks and uncertainties.

Source: Public Filings.

Calfrac's Enterprise Value Historically Much Higher



The Recapitalization Transaction preserves upside for Calfrac shareholders and Unsecured Noteholders.

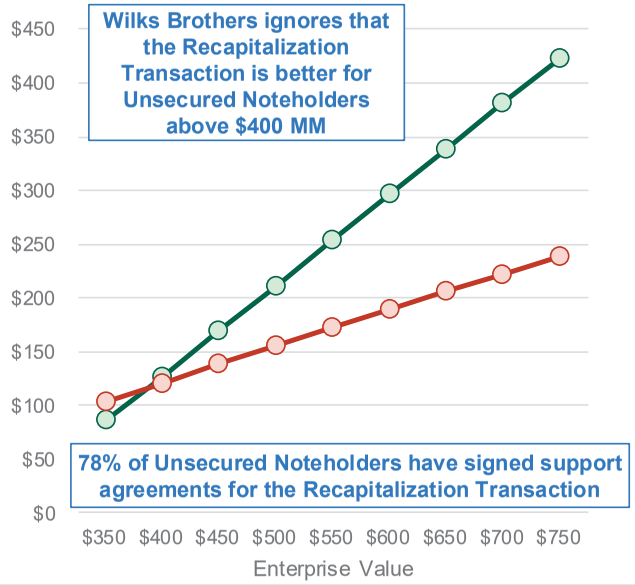
Source: Company Disclosure, FactSet.
Note: All figures in Canadian dollars unless otherwise noted.

The Facts on Unsecured Noteholder Value At Various TEVs

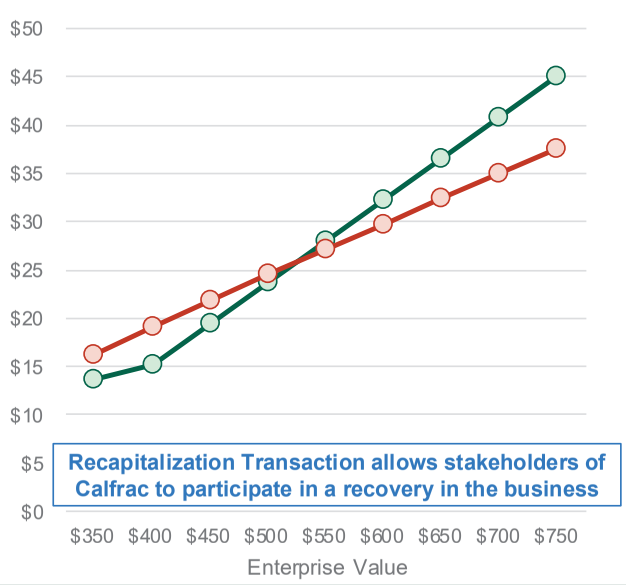
- **Wilks Brothers' proposal is in its own interest, does not have Unsecured Noteholder support and is not executable.**

Recapitalization Transaction
Wilks Brothers Proposal

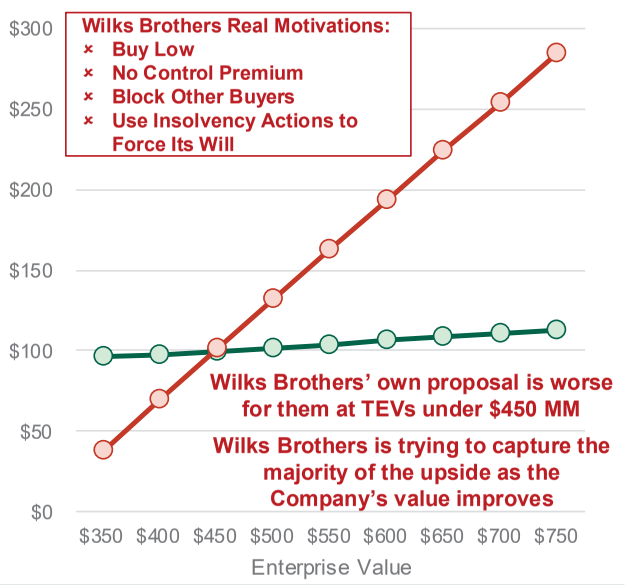
Recovery to All Unsecured Noteholders



Recovery to Unsecured Noteholders Participating only in 1.5L Pro-Rata



Recovery to Wilks Brothers



Unsecured Noteholders Prefer the Recapitalization Transaction. Wilks Brothers Seeks Profit for Itself.

Source: Company Disclosure.
Note: All figures in Canadian dollars unless otherwise noted.
Note: Recovery shown net of new money invested.

The Recapitalization Transaction is the Only Executable Transaction

Stakeholder Group	Recapitalization Transaction	Wilks Brothers "Proposal"
First Lien Lenders	✓ Full Recovery	✓ Full Recovery
Second Lien Noteholders	✓ Full Recovery	✓ Full Recovery
All Unsecured Noteholders	✓ Superior Recovery at TEV >$400 MM	× Inferior Recovery
Unsecured Noteholders Participating only in 1.5L Pro-Rata	✓ Superior Recovery at TEV >$550 MM	× Inferior Recovery
Common Shareholders	• 7.8% of Common Equity (pre-conversion) • Ability to Pursue Future Value Enhancing Transactions	× Discounted valuation due to conflict from 100%-owned competitor ProFrac × Selling control to Wilks Brothers at the bottom of the market

Note: All figures in Canadian dollars unless otherwise noted.
Note: Recovery shown net of new money invested.

Calfrac Stakeholders Need to Focus on the Facts

- **The Recapitalization Transaction is the ONLY Executable Transaction.**
  - The Calfrac Board of Directors has negotiated the Recapitalization Transaction on an arms-length basis with independent creditors to provide participation in a future recovery to all stakeholders.
  - Holders of 78% of the Unsecured Notes are contractually committed to the Recapitalization Transaction and do not view the Wilks Brothers "proposal" as superior.
  - Shareholders need to examine the facts and recognize that Wilks Brothers has no ability to deliver on its "proposal" without Unsecured Noteholder support.

- **Wilks Brothers' Approach is the Wrong Result for Calfrac.**
  - Wilks Brothers' Proposal cannot be executed.
  - It would make Calfrac subservient to a competitor.

- **Wilks Brothers is aggressively petitioning the courts of Alberta and Texas to force an insolvency of Calfrac.**
  - Putting forth an illusory alternative proposal, while petitioning the courts in this way, is duplicitous and self-serving.

- **VOTING FOR the Recapitalization Transaction is in the best interests of all stakeholders.**
  - Allowing Wilks Brothers to derail the Recapitalization Transaction would significantly risk the recovery to shareholders.

The Recapitalization Transaction is the Right Result for Calfrac and its Stakeholders.

Forward Looking Statements

Certain statements contained in this Presentation constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "continue", "estimate", "forecast", "expect", "may", "will", "intend", "could", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Presentation should not be unduly relied upon. Other than as required by applicable laws, we do not intend, and do not assume any obligation, to update these forward-looking statements. In particular, this Presentation contains forward-looking statements pertaining to the following:

- the expected completion of the Recapitalization Transaction;
- the expected future recoveries for stakeholders under the Recapitalization Transaction and the Wilks Brothers Proposal;
- the expected recovery of the Company's business from historic lows;
- the risks of future adverse events;
- anticipated pro forma ownership of the Company's common shares;
- the Company's expected pro forma capital structure; and
- the relative risks associated with execution of the Recapitalization Transaction and the Wilks Brothers Proposal.

The forward-looking statements contained in this Presentation are based on certain assumptions and analyses made by the Company in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate in the circumstances, including, but not limited to, the assumptions that the Recapitalization Transaction will be implemented as described in our recently filed information circular. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of risks associated with the implementation of the Recapitalization Transaction, including the requirement to obtain all necessary approvals in respect thereof, and the risk factors set forth in our recently filed information circular, as well as our financial statements and annual information form filed and available on SEDAR at www.sedar.com.

EXHIBIT 19

This is Exhibit "19" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Wilks Brothers, LLC Announces Alternative Path to a Premium-To-Market Cash Recovery for Shareholders if Management Transaction Does Not Proceed

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Sep 01, 2020, 18:07 ET

- Wilks intends to make a formal take over bid to acquire all of Calfrac's issued and outstanding shares at **C$0.18** per share which would ensure Shareholders receive a premium-to-market recovery even if Calfrac refuses to pursue Wilks' Superior Alternative Proposal or voluntarily commences a CCAA proceeding.

- The Premium Offer will nullify the threats made to Shareholders by the entrenched Board and management of Calfrac by guaranteeing a premium-to-market recovery if the Management Transaction is VOTED DOWN by Shareholders and not ultimately approved by the Court.

- Wilks' Superior Alternative Proposal will also remain fully available to Calfrac. The Premium Offer simply guarantees Calfrac Shareholders a superior recovery if Calfrac continues to push ahead with its inferior and conflict-ridden transaction and fails to implement it.

CISCO, Texas, Sept. 1, 2020 /CNW/ - Wilks Brothers, LLC ("**Wilks**") announced today that it intends to provide the Shareholders of Calfrac Well Services Ltd. ("**Calfrac**" or the **"Company**") (TSX: CFW) with an unobstructed path to receive a premium-to-market recovery, in cash, if the coercive, insider-led transaction that has been proposed to them by the entrenched board and management of Calfrac (the "**Management Transaction**") does not proceed.

Wilks intends to make a formal take-over bid (the "**Premium Offer**") to acquire all of the issued and outstanding common shares of Calfrac that it does not currently own for cash consideration of C$0.18 per share. The Premium 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 has decided to make the Premium Offer in order to provide Shareholders with a clear path to financial recovery if the Management Transaction is voted down at the Shareholders meeting to be held on September 17, 2020 (the "**Meeting**") and is not ultimately approved by the Court of Queen's Bench of Alberta.

The entrenched board and management of Calfrac have threatened Shareholders, stating (in the Management Information Circular dated August 17, 2020) that if the Management 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."

It is clear to Wilks that the entrenched board and management of Calfrac have no intention of ever engaging with Wilks regarding the Superior Alternative Proposal that was put to Calfrac by Wilks on August 4, 2020. In light of that, Shareholders may be unduly influenced by the threats made by the entrenched board and management of Calfrac.

Wilks commits to their fellow Shareholders that, if the Management Transaction is not approved by shareholders at the Meeting and the Management Transaction is not approved by the Court, Shareholders will have a clear path to a premium recovery via the Premium Offer. The Premium Offer provides a highly attractive cash recovery to Shareholders if Calfrac will not move forward with the Wilks Superior Alternative Proposal and even if Calfrac makes good on its implied threat to commence proceedings under the *Companies Creditors Arrangement Act* (Canada) (the "CCAA") should the Management Transaction not proceed. Under the terms of the Premium Offer, Shareholder recovery will NOT be threatened by a CCAA filing.

The consideration per common share that Wilks intends to offer pursuant to the Premium Offer is fully payable in cash and is at a premium to the August 28, 2020 closing price of the common shares and an overwhelming premium to the per common share value that Wilks estimates Shareholders would receive if the Management Transaction were implemented.

Through the Premium Offer, Wilks is prepared to allow Shareholders the option of receiving their pro rata percentage of the allotment set forth in the Superior Alternative Proposal. Details concerning the Superior Alternative Proposal are available at www.afaircalfrac.com.

Wilks anticipates that its obligation to take up and pay for shares under the Premium Offer will be subject to normal conditions (including the statutorily-required 50% minimum tender condition) and a condition that the Management Transaction shall not have been completed and shall have been terminated without material liability to Calfrac.

More importantly, Wilks confirms its intention to take up and pay for shares under the Premium Offer (to the fullest extent permitted by law) even if Calfrac files for protection from its creditors under the CCAA, provided all other conditions to the Premium Offer are satisfied.

Also, and in response to statements made by Calfrac, Wilks also wants to make it clear to all stakeholders that, if its Superior 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 Superior Alternative Proposal, Shareholders will have the opportunity to receive a premium pursuant to the Premium Offer - a premium 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. That 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.

Wilks reminds all Shareholders to **VOTE AGAINST THE MANAGEMENT TRANSACTION USING THE BLUE VOTING FORM THAT HAS BEEN SENT TO YOU BY WIILKS**. Shareholders should also review Wilks' Proxy Circular dated August 24, 2020 which has been mailed to shareholders and copies of which have posted to Calfrac's SEDAR profile, and are also available at www.afaircalfrac.com.

WILKS HAS NOT YET COMMENCED THE OFFER NOTED ABOVE IN THIS NEWS RELEASE. UPON COMMENCEMENT OF THE OFFER, WILKS WILL FILE A TAKEOVER BID CIRCULAR WITH VARIOUS SECURITIES COMMISSIONS IN CANADA. THE TAKEOVER BID CIRCULAR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS

ENTIRETY BY CALFRAC SHAREHOLDERS AND OTHERS TO WHOM THE OFFER IS ADDRESSED. AFTER THE OFFER IS COMMENCED, CALFRAC SHAREHOLDERS (AND OTHERS) WILL BE ABLE TO OBTAIN, AT NO CHARGE, A COPY OF THE OFFER TO PURCHASE, TAKEOVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS WHEN THEY BECOME AVAILABLE ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR) AT WWW.SEDAR.COM THIS ANNOUNCEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO PURCHASE, OTHERWISE ACQUIRE, SUBSCRIBE FOR, SELL, OTHERWISE DISPOSE OF OR ISSUE, OR ANY OTHER SOLICITATION OF ANY OFFER TO SELL, OTHERWISE DISPOSE OF, ISSUE, PURCHASE, OTHERWISE ACQUIRE OR SUBSCRIBE FOR ANY SECURITY. THE OFFER WILL NOT BE MADE IN, NOR WILL DEPOSITS OF SECURITIES BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WILKS MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

QUESTIONS/ VOTING ASSISTANCE

Shareholders who have questions or require voting assistance, may contact our communications advisor and proxy solicitation agent, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

Early Warning Disclosure

The following information is disclosed in compliance with National Instruments 62-103 and 62-104.

Wilks announces that they have filed an amended early warning report to disclose changes in certain material facts relating to their ownership of securities of Calfrac. In the amended report, Wilks discloses, among other things, that they intend to commence a formal take over bid to acquire the outstanding shares of Calfrac.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

Calfrac is located at 411 – 8th Avenue S.W., Calgary, Alberta, T2P 4G8. Wilks is located at 17010 Interstate 20, Cisco, Texas, 76437. A copy of the early warning report can be obtained from Wilks (817-850-3600) or on the SEDAR profile of Calfrac at www.sedar.com.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-

looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the proposed Premium Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks.

Forward-looking information contained in this Circular reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Circular. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Premium Bid, the reaction of the market and Calfrac's shareholders, creditors and customers to the Premium Bid, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracing industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in

this Circular is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as of the date of this Circular and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise.

Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Management Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

EXHIBIT 20

This is Exhibit "20" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Leading Independent Advisory Firm Glass Lewis Recommends That Calfrac Shareholders Vote FOR The ONLY Executable Recapitalization Transaction

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Sep 08, 2020, 06:00 ET

- Glass Lewis independently agrees that Calfrac's proposed Recapitalization Transaction is the Only Executable Transaction available to Calfrac Unsecured Noteholders and Shareholders.
- The situation is unchanged. The Calfrac Board of Directors continues to unanimously recommend that Shareholders and Unsecured Noteholders **VOTE FOR** the Recapitalization Transaction Only on the Management White Proxy/VIF.
- Calfrac Shareholders' and Unsecured Noteholders' Deadline to Vote is prior to 5:00 PM (Calgary time) on September 15, 2020.
- **DO NOT** vote on the Wilks Brothers Blue Proxy/VIF

CALGARY, AB, Sept. 8, 2020 /CNW/ - Calfrac Well Services Ltd. ("Calfrac" or the "Company") (TSX: CFW) is pleased to announce that Glass Lewis & Co. ("Glass Lewis") has recommended that Shareholders vote **FOR** the matters to be voted on at the Special Meeting of Shareholders (the "Meeting") in connection with the previously announced Calfrac Recapitalization Transaction.

As part of its analysis, Glass Lewis stated the following: "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." Glass Lewis goes on to conclude: "Accordingly, at this time, we see reasonable grounds for common shareholders to support the proposed Recapitalization Transaction."

Furthermore, Glass Lewis' analysis stated that: "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."

Clear Benefits of Calfrac's Recapitalization Transaction

Calfrac reiterates that the Recapitalization Transaction provides the following clear benefits to stakeholders:

- It is actionable and comprehensive. It materially lowers Calfrac's debt by $571.8 million and annual interest expense by $52.7 million. Liquidity improves through a new $60 million 1.5 Lien Note issuance;
- Calfrac remains an independent company, free of competitor control. This preserves the ability to pursue future value-enhancing or change of control transactions in more advantageous market conditions; and
- Shareholders and Unsecured Noteholders retain the opportunity to participate in the economic benefit of Calfrac share ownership as business conditions improve.

Calfrac also notes that ISS, a competitive institutional investor advisory firm to Glass Lewis, has reached an alternative conclusion, with which Calfrac respectfully disagrees. ISS has not supported the Calfrac Recapitalization Transaction, opting instead to await an announced, but not yet formalized, offer from Wilks Brothers, LLC ("Wilks Brothers"). Such an offer may be forthcoming, conditional upon the Calfrac Recapitalization Transaction not being approved at the upcoming meetings of Calfrac stakeholders. However, consistent with Calfrac's evaluation of the potential outcomes if the Recapitalization Transaction is not consummated, ISS points out in its conclusion the risk of a scenario where there is no recovery for Shareholders.

There remain numerous other uncertainties and risks to Calfrac stakeholders associated with Wilks Brothers' proposed takeover bid, if it is made.

A takeover bid, such as Wilks Brothers is undertaking to make, must remain open for a minimum of 105 days, and also requires the tender of greater than 50% of the common shares that Wilks Brothers does not own. It is unclear whether Wilks Brothers will satisfy these conditions.

The numerous positive aspects of the Recapitalization Transaction previously presented by Calfrac continue to make the choice very clear:

Shareholders and Unsecured Noteholders should **VOTE FOR** the Recapitalization Transaction, only on the Company's White Proxy/VIF. **DO NOT** vote on the Wilks Brothers Blue Proxy/VIF.

Meeting and Voting Information

The Meetings in respect of the Plan of Arrangement are scheduled to be held on September 17, 2020 in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta. Pursuant to the Interim Order, the Unsecured Noteholders' Meeting is scheduled to begin at 1:00 p.m. (Calgary time), and the Shareholders' Meeting is scheduled to begin at 2:00 p.m. (Calgary time). The previously obtained Interim Order also authorized a new record date (the "Record Date") for purposes of voting at the Meetings, being 5:00 p.m. (Calgary time) on August 10, 2020.

The deadline for Unsecured Noteholders and Shareholders to submit their proxies or voting instructions in order to vote on the Plan of Arrangement and other items to be considered at the applicable Meeting is 5:00 p.m. (Calgary time) on September 15, 2020.

Any questions or requests for further information regarding voting at the Meetings should be directed to **Kingsdale Advisors by: (i) telephone, toll-free in North America at 1-877-659-1822 or at 416-867-2272 outside of North America; or (ii) e-mail to** contactus@kingsdaleadvisors.com.

Unsecured Noteholders that wish to receive their pro rata share of the 6% Early Consent Consideration (as defined in the Information Circular) must submit to their intermediaries on or prior to 5:00 p.m. (Calgary time) on September 8, 2020, or such earlier deadline as their

intermediaries may advise, the required documentation or information described in the Information Circular.

Calfrac reminds all stakeholders that information in respect of the Recapitalization Transaction can be found at http://calfrac.investorroom.com/transaction. If you have any questions regarding the above, or related to the Recapitalization Transaction, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the proposed Recapitalization Transaction and its anticipated benefits and the potential for Wilks Brothers to make an unsolicited offer to acquire all of the issued and outstanding common shares of Calfrac and the risks and uncertainties associated therewith.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Recapitalization Transaction will be completed as proposed; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; default under the Company's credit facilities and/or the Company's senior notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing shareholders and holders of Unsecured Notes to vote in favour of the Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Recapitalization Transaction, global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 10, 2020 and filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.

SOURCE Calfrac Well Services Ltd.

For further information: Scott Treadwell, Vice President, Capital Markets and Strategy, Telephone: (403) 266-6000

Related Links

http://www.calfrac.com

EXHIBIT 21

This is Exhibit "21" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Leading Independent Proxy Advisor, ISS, Recommends Shareholders Vote Against Calfrac's Recapitalization Transaction

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Sep 08, 2020, 06:20 ET

CISCO, Texas, Sept. 8, 2020 /CNW/ - Wilks Brothers, LLC ("Wilks") is pleased to announce that leading independent proxy advisor, Institutional Shareholder Services ("ISS"), has recommended that Shareholders of Calfrac Well Services Ltd. ("Calfrac" or the "Company") (TSX: CFW) vote **AGAINST** Calfrac's Recapitalization Transaction (the "Management Transaction") at the special meeting of Shareholders by using ONLY their BLUE proxy form. The proxy deadline is September 14, 2020 at 5pm MST.

ISS made its wholly independent proxy voting recommendation to vote **AGAINST** the Management Transaction after carefully reviewing the facts and arguments made by both Wilks and Calfrac. In recommending that Shareholders vote AGAINST the Management Transaction, ISS made many of the same observations as other leading independent analysts including CIBC World Markets, BMO Capital Markets, Raymond James Ltd and Cormark Securities Inc., who all noted the superior value delivered to Shareholders under the Wilks' Superior Alternative Proposal. The independent recommendation from ISS is a critical piece of information to assist Shareholders with their proxy voting decisions.

ISS makes the following compelling points in recommending that Shareholders vote the **BLUE** proxy **AGAINST** the Management Transaction:

Wilks' Superior Alternative Proposal Delivers Superior Shareholder Recovery

"... 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".

Governance Issues Relating to Calfrac's Conflicted Process

"The [Management] Transaction is a related party transaction, as [Ron] Mathison, the company's Executive Chairman and a 19.8% Shareholder, participates in the transaction".

"... it appears Chairman Mathison was involved in negotiating significant elements of the [Management] 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".

Wilks' Takeover Bid Guarantees Shareholders a Premium-to-Market Recovery

"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 will be conditioned on Shareholders voting AGAINST the Management Transaction. ISS recognized that by Wilks making a Takeover Bid, the risk to shareholder recovery by voting against the Management Transaction was entirely eliminated, no matter what Calfrac does next.

ISS Recommends Voting AGAINST the Calfrac Transaction

"While the [Management] 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 [Management] Transaction, as they would hold a larger equity stake under the Wilks Proposal in a more de-levered company than under the [Management] 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".

"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".

Shareholders can only receive a premium recovery by voting AGAINST the Management Transaction using their **BLUE** proxy. **THE PROXY DEADLINE IS SEPTEMBER 14, 2020 AT 5PM MST.**

Another proxy advisor, Glass Lewis & Co. ("Glass Lewis") has also provided a voting recommendation and shares many of Wilks' and ISS' concerns relating to the inherently conflicted governance process conducted by Calfrac and the dismal recoveries to Shareholders under the Management Transaction, as it states:

"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".

Glass Lewis' ultimate recommendation for the Management Transaction, however, is clearly not in the best interests of Shareholders. Wilks also notes Glass Lewis' acknowledged conflict of interest: One of their owners, Alberta Investment Management Company, is one of Calfrac's largest stakeholders.

The ONLY way to Protect Your Investment is by Voting the BLUE Proxy AGAINST the Management Transaction.

If you have already voted AGAINST the Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by the Company, you may still change your vote and protect your economic interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

To learn more about the reasons for Wilks' voting recommendations, which ISS supports, shareholders may visit www.afaircalfrac.com.

Wilks reminds all Shareholders to **VOTE AGAINST THE MANAGEMENT TRANSACTION USING THE BLUE VOTING FORM THAT HAS BEEN SENT TO YOU FROM WILKS BY THE PROXY DEADLINE OF SEPTEMBER 14, 2020 AT 5PM MST.**

Questions/ Voting Assistance

Shareholders who have questions or require voting assistance, may contact our communications advisor and proxy solicitation agent, Laurel Hill Advisory Group, toll-free at 1-877-452-7184 (North America), or +1-416-304-0211 (outside North America), or by e-mail at assistance@laurelhill.com.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities

laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the

proposed Premium Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks.

Forward-looking information contained in this Press Release reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Premium Bid, the reaction of the market and Calfrac's shareholders, creditors and customers to the Premium Bid, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise.

Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Calfrac Recapitalization Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

EXHIBIT 22

This is Exhibit "22" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac Shareholders:
Do Not Let a Self-Selected Group, Including the Chairman, Unfairly Benefit from a Transaction that will Massively Dilute or Completely Eliminate Your Interest in the Company

PROXY CIRCULAR TO BE USED IN CONNECTION WITH THE SPECIAL MEETING OF SHAREHOLDERS OF

CALFRAC WELL SERVICES LTD.

SCHEDULED TO BE HELD ON SEPTEMBER 17, 2020

THIS CIRCULAR SOLICITS BLUE FORMS OF PROXY AND BLUE VOTING INSTRUCTION FORMS BY AND ON BEHALF OF

WILKS BROTHERS, LLC

August 24, 2020

RECOMMENDATION TO SHAREHOLDERS:

X "AGAINST" THE CONTINUANCE OF CALFRAC UNDER THE CBCA
X "AGAINST" APPROVING THE ARRANGEMENT RESOLUTION
X "AGAINST" THE APPROVAL OF TSX RESOLUTIONS

Submit Your Vote Using Only the BLUE Proxy
PLEASE VOTE YOUR BLUE PROXY BY 5 P.M. (CALGARY TIME) ON SEPTEMBER 14, 2020

If you have questions or require assistance in voting your shares, please contact the proxy solicitation agent:

LH LAUREL HILL ADVISORY GROUP

North American Toll Free: 1-877-452-7184
Outside of North America: 416-304-0211
E-mail: assistance@laurelhill.com

For up-to-date information please visit, www.afaircalfrac.com

Vote Your BLUE Proxy to Receive a Fair Deal

August 24, 2020

Dear Fellow Calfrac Shareholders;

This is a decisive moment in Calfrac's history.

Like you, we are long-time shareholders of Calfrac and have watched as the current, entrenched Board and Management have led Calfrac to the brink of bankruptcy.

They now seek to implement a "restructuring" of Calfrac (the "Management Transaction") that will deliver the company to a self-selected group of unsecured creditors and insiders, including the Chairman, Mr. Ron Mathison, and his company MATCO Investments Ltd. ("MATCO"), and an activist investor, G2S2Capital Inc., in a transaction that will massively dilute or completely eliminate your ownership stake in Calfrac.

The entrenched Board and Management have tried to distract you from the truth by painting Wilks, a long-time shareholder, as an "activist" investor with hidden motivations. In their Management Information Circular, they advised you to carefully assess "the motives and actions" of Wilks. Yet they do not advise similar caution with respect to the motives and actions of the self-selected group of unsecured creditors and insiders (including Mathison and his personal holding company, MATCO) who have proposed the "restructuring".

If completed, the Management Transaction will result in G2S2 Capital Inc. owning 41.2%[1] of the shares of Calfrac. G2S2 Capital is an investment vehicle controlled by Mr. George Armoyan, an "activist investor"[2] who is also (through G2S2 and Clarke Inc.) a significant shareholder (19.23%) of Trican Well Service Ltd., a direct Canadian competitor of Calfrac. G2S2 Capital's holdings of Common Shares, even on an undiluted basis, will be sufficient for it to block any transaction requiring 66 2/3% shareholder approval.

Further, G2S2 Capital and Mr. Mathison will, between them, be in a position to control **over 50%[3]** of Calfrac's outstanding shares if the "restructuring" is completed. No change of control premium will have been paid to the Shareholders of Calfrac. Instead, they will face immediate massive and continuing dilution of their ownership interest.

The concerns regarding "conflicts and unknown risks" to Calfrac stakeholders that the entrenched Board and Management of Calfrac express with respect to Wilks acquiring a controlling interest seem to magically vanish in the case of Calfrac's proposed Management 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.

You have also been threatened by the entrenched Board and Management team. They have told you that the Management Transaction is the only viable alternative and that, if you do not vote for it, your investment will be wiped out. That is false. Wilks Brothers LLC ("Wilks") have made an alternative superior proposal to Calfrac for a superior alternative recapitalization transaction (the "Superior Alternative Proposal") that provides a premium recovery to Shareholders over the proposed restructuring

[1] On a fully-diluted basis. G2S2 would own 38.1% on a non-diluted basis and 59.4% on a partially- diluted basis, see page 76 of Calfrac's Management Information Circular dated August 17, 2020.
[2] Financial Post January 9, 2014: "Activist George Armoyan set for Proxy Fight at Sherritt after negotiations fall apart".
[3] On a fully-diluted basis; Page 76 of Calfrac's Management Information Circular dated August 17, 2020.

transaction. The Superior Alternative Proposal will remain available to Calfrac if Shareholders vote to reject the Management Transaction.

The entrenched Board and Management of Calfrac also claim that holders of 23% of the outstanding shares of Calfrac support the Management Transaction. This is misleading and vastly overstates the level of required support they actually have 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" in respect of the restructuring that is required under Canadian securities laws.

Protecting the interests of Calfrac's Shareholders will come down to all of us, the "minority" Shareholders of Calfrac. We are the only ones who can stop this.

THE ENTRENCHED BOARD AND MANAGEMENT ARE TRYING TO SUPPRESS THE SHAREOLDER VOTE

The entrenched Board and Management of Calfrac is clearly concerned about the shareholder vote and are taking measures to suppress it. In the published version of the Management Information Circular Calfrac announced that the Meeting is to be held as an in-person meeting only, notwithstanding the COVID 19 pandemic and the attendant risks to Shareholders who attend in person. In the version of the Circular they filed with the Court in connection with obtaining the Interim Order they proposed having a "virtual only" meeting. Calfrac's rationale for changing to an in-person meeting is that: *"Given the fundamental nature of the [transaction]…the Company determined that the Meeting should be held in person…".* This is, of course, absurd on its face. On the day after Calfrac published its circular with this cynical and self-serving rationale for holding an in-person meeting, Alberta reported 144 new cases of COVID 19 and was second only to Quebec in terms of total active cases.[4]

Calfrac knew that changing to an in-person only meeting would prevent Wilks' representatives from attending and participating in the Meeting due to travel restrictions and quarantines and discourage other Shareholders from attending the Meeting due to health concerns.

If Calfrac were truly interested in ensuring that as many of its Shareholders as possible voted, it would provide alternative methods for voting that enfranchised as many Shareholders as possible while ensuring their safety. Many companies this year have held hybrid meetings, which allow holders to attend in person, while also allowing the opportunity for appointed proxyholders and registered holders who are unable to attend due to health-related concerns, to attend and vote online.

WILKS' SUPERIOR ALTERNATIVE PROPOSAL

On August 4th, 2020, Wilks made the Superior Alternative Proposal to Calfrac. That proposal was summarily rejected by the "Special Committee" of the Board that was created to consider it.

The rejection was based, not on the economics, and vastly superior recoveries to Shareholders provided in the Superior Alternative Proposal but ***solely because it would not be acceptable to the self-selected group of insiders and unsecured noteholders who will disproportionately benefit from their own insider deal and ultimately control Calfrac (the "Select Insiders").***

At the time Calfrac rejected the Wilks proposal, they offered no analysis or comparison of the economic benefits and consequences to the Company and its stakeholders of Wilks' Superior Alternative Proposal versus the Management Transaction. This is undoubtedly because the Special Committee and Calfrac

[4] www.cbc.ca "What you need to know about COVID-19 in Alberta on Saturday, August 22, 2020".

recognize that, in fact, the Wilks proposal delivers superior recoveries across the Company's capital structure and results in a stronger, more sustainable, capital structure for Calfrac.

Independent analysts agree:

> "In our view, the new Wilks Bros restructuring proposal is unambiguously superior to the original proposal for equity holders and 2nd lien noteholders." – Raymond James Ltd., August 4, 2020
>
> "We believe that should the Wilks proposal succeed, Calfrac's survivability would be materially improved and have raised our target from zero to $0.15 (13.5x 2021 EV/EBITDA) and rating to Market Perform from Reduce on the potential success of the deal and deleveraging of the Company." – Cormark Securities Inc., August 5, 2020.

ADVANTAGES OF THE SUPERIOR ALTERNATIVE PROPOSAL

- ✓ **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 Management Transaction ($31 million, if $6 million of PIK interest on the 1.5 Lien Notes is included).
  - Under the Management Transaction, total debt remains at no less than C$286 million, creating very real risk of an imminent bankruptcy.
- ✓ **Better treatment to existing Shareholders:**
  - Provides existing Shareholders with no less than 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 Management Transaction that offers existing Shareholders less than 3% of pro forma equity after dilution in a company with no less than C$286 million of debt.
- ✓ **Better treatment to Unsecured Noteholders:**
  - Provides no less than 35% of the pro forma equity in a reorganized company with dramatically less debt, compared with the Management Transaction that offers existing Unsecured Noteholders 34% of the pro forma equity after dilution in a company with no less than C$286 million of debt.
- ✓ **Provides almost 3x the consideration for the new equity issued.**
  - The Superior Alternative Proposal converts C$160 million of Second Lien Debt and invests a further C$80 million of cash for a 60% pro forma equity position.
  - Under the Initial Management Transaction, certain key insiders and a small select group of stakeholders of the Company (the "**Select Investors**") would receive 63% of the pro forma common shares upon conversion of their C$60 million "loan".
- ✓ **Provides a greater paydown of the First Lien Debt:**
  - The Superior Alternative Proposal 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 Management Transaction of C$45 million.
  - Under the Superior Alternative Proposal, Wilks would also commit to arrange to fully re-finance the existing First Lien Debt.

THE MANAGEMENT TRANSACTION IS SERIOUSLY FLAWED

In addition to the inferior value for each class noted above, the Management Transaction is seriously flawed, including:

- **High probability of a near term bankruptcy:**
  - With no less than C$286 million of secured debt, the Management 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 Management 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 the Select 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% of Calfrac’s market capitalization on the date it was agreed to.
- **Calfrac never pursued a market test of the Initial Management Transaction:**
  - The Management Transaction was never subjected to a market test of "higher and better offers".
  - The Superior Alternative Proposal is clearly a superior transaction and should be pursued for the benefit of Calfrac and its stakeholders

SUPERIOR ALTERNATIVE PROPOSAL VS. MANAGEMENT TRANSACTION CLASS-BY-CLASS COMPARISON

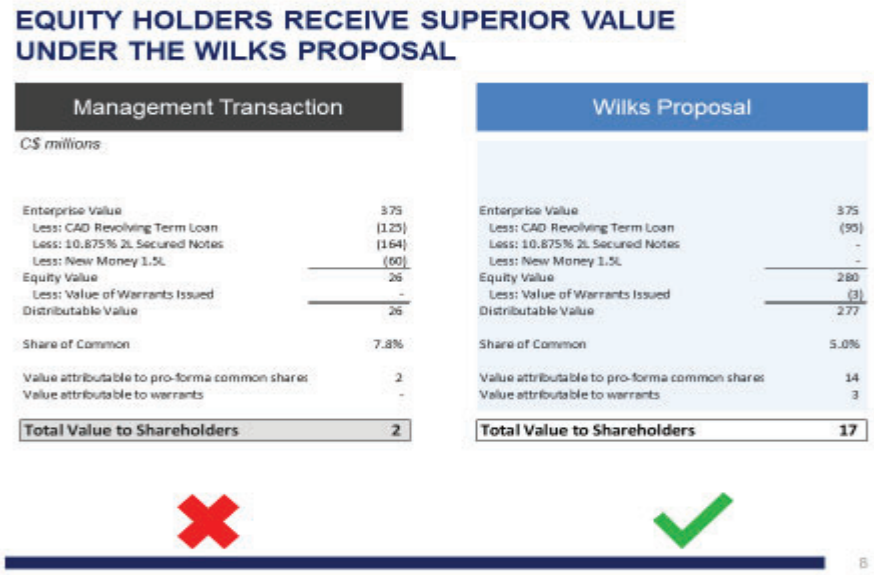
Using the current enterprise value of C$374 million, the value implied by the current trading prices of Calfrac’s public securities, the dollar recovery under the Superior Alternative Proposal to each group of Calfrac’s stakeholders (other than the Select Insiders) is demonstrably greater:

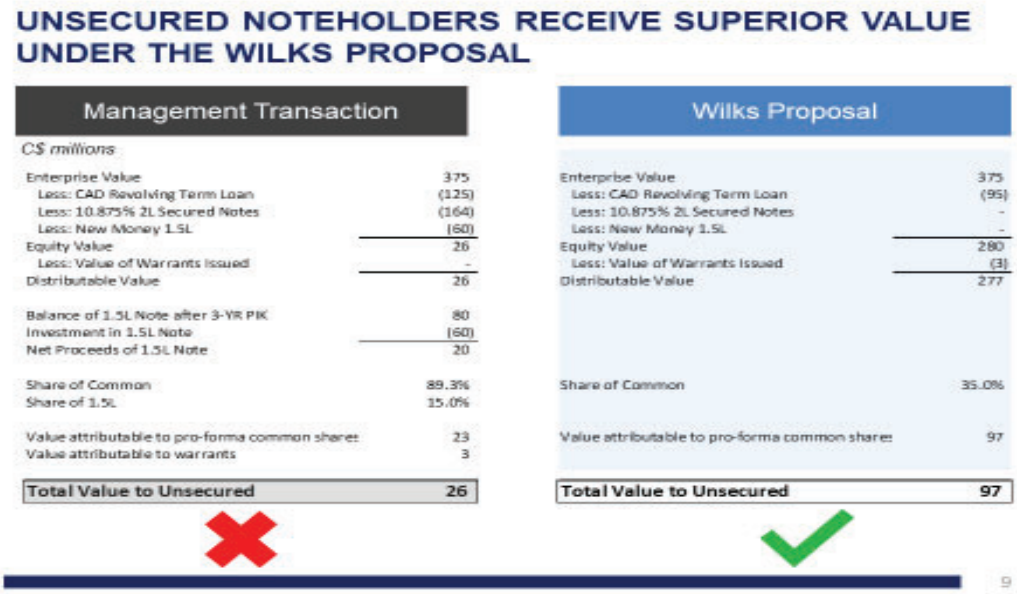
Class of Securities	Superior Alternative Proposal	Initial Management Transaction
Recovery to existing Shareholders	C $16 million	C $2 million
Recovery to unsecured noteholders	C $96 million	C $27 million
Recovery to second-lien debtholders (other than Wilks)	C $72 million	C $71 million
Recovery to MATCO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

RECOVERY ANALYSIS

It is important that stakeholders properly compare their recoveries using a **realistic assessment** for enterprise value. We have provided the following comparisons based on current Enterprise Value (see appendix A). Stakeholders should note that in addition to providing a significantly superior economic

recovery across a range of enterprise values, the Wilks Superior Alternative Proposal provides **significantly less downside risk** to recovery due to the substantially reduced leverage inherent in the Wilks Superior Alternative Proposal.





We will be voting AGAINST the Management Transaction.

We encourage all Shareholders to vote their shares **AGAINST** the Management Transaction and the related proposals in order to stop this self-enrichment at their expense. A superior outcome for Shareholders is within your control.

Sincerely Yours,

"Matthew D. Wilks"

Matthew D. Wilks
Wilks Brothers, LLC

TO STOP THE MANAGEMENT TRANSACTION
PLEASE VOTE YOUR BLUE PROXY BY 5 P.M. (CALGARY TIME) ON SEPTEMBER 14, 2020

Vote using the following methods prior to the deadline.	 **Email/Internet**	 **Telephone or Fax**	 **Mail**
Registered Shareholders *Shares held in own name and represented by a physical certificate or held in direct registration system.*	Scan & Email the BLUE form of proxy to : assistance@laurelhill.com	Fax to: 1-416-646-2415	Return the BLUE form of proxy in the enclosed envelope.
Non-Registered Shareholders *Shares held with a broker, bank or other intermediary.*	Vote online at www.proxyvote.com	Vote by telephone using the number listed on your BLUE voting instruction form.	Return the BLUE voting instruction form in the enclosed envelope.

QUESTIONS OR REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT:

LH LAUREL HILL ADVISORY GROUP

NORTH AMERICAN TOLL-FREE: 1-877-452-7184
OUTSIDE NORTH AMERICA: 416-304-0211
EMAIL: assistance@laurelhill.com

INSIDE THIS CIRCULAR

TABLE OF CONTENTS

PROXY CIRCULAR

This proxy circular (the "**Circular**") and the accompanying **BLUE** form of proxy and/or **BLUE** voting instruction form ("**VIF**") are furnished to you in connection with the solicitation of proxies by and on behalf of Wilks Brothers, LLC ("**Wilks**" or "**we**" or "**us**" or "**our**") to be used at the special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") scheduled to be held on September 17, 2020 at 2:00 p.m. (Calgary time) in the McMurray Room at the Calgary Petroleum Club, 319-5th Avenue S.W., Calgary Alberta, and at any and all adjournments or postponements thereof. The information contained in this Circular is given as of the date of this Circular, except where otherwise noted.

This solicitation of proxies is made by and on behalf of Wilks. **THIS SOLICITATION OF PROXIES IS NOT MADE BY OR ON BEHALF OF MANAGEMENT OF CALFRAC.**

Wilks is soliciting proxies **AGAINST** the approval of the following resolutions proposed by Calfrac: (i) a special resolution (the "**Continuance Resolution**") approving the continuance of Calfrac into the federal jurisdiction of Canada under the *Canada Business Corporations Act* (the "**CBCA**") (ii) a special resolution (the "**Arrangement Resolution**") approving an arrangement under section 192 of the CBCA; and (iii) certain resolutions (as described herein) required by the Toronto Stock Exchange (the "**Shareholders' TSX Resolutions**").

In order to be counted at the Meeting, your BLUE form of proxy and BLUE VIF should be voted no later than 5:00 p.m. (Calgary time) on September 14, 2020.

Information concerning Calfrac is available for review on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com, under the issuer profile of Calfrac.

Based on publicly available information, the registered office of Calfrac is at 4500, 855-2nd Street S.W., Calgary, Alberta, T2P 1E3 and the head office of Calfrac is located at 411-8th Avenue S.W. Calgary, Alberta, T2P 1E3

CURRENCY

All currency references in this Circular are to Canadian dollars, unless indicated otherwise.

NOTICE TO UNITED STATES SHAREHOLDERS

Calfrac is a corporation governed by the laws of the Province of Alberta, Canada. This solicitation of proxies is not subject to the requirements of Section 14(a) of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Accordingly, this solicitation of proxies is made in the United States with respect to securities of Calfrac in accordance with Canadian corporate and securities laws and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that these Canadian requirements are different from the requirements applicable to proxy statements under the U.S. Exchange Act.

YOUR VOTE IS EXTREMELY IMPORTANT TO PROTECT SHAREHOLDER VALUE - VOTE YOUR BLUE PROXY ONLINE OR BY TELEPHONE TODAY
If you have questions and/or need assistance in voting your shares, please call
Laurel Hill Advisory Group toll free at 1-877-452-7184 (416-304-0211 outside North America)
or by email at assistance@laurelhill.com
Also visit www.afaircalfrac.com for more information

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Circular and the documents incorporated by reference herein may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the continuing economic and social impacts of the current COVID 19 pandemic and, in particular, the effects of the pandemic on the demand for oil and gas and related services; Calfrac's future growth potential; its results of operations; future cash flows; the future performance and business prospects and opportunities of Calfrac; the response to and outcome of any court applications relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the implementation and timing of Calfrac's business strategy; the current general and regulatory environment and economic conditions remaining unchanged; the availability of financing; operating and capital costs; Calfrac's available cash resources; Calfrac's ability to attract and retain skilled staff; sensitivity to commodity prices and other sensitivities; the supply and demand for, and the level and volatility of the price of, oil and natural gas; the supply and availability of consumables and services; currency exchange rates; energy and fuel costs; required capital investments; estimates of net present value and internal rate of returns; capital and operating cost estimates and the assumptions on which such estimates are based; market competition; ongoing relations with employees and impacted communities; and general business and economic conditions.

Forward-looking information contained in this Circular reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Circular. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including without limitation, the ability of Calfrac to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners; the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; availability of credit and other financing; the financial markets in general; price volatility; increases in costs; environmental compliance and changes in environmental legislation; regulation and policies; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. Many of these risks and uncertainties could affect Calfrac's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking information provided by Wilks. The impact of any one factor on a particular piece of

forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. All of the forward-looking information reflected in this Circular is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac. Forward-looking information is provided, and forward-looking statements are made as of the date of this Circular and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise.

Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Management Transaction are legally permissible, appropriate or capable of implementation.

PROXY VOTING SUMMARY

This summary highlights information contained elsewhere in this Circular. It does not contain all of the information that you should consider.

PLEASE CAREFULLY READ THIS ENTIRE CIRCULAR BEFORE VOTING.

VOTING RECOMMENDATIONS

RESOLUTION	RECOMMENDATION
THE CONTINUANCE RESOLUTION	AGAINST
THE ARRANGEMENT RESOLUTION	AGAINST
THE TSX RESOLUTIONS	AGAINST

RECORD DATE

You are entitled to vote at the Meeting if you were a holder of Common Shares at the close of business on August 10, 2020 (the "**Record Date**").

If you are a registered shareholder who purchased Common Shares after the Record Date you may still be entitled to vote at the Meeting. Under Section 137(3) of the *Business Corporations Act* (Alberta) you may demand, not later than 10 days before the Meeting, that your name be included in the list of Shareholders entitled to vote if you can establish, by providing a properly endorsed share certificate or otherwise that you are the registered holder of the Common Shares you are seeking to vote. If you believe that you are entitled to vote on the basis of the foregoing, please contact Laurel Hill at 1-877-452-7184 (toll free North America) or 1-416-304-0211 (outside North America) or by email at assistance@laurelhill.com for assistance in establishing your right to vote at the Meeting.

PROXY SUBMISSION DEADLINE

To ensure your vote is counted, please submit your **BLUE** form of proxy or **BLUE** VIF prior to 5:00 p.m. (Calgary time) on September 14, 2020.

ATTENDING THE MEETING

If you plan to attend the Meeting, please follow the instructions in this Circular.

MEETING INFORMATION

DATE: September 17, 2020
TIME: 2:00 p.m. (Calgary time)
LOCATION: McMurray Room, Petroleum Club, 319-5th Avenue S.W., Calgary AB

HOW TO VOTE

Your vote is important. To ensure that your Common Shares will be represented and voted at the Meeting, please submit your vote as soon as possible using one of the following methods.

Registered Shareholders
(owners of shares held in own name and represented by a physical share certificate or held in a direct registration system)

• • •

Email: assistance@laurelhill.com

Fax: 416-646-2415

Beneficial Shareholders
(owners of shares registered in the name of a broker, investment dealer, bank or other nominee)

You will require the 16 digit control number found on your BLUE VIF to vote online or by telephone

• • •

Online: www.proxyvote.com

Telephone: call the number(s) listed on your voting instruction form.

YOUR VOTE IS EXTREMELY IMPORTANT TO PROTECT SHAREHOLDER VALUE - VOTE YOUR BLUE PROXY ONLINE OR BY TELEPHONE TODAY
If you have questions and/or need assistance in voting your shares, please call Laurel Hill Advisory Group toll free at 1-877-452-7184 (416-304-0211 outside North America) or by email at assistance@laurelhill.com
Also visit www.afaircalfrac.com for more information

Please vote all **BLUE** forms of proxy or **BLUE** VIFs that you receive to ensure that all of your Common Shares are counted. You should discard any management proxies or VIFs that you receive.

YOUR VOTE IS IMPORTANT!

The enclosed information is important and requires your immediate attention.

If you have any questions, please contact our proxy solicitation agent, Laurel Hill Advisory Group, Telephone: 1-877-452-7184 (North America toll-free) or 1-416-304-0211 (outside North America) or e-mail: assistance@laurelhill.com

YOUR VOTE IS EXTREMELY IMPORTANT TO PROTECT SHAREHOLDER VALUE - VOTE YOUR BLUE PROXY ONLINE OR BY TELEPHONE TODAY
If you have questions and/or need assistance in voting your shares, please call
Laurel Hill Advisory Group toll free at 1-877-452-7184 (416-304-0211 outside North America)
or by email at assistance@laurelhill.com
Also visit www.afaircalfrac.com for more information

IMPORTANT CONSIDERATIONS

The entrenched Board and Management of Calfrac has attempted to obscure the real facts by creating a false narrative to support their insider transaction. We ask that Shareholders consider the following:

WILKS IS A LONG-TERM SHAREHOLDER OF CALFRAC

Wilks Brothers, LLC ("**Wilks**") is a significant, long-term shareholder of Calfrac, having first acquired Calfrac Common Shares in 2017. Wilks currently holds approximately 19.78% of Calfrac's outstanding Common Shares.

Since the time of its initial investment in Calfrac, Wilks has watched as the entrenched Board and Management have presided over an unprecedented destruction of shareholder value.

CALFRAC HAS CONSISTENTLY MISCHARACTERIZED WILKS' MOTIVATIONS FOR ITS OWN PURPOSES

In their public statements, the Board and management of Calfrac have continually tried to ascribe hidden agendas to Wilks and to attempt to convince you that Wilks' interests are not aligned with yours. They have tried to characterize Wilks as a "wolf in sheep's clothing" or an "activist investor. In truth, it is the entrenched Board and management of Calfrac that have joined forces with an activist investor to implement their own agenda that will benefit them to the detriment of Calfrac's Shareholders. In fact, if the Management Transaction is completed, G2S2 Capital and Calfrac's Chairman will, between them, beneficially own over 50% of Calfrac's outstanding Common Shares.

CALFRAC HAS CONSISTENTLY AVOIDED CONSTRUCTIVE ENGAGEMENT WITH WILKS

Throughout the time that Wilks has been a shareholder of Calfrac, Wilks has sought to engage with management and the Board of Calfrac to explore ways that Wilks' industry knowledge and experience could be used by Calfrac to maximize value for all of Calfrac's stakeholders. It is important to note that Wilks, through its ownership of Profrac Inc. has extensive experience in the hydraulic fracking industry. Profrac is one of the largest and most successful providers of hydraulic fracking services in the United States, having a capacity of over 900,000 hydraulic horsepower. It is also a manufacturer of custom hydraulic fracking equipment. As such, it has deep knowledge and experience in the hydraulic fracking business and has successfully partnered with and invested in a number of companies in the industry. For the most part, management and the Board have been resistant to all overtures by Wilks.

In 2018, Wilks, in order to attempt to protect its substantial investment and to demonstrate its rising level of concern with the continued mismanagement of Calfrac, amended its "early warning reports" to state that, instead of being a "passive" investor it may, in the future seek to effect: "*material changes in [Calfrac's] business or corporate structure including, without limitation, changes to the board of directors or management of [Calfrac] and/or the sale or transfer or material assets of [Calfrac] or its subsidiaries and in connection therewith may take such actions as are permitted by applicable law including, without*

limitation, the requisition of meetings of [Calfrac's] securityholders and the solicitation of proxies from [Calfrac's] securityholders in any manner permitted by law".

Notwithstanding this, Wilks maintained its policy of constructive engagement and dialogue with Calfrac and did not requisition a meeting of Shareholders.

In 2018, in an attempt to facilitate open discussions with Calfrac, Wilks entered into a Confidentiality Agreement under which Calfrac agreed to share confidential information as to its business strategy with Wilks. In fact, no material confidential or propriety information was ever shared by Calfrac with Wilks. Instead, following a Shareholders meeting at which Wilks voted against the election of the management slate of directors, Calfrac sued for alleged breaches of that agreement. While certain trivial breaches of the agreement were found to have occurred by the Alberta courts, Wilks continues to believe that no breaches occurred. Critically, as noted by the Court, Calfrac has thus far failed to produce any evidence that it was harmed by these "breaches". In Wilks' opinion, it is not likely they will ever be able to do so.

What this expensive litigation did demonstrate, though, are the lengths to which the entrenched Board and Management of Calfrac are prepared to go to stifle dissent, avoid accountability and entrench themselves.

MATHISON-LED BOARD SUMMARILY REJECTED WILKS' CONFIDENTIAL PROPOSALS WHILE MATHISON NEGOTIATED A RESTRUCTURING PLAN THAT BENEFITS INSIDERS AND SELF-SELECTED UNSECURED NOTEHOLDERS

On June 15, 2020 Calfrac announced that it had voluntarily elected to defer the cash interest payment due on that day on its outstanding 8.50% senior unsecured notes due 2026 (the "Unsecured Notes"). It is important to note that Calfrac had the financial resources to make this payment. The failure to make this payment precipitated the "crisis" that led to the management "restructuring" proposal.

On June 15, 2020, Calfrac also announced that it would continue to work with its financial advisors to "…consider alternatives for addressing its capital structure".

On June 22, 2020, Wilks made a confidential proposal to the Board of Directors of Calfrac to acquire Calfrac's U.S. assets for consideration consisting of cash of approximately US$60,000,000 to be applied to the purchase of the Unsecured Notes and the surrender of US$41,686,750 of Second Lien Notes. On June 29, 2020, Mr. Mathison wrote to Wilks rejecting the proposal.

On June 30, 2020, Wilks submitted a revised proposal to Calfrac. On July 2, 2020, Mr. Mathison again wrote to Wilks rejecting the revised proposal.

Days later, on July 14, 2020, Calfrac announced the terms of the Management Transaction and filed a number of detailed support agreements which it had entered into with a small group of self-selected holders of the Unsecured Notes as well as a "Commitment Agreement" relating to the $60 million "1.5 Lien" or "PIK" financing. The PIK financing is a critical part of the Management Transaction and is being

provided by a group of which Mr. Mathison is a member. He is providing approximately 31% of the "Direct Commitment Private Placement" portion of that financing.

The Commitment Agreement and the other support agreements filed by Calfrac on July 14, 2020 are detailed and are clearly the result of extensive negotiations conducted over a significant period of time. It is virtually certain that, as Mr. Mathison was writing to reject the Wilks proposals, he was also involved in negotiating the PIK Financing and the other aspects of the Management Transaction that will enrich him personally and entrench his position on the Board. Mr. Mathison's conflicts were direct and obvious, but clearly ignored at the expense of Calfrac's stakeholders.

THE MANAGEMENT TRANSACTION WILL LEAD TO MASSIVE INITIAL AND ONGOING DILUTION FOR SHAREHOLDERS

Under the Management Transaction Shareholders will experience an immediate contraction in the number of Common Shares they own by virtue of the 50 to 1 consolidation that is an initial step in the Arrangement. For Shareholders who hold smaller numbers of Common Shares they will likely find they no longer hold any shares at all or no longer hold a "board lot" of shares making it more difficult for them to be sold at prevailing market prices. They will then experience massive dilution as the unsecured notes are exchanged for Common Shares. They will then experience further dilution on an ongoing basis as interest is paid on the "1.5 Lien" Notes in further "1.5 Lien" Notes and then on the conversion of all of the "1.5 Lien" Notes into Common Shares at a conversion price that is significantly "in-the money" **on the day the "1.5 Lien" Notes are issued.**

CALFRAC SUMMARILY REJECTED WILKS' SUPERIOR ALTERNATIVE PROPOSAL BUT FAILED TO OFFER A COMPELLING ECONOMIC JUSTIFICATION FOR DOING SO

On August 4, 2020, Wilks made the Superior Alternative Proposal that provided for a comprehensive recapitalization of Calfrac and which would provide enhanced recoveries for stakeholders at every level of Calfrac's capital structure. Shareholders in particular would receive a significant premium under the Wilks Superior Alternative Proposal when compared to the Management Transaction. The entrenched Board and Management of Calfrac have criticized Wilks' Superior Alternative Proposal for not offering a "change of control" premium when, in fact, it does provide this premium recovery to Shareholders; something the Management Transaction does not do.

Recognizing the serious deficiencies in corporate governance that led to the flawed Management Transaction, the Board of Calfrac established a Special Committee of "independent directors" and hired independent legal counsel to assess Wilks' Superior Recapitalization Proposal. However, because the Board of Calfrac had abrogated its fiduciary duties by agreeing to a non-market "fiduciary out" provision, the rejection of the Wilks proposal, despite its obvious financial superiority, was inevitable and followed on August 17, 2020. In rejecting the proposal, Calfrac did not even attempt to deal with the relative financial benefits of the Wilks Superior Alternative Proposal.

CALFRAC NOW WARNS OF DANGERS IN ALLOWING A COMPETITOR TO ACQUIRE CONTROL, YET PROPOSES TO CEDE CONTROL TO A COMPETITOR VIA THE MANGEMENT TRANSACTION

In their Management Information Circular dated August 17, 2020, the entrenched Board and Management of Calfrac advised you to carefully assess "the motives and actions" of Wilks in making the Superior Alternative Proposal. Yet they do not advise similar caution with respect to the motives and actions of the self-selected group of unsecured creditors and insiders who have proposed the Management Transaction.

In fact, if completed, the Management Transaction will result in G2S2 Capital Inc. owning 41.2%[1] of the shares of Calfrac. G2S2 Capital is an investment vehicle owned or controlled by Mr. George Armoyan, an "activist investor"[2] who (through G2S2 and Clarke Inc.) is also a significant shareholder (19.23%) of Trican Well Service Ltd., a direct Canadian competitor of Calfrac. G2S2 's holdings of Common Shares, even on an undiluted basis, will be sufficient for it to block any transaction requiring 66 2/3% shareholder approval.

Further, G2S2 Capital and MATCO/Mr. Mathison will, between them, beneficially own over 50%[3] of Calfrac's outstanding shares if the Management Transaction is completed and will have acquired that stake without having paid a "change of control" premium to Shareholders. The concerns expressed by the entrenched Board and Management of Calfrac regarding "conflicts and unknown risks" to Calfrac stakeholders with respect to Wilks acquiring a majority interest seem to magically vanish in the case of the Management Transaction; a transaction that delivers a majority stake in the company to an insider and an "activist" investor who owns significant stake in Calfrac's major competitor in Canada.

WILKS' SUPERIOR ALTERNATIVE PROPOSAL AND ITS PREMIUM RECOVERY TO SHAREHOLDERS WILL REMAIN AVAILABLE TO CALFRAC IF SHAREHOLDERS VOTE TO REJECT THE MANAGEMENT TRANSACTION

In an effort to scare existing Shareholders into supporting Management's efforts to enrich themselves and MATCO through the Management Transaction, Calfrac suggests that Shareholders may receive less of a recovery if their plan is not approved. That is not true. The Wilks Superior Alternative Proposal, which provides superior recoveries to all of Calfrac's Shareholders, and in particular provides a premium recovery to Shareholders over the Management Transaction, will remain fully available to Calfrac when Shareholders vote to reject the Management Transaction.

Wilks will be voting all of its shareholdings AGAINST the Management Transaction. Calfrac's Shareholders are encouraged to VOTE AGAINST the Management Transaction and to express SUPPORT FOR the Wilks Superior Alternative Proposal. Full details of the terms of the Wilks Superior Alternative Proposal which remains available to Calfrac can be obtained at www.afaircalfrac.com.

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[1] On a partially diluted basis. See page 76 of Calfrac's Management Information Circular dated August 17, 2020.
[2] Financial Post January 9, 2014: "Activist George Armoyan set for Proxy Fight at Sherritt after Negotiations Fall Apart".
[3] On a partially diluted or fully diluted basis, see page 76 Calfrac's Management Information Circular dated August 17, 2020.

MATTERS TO BE ACTED UPON

I. CONTINUANCE OF CALFRAC UNDER THE CBCA

At the Meeting, Shareholders will be asked to approve a special resolution approving the continuance of Calfrac into the federal jurisdiction of Canada under the CBCA. This is being done to enable the Arrangement to be completed. If the continuance of Calfrac into the federal jurisdiction of Canada is not approved, the Arrangement cannot proceed. Wilks therefore recommends that Shareholders **vote AGAINST** the approval of the continuance of Calfrac under the *Canada Business Corporations Act*.

Wilks recommends that Shareholders use the BLUE form of proxy or BLUE VIF to vote "AGAINST" the Continuance Resolution.

Wilks' representatives named in the enclosed BLUE form of proxy or BLUE VIF intend to cast the votes represented by such form of proxy or VIF as Wilks recommends above, unless you direct that the Common Shares represented thereby be voted otherwise in respect of the resolution.

II. APPROVAL OF THE ARRANGEMENT

At the Meeting, Shareholders will be asked to approve a special resolution approving the Arrangement pursuant to Section 192 of the CBCA. For the reasons set out in this Proxy Circular, Wilks recommends that Shareholders vote **AGAINST** the approval of the Arrangement Resolution.

Wilks recommends that Shareholders use the BLUE form of proxy or BLUE VIF to vote "AGAINST" the Arrangement Resolution.

Wilks' representatives named in the enclosed BLUE form of proxy or BLUE VIF intend to cast the votes represented by such form of proxy or VIF as Wilks recommends above, unless you direct that the Common Shares represented thereby be voted otherwise in respect of the resolution.

III. TSX RESOLUTIONS

At the Meeting, if the Arrangement resolution is approved, Shareholders will be asked to approve four resolutions required to be passed by the Toronto Stock Exchange (the "TSX"). The TSX has required that shareholders approve these resolutions because, among other things, pursuant to the Management Transaction: common shares will be issued to insiders of Calfrac in an amount greater than 10% of the number of outstanding shares; common shares will be issued in amounts that will "materially affect control" of Calfrac; and common shares will be issued at a greater than permissible discount to their market price to insiders of Calfrac. The resolutions that the TSX has required to be passed consist of the following:

- Where a company listed on the TSX (such as Calfrac) proposes to issue more than 10% of its shares to "insiders" of the company, that issuance must be approved by a simple majority of the "disinterested" shareholders voting at a shareholders meeting. A number of "insiders" of the Company will be exchanging their unsecured notes for common shares of the Company pursuant to the proposed Management Transaction. For the purposes of this vote common shares held by "insiders" who will be exchanging their unsecured notes for common shares will be excluded as they are not "disinterested" shareholders. We (and Calfrac) refer to this resolution as the **"Shareholders' TSX Note Exchange Resolution**";

- The TSX also requires that any issue of shares by a listed company that would "materially affect control" of the company and/or at a significant discount to their market price must be approved by a vote of the shareholders. Calfrac has described the requirement for shareholder approval as follows in its Management Information Circular: " The issuance of Common Shares upon the conversion of the New 1.5 Lien Notes: (i) would "materially affect control" of the Company (as G2S2 and its affiliates would own in excess of 30% of the outstanding Common Shares and would be entitled to additional Common Shares upon the conversion of its New 1.5 Lien Notes); (ii) where the number of Common Shares issuable to Insiders of the Company, as a group, upon conversion, exceeds 10%of the then issued and outstanding Common Shares; and (iii) at a conversion price that exceeds the maximum discount permitted by the TSX and which could result in dilution in excess of 25% of the then issued and outstanding Common Shares (pursuant to Sections 604(a)(i); 604(a)(ii), 607€ and 607(g)(i)of the TSX Company Manual) to be approved by disinterested shareholders by way of the Shareholders TSX 1.5 Lien Notes Resolution. The Conversion Price of $1.3325 (being $0.02665 on a pre-Share Consolidation Basis) of the New 1.5 Lien Noted represents a discount of 83.9% to the $0.165522Marker Price of the Common Shares as of July 14, 2020 which exceeds the maximum discount permitted by the TSX, and the total number of New Common Shares to be issued upon conversion of all of the New 1.5 Lien Notes would exceed 25% of the then issued and outstanding New Common Shares on a post Share Consolidation Basis. For purposes of the Shareholders TSX 1.5 Lien Notes Resolution, Common Shares held by interested Shareholders (including MATCO) will be excluded from voting." We (and Calfrac) refer to this resolution as the "**Shareholders' TSX 1.5 Lien Notes Resolution";**

- Calfrac has also proposed to adopt an "Omnibus Incentive Plan" (the form of which is not provided to shareholders) to take effect if the Management Transaction is approved. As the plan will provide for the issue of securities to insiders pursuant to various incentive arrangements, the TSX has required that it be approved by shareholders. All shareholders are entitled to vote in respect of the adoption of this plan. We (and Calfrac) refer to this resolution as the "**Shareholders' TSX Omnibus Incentive Plan Resolution**";

- Calfrac has also proposed to adopt a "poison pill" or "Shareholders Rights Plan" to become effective if the Management Transaction is approved. The purpose of such plans is expressed to be to "provide the Board and shareholders with more time to fully consider any unsolicited take-over bid for the company without undue pressure, to allow the Board to pursue, if appropriate other alternatives to maximize shareholder value and to allow additional time for competing bids to emerge". The form of the Shareholder Rights Plan was not provided to shareholders. We (and Calfrac) refer to this resolution as the "**Shareholders' TSX Shareholder Rights Plan Resolution**"

Wilks has recommended that Shareholders not approve the Arrangement Resolution and, if that occurs, Calfrac has stated that the foregoing Resolutions will not be considered at the Meeting. If they are considered, Wilks recommends that Shareholders **vote AGAINST** each of the TSX Resolutions.

Wilks recommends that Shareholders use the BLUE form of proxy or BLUE VIF to vote "AGAINST" each of the: Shareholders' TSX Note Exchange Resolution, the Shareholders' TSX 1.5 Lien Notes Resolution, the Shareholders' TSX Omnibus Incentive Plan Resolution and the Shareholders' TSX Shareholder Rights Plan Resolution.

Wilks' representatives named in the enclosed BLUE form of proxy or BLUE VIF intend to cast the votes represented by such form of proxy or VIF as Wilks recommends above, unless you direct that the Common Shares represented thereby be voted otherwise in respect of each the resolutions.

IV. OTHER BUSINESS

As at the date hereof, Wilks knows of no amendments, variations or other matters to be presented for action at the Meeting. If, however, any amendments, variations or other matters properly come before the Meeting or any postponement(s) or adjournment(s) thereof, or if any other matters, which are not now known to Wilks should properly come before the Meeting or any postponement(s) or adjournment(s) thereof, the **BLUE** form of proxy or **BLUE** VIF confers discretionary authority on the person voting the proxy to vote on such amendments or variations or such other matters in the discretion of such person, whether or not the amendments, variations or other matters that come before the Meeting are or are not routine, and whether or not the amendments, variations or other matters that come before the Meeting are contested. Wilks reserves the right to amend or supplement this Circular, our form of proxy and VIF, as the case may be, as we see fit in order to solicit proxies for any business to be transacted at the Meeting.

YOUR VOTE IS EXTREMELY IMPORTANT TO PROTECT SHAREHOLDER VALUE - VOTE YOUR BLUE PROXY ONLINE OR BY TELEPHONE TODAY
If you have questions and/or need assistance in voting your shares, please call
Laurel Hill Advisory Group toll free at 1-877-452-7184 (416-304-0211 outside North America)
or by email at assistance@laurelhill.com
Also visit www.afaircalfrac.com for more information

OTHER INFORMATION REGARDING WILKS

Wilks intends to cause all of the Common Shares which it beneficially owns, directly or indirectly, or over which it exercises control or direction, to be voted at the Meeting **AGAINST** each of the resolutions outlined above.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Wilks has not had any material interest, direct or indirect, in any transaction since the commencement of Calfrac's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Calfrac or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except to the extent described elsewhere in this Circular, to the knowledge of Wilks, none of Wilks, nor any of its associates or affiliates of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the matters currently known to be acted upon at the Meeting, other than in respect of their ownership, control or direction of Common Shares described elsewhere in this Circular.

GENERAL PROXY INFORMATION

THE MEETING

The Meeting is scheduled to be held on September 17, 2020 at 2:00 p.m. (Calgary time) in the McMurray Room at the Calgary Petroleum Club, 319-5th Avenue S.W., Calgary Alberta.

As discussed above, Calfrac has announced that the Meeting is to be held as an in-person meeting, notwithstanding the COVID 19 pandemic and the attendant risks to Shareholders who attend in person. Shareholders who are considering attending the Meeting in person should carefully consider the instructions and advice of the Public Health Agency of Canada (www.Canada.ca/en/public-health.html) and Alberta Health Services (www.albertahealthservices.ca) when deciding whether to attend the meeting in person.

While Calfrac has indicated it will be providing a live webcast of the Meeting, Shareholders will not be able to vote or otherwise participate in the Meeting through the webcast. Calfrac has also announced that if it is not possible or advisable to hold the Meeting as an in-person Meeting, they will announce alternative arrangements, which may include holding the Meeting by electronic means.

SOLICITATION OF PROXIES

This Circular is furnished by and on behalf of Wilks in connection with the solicitation of proxies for use at the Meeting and at any adjournment or postponement thereof. **The solicitation is not made by or on behalf of the management of Calfrac.**

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The solicitation is made primarily by mail, but proxies may also be solicited personally by telephone, e-mail or other electronic means, as well as by newspaper or other media advertising or in person, by Wilks, certain of its members, partners, directors, officers and employees, or Wilks' agents, including Laurel Hill Advisory Group ("**Laurel Hill**") who have been retained by Wilks to act as shareholder communications advisor and proxy solicitation agent, to assist with Wilks' solicitation and provide certain advisory and related services. Laurel Hill's responsibilities include liaising with proxy advisory firms, developing and implementing Shareholder communication and engagement strategies and advising with respect to meeting and proxy protocol. Wilks will pay Laurel Hill a fee of $300,000 plus reasonable out of pocket expenses. In addition, Wilks may solicit proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws, conveyed by way of public broadcast, including press release, speech or publication and any other manner permitted under applicable Canadian laws. Any members, partners, directors, officers or employees of Wilks and their affiliates or other persons who solicit proxies on behalf of Wilks will do so for no additional compensation. The costs incurred in the preparation and mailing of this Circular and the solicitation will be borne by Wilks.

Other than as contemplated or disclosed herein, no person is authorized to give information or to make any representations relating to the matters contemplated by this Circular other than those contained in this Circular and, if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

WHO MAY VOTE

You are entitled to vote at the Meeting if you were a holder of Common Shares at the close of business on the Record Date. Each Common Share is entitled to one vote.

If you are a Registered Shareholder who purchased Common Shares after the Record Date you may still be entitled to vote at the Meeting. Under Section 137(3) of the *Business Corporations Act* (Alberta) you may demand, not later than 10 days before the Meeting, that your name be included in the list of Shareholders entitled to vote if you can establish, by providing a properly endorsed share certificate or otherwise that you are the registered holder of the Common Shares you are seeking to vote. If you believe that you are entitled to vote on the basis of the foregoing and require assistance in establishing your right to vote at the Meeting, please contact Laurel Hill 1-877-452-7184 (toll-free North America) or 1-416-304-0211 (outside North America), or e-mail assistance@laurelhill.com.

HOW TO VOTE

How you vote depends on whether you are a registered Shareholder or a non-registered Shareholder. In either case, if you have any questions and/or need assistance completing your **BLUE** form of proxy or **BLUE** VIF, please call Laurel Hill at 1-877-452-7184 (toll-free North America) or 1-416-304-0211 (outside North America), or e-mail assistance@laurelhill.com.

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If you have questions and/or need assistance in voting your shares, please call
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or by email at assistance@laurelhill.com
Also visit www.afaircalfrac.com for more information

Registered Shareholders

You are a registered Shareholder if your Common Shares are registered in your own name at Computershare Investment Services Inc., the transfer agent for Calfrac. As a registered Shareholder, you may attend the Meeting and vote in person. If you are a registered Shareholder and will not be attending the Meeting, or if your Common Shares are registered in the name of a corporation, your Common Shares may still be counted by authorizing another individual, called a proxyholder, to attend the Meeting and vote your Common Shares. You should use the BLUE form of proxy provided with this Circular.

To be valid, the **BLUE** form of proxy must be returned to Wilks's proxy solicitation agent, Laurel Hill prior to 5:00 p.m. (Calgary time) on September 14, 2020.

REGISTERED SHAREHOLDERS **(owners of shares held in own name and represented by a physical share certificate or held in a direct registration system)**		
VOTING BY E-MAIL	**VOTING BY FAX**	**VOTING BY MAIL OR DELIVERY**
Complete, sign and date your **BLUE** form of proxy. Scan both sides of the proxy and email to: assistance@laurelhill.com	Complete, sign and date your **BLUE** form of proxy and return it by fax to: 416-646-2415	Complete, sign and date your **BLUE** form of proxy and return it to: 1440- 70 University Ave., Toronto ON M5J 2M4

If you are a registered Shareholder planning to attend the Meeting and wish to vote your Common Shares in person at the Meeting, although it is preferred, it is not necessary to complete and return the form of proxy. Your vote will be taken and counted at the Meeting.

Non-Registered Shareholders

You are a non-registered Shareholder if you beneficially own Common Shares that are registered in the name of an intermediary such as a bank, trust company, securities broker or other nominee, or in the name of a depository of which the intermediary is a participant, and therefore do not have Common Shares registered in your own name at Calfrac's transfer agent.

Wilks has distributed copies of this Circular and the **BLUE** form of proxy or **BLUE** VIF to intermediaries for onward distribution to non-registered Shareholders. Typically, intermediaries will use a service company (such as Broadridge Investor Communications ("**Broadridge**")) to forward these meeting materials to non-registered Shareholders. Non-registered Shareholders should carefully follow the procedures set out on the applicable **BLUE** form of proxy or **BLUE** VIF, which generally provide for the following, depending on which type of form you receive:

- In most cases, non-registered Shareholders will receive, along with this Circular, a **BLUE** VIF that must be completed, signed and dated by the non-registered Shareholder in accordance with the instructions on the **BLUE** VIF. Non-registered Shareholders should follow the instructions provided on the **BLUE** VIF, using one of the described voting methods provided, to vote their Common Shares.

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or by email at assistance@laurelhill.com
Also visit www.afaircalfrac.com for more information

- Less frequently, a non-registered Shareholder may receive, along with this Circular, a **BLUE** form of proxy that has already been signed by the intermediary and which is restricted as to the number of Common Shares beneficially owned by the non-registered Shareholder. In these cases, the non-registered Shareholder who wishes to submit a **BLUE** form of proxy should properly complete, sign and date the **BLUE** form of proxy and submit it to Laurel Hill.

The purpose of these documents is to permit you to direct the voting of the Common Shares you beneficially own. You should carefully follow the instructions set out in your **BLUE** form of proxy or **BLUE** VIF, as the case may be.

If you are a non-registered Shareholder, you may attend the Meeting and vote in person (or have another person appointed as proxyholder to attend and vote on your behalf) provided you strike out the names of the persons named in the BLUE form of proxy or BLUE VIF and insert your name or such other person's name in the blank space provided. In any case, non-registered Shareholders should carefully and promptly follow the instructions of their intermediary and/or its service company, including those regarding when and where the BLUE form of proxy or BLUE VIF is to be delivered.

For assistance, please call Laurel Hill at 1-877-452-7184 (toll-free North America) or 1-416-304-0211 (outside North America), or e-mail assistance@laurelhill.com.

VOTING BY PROXY

Appointment of Proxies

The persons named in the **BLUE** form of proxy or **BLUE** VIF you received are **Jeffrey Oliver, a partner of Cassels Brock & Blackwell, LLP, counsel to Wilks**, or failing him**, Stephanie MacVicar of Laurel Hill Advisory Group**. **These persons were designated as proxies due to the decision by Calfrac to hold the Meeting as an in-person meeting rather than a virtual meeting. Due to the travel and other restrictions imposed as a result of the COVID-19 pandemic, representatives of Wilks Brothers, LLC are not able to be physically present at the Meeting. Wilks felt that it was important that the proxyholders designated by minority Shareholders be persons who were capable of attending the Meeting in person in order that they could make submissions at the Meeting and ensure procedural fairness. You have the right to appoint another person or entity (who need not be a Shareholder) to represent you at the Meeting and act on your behalf. You may appoint another person by striking out the names of the persons designated in the BLUE form of proxy or the BLUE VIF and inserting the name of that person in the blank space provided in the BLUE form of proxy or BLUE VIF you received.** By properly completing and returning the **BLUE** form of proxy or **BLUE** VIF, you are authorizing the person named therein to attend the Meeting and to vote your Common Shares.

Exercise of Discretion

The Common Shares represented by your **BLUE** form of proxy or **BLUE** VIF will be voted in accordance with your instructions on the **BLUE** form of proxy or **BLUE** VIF on any ballot that may be called for (by

indicating FOR or AGAINST, as applicable). If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly.

If you properly complete and return your BLUE form of proxy or BLUE VIF appointing representatives of Wilks as your proxyholder but do not specify how you wish the votes to be cast, representatives of Wilks currently intend, unless instructed otherwise, to cast the votes represented by each BLUE form of proxy or BLUE VIF as follows:

1. **AGAINST the Continuance Resolution**
2. **AGAINST the Arrangement Resolution**
3. **AGAINST each of the TSX Resolutions**

The accompanying BLUE form of proxy or BLUE VIF confers discretionary authority on the persons named therein to vote in accordance with his or her judgment as to any amendment(s) or variation(s) to the matters referred to therein, as to matters identified in the notice of the Meeting and as to any other matters which may properly come before the Meeting or at every adjournment or postponement thereof. If any amendment(s), variation(s) or other matter(s) should properly come before the Meeting or at any adjournment or postponement thereof, the BLUE form of proxy or BLUE VIF will be voted in the discretion of the persons named therein. As at the date hereof, Wilks is not aware of any such amendment(s), variation(s) or other matter(s) to be presented for action at the Meeting.

Revocation

You may revoke a form of proxy or VIF already given to you by management pursuant to management's solicitation of proxies by completing and delivering the enclosed **BLUE** form of proxy or **BLUE** VIF. **A later-dated BLUE form of proxy or BLUE VIF revokes any and all prior proxies given by you in connection with the Meeting.**

A registered Shareholder who has given a proxy may also revoke the proxy at any time prior to use by delivering a signed written statement, executed by you or your attorney authorized in writing stating that you want to revoke your proxy. This statement must be delivered to:

(a) the registered office of Calfrac (4500, 855-2nd Street S.W., Calgary, Alberta, T2P 1E3) at any time up to and including the last business day preceding the day of the Meeting (September 16, 2020) or any adjournment of the Meeting; **or**

(b) with the Chair of the meeting prior to the commencement of the Meeting; **or**

(c) in any other manner permitted by law.

A non-registered Shareholder may revoke a form of proxy or VIF given to an intermediary or Broadridge (or any such other service company) at any time by voting again, as the latest **BLUE** form of proxy or **BLUE** VIF will automatically revoke any previous one already submitted, or by written notice to the intermediary in accordance with the instructions given to the non-registered Shareholder by its intermediary.

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DELIVERY OF PROXY-RELATED MATERIALS TO OBJECTING BENEFICIAL SHAREHOLDERS

Wilks have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

NOTICE AND ACCESS

Wilks has elected not to use notice and access to distribute this Circular and the **BLUE** form of proxy or **BLUE** VIF accompanying this Circular.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS OF CALFRAC

As of the Record Date, Wilks, together with Dan and Staci Wilks, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 28,720,172 Common Shares, representing approximately 19.78 % of the 145,616,827 Common Shares that, according to Calfrac's Management Information Circular dated August 17, 2020 were outstanding on August 17, 2020.

To the knowledge of Wilks based on information contained in Calfrac's management information circular dated August 17, 2020 and other information on its SEDAR profile, no other person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all of the issued and outstanding voting securities of Calfrac as of the record date , other than: Ronald P. Mathison, who owns 28,834,321 Common Shares, representing 19.80% of the outstanding Common Shares, and Alberta Investment Management Corporation, who owns 24,080,121 Common Shares, representing 16.54% of the outstanding Common Shares.

EXECUTIVE COMPENSATION, INDEBTEDNESS, INTEREST IN MATERIAL TRANSACTIONS, MANAGEMENT CONTRACTS AND EQUITY COMPENSATION PLANS

Additional information relating to Calfrac, its directors and officers and the Meeting is not reasonably within our power to obtain since such information is only available to the management of Calfrac including information regarding the current directors of Calfrac; the indebtedness of Calfrac's executive officers and directors or their respective associates or affiliates; management contracts that may be in place with Calfrac; securities authorized for issuance under Calfrac's equity compensation plans; interests of any directors and officers of Calfrac in matters to be acted upon at the Meeting; and any material interest, direct or indirect, of any "informed persons" (as such term is defined in National Instrument 51-102 – (*Continuous Disclosure Obligations*) of Calfrac, or any of their associates or affiliates, in any transaction since the commencement of Calfrac's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Calfrac or any of its subsidiaries. For this information, please refer to the Management Circular and other continuous disclosure filed by Calfrac on SEDAR at www.sedar.com. This information may, however, be out of date.

INFORMATION CONTAINED IN THIS CIRCULAR

Unless otherwise noted, the information concerning Calfrac contained in this Circular has been taken from or is based upon publicly available documents or records on file with the Canadian securities regulatory authorities and other public sources. Although Wilks has no knowledge that would indicate that any statements contained herein taken from or based upon such documents and records or other public sources are untrue or incomplete, Wilks does not assume any responsibility for the accuracy or completeness of the information taken from or based upon such documents, records and public sources, or for any failure by Calfrac to disclose publicly events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to Wilks.

This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. The delivery of this Circular will not, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

A copy of this Circular, including the accompanying letter to Shareholders, **BLUE** form of proxy or **BLUE** VIF, may be obtained, on request, without charge from Laurel Hill, by contacting them at 1-877-452-7184 (toll-free North America) or 1-416-304-0211 (outside North America), or e-mail assistance@laurelhill.com or may be obtained on SEDAR at www.sedar.com, under the issuer profile of Calfrac.

ADDITIONAL INFORMATION

Additional information relating to Calfrac is available on SEDAR at www.sedar.com, under the issuer profile of Calfrac and on Calfrac's website at www.calfrac.com. Financial information regarding Calfrac is provided in its comparative annual financial statements and management's discussion and analysis for its most recently completed financial year, which can be found on SEDAR at www.sedar.com.

APPROVAL

Information contained herein, unless otherwise indicated, is given as of the date hereof. The contents and sending of this Circular have been approved by Wilks Brothers LLC.

August 24, 2020

WILKS BROTHERS, LLC

"Matthew D. Wilks"

(signed)

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APPENDIX A

MARK-TO-MARKET ENTERPRISE VALUE

The enterprise value implied by the market prices of the Company's securities is the most realistic and prudent barometer of value for assessing recovery under the competing plans.

C$ millions

Facility	Face Amount Outstanding	Current Price	Current Market Value
CAD Revolving Term Loan Facility	170	-	170
USD 10.875% 2L Secured Notes	161	75%	121
USD 8.500% Senior Unsecured Notes	579	11%	64

	Shares Out (mm)	Current Price	Current Market Value
Common Stock	146	0.14	20

Total EV	**375**

Notes:
- Face amounts and shares outstanding sourced from Q220 interim report
- Face amounts in USD were converted using the 8.3.20 CAD/USD exchange rate of 0.7463
- Bond and stock prices sourced from Bloomberg as of 7.31.20

12

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITATON AGENT

LAUREL HILL ADVISORY GROUP

North American Toll Free
1-877-452-7184

Outside North America
416-304-0211

Email
assistance@laurelhill.com

PLEASE VOTE YOUR BLUE PROXY BY 5 P.M. (CALGARY TIME) ON SEPTEMBER 14, 2020

Vote using the following methods prior to the deadline.	**Email/Internet**	**Telephone or Fax**	**Mail**
Registered Shareholders *Shares held in own name and represented by a physical certificate or held in direct registration system.*	Scan & Email the BLUE form of proxy to : assistance@laurelhill.com	Fax to: 1-416-646-2415	Return the BLUE form of proxy in the enclosed envelope.
Non-Registered Shareholders *Shares held with a broker, bank or other intermediary.*	Vote online at www.proxyvote.com	Vote by telephone using the number listed on your BLUE voting instruction form.	Return the BLUE voting instruction form in the enclosed envelope.

EXHIBIT 23

This is Exhibit "23" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Wilks Launches Premium Offer For Calfrac Shares; Calfrac Shareholders Now Have an Unobstructed Path to a Premium Recovery by Voting Against the Management Transaction

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Sep 10, 2020, 06:00 ET

CISCO, Texas, Sept. 10, 2020 /CNW/ - Wilks Brothers, LLC ("**Wilks**") announced today that its affiliate, THRC Holdings L.P., has commenced a formal take-over bid (the "**Offer**") for all of the issued and outstanding common shares of Calfrac Well Services Ltd. ("**Calfrac**", and such shares, the "**Calfrac Shares**") (**TSX: CFW**) for consideration consisting of $0.18 per Calfac Share, in cash. The Offer will remain open until 4:00 p.m. (Toronto time) on December 23, 2020, subject to its terms. The Offer, take-over bid circular and related materials were filed with securities regulators in Canada today and will be mailed to Calfrac Shareholders.

The Offer provides Shareholders of Calfrac with an unobstructed path to receive a premium-to-market recovery, in cash, if the coercive, insider-led transaction that has been proposed to them by the entrenched board and management of Calfrac (the "**Management Transaction**") does not proceed. This Offer fulfils our commitment to Shareholders, and entirely eliminates Calfrac's baseless threat that Shareholders either vote for the Management Transaction or be eliminated.

The choice is simple for Shareholders: $0.18 per Calfrac Share under the Offer *vs* $0.03 per Calfrac Share under the Management Transaction.

Shareholders can only preserve their right to benefit from the premium recovery under the Offer by VOTING AGAINST the Management Transaction.

Highlights of the Offer:

- **Material Premium to Current Market Price and to Recovery under Management Transaction**

  The consideration per Calfrac Share that will be paid pursuant to the Offer:

  - represents a 20% premium to the market price of the Calfrac Shares on September 1, 2020, the last trading day prior to the date the intention to make the Offer was announced;
  - represents an overwhelming premium to the value per Calfrac Share that Shareholders would receive if the Management Transaction were implemented (on the basis of current market prices).

- **Removes Virtually all Market-Standard Conditions to Create an Actionable Path to Premium Recovery.**

  Our Offer is subject to minimal conditions:

- Beyond the statutorily-required 50% minimum deposit condition (the "**Statutory Minimum Condition**"), our obligation to take up and pay for Calfrac Shares under the Offer is subject only to the following 4 conditions, all of which we expect will be satisfied or waived:

    - that the Management Transaction (i) shall have failed to be approved by the required majorities of the Shareholders of Calfrac at the up-coming Shareholders Meeting and, in particular, but without limitation, shall not have been approved by the majorities required pursuant to the Interim Order and pursuant to MI 61-101; (ii) shall not have been approved by the Court; and (iii) shall have been terminated (the " **Termination Condition**"). The Offer is not available if the Management Transaction proceeds;
    - receipt of regulatory approvals, if required;
    - there being no law expressly prohibiting the completion of the Offer (the Offeror is not currently aware of any such impediment); and
    - an agreement has not been entered into with Calfrac to complete the Wilks' Superior Alternative Transaction.

Any assertion that the Offer is too conditional is simply not credible.

Moreover, we intend to apply for relief from certain of the statutory take-over bid requirements. Specifically**:**

- The "Initial Deposit Period" of 105 days and the Statutory Minimum Condition, are legal requirements of Canadian securities laws that apply to all "unsolicited" take-over bids.

    - In the event that the "Termination Condition" above is met (which we expect it will), we intend to apply to the appropriate securities regulatory authorities in Canada for an order: (i) waiving the Statutory Minimum Condition; and (ii) shortening the Initial Deposit Period in order to allow us to take up and pay for Calfrac Shares deposited to the Offer as soon as all of the conditions to the Offer are satisfied or waived, rather than waiting until the expiry of the Initial Deposit Period.
    - While the grant of such relief is at the discretion of the applicable securities regulatory authorities, we believe that the circumstances in which the Offer is being made justify it being granted.

- **A CCAA filing by Calfrac Will Not Affect our obligation to purchase Calfrac Shares under the Offer.**

Shareholders can only preserve their right to benefit from the premium recovery under this Offer by VOTING AGAINST the Management Transaction.

Copies of the Take-Over Bid Circular and related materials are available at www.afaircalfrac.com and on Calfrac's profile on the Canadian System for Electronic Document Analysis and Retrieval at www.sedar.com.

NOTICE

THIS ANNOUNCEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF THE OFFER OR AN INVITATION TO PURCHASE, OTHERWISE DISPOSE OF OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITY. WILKS HAS FILED A TAKE-OVER BID CIRCULAR AND REALTED MATERIALS WITH VARIOUS SECURITIES COMMISSIONS IN CANADA PURSUANT TO WHICH THE OFFER IS MADE. THE TAKE-OVER BID CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS ENTIRETY BY CALFRAC SHAREHOLDERS AND OTHERS TO WHOM THE OFFER IS ADDRESSED. CALFRAC SHAREHOLDERS (AND OTHERS) WILL BE ABLE TO OBTAIN, AT NO CHARGE, A COPY OF THE OFFER TO PURCHASE, TAKE-OVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND

RETRIEVAL (SEDAR) AT WWW.SEDAR.COM THE OFFER WILL NOT BE MADE IN, NOR WILL DEPOSITS OF SECURITIES BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WILKS MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

QUESTIONS/ VOTING/ TENDERING ASSISTANCE

Shareholders who have questions or require voting or tendering assistance, may contact our communications advisor, proxy solicitation agent, information agent and depositary, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the intention of Wilks to apply to securities regulators for discretionary relief from certain statutory requirements applicable to the bid and the results of such application.

Forward-looking information contained in this Press Release reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Premium Bid, the reaction of the market and Calfrac's shareholders, creditors and customers to

the Premium Bid, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise. Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Management Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

EXHIBIT 24

This is Exhibit "24" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac Notes Receipt of Wilks Brothers Unsolicited Offer; Shareholders Should Take No Action and NOT TENDER Their Shares

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Sep 11, 2020, 06:00 ET

CALGARY, AB, Sept. 11, 2020 /CNW/ - Calfrac Well Services Ltd. ("Calfrac" or the "Company") (TSX: CFW) acknowledges receipt of an unsolicited offer by THRC Holdings L.P., an affiliate of Wilks Brothers, LLC, to acquire all of the Calfrac common shares that it and its affiliates do not already own.

Take No Action on the Offer

The unsolicited offer will be reviewed by the Special Committee and the Board of Directors with the assistance of their financial and legal advisors. Calfrac's Board of Directors will file a directors' circular in due course.

Calfrac shareholders are advised to **TAKE NO ACTION on the Offer and NOT TO TENDER THEIR SHARES.** Calfrac's Board of Directors will be issuing a directors' circular in response to the offer. Shareholders will be notified of any recommendation of the Board of Directors through a news release.

Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout

western Canada, the United States, Argentina and Russia.

SOURCE Calfrac Well Services Ltd.

For further information: Scott Treadwell, Vice President, Capital Markets and Strategy, Telephone: (403) 266-6000

Related Links

http://www.calfrac.com

EXHIBIT 25

This is Exhibit "25" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac Postpones Shareholders and Noteholders Meetings to September 29; Advises Shareholders Not to Take Any Actions with Respect to Wilks Brothers' Unsolicited Offer

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Sep 14, 2020, 06:00 ET

CALGARY, AB, Sept. 14, 2020 /CNW/ - Calfrac Well Services Ltd. ("Calfrac" or the "Company") (TSX: CFW) announces the postponement of the shareholders and unsecured noteholders meetings with respect to its proposed Recapitalization Transaction from September 17, 2020 to September 29, 2020.

As announced on Friday September 11, 2020, the unsolicited offer by an affiliate of Wilks Brothers, LLC will be reviewed by the Special Committee and the Board of Directors of Calfrac, with the assistance of their financial and legal advisors. Calfrac's Board of Directors will file a directors' circular with its formal recommendation to Calfrac shareholders on or prior to September 24, 2020. As part of its process, the Company will also consider the ability of the proposed Wilks Brothers, LLC unsolicited offer to be completed on its terms without the support of Calfrac's unsecured noteholders, and the legal rights and positions of such parties. The postponement of the meetings will ensure shareholders and unsecured noteholders have all of the current facts and recent information prior to the meetings. The Company, with the support of the consenting unsecured noteholders, will continue to focus on and advance the Recapitalization Transaction during the review process.

Calfrac shareholders are advised to **TAKE NO ACTION on the Offer and NOT TO TENDER THEIR SHARES.**

Shareholders will be notified of any material developments relating to Calfrac's Recapitalization Transaction, as well as the recommendation of the Board of Directors with respect to Wilks Brothers' proposal, through news releases.

Shareholders and Unsecured Noteholders should **VOTE FOR** the Recapitalization Transaction, only on the Company's White Proxy/VIF. **DO NOT** vote on the Wilks Brothers Blue Proxy/VIF.

Any questions or requests for further information regarding voting at the meetings should be directed to **Kingsdale Advisors by: (i) telephone, toll-free in North America at 1-877-659-1822 or at 416-867-2272 outside of North America; or (ii) e-mail to** contactus@kingsdaleadvisors.com.

Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the proposed Recapitalization Transaction, the pending Directors' Circular of the Company, and the Company's intentions and expectations regarding future announcements regarding the Recapitalization Transaction.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Recapitalization Transaction will be completed as proposed; economic and political

environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; default under the Company's credit facilities and/or the Company's senior notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing shareholders and holders of Unsecured Notes to vote in favour of the Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Recapitalization Transaction or the Offering, global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 10, 2020 and filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.

SOURCE Calfrac Well Services Ltd.

For further information: Scott Treadwell, Vice President, Capital Markets and Strategy,
Telephone: (403) 266-6000, Fax: (403) 266-7381

Related Links

http://www.calfrac.com

EXHIBIT 26

This is Exhibit "26" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac Shareholders: There Are 26 Million Reasons to Vote Against the Management Transaction

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Sep 11, 2020, 09:00 ET

- *Wilks reminds Calfrac shareholders to vote **AGAINST** the Management Transaction*
- *$0.18 per Calfrac share under Wilks' Premium Offer is far superior to $0.03 per Calfrac share under the insider-led Management Transaction.*
- *Calfrac's share price would need to improve by approx. 575% for the Management Transaction to deliver Shareholders the same value as the Wilks Premium Offer*
- *The proxy deadline for the **BLUE** proxy is September 14, 2020 at 5pm MST.*
- *Get the **FACTS** at www.afaircalfrac.com.*

CISCO, Texas, Sept. 11, 2020 /CNW/ - Wilks Brothers, LLC ("**Wilks**") reminds Shareholders of Calfrac Well Services Ltd. ("**Calfrac**") (TSX: CFW) to vote **AGAINST** Calfrac's insider-led Recapitalization Transaction (the "**Management Transaction**") in advance of the special meeting of Shareholders to be held on September 17, 2020 (the "**Meeting**") by using ONLY their **BLUE** proxy form. The proxy deadline for the BLUE proxy is September 14, 2020 at 5pm MST.

The Management Transaction will not solve Calfrac's problems and Shareholders will pay the price:

The Management Transaction is an extraordinarily bad deal for Shareholders and they should vote AGAINST it on that basis alone. However, it also is a bad deal for Calfrac because it does not solve Calfrac's over-leverage problem or position it for future success:

- It actually **increases** the amount of Calfrac's secured debt;
- It leaves Calfrac with no less than $349 million in debt and $31 million in annual debt service requirements;
- It massively dilutes the current Shareholders and delivers control of Calfrac to a small group of self-selected creditors and insiders;
- It will not provide Calfrac with the capital it needs to grow or even maintain its business – of the $60 million in "new" money that is coming into Calfrac, $45 million of it is to be used to reduce bank debt;
- The entrenched Board and management have provided essentially no information as to how they propose that an overleveraged and undercapitalized Calfrac will compete in an extraordinarily challenging environment for energy service companies; and
- G2S2 Capital, who will be the largest shareholder of Calfrac if the Management Transaction is implemented, is a significant shareholder of one of Calfrac's principal competitors, Trican Well Services Ltd.

The Management Transaction is another in a continuing series of half-baked and ultimately unsuccessful debt restructurings of major companies under the *Canada Business Corporations Act* in recent years. Each of Delphi Energy Corp., Bellatrix Exploration Ltd., Connacher Oil and Gas Limited, Nemaska Lithium Inc., and Banro Corporation all completed CBCA debt restructurings only to end up filing for protection from their creditors under the *Companies Creditors Arrangement Act* ("CCAA") within a very short period of time afterwards. What small value the shareholders retained was completely eliminated in the CCAA process.

Wilks believes that if the Management Transaction is approved, Calfrac will soon be on that same path and its current Shareholders will pay the price.

Wilks offers superior solutions:

On August 4, 2020, Wilks proposed a comprehensive restructuring plan to Calfrac. The "Superior Alternative Proposal" deals with every level of Calfrac's capital structure, provides superior recoveries to Shareholders and results in a significantly de-levered Calfrac ($95 million

in debt, $5 million in annual debt service requirements).

Calfrac rejected the Superior Alternative Proposal on the basis that it would not be approved by the self-interested group of creditors and insiders that stand to receive substantial benefits from the Management Transaction that are not available to Shareholders. Shareholders were then threatened with a CCAA filing and no recovery if the Management Transaction did not proceed.

To provide Shareholders with an unobstructed path to a premium recovery, Wilks launched a formal take-over bid on September 9, 2020 to acquire all of Calfrac's common shares for $0.18 per share (the "**Premium Offer**"), a 20% premium to the market price of the Calfrac Shares on September 1, 2020, the last trading day prior to the date the intention to make the Offer was announced, and an overwhelming premium to the value per Calfrac Share that Shareholders would receive if the Management Transaction were implemented.[1]

The Premium Offer provides a highly attractive cash recovery to Shareholders even if Calfrac makes good on its implied threat to commence proceedings under the CCAA should the Management Transaction not proceed.

Under the terms of the Premium Offer, Shareholder recovery will NOT be threatened by a CCAA filing. The Premium Offer will nullify the threats made to Shareholders by the entrenched Board and management of Calfrac by guaranteeing a premium-to-market recovery to Shareholders.

Shareholders have a very clear choice:

- **Vote AGAINST the Management Transaction and preserve the right to benefit from the premium recovery of $0.18 per Calfrac Share under Wilks' Premium Offer**

OR

- Support the Management Transaction and receive $0.03 per Calfrac Share under the Management Transaction[1], which may ultimately be wiped out;

The conflict-riddled Management Transaction is simply no match for the Premium Offer. In order to match the Premium Offer, Calfrac's share price would require an improvement of ~575% over where Management has disclosed it expects Calfrac's shares to trade upon completion of their highly dilutive proposal. Thus, Shareholders' recovery under the Management Transaction would match the Premium Offer only if the total enterprise value of Calfrac were to reach $1 billion[2], far in excess of the less than $400 million enterprise value assigned by Management to Calfrac in their proposal. The prospect for such a recovery under the Management Transaction would be highly uncertain, years away, and realistically only among the most optimistic scenarios for a recovery to Shareholders under the Management Transaction.

In contrast, the Premium Offer of $0.18 per Calfrac share would provide **an immediate floor** for recovery to Shareholders: If finally accepted once the Management Transaction has been defeated, our Superior Alternative Proposal would provide **even greater** upside potential for Shareholders.

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1 Based on the Company's disclosure in the July 13, 2020 Recapitalization Transaction Announcement Presentation of a $50 million Plan Equity Value, Existing Shareholders' 7.8% pro forma share ownership, and 1,877 million total common shares outstanding (pre-dilution).

2 $0.18 × 4,128mm shares + $295mm = $1,038mm. Shares outstanding and pro forma debt are sourced from the Company's July 13, 2020 Recapitalization Transaction Announcement Presentation.

Leading independent proxy advisor recommends voting AGAINST and other advisors and analysts agree that the insider deal is conflicted, excessively dilutive to Shareholders, and inferior to Wilks' solutions:

Don't just take our word for it. Leading independent proxy advisory firm ISS agrees that Wilks' Superior Alternative Proposal, backstopped by the Premium Offer, is in the best interests of Shareholders:

> **"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".** – Institutional Shareholder Services Inc. ("ISS"), September 5, 2020

Another proxy advisory firm also has expressed reservations about the conflicts in the Management Transaction and the excessive dilution of the Management Transaction on Shareholders:

> **"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".** – Glass Lewis & Co., September 4, 2020

Other independent analysts similarly agree:

> **"In our view, the new Wilks Bros restructuring proposal is unambiguously superior to the original proposal for equity holders and 2nd lien noteholders."** – Raymond James Ltd., August 4, 2020

> **"We believe that should the Wilks proposal succeed, Calfrac's survivability would be materially improved and have raised our target from zero to $0.15 (13.5x 2021 EV/EBITDA) and rating to Market Perform from Reduce on the potential success of the deal and deleveraging of the Company."** – Cormark Securities Inc., August 5, 2020

Your vote is necessary to STOP the Management Transaction. Vote BLUE Today.

Shareholders can only preserve their right to benefit from the premium recovery under the Premium Offer by first defeating the Shareholder vote on the Management Transaction. Shareholders should vote **BLUE** and **AGAINST** the Management Transaction.

The proxy deadline for the BLUE proxy is September 14, 2020 at 5pm MST. Click here for voting instructions.

If you have already voted AGAINST the Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by Management, you may still change your vote and protect your economic interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

Need help voting? Please contact Laurel Hill Advisory Group as noted below.

QUESTIONS/ VOTING/ TENDERING ASSISTANCE

Shareholders who have questions or require voting or tendering assistance, may contact our communications advisor, proxy solicitation agent, information agent and depositary, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

NOTICE

THIS ANNOUNCEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF THE OFFER OR AN INVITATION TO PURCHASE, OTHERWISE DISPOSE OF OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITY. WILKS HAS FILED A TAKE-OVER BID CIRCULAR AND RELATED MATERIALS WITH VARIOUS SECURITIES COMMISSIONS IN CANADA PURSUANT TO WHICH THE OFFER IS MADE. THE TAKE-OVER BID CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS ENTIRETY BY CALFRAC SHAREHOLDERS AND OTHERS TO WHOM THE OFFER IS ADDRESSED. CALFRAC SHAREHOLDERS (AND OTHERS) WILL BE ABLE TO OBTAIN, AT NO CHARGE, A COPY OF THE OFFER TO PURCHASE, TAKE-OVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR) AT WWW.SEDAR.COM. THE OFFER WILL NOT BE MADE IN, NOR WILL DEPOSITS OF SECURITIES BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WILKS MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the intention of Wilks to apply to securities regulators for discretionary relief from certain statutory requirements applicable to the bid and the results of such application.

Forward-looking information contained in this Press Release reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Premium Bid, the reaction of the market and Calfrac's shareholders, creditors and customers to the Premium Bid, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as

of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise. Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Management Transaction are legally permissible, appropriate or capable of implementation.

@aFairCalfrac

www.afaircalfrac.com

SOURCE Wilks Brothers, LLC.

For further information: Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

EXHIBIT 27

This is Exhibit "27" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

The Two Leading Proxy Advisory Firms Unanimously Recommend Shareholders Vote Against the Calfrac Management Transaction

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Sep 11, 2020, 18:47 ET

- *Glass Lewis reverses their original recommendation and now both Glass Lewis and ISS recommend that Shareholders vote **AGAINST** the Management Transaction.*
- *When viewed alongside the significant sell-side analysts' support of Wilks' Superior Alternative Proposal, it is clear that the market recognises that Calfrac Shareholders will not benefit from the insider-led Management Transaction.*
- *The proxy deadline for the **BLUE** proxy is September 14, 2020 at 5pm MST.*
- *Get the **FACTS** at www.afaircalfrac.com.*

CISCO, Texas, Sept. 11, 2020 /CNW/ - Wilks Brothers, LLC ("**Wilks**") is pleased to announce that proxy advisory firm Glass Lewis & Co. ("**Glass Lewis**") has today ***reversed*** its original voting recommendation and now recommends, that Shareholders of Calfrac Well Services Ltd. ("**Calfrac**") (TSX: CFW) vote **AGAINST** Calfrac's Recapitalization Transaction (the "**Management Transaction**") at the special meeting of Shareholders to be held on September 17, 2020 (the "**Meeting**").

Glass Lewis makes the following compelling points, considering both the Wilks "Superior Alternative Proposal" and the Wilks' premium take-over bid which was launched on September 9, 2020 (the "**Premium Offer**") in contrast to the conflict-ridden Management Transaction, in recommending that Shareholders now vote **AGAINST** the Management Transaction and all other items at the Meeting:

"In light of the formal launch of the Wilks Offer ... and the Company's announcement ... 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". *(emphasis added)*

"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".

"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". *(emphasis added)*

"... 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".

This revised Glass Lewis recommendation follows the recommendation of another leading independent proxy advisory firm, ISS, that Wilks' Superior Alternative Proposal, backstopped by the Premium Offer, is in the best interests of Shareholders:

"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". – Institutional Shareholder Services Inc. ("**ISS**"), September 5, 2020

Shareholders have a very clear choice:

- **Vote AGAINST the Management Transaction and preserve the right to benefit from the premium recovery of $0.18 per Calfrac Share under Wilks' Premium Offer**

OR

- Support the Management Transaction and receive $0.03 per Calfrac Share in new stock under the Management Transaction[1], such stock may ultimately be wiped out due to the excessive debt leverage, including additional secured debt, resulting from the Management Transaction;

Your vote is necessary to STOP the Management Transaction. Vote BLUE Today.

Shareholders can only preserve their right to benefit from the premium recovery under the Premium Offer by first defeating the Shareholder vote on the Management Transaction. Shareholders should vote **BLUE** and **AGAINST** the Management Transaction.

The proxy deadline for the BLUE proxy is September 14, 2020 at 5pm MST. Click here for voting instructions.

If you have already voted AGAINST the Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by Management, you may still change your vote and protect your economic interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

Need help voting? Please contact Laurel Hill Advisory Group as noted below.

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[1] Based on the Company's disclosure in the July 13, 2020 Recapitalization Transaction Announcement Presentation of a $50 million Plan Equity Value, Existing Shareholders' 7.8% pro forma share ownership, and 1,877 million total common shares outstanding (pre-dilution).

QUESTIONS/ VOTING/ TENDERING ASSISTANCE

Shareholders who have questions or require voting or tendering assistance, may contact our communications advisor, proxy solicitation agent, information agent and depositary, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

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ADDITIONAL DISCLOSURE

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Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

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Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise. Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Management Transaction are legally permissible, appropriate or capable of implementation.

Twitter: @aFairCalfrac

Website: www.afaircalfrac.com

SOURCE Wilks Brothers, LLC.

For further information: Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com

EXHIBIT 28

This is Exhibit "28" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac Cannot Run From its Independent Shareholders who Deserve a Premium Recovery. Delaying Their Meeting Only Delays the Inevitable

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Sep 15, 2020, 06:00 ET

CISCO, Texas, Sept. 15, 2020 /CNW/ - Something has changed.

Calfrac Well Services Ltd.'s ("Calfrac") (TSX: CFW) announcement yesterday that they are postponing the Shareholders meeting that was to take place this Thursday, September 17, is confirmation that Shareholders do not support the coercive Management Transaction. Calfrac's Board and management are now playing for time in the face of mounting opposition and broad recognition in the market and by leading analysts and advisory firms that the Management Transaction is not good for Calfrac or for its Shareholders.

While Calfrac can delay the inevitable, it is clear that Shareholders have recognised that the Management Transaction is the **Worst** of the three possible outcomes presented to them and they will vote accordingly.

Under the Management Transaction, Shareholders suffer immediate, massive and continuing dilution, and will retain only a small stake in an over-levered and cash-starved company which has no clear path to success and is likely headed towards a further restructuring that will completely eliminate shareholder value. This is true for all Shareholders except the Company's Chairman, Mr. Ron Mathison, who will retain his value as the only shareholder allowed to participate in the offering for the 1.5 Lien Notes.

In contrast to the Shareholders' fate, if the Management Transaction proceeds a self-selected group of unsecured creditors will reap the benefits of the "payment in kind" financing that is part of the Management Transaction. That self-selected group will also benefit from the payment of a $1.5 million "Commitment Fee"; part of an estimated $19 million in expenses that Calfrac will incur in implementing the Management Transaction.

A **Better** outcome for Shareholders is the Premium Offer made by an affiliate of Wilks Brothers LLC ("**Wilks**") on September 9, 2020. The Premium Offer delivers a premium recovery of $0.18 per Calfrac Share, in cash, provided that the Management Transaction is not approved at the (now postponed) Shareholders Meeting.

The **Best** outcome for all stakeholders is the Wilks Superior Alternative Proposal, delivered to Calfrac on August 4, 2020 and summarily rejected by Calfrac's Board and Special Committee shortly thereafter.

The fact is that the Board of Calfrac has failed to protect the interests of Shareholders. The Board agreed with a self-selected group of Calfrac's unsecured noteholders that they would have a veto right over Calfrac's ability to advance any financially superior transaction. In doing so, it foreclosed any possibility that Calfrac could pursue an alternative transaction (including the Alternative Superior Proposal) through a CBCA plan of arrangement that delivers superior value to **all** stakeholders.

Calfrac's "Review" of the Premium Offer is Pre-Ordained and Merely a Delay Tactic

The Premium Offer is conditioned on Shareholders voting against the Management Transaction. A recommendation by the Board to accept the Premium Offer would be the same as directing Shareholders to vote against the Management Transaction. So, when Calfrac says

that it will provide Shareholders its recommendations on the Premium Offer by "...consider[ing] the ability of the proposed Wilks Brothers LLC unsolicited offer to be completed on its terms without the support of Calfrac's unsecured noteholders..." it is messaging that the result of the "review" of the Premium Offer by the Special Committee and the Board is pre-ordained.

The Special Committee and Board are contractually required to recommend against acceptance of the Premium Offer unless more than 2/3 of the unsecured noteholders give them permission to do otherwise – meaning they cannot evaluate the Premium Offer solely on its merits. The so-called "review" is a complete façade, and is designed only to provide the Board with more time to try and convince shareholders to vote against their own economic interests.

As we have said in the past, the purpose of the Premium Offer is to deliver the value to Shareholders that Calfrac and its immobilized Board cannot, and without regard to the views of the unsecured noteholders. Ideally, Wilks would like to see a restructuring of Calfrac through the Alternative Superior Proposal that delivers superior value to all stakeholders and results in a de-levered and financially sound company that will be positioned to be a strong participant in the coming consolidation of the oilfield services industry. So far, that does not seem possible, so Wilks has elected to protect Calfrac's shareholders directly.

The choice for Shareholders is clear. Vote the BLUE proxy today AGAINST the Management Transaction to preserve your ability to receive a premium recovery.

The proxy deadline for the BLUE proxy will be extended. We will communicate further details once Calfrac confirms their new proxy deadline.

Click here for voting instructions.

If you have already voted AGAINST the Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by Management, you may still change your vote and protect your economic

interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

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Webpage: www.afaircalfrac.com

Twitter: @aFairCalfrac

SOURCE Wilks Brothers, LLC.

EXHIBIT 29

This is Exhibit "29" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac - Let Your Shareholders' Voices Be Heard

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Sep 23, 2020, 17:00 ET

CISCO, Texas, Sept. 23, 2020 /CNW/ - It is now well over a week since both ISS and Glass Lewis recommended that Shareholders of Calfrac Well Services Ltd. ("**Calfrac**") (TSX: CFW) vote **AGAINST** the Management Transaction, likely causing Calfrac to announce the postponement of the special meeting of its shareholders. While the shareholder meeting has been rescheduled for September 29, it is not clear, today when the Meeting will actually take place. Calfrac has not provided any further information to the market and Shareholders have not, for example, been advised as to any deadline for the deposit of proxies for the meeting.

Notwithstanding Calfrac's wavering, the course of action for Calfrac Shareholders has always been crystal clear: You should preserve your unobstructed path to a premium recovery by voting **AGAINST** and defeating the coercive, insider-led transaction that has been proposed by the Board and management of Calfrac (the "**Management Transaction**").

The premium offer to acquire all of Calfrac's shares (the "**Offer**") made by an affiliate of Wilks Brothers LLC ("**Wilks**"), in which shareholders can receive $0.18 per share, in cash, is a vastly superior alternative for shareholders to the coercive Management Transaction. It always will be. The Offer provides Shareholders of Calfrac with an unobstructed path to receive a premium-to-market recovery, in cash, if the coercive, insider-led Management Transaction does not proceed.

Either later today or tomorrow, we expect that Calfrac will issue its director's circular setting out the Board's "recommendation" to shareholders in respect of the Offer. As we have previously stated, we believe that it is inevitable that the Board will recommend that shareholders not accept the Offer, as they tied their hands by providing a self-selected group of Calfrac's unsecured creditors with a veto right over their own decision making on a financially superior transaction.

Shareholders should not be distracted by what the management and a conflicted Board of Calfrac will predictably say about the Offer or about Wilks. No matter what they say, the fact remains that they are not offering shareholders a premium to market recovery and Wilks is.

The two leading proxy advisory firms, Institutional Shareholder Services, Inc. and Glass Lewis & Co. unanimously recommend that Shareholders vote **AGAINST** the Management Transaction. Glass Lewis & Co, in reversing its previous position stated:

"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". (emphasis added).*

It appears that Calfrac knows the Management Transaction is not defensible. In an unprecedented move, it filed an application with the Court of Queens Bench of Alberta on September 22, 2020 seeking to prevent Calfrac from having to provide any documentation that Wilks, a major shareholder of Calfrac had requested and which would be relevant to an assessment of whether the Management Transaction is, as is required by law, "fair and reasonable" and the basis for the so-called "fairness opinions" that were obtained by Calfrac's Board. In essence, the Board and management of Calfrac are asserting that, notwithstanding their obligation to prove to the Court that the Management Transaction is "fair and reasonable" they have no obligation to provide supporting evidence that can be examined and challenged by the stakeholders whose rights are being affected.

The Board and Management of Calfrac know that the Management Transaction is in trouble. They are resorting to increasingly oppressive measures to attempt to avoid justifying the conflict riddled transaction to the market and to shareholders.

Wilks intends to provide Shareholders with a further update and additional information, following Calfrac's release of its Directors' circular. Stay tuned.

Click here for voting instructions or learn more at www.afaircalfrac.com.

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DENISE H. BRUNSDON
Barrister & Solicitor

Calfrac Announces Amended Recapitalization Transaction with Improved Economics and Optionality for Shareholders; Meeting Date Postponed to Permit Securityholders to Consider Amended Terms; Calfrac Board Unanimously Rejects Wilks Brothers' Offer and Recommends Shareholders Not Tender; Files Directors' Circular Recommending AGAINST Wilks Brothers' Offer

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Sep 24, 2020, 08:45 ET

- ***Calfrac's Amended Recapitalization Transaction is the best alternative for Shareholders. It remains the only transaction being voted on at the upcoming Meetings and the only transaction capable of implementation. Today's amendments provide Shareholders with significantly improved economics, optionality and certainty***

- ***Shareholders can elect to receive $0.15 in cash per Common Share AND receive two Warrants***

- ***Alternatively, Shareholders can elect to retain their Common Shares AND receive two Warrants***

- ***Each Warrant entitles the Shareholder to purchase one Common Share of Calfrac for a period of three years at a price of $0.05 per Common share (on a pre-consolidation basis)***

- ***Calfrac's Senior Unsecured Noteholders, to whom Calfrac is indebted in the amount of US$431.8 million in principal, plus accrued interest, continue to support the Amended Recapitalization Transaction***

- ***The Amended Recapitalization Transaction preserves Calfrac's independence, as well as its ability to pursue and consummate future value-enhancing or change of control transactions, in more advantageous market conditions. The issuance of Warrants provides Shareholders with further upside***

- ***In the event that the Amended Recapitalization Transaction is not completed Company has agreed to implement the original Recapitalization Transaction (without the cash option or the warrants) under CCAA proceedings. Under CCAA proceedings, Shareholders can expect to receive a reduced recovery than they would receive under the Amended Recapitalization Transaction***

- ***The Wilks Brothers Offer is not in the best interests of Calfrac or its Shareholders. There is no reasonable prospect of the Wilks Brothers Offer being completed and it does not address the obligations under the Senior Unsecured Notes that rank in priority to Shareholders***

- ***The situation is unchanged. The Calfrac Board of Directors continues to unanimously recommend Shareholders and Senior Unsecured Noteholders VOTE FOR the Amended Recapitalization Transaction Only on the White Management Proxy/VIF***

- ***DO NOT vote on the Wilks Brothers Blue Proxy/VIF***

- ***TAKE NO ACTION and DO NOT TENDER your shares to Wilks Brothers' hostile takeover bid***

CALGARY, AB, Sept. 24, 2020 /CNW/ - Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) announced today that it has negotiated amendments to its proposed recapitalization transaction (the "**Original Recapitalization Transaction**"), described in the Company's management information circular dated August 17, 2020 (the "**Information Circular**"), following discussions with certain holders ("**Senior Unsecured Noteholders**") of Calfrac Holding LP's outstanding 8.50% senior unsecured notes due 2026 (the "**Senior Unsecured Notes**") that will provide greater value for Calfrac's shareholders than any other viable alternative.

Summary of Amended Recapitalization Transaction

The amended Recapitalization Transaction (the "**Amended Recapitalization Transaction**") provides for improved economics for the holders (the "**Shareholders**") of the Company's common shares ("**Common Shares**"). It also provides an option for Shareholders to either retain or monetize their Common Shares (subject to proration as described below), while receiving Warrants (as defined below) to continue to participate in the future of Calfrac, in either case. The following are additions to the existing terms of the Original Recapitalization Transaction:

- each Shareholder will have the opportunity to elect for Calfrac to repurchase all or any portion of the Common Shares held by such Shareholder (the "**Shareholder Cash Election**") for $0.15 per share (on a pre-consolidation basis), subject to maximum aggregate consideration in respect of the Shareholder Cash Election of $10 million; and

- each Shareholder will receive two (2) common share purchase warrants (the "**Warrants**") for each Common Share held (whether or not such Shareholder has elected to participate in the Shareholder Cash Election), with each Warrant exercisable for a period of three years into one Common Share at a price of $0.05 per Common Share (on a pre-consolidation basis) or $2.50 per Common Share (on a post-consolidation basis).

"A consensual transaction supported by our stakeholders has been a key focus for Calfrac," said Lindsay R. Link, President and Chief Operating Officer of Calfrac. "We believe that the amended terms deliver increased benefits to our shareholders; and that the transaction provides the best available alternative for our stakeholders. We believe that the transaction is in the best interests of the Company and our stakeholders, and that we will receive clear and strong support following the announcement of the amended terms".

The Amended Recapitalization Transaction is the result of lengthy negotiations with Senior Unsecured Noteholders, and the advice of legal and financial advisors under the guidance of the special committee (the "**Special Committee**") of the board of directors of the Company (the "**Board**"). Upon the recommendation of the Special Committee, the Board unanimously recommends that Senior Unsecured Noteholders and Shareholders support and **VOTE FOR** the Amended Recapitalization Transaction using only the **White Management Proxy/VIF**. Shareholders that have previously voted against the Original Recapitalization Transaction are encouraged to vote again **FOR** the Amended Recapitalization Transaction, based on the significant improvement in value to Shareholders. Only your last vote will be counted.

Clear Benefits of Calfrac's Amended Recapitalization Transaction

Calfrac continues to have an urgent need to recapitalize itself. Calfrac remains in default of its indebtedness to the Senior Unsecured Noteholders, in the amount of US$431.8 million in principal, plus accrued interest. The support of the Senior Unsecured Noteholders is required for the successful conclusion of any transaction.

- The Amended Recapitalization Transaction provides significantly improved value to Shareholders while also enabling those that may wish to monetize their investment with a cash election to do so. Shareholders can keep their newly enhanced equity Warrant exposure AND cash out all or part of their equity entitlement (subject to any proration as described below). Alternatively, those that want to remain invested can retain both.

- The provision of equity Warrants provides Shareholders with significant value and exposure to the upside potential of a recapitalized Calfrac when the market for its services improves.

- The Amended Recapitalization Transaction preserves Calfrac's independence, free of competitor control and able to pursue future value enhancing or change of control transactions, in more advantageous market conditions.

- The Amended Recapitalization Transaction can be implemented and provides certainty.

- Calfrac's Board, on the recommendation of the Special Committee, has issued its Directors' Circular and is unanimously recommending REJECTING Wilks Brothers' unsolicited tender offer, which is highly unlikely to be completed, seeks to avoid compliance with Canadian take-over bid legislation and does not represent a better alternative to the Amended Recapitalization Transaction. Shareholders are advised to TAKE NO ACTION and NOT TENDER their shares to a bid that very likely will never be taken up. Shareholders that may have already tendered their shares are reminded they have the right to WITHDRAW their tender.

Shareholders and Unsecured Noteholders should **VOTE FOR** the Amended Recapitalization Transaction only on the White Management Proxy/VIF. **DO NOT** vote on the Wilks Brothers Blue Proxy/VIF.

TAKE NO ACTION with respect to the Wilks Brothers hostile take-over bid and **DO NOT TENDER** your shares to the offer.

Meeting Date Postponed to October 16 to Permit Securityholders to consider Amended Terms

To permit Shareholders and Senior Unsecured Noteholders to consider the Amended Recapitalization Transaction, on September 29, 2020, Calfrac has postponed the Senior Unsecured Noteholders' meeting (the "**Senior Unsecured Noteholders' Meeting**") and Shareholders' meeting (the "**Shareholders' Meeting**" and together with the Senior Unsecured Noteholders' Meeting, the "**Meetings**"), currently scheduled for September 29, 2020, to October 16, 2020.

In connection with the Amended Recapitalization Transaction, Calfrac continues to have the support of the holders of the Initial Consenting Noteholders and holders of approximately 25% of the outstanding Common Shares. Such Senior Unsecured Noteholders and Shareholders have agreed to vote in favour of the Company's amended plan of arrangement (the "**Plan of Arrangement**") pursuant to which the Amended Recapitalization Transaction is to be implemented in the Company's proceedings under the *Canada Business Corporations Act* (the "**CBCA**").

The Company is also announcing that the Funding Deadline and the Commitment Party Funding Deadline, as such terms are defined in the Information Circular, in respect of the offering of the Company's new 10% senior secured convertible payment-in-kind notes (the "**New 1.5 Lien Notes**") have been extended to October 21, 2020 and October 23, 2020, respectively. Similarly, the Early Consent Date, as defined in the Information Circular, has been extended to October 2, 2020.

Calfrac Board Unanimously Rejects Wilks Brothers Offer and Recommends Shareholders Not Tender

The Special Committee has carefully reviewed all of the elements, and all of the terms and conditions, of the take-over bid of Wilks Brothers dated September 9, 2020 (the "**Wilks Brothers Offer**"). The Board, on recommendation of the Special Committee, has unanimously determined that the Wilks Brothers Offer is not in the best interests of Calfrac or its Shareholders and is not reasonably capable of being completed given Calfrac's circumstances and debt obligations.

Accordingly, the Board **UNANIMOUSLY** recommends that Shareholders **REJECT** the Wilks Brothers offer, **TAKE NO ACTION** and **NOT TENDER** Common Shares to the Wilks Brothers offer.

- the Amended Recapitalization Transaction provides greater value to Shareholders than a CCAA proceeding;

- Calfrac's Amended Recapitalization Transaction is an executable transaction that provides Shareholders with improved economics and greater optionality and certainty than any alternative to the Amended Recapitalization Transaction;

- it is in the best interests of Calfrac to pursue Calfrac's Amended Recapitalization Transaction;

- there is no reasonable prospect that the Wilks Brothers Offer will be completed as it does not address the US$431.8 million in principal, plus accrued interest, owing in respect of the Senior Unsecured Notes. The claims of Senior Unsecured Noteholders rank in priority to the claims of Shareholders;

- The Initial Consenting Noteholders have agreed to the enhanced economics for Shareholders under the Amended Recapitalization Transaction with a view to completing the transaction on a consensual and efficient basis for the benefit of the Company and its stakeholders. However, if the Amended Recapitalization Transaction is not completed, the Senior Unsecured Noteholders are expected to exercise their rights to complete the Original Recapitalization Transaction (without the Shareholder Cash Election or Warrants) in a CCAA proceeding. In this scenario, the Wilks Brothers Offer will not be completed because it is conditional on the Amended Recapitalization Transaction being terminated;

- in the event that the Amended Recapitalization Transaction is not completed and CCAA proceedings are commenced, Shareholders can expect to receive a reduced recovery than they would receive under the Amended Recapitalization Transaction; and

- the Wilks Brothers Offer must meet the statutory minimum condition of shares representing more than 50% of the Common Shares that it does not already own being tendered. This condition cannot be waived by Wilks Brothers, although it has indicated its intention to seek an exemption to this rule. Shareholders should be aware that there is no precedent for a waiver of the statutory minimum condition which is at the very heart of the take-over bid rules. This condition to the Wilks Brothers Offer is highly unlikely to be met and therefore the likelihood of Shareholders receiving any value under the Wilks Brothers Offer is remote.

The Amended Recapitalization Transaction is the best alternative for Shareholders.

Should the Amended Recapitalization Transaction not be approved by Senior Unsecured Noteholders and Shareholders, in the absence of any transaction that is capable of receiving broad support throughout the Company's capital structure, the Company expects to proceed to complete the original Recapitalization Transaction (without the cash option or the warrants) under CCAA proceedings, with the support and at the request of the Senior Unsecured Noteholders. Completion of the transaction under the CCAA will result in a reduced recovery to Shareholders as compared to the Amended Recapitalization Transaction.

Further details regarding the Special Committee's and Board's recommendation are available in the Board's Directors' Circular available on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com.

Details of Amended Recapitalization Transaction

The Company will file a material change report describing the Amended Recapitalization Transaction (the "**Material Change Report**") on Calfrac's SEDAR profile at www.sedar.com. The Material Change Report, which will include a copy of this news release, will be deemed to be incorporated by reference in the Information Circular, and shall constitute an amendment to the Information Circular, pursuant to the interim order (the "**Interim Order**") of the Court of Queen's Bench of Alberta dated August 7, 2020. The Information Circular has been posted on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com. Capitalized terms used in this press release and not otherwise defined shall have the meanings given to such terms in the Information Circular.

Shareholder Cash Election

Pursuant to the Plan of Arrangement, all Existing Shareholders shall be provided with the opportunity to elect to have Calfrac repurchase all or any portion of Common Shares held by such Shareholder for $0.15 per share (the "**Cash Election Amount**"); provided, however, that if elections in excess of $10 million are received, then the aggregate Cash Election Amount shall be pro-rated amongst the total number of pre-Share Consolidation Common Shares tendered,

with Shareholders retaining the remaining Common Shares not repurchased. Shareholders holding an aggregate of 32,914,259 pre-Share Consolidation Common Shares (or approximately 22.6% of the Common Shares outstanding), including MATCO Investments Ltd. ("**MATCO**") and all of the directors and officers of the Company have committed not to elect the Shareholder Cash Election.

Existing Shareholders who do not elect to tender their Common Shares to the Shareholder Cash Election shall retain their Common Shares, subject to the consolidation of the Common Shares on the basis of one (1) Common Share on a post-consolidation basis for every 50 Common Shares on a pre-consolidation basis (the "**Share Consolidation**") upon completion of the Amended Recapitalization Transaction.

Warrants

Pursuant to the Plan of Arrangement, each Shareholder will receive (whether or not such Shareholder has elected to participate in the Shareholder Cash Election), for each Common Share (on a pre-consolidation basis) held immediately prior the Effective Time, two (2) Warrants. Each Warrant is exercisable for one pre-consolidation Common Share for a period of three (3) years following the effective date of the Plan of Arrangement (the "**Effective Date**"), with an exercise price of $0.05 per Common Share. Following the Share Consolidation, the number of Warrants outstanding will also be consolidated on a 50 to one basis, with each whole Warrant entitling the holder thereof to acquire one post-Share Consolidation Common Share at a price of $2.50 per Common Share. Calfrac has applied to the Toronto Stock Exchange (the "**TSX**") for the listing of the Warrants and the Common Shares issuable on exercise of the Warrants, which listing would remain subject to the approval of the TSX and the satisfaction of any listing conditions required by the TSX.

The current Common Shares will represent 8% of the Common Shares outstanding immediately following implementation of the Amended Recapitalization Transaction, calculated on a non-diluted basis and excluding the Commitment Consideration Shares and any Common Shares repurchased pursuant to the Shareholder Cash Election.

New 1.5 Lien Term Loans

In connection with the Amended Recapitalization Transaction, the Company will borrow up to an aggregate of $10 million of 1.5 lien secured, non-convertible, loans from G2S2 Capital Inc. (or an affiliate thereof, "**G2S2**"), MATCO and members of an ad hoc committee of Senior Unsecured Noteholders (the "**Ad Hoc Committee**"), on a several and not joint and several basis (the "**New 1.5 Lien Term Loans**") in an amount equal to the aggregate Cash Election Amount. The New 1.5 Lien Term Loans will be used to partially refinance the First Lien Credit Agreement and create availability for Calfrac to fund the Cash Election Amount. The New 1.5 Lien Term Loans will rank *pari passu* with the New 1.5 Lien Notes, are non-convertible and shall bear interest at the rate of 10% per annum (paid in kind), and shall mature on the second anniversary of the Effective Date.

Although the New 1.5 Lien Term Loan from MATCO is a related party transaction, the Company is relying on an exemption contained in Multilateral Instrument 61-101 from the requirement to prepare a formal valuation in connection with such loan, as it is non-convertible, not repayable in equity of Calfrac and not less advantageous to Calfrac than if the New 1.5 Lien Term Loan from MATCO was obtained from a person dealing at arm's length with Calfrac.

Summary of Amended Plan of Arrangement

The Amended Recapitalization Transaction, contemplates, among other things, the following key elements:

1. the continuance of Calfrac into the federal jurisdiction of Canada under the CBCA;

2. the provision of the Shareholder Cash Election (not to exceed $10 million, in the aggregate);

3. the issuance of the Warrants to all Shareholders (whether or not such Shareholder has elected to participate in the Shareholder Cash Election);

4. the exchange of Senior Unsecured Notes for Common Shares (the "**Senior Unsecured Note Exchange**"), such that: (i) Senior Unsecured Noteholders will receive their pro rata share (based on the face value of the Senior Unsecured Notes) of 86% of the Common Shares outstanding immediately following implementation of the Amended Recapitalization Transaction; and (ii) as early consent consideration for supporting the Amended Recapitalization Transaction and in addition to any Common Shares received by an Early Consenting Noteholder (as defined in the Information Circular) pursuant to (i) above, Early Consenting Noteholders will receive their pro rata share (based on the face value of their Senior Unsecured Notes) of 6% of the Common Shares outstanding immediately following implementation of the Amended Recapitalization Transaction, such percentages calculated prior to the Shareholder Cash Election, and in each case on a non-diluted basis and excluding the Commitment Consideration Shares (as defined below), in full and final settlement of the obligations under the Senior Unsecured Notes;

5. each Shareholder will be provided with the opportunity to participate in the Shareholder Cash Election and may elect to have Calfrac repurchase all or any portion of the Common Shares held by such Shareholder for the Cash Election Amount, subject to proration as described above;

6. existing Shareholders who retain their Common Shares (other than such Common Shares tendered to the Company pursuant to the Shareholder Cash Election), shall have their Common Shares consolidated pursuant to the Share Consolidation on the basis of one Common Share on a post-consolidation basis for every fifty (50) Common Shares on a pre-consolidation basis;

7. an offering of $60 million in principal amount of New 1.5 Lien Notes:

1. as to $45 million, made to G2S2, MATCO and the Ad Hoc Committee and certain other eligible Senior Unsecured Noteholders (collectively, the "**Commitment Parties**"); and

2. as to $15 million, made available to all eligible Senior Unsecured Noteholders, fully backstopped by the Commitment Parties, in consideration for the issuance of Common Shares with a value equal to $1.5 million to such Commitment Parties (the "**Commitment Consideration Shares**");

8. the Company continuing to satisfy its obligations to employees, suppliers, customers and governmental authorities in the ordinary course of business;

9. the cancellation of existing stock options for no consideration, and the vesting and payment of all equity-based PSUs, together with the termination of Calfrac's existing PSU Plan and all underlying non-equity based PSUs; and

10. the adoption of an Omnibus Incentive Plan for Calfrac, concurrently with the completion of the transactions contemplated by the Plan of Arrangement.

Except as described in this news release, the elements of the Original Recapitalization Transaction remain as described in the Information Circular, in all material respects. Notwithstanding anything to the contrary, all summaries of, and references to, the Amended Recapitalization Transaction in this news release are qualified in their entirety by reference to the complete text of the Plan of Arrangement (as amended), a copy of which will be attached to the Material Change Report. You are urged to carefully read the full text of the Plan of Arrangement (as amended).

In connection with the Amended Recapitalization Transaction, the Company has made available the following documents on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com:

- the Amending Agreement to the Arrangement Agreement included as Appendix "G" to the Information Circular; and
- the amended Plan of Arrangement and a blackline comparison of the amended Plan of Arrangement to the version included as Appendix "H" to the Information Circular.

The material terms of the Warrants are also set out in a Schedule to this news release.

Pursuant to the Interim Order, the amended Plan of Arrangement shall be the Plan of Arrangement to be submitted to Senior Unsecured Noteholders and Shareholders at the Meetings and shall be the subject of the applicable Senior Unsecured Noteholders Resolution and Shareholders' Arrangement Resolution.

Pursuant to the Amended Recapitalization Transaction and the amended Plan of Arrangement, the disclosure set out under "*Description of the Recapitalization Transaction – Plan of Arrangement – Treatment of Shareholders*" and "*Arrangement Steps*" is deemed to be amended and supplemented by the information contained in this news release.

Shareholder Cash Election

In connection with the Shareholder Cash Election, the Company will distribute an amended form of letter of transmittal and election (the "**Letter of Transmittal and Election Form**").

Shareholders wishing to participate, in whole or in part, in the Shareholder Cash Election (subject to pro-rationing) must make a valid election on or before October 14, 2020 (the "**Election Deadline**") by submitting a duly completed Letter of Transmittal and Election Form to the Depositary at its office specified in the Letter of Transmittal and Election Form. **Shareholders who do not make a valid election on or before the Election Deadline by submitting a duly completed Letter of Transmittal and Election Form will be deemed to have elected not to participate in the Shareholder Cash Election, and shall retain their Common Shares in accordance with the amended Plan of Arrangement.**

Shareholders whose Common Shares are registered in the name of a broker, investment dealer, bank, trust company or other Intermediary, and who wish to participate in the Shareholder Cash Election, should contact that Intermediary for instructions and assistance

in making a Shareholder Cash Election in advance of the Election Deadline.

Registered Shareholders not participating in the Shareholder Cash Election are still required to complete, execute and return a Letter of Transmittal and Election to the Depositary in order to receive their post-consolidation Common Shares, as described in greater detail in the Information Circular.

The Letter of Transmittal and Election Form must be accompanied by the certificate representing a Registered Shareholder's Common Shares and all other required documents. A copy of the Letter of Transmittal and Election may be obtained upon request from the Depositary.

See "*Procedure for Exchange of Shares*" in the Material Change Report for further information.

Shareholders' TSX Warrant Resolution

In accordance with the policies of the TSX, the issuance of Common Shares upon the conversion of the Warrants must be approved by disinterested Shareholders, where the number of Common Shares issuable to insiders of the Company as a group, upon conversion, exceeds 10% of the then issued and outstanding Common Shares (pursuant to section 604(a)(ii) of the TSX Company Manual) (the "**TSX Warrant Approval**").

Currently, the disinterested Shareholders have been asked to approve, by way of the Shareholders' TSX Note Exchange Resolution, the issuance of Common Shares pursuant to the Senior Unsecured Note Exchange, also pursuant to section 604(a)(ii) of the TSX Company Manual (the "**TSX Note Exchange Approval**").

This new release serves as notice that the Shareholders' TSX Note Exchange Resolution is being amended to now include both the TSX Warrant Approval and the TSX Note Exchange Approval, and the full text of the amended Shareholders' TSX Note Exchange Resolution (the "**Shareholders' TSX Note Exchange and Warrant Resolution**") will be attached to the Material Change Report. Shareholders who vote in favour of the Shareholders' TSX Note Exchange Resolution are deemed to have provided both the necessary TSX Warrant Approval and TSX Note Exchange Approval.

For purposes of the Shareholders' TSX Note Exchange and Warrant Resolution as it relates to the TSX Note Exchange Approval, Common Shares held by insiders participating in the Senior Unsecured Note Exchange (including Alberta Investment Management Company ("**AIMCO**") and Wilks Brothers) will be excluded from voting. To the knowledge of the Company, AIMCO holds 24,080,121 Common Shares or approximately 16.54% of the outstanding Common Shares, and Wilks Brothers holds 28,720,172 Common Shares or approximately 19.72% of the outstanding Common Shares.

For purposes of the Shareholders' TSX Note Exchange and Warrant Resolution as it relates to the TSX Warrant Approval, Common Shares held by insiders expected to receive Warrants (including MATCO, AIMCo, Wilks Brothers and directors and officers of the Company) will be excluded from voting. To the knowledge of the Company, Ronald P. Mathison and MATCO (and its affiliates) collectively hold 28,834,321 Common Shares representing approximately 19.80% of the outstanding Common Shares, AIMCo holds 24,080,121 Common Shares or approximately 16.54% of the outstanding Common Shares, Wilks Brothers holds 28,720,172 Common Shares or approximately 19.72% of the outstanding Common Shares and other directors and officers of the Company hold 4,079,937 Common Shares or approximately 2.8% of the issued and outstanding Common Shares.

The vote required to pass the Shareholders' TSX Note Exchange and Warrant Resolution is a majority of the votes cast by the applicable disinterested Shareholders present in person or represented by proxy at the Shareholders' Meeting.

First Lien Credit Agreement

In addition to the amendments described under the heading "*First Lien Credit Agreement Amendments*" in the Information Circular, Calfrac will seek the consent of the First Lien Lenders to the New 1.5 Lien Term Loans and the Shareholder Cash Election, which require the consent of the majority of the First Lien Lenders.

Dilution

As at August 17, 2020, the Company had 145,616,827 Common Shares issued and outstanding (or approximately 2,912,336 Common Shares on a post-Share Consolidation basis). In addition to the information disclosed under "*Calfrac after the Recapitalization Transaction – Dilution*" in the Information Circular, pursuant to the Plan of Arrangement and on a post-Share Consolidation basis, a total of up to 5,824,672 Common Shares are issuable to holders of Warrants upon the conversion of the Warrants, representing in the aggregate 200% of the current issued and outstanding Common Shares. Approximately 58.86% of the Warrants and the Common Shares issuable on exercise thereof are issuable to insiders of the Company (being MATCO, AIMCo, Wilks Brothers and other insiders of the Company).

Assuming that Shareholders elect to participate in the Shareholder Cash Election to the maximum amount of $10 million, following the Amended Recapitalization Transaction, the existing Shareholders of the Company will hold approximately 78,950,160 Common Shares (or approximately 1,579,003 Common Shares on a post-Share Consolidation basis).

After giving effect to the issuance and exercise of the Warrants, and assuming that Shareholders elect to participate in the Shareholder Cash Election to the maximum amount of $10 million, the holdings of principal shareholders of Calfrac as at the Effective Date upon completion of the Arrangement (on a fully-diluted basis), as previously disclosed under "*Calfrac after the Recapitalization Transaction – Principal Shareholders*" in the Information Circular will be revised follows:

Name	**Percentage of Common Shares as at the Effective Date upon Completion of the Original Recapitalization Transaction (fully-diluted)**[1]	**Percentage of Common Shares as at the Effective Date upon Completion of the Amended Recapitalization Transaction (fully-diluted)**[2]
G2S2 Capital Inc.	40.9%	38.8%
Ronald P. Mathison	10.9%	11.7%
Certain funds and accounts managed by Glendon Capital Management L.P.	10.7%	10.1%
Certain funds and accounts managed by CI Investments Inc.	7.1%	6.7%

Notes:

(1) This percentage assumes that Senior Unsecured Noteholders holding 78.1% of the Senior Unsecured Notes will be considered Early Consenting Noteholders and will exercise their full Subscription Privilege under the Pro Rata Offering (with the remaining 21.9% of the Pro Rata Offering to be subscribed for by the Commitment Parties pursuant to their respective Shortfall Commitment), and is calculated on a fully-diluted basis on the assumption that all holders of New 1.5 Lien Notes will convert all New 1.5 Lien Notes into Common Shares at the Conversion Price immediately following the Effective Date.

(2) This percentage assumes that: (a) Shareholders, other than MATCO and the directors and officers of the Company, elect to participate in the Shareholder Cash Election to the maximum amount of $10 million; (b) the Warrants are exercised in full; and (c) the items set out in note (1) above.

Recommendation of the Special Committee and the Board

After careful consideration and based on several factors, including lengthy and detailed consultation and negotiations with affected stakeholders and the advice of legal and financial advisors, the Special Committee of the Board of Directors has unanimously recommended that the Board of Directors approve the Amended Recapitalization Transaction. After receiving such recommendation, the Board of Directors has unanimously determined that the Amended Recapitalization Transaction continues to be the best available transaction for the Company, and has authorized its submission to the Senior Unsecured Noteholders, Shareholders and the Court for their respective approvals. **The Board of Directors unanimously recommends that all Senior Unsecured Noteholders and Shareholders support and VOTE IN FAVOUR of the Amended Recapitalization Transaction.**

Meeting Information

As permitted by the Interim Order, the Meetings currently scheduled to be held on September 29, 2020, have been postponed to October 16, 2020.

The Meetings will be held on October 16, 2020 at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta. The Senior Unsecured Noteholders' Meeting is scheduled to begin at 1:00 p.m. (Calgary time), and the Shareholders' Meeting will begin at 2:00 p.m. (Calgary time).

The Record Date of August 10, 2020 remains unchanged. Subject to any further Order of the Court, pursuant to the Interim Order, those persons who are Senior Unsecured Noteholders on the Record Date are entitled to attend and vote at the Senior Unsecured Noteholders' Meeting. Senior Unsecured Noteholders entitled to vote at the Senior Unsecured Noteholders' Meeting will be entitled to one vote for each US$1,000 principal amount of Senior Unsecured Notes

held by such Senior Unsecured Noteholder as of the Record Date in respect of the Senior Unsecured Noteholders' Arrangement Resolution and any other matters to be considered at the Senior Unsecured Noteholders' Meeting.

Registered Shareholders as of the Record Date and proxy appointments are entitled to attend and vote at the Shareholders' Meeting. Shareholders and proxy appointments will be entitled to one vote for each Common Share held as at the Record Date.

Voting Information

The deadline for Senior Unsecured Noteholders and Shareholders to submit their proxies or voting instructions in order to vote on the Plan of Arrangement and other items to be considered at the applicable Meeting will been extended to 5:00 p.m. (Calgary time) on October 14, 2020 (the "**Voting Deadline**").

Shareholders are reminded that they are free to vote their proxies or to revoke their proxies at any time, regardless of whether they have already voted on the Company's white proxy or Wilks Brothers' blue proxy and how they have voted to date. Although Shareholders who have already voted do not have to revote, only your last vote will be counted.

Given the significant improvement in Shareholder value being proposed, any Shareholders that may have previously voted against the Original Recapitalization Transaction are encouraged to vote again FOR using the White Management Proxy/VIF. For further details on how to vote or to revoke any proxy, please refer to the sections entitled "Voting of Proxies" and "Revocation of Proxies" in the Information Circular dated and filed under Calfrac's profile on SEDAR at www.sedar.com**.**

The Early Consent Date, which was 5:00 p.m. (Calgary time) on September 8, 2020, has been extended to October 2, 2020. Senior Unsecured Noteholders that wish to receive their pro rata share of the 6% Early Consenting Noteholder New Common Share Pool (as defined in the Information Circular) must vote, or instruct their intermediaries to vote, in favour of the Senior Unsecured Noteholders' Arrangement Resolution on or prior to the Early Consent Date of 5:00 p.m. (Calgary time) on October 2, 2020, as further described in the Information Circular. Senior Unsecured Noteholders who have already voted, or instructed their intermediaries to vote, in

favour of the Senior Unsecured Noteholders' Arrangement Resolution need not resubmit their vote or instructions in order to receive their pro rata share of the 6% Early Consenting Noteholder New Common Share Pool.

Any Senior Unsecured Noteholders who wish to revoke their proxy or voting instructions in favour of the Senior Unsecured Noteholders' Arrangement Resolution on or prior to the Early Consent Date shall no longer constitute Early Consenting Noteholders for the purposes of the Plan of Arrangement, and shall not receive their pro rata share of the 6% Early Consenting Noteholder New Common Share Pool. As described in the Information Circular, Senior Unsecured Noteholders having voted in favour of the Plan of Arrangement may not revoke their proxy or voting instructions after the Early Consent Date (as extended), and no Senior Unsecured Noteholder may revoke or change a vote (or instruct their Intermediaries to do so) after the Voting Deadline (as extended).

Any questions or requests for further information regarding voting at the Meetings or revoking proxies should be directed to Kingsdale Advisors by: (i) telephone, toll-free in North America at 1-877-659-1822 or at 416-867-2272 outside of North America; or (ii) e-mail to contactus@kingsdaleadvisors.com.

Calfrac reminds all stakeholders that information in respect of the Amended Recapitalization Transaction can be found at http://calfrac.investorroom.com/transaction. If you have any questions regarding the above, or related to the Amended Recapitalization Transaction, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

Noteholder Support Agreement Amendments; Alternative Proceedings under CCAA

In accordance with the terms of the Noteholder Support Agreement and the Commitment Letter, the Company has received the approval of the Consenting Noteholders to the amendments to the Original Recapitalization Transaction.

In connection with negotiating the terms of the Amended Recapitalization Transaction, upon the requirement of the Initial Consenting Noteholders, the Company has agreed that in the event the "CBCA Condition" (as defined below), have not been satisfied by October 21, 2020 (unless extended or waived), or a final order has not been granted on or prior to November 6,

2020, then within five (5) business days of a request from the Consenting Noteholders, the Company will implement, with respect to Shareholders, the Original Recapitalization Transaction (in the form prior to the amendments contained in the Amended Recapitalization Transaction, without the Shareholder Cash Election or issuance of the Warrants) through proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**").

"**CBCA Condition**" means that the applicable Shareholder approvals shall have been obtained, and Calfrac shall have applied for the plan of arrangement giving effect to the Amended Recapitalization Transaction to be approved by the Court.

Should the Amended Recapitalization Transaction not be approved by Senior Unsecured Noteholders and Shareholders, in the absence of any transaction that is capable of receiving broad support throughout the Company's capital structure, it is likely the Company will be required by the Senior Unsecured Noteholders to proceed with a transaction under the CCAA, which will result in a reduced recovery to Shareholders as compared to the Amended Recapitalization Transaction.

In accordance with the terms of the Noteholder Support Agreement, as amended, the Company shall seek, and the Initial Consenting Noteholders shall support, the making of an order that any and all votes of Senior Unsecured Noteholders with respect to the Amended Recapitalization Transaction shall be binding to the extent the Company implements the Original Recapitalization Transaction (in the form prior to the amendments contained in the Amended Recapitalization Transaction) through the CCAA Proceedings.

Certain Canadian Federal Income Tax Considerations

Senior Unsecured Noteholders and Shareholders are urged to carefully read the summary of certain Canadian federal income tax considerations resulting from the Original Recapitalization Transaction located under the heading "*Certain Canadian Federal Income Tax Considerations*" in the Information Circular, as supplemented by the Material Change Report of the Company to be filed in connection with the Amended Recapitalization Transaction. Such summary addresses the tax consequences of the Shareholder Cash Election and the exercise of Warrants and the disposition of any Common Shares received on exercise thereof, and urges

Senior Unsecured Noteholders and Shareholders to consult their own tax advisors for advice as to the tax considerations in respect of the Amended Recapitalization Transaction, having regard to their particular circumstances.

Issuance and Resale of Securities Received in the Amended Recapitalization Transaction – Canada

The issuance of: (i) the Warrants issued to Shareholders pursuant to the Amended Recapitalization Transaction; and (ii) the issuance of Common Shares upon conversion of the Warrants, will be exempt from the prospectus and registration requirements under Canadian securities laws. As a consequence of these exemptions, certain protections, rights and remedies provided by Canadian securities laws, including statutory rights of rescission or damages, will not be available in respect of such new securities to be issued pursuant to the Amended Recapitalization Transaction. The Warrants issued pursuant to the Amended Recapitalization Transaction and any Common Shares issued upon conversion of the Warrants will generally be "freely tradeable" under Canadian Securities Laws in force in Canada if the following conditions (as specified in National Instrument 45 102 — Resale of Securities) ("**NI 45-102**") are satisfied: (i) the trade is not a "control distribution" (as defined in NI 45-102); (ii) no unusual effort is made to prepare the market or to create a demand for the shares that are the subject of the trade; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (iv) if the selling shareholder is an insider or officer of the issuer, the selling shareholder has no reasonable grounds to believe that the issuer is in default of securities legislation.

Certain U.S. Securities Laws Matters and Federal Income Tax Considerations

Senior Unsecured Noteholders and Shareholders are urged to carefully read the summary of certain securities laws matters and tax considerations resulting from the Amended Recapitalization Transaction located under the headings "*Certain U.S. Securities Laws Matters*", "*Issuance and Resale of Securities Received in the Recapitalization Transaction - United States*" and "*Certain United Stated Federal Income Tax Considerations*" in the Information Circular, as supplemented by the Material Change Report of the Company to be filed in connection with the Amended Recapitalization Transaction, and to consult their own tax advisors for advice as to the tax considerations in respect of the Amended Recapitalization Transaction having regard to their particular circumstances.

Notice is hereby given that the Court will be advised that its order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act of 1933 (the "**1933 Act**"), as provided by section 3(a)(10) thereof, with respect to the issuance of the Warrants to be issued pursuant to the Arrangement.

TSX Matters

The Common Shares are listed on the TSX. Calfrac has applied to the TSX for the listing of the Warrants and the Common Shares issuable on exercise of the Warrants, which listing would remain subject to the approval of the TSX and the satisfaction of any listing conditions required by the TSX.

Risk Factors

Senior Unsecured Noteholders and Shareholders are urged to carefully read the risk factors located under the heading "*Risk Factors*" in the Information Circular, as supplemented by the Material Change Report of the Company to be filed in connection with the Amended Recapitalization Transaction.

Required Approvals and Implementation

Completion of the Amended Recapitalization Transaction remains subject to, among other things, approval of the Plan of Arrangement by the requisite majorities of the Senior Unsecured Noteholders and the Shareholders at the Meetings but subject to further order of the Court, successful completion of the New 1.5 Lien Note Offering, such other approvals as may be required by the Court or the TSX, other applicable regulatory approvals, the issuance of the Final Order approving of the Plan of Arrangement by the Court, and the satisfaction or waiver of applicable conditions precedent. Upon implementation, the Plan of Arrangement would bind all Senior Unsecured Noteholders and Shareholders. The Company can give no assurances that the Amended Recapitalization Transaction will be completed.

COVID-19

Due to the current and rapidly evolving COVID-19 pandemic, the Company encourages its Senior Unsecured Noteholders and Shareholders to consider the advice and instructions of the Public Health Agency of Canada (www.canada.ca/en/public-health.html) and Alberta Health Services (www.albertahealthservices.ca) when deciding whether to attend the Meetings in person. Given the fundamental nature of the Amended Recapitalization Transaction and the Meetings, and well-known issues with virtual meeting platforms in a contested situation, the Company determined that the Meetings should be held in person. Access to each Meeting will be limited to essential personnel and registered Shareholders, Senior Unsecured Noteholders and duly appointed proxyholders entitled to attend and vote at the Meetings. The Company encourages registered Shareholders, Senior Unsecured Noteholders and duly appointed proxyholders to not attend the Meetings in person, particularly if they are experiencing any of the described COVID-19 symptoms. The Company encourages Shareholders and Senior Unsecured Noteholders to vote their respective securities prior to the Meetings following the instructions set out in the form of proxy or voting instruction form received by such Shareholders and Senior Unsecured Noteholders. The Company may take additional precautionary measures in relation to the Meetings in response to further developments with the COVID-19 pandemic.

The Company will be providing a live webcast of the Meetings. Shareholders and Senior Unsecured Noteholders not attending the Meetings in person are encouraged to listen to the webcast. However, shareholders will not be able to vote through the webcast or otherwise participate in the Meetings. A link to the webcast will be available on the Company's website at www.calfrac.com.

This news release shall not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

The securities to be issued pursuant to the Amended Recapitalization Transaction have not been and will not be registered under the 1933 Act, or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the 1933 Act. The Common Shares to be issued to Senior Unsecured Noteholders pursuant to the Amended Recapitalization

Transaction will be issued and distributed in reliance on the exemption from registration set forth in Section 3(a)(10) of the 1933 Act (and similar exemptions under applicable state securities laws).

Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

All references to "$" are to Canadian dollars, unless otherwise indicated.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the holding of the Meetings and the completion of the proposed Amended Recapitalization Transaction, the anticipated shareholdings of the Company following the completion of the Amended Recapitalization Transaction under various scenarios, and the anticipated tax treatment of the Amended Recapitalization Transaction.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Amended Recapitalization Transaction will be completed as proposed; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers; default under the Company's credit facilities and/or the Company's senior secured notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and Senior Unsecured Noteholders to vote in favour of the Amended Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Amended Recapitalization Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Information Circular and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933

SCHEDULE
SUMMARY OF MATERIAL TERMS OF THE WARRANTS

Issuer:	Calfrac
Number of Warrants:	Each holder of a Common Share (on a pre-consolidation basis) at the Effective Time will receive two (2) Warrants for each pre-consolidation Common Share held. In connection with the consolidation of the Common Shares, the number of warrants will also be consolidated on the basis of one (1) Warrant (on a post-consolidation basis) for every 50 Warrants (on a pre-consolidation basis)
Expiry Date:	Three (3) years from the issue date.
Exercise Price:	$0.05 per Common Share (on a pre-consolidation basis), or $2.50 per Common Share (on a post-consolidation basis).
Exchange Ratio:	Each whole Warrant entitles the holder thereof to one Common Share, subject to adjustment.
Amendments:	An extraordinary resolution may be initiated by holders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Warrants and passed by the affirmative votes of holders entitled to acquire not less than 66⅔% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Warrants represented at the meeting.

SOURCE Calfrac Well Services Ltd.

For further information: Scott Treadwell, Vice President, Capital Markets and Strategy, Telephone: (403) 266-6000, Fax: (403) 266-7381

Related Links

http://www.calfrac.com

EXHIBIT 31

This is Exhibit "31" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Changes to Calfrac Management Transaction Fall Woefully Short of Shareholder Recoveries Under Wilks Premium Offer

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Sep 25, 2020, 06:00 ET

- **Amended Management Transaction actually offers shareholders cash consideration of no more than $0.119 per share *vs* $0.18 per share under the Wilks Premium Offer**
- **Amended Management Transaction provides shareholders with cash consideration that represents at best a 20% discount to the current market price of Calfrac shares and a 34% discount to the cash consideration available under the Wilks Premium Offer**
- **Amended Management Transaction is not capable of being implemented under its amended terms without the consent of the second lien lenders, which consent will not be provided**
- **Wilks' Premium Offer does not require the consent of Calfrac or any of its creditors**
- **Calfrac's Board failed to protect shareholder value in agreeing to the initial Management Transaction and has failed to do so again**
- **The Amended Management Transaction changes nothing. The Premium Offer will be available on its terms no matter what actions Calfrac may take or threaten**

CISCO, Texas, Sept. 25, 2020 /CNW/ - Wilks Brothers, LLC ("**Wilks**") acknowledges the press release by Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) yesterday in which they announced that they have amended the Management Transaction.

What yesterday's announcement makes crystal clear is that the Board of Calfrac has been forced to concede that the original Management Transaction was fundamentally flawed and undervalued its shareholders' interests in the Company. In effect, the self-selected unsecured creditors and Calfrac insiders who proposed the Management Transaction were attempting to appropriate that value for themselves. Through Wilks' efforts, and at considerable expense, that value has been pried from their grasp and grudgingly conceded to the long-suffering shareholders of Calfrac. This marks only the first step in ensuring that Calfrac's shareholders receive fair value.

Maybe now Calfrac will stop trying to distract its shareholders with name calling and innuendo regarding Wilks' alleged motives and focus on their fiduciary duty of doing what is best for Calfrac and its stakeholders. If they do so, they will recognise that even their amended Management Transaction is still not the best alternative for Calfrac or its stakeholders and falls woefully short of the superior value that Wilks has offered through both the Premium Take-Over Bid (the "**Premium Offer**") and the Superior Alternative Proposal.

There are several aspects of the amended Management Transaction that immediately stand out and deserve attention:

- **Calfrac's cash consideration per share is SIGNIFICANTLY LESS than Wilks' Premium Offer of $0.18 per share**. The "cash election" is a classic "bait and switch". The cash election is hard capped at an aggregate of $10 million (*vs* $26 million under the Wilks Premium Offer) and shareholders who are expecting to receive the advertised $0.15 per Calfrac share under the amended Management Transaction will likely never receive that amount. On the basis of the information provided by Calfrac in its materials, shareholders could only receive, at most, cash recovery of between $0.089 to $0.118 per share, depending upon the elections made by those who Calfrac has indicated will not participate and those who Wilks believes are unlikely to participate. **Under all scenarios the Wilks Premium Offer provides a far superior recovery to shareholders**.
- **Low Insider Conversion Price vs High Shareholder Strike Price**. The warrants that are being offered to shareholders under the amended Management Transaction have a ($0.05) strike price that is significantly higher than the ($0.027) conversion price that the self-selected group of unsecured creditors and insiders negotiated for themselves under the $60 million "payment in kind" loan transaction.
- **Wilks Premium Offer is Straightforward and Delivers Superior, Cash Recovery**. Wilks Premium Offer is all in cash, with no caps, pro-rationing or other gimmicks and has certain, present value of $0.18 per share.
- **Secured Debt of Calfrac Increases under Amended Management Transaction**. The amended Management Transaction would further increase the secured debt of a "restructured" Calfrac by $10 million and annual debt service costs by $1 million. Total secured debt post-restructuring would be $365 million and annual debt service costs would be $32 million. The already high insolvency risk of a restructured Calfrac would increase further, especially as the interest on this new debt is paid in kind.
- **Amended Management Transaction is Incapable of being Implemented**. The structure of the amended Management Transaction will, in Wilks' view, violate the terms of Calfrac's existing debt instruments and therefore cannot be completed without the consent of the holders of Calfrac's second lien debt. Second lien lenders will not provide this necessary consent, and the transaction is therefore not capable of being completed. Any attempt to implement the transaction will be vigorously contested.
- **Wilks' Premium Offer Survives a CCAA Filing by Calfrac**. Calfrac has now made its implicit threat of a CCAA filing that provides no recovery to the shareholders, explicit. However, contrary to Calfrac's assertions, Wilks has committed to Calfrac shareholders that the Premium Offer will be available even if Calfrac files for protection under the CCAA. This was clearly stated in the take over bid circular and Calfrac's attempts to mischaracterize the Offer should be ignored. Pursuant to its terms, the value under the Wilks Premium

Offer will be available to shareholders in a CCAA restructuring because it will be paid by Wilks directly to shareholders, and not Calfrac. The relative rankings and rights of debt and equity in Calfrac are, therefore, completely irrelevant.

- **Calfrac Insiders Continue to be Disproportionately Benefitted**. All of the defects in the original Management Transaction relative to the participation of insiders still exist and, remarkably, benefits to insiders are enhanced in the amended Management Transaction. Mr. Mathison (through MATCO) is the only participant whose pro forma share of the equity of the restructured Calfrac actually increases!

Announcement of Amended Management Transaction Accelerates the Premium Offer

Wilks will also now fast track its application for the exemptive relief from the Canadian securities regulators regarding the "Statutory Minimum Condition", should such exemption even be required. In the current circumstances, Wilks is confident that any such application will be granted and, in any event, it is possible that the waiver of the condition will not be required as Wilks anticipates shareholders will enthusiastically participate in the Premium Offer.

In the coming days Wilks will be providing additional commentary and analysis to the market regarding the amended Management Transaction and will be communicating with shareholders further concerning its Premium Offer.

The amended Management Transaction does not change anything. The course of action for Calfrac shareholders remains crystal clear: You should preserve your unobstructed path to a premium recovery by voting **AGAINST** and defeating the coercive, insider-led Management Transaction.

Click here **for voting instructions or learn more at** www.afaircalfrac.com**.**

As Calfrac has postponed the special meeting of shareholders once again, the deadline to submit your BLUE proxies has been extended to October 13, 2020 at 11:59 p.m. MST. If you have already voted AGAINST the Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by Management, you may still change your vote and protect your economic interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

Need help voting? Please contact Laurel Hill Advisory Group as noted below.

QUESTIONS/ VOTING/ TENDERING ASSISTANCE

Shareholders who have questions or require voting or tendering assistance, may contact our communications advisor, proxy solicitation agent, information agent and depositary, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

NOTICE

THIS ANNOUNCEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF THE OFFER OR AN INVITATION TO PURCHASE, OTHERWISE DISPOSE OF OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITY. WILKS HAS FILED A TAKE-OVER BID CIRCULAR AND RELATED MATERIALS WITH VARIOUS SECURITIES COMMISSIONS IN CANADA PURSUANT TO WHICH THE OFFER IS MADE. THE TAKE-OVER BID CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS ENTIRETY BY CALFRAC SHAREHOLDERS AND OTHERS TO WHOM THE OFFER IS ADDRESSED. CALFRAC SHAREHOLDERS (AND OTHERS) WILL BE ABLE TO OBTAIN, AT NO CHARGE, A COPY OF THE OFFER TO PURCHASE, TAKE-OVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR) AT WWW.SEDAR.COM. THE OFFER WILL NOT BE MADE IN, NOR WILL DEPOSITS OF SECURITIES BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WILKS MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the intention of Wilks to apply to securities regulators for discretionary relief from certain statutory requirements applicable to the bid and the results of such application.

Forward-looking information contained in this Press Release reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Premium Offer, the reaction of the market and Calfrac's shareholders, creditors and customers to the Premium Offer, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as

of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise. Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the amended Management Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

EXHIBIT 32

This is Exhibit "32" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BR
Barrister & Solicitor

DENISE H. BRUNSDON
Barrister & Solicitor

Cassels

September 10, 2020

By Email

TIMOTHY PINOS
Certified as a Specialist in Civil Litigation

tpinos@casselsbrock.com
tel: 416.869.5784
fax: 416.350.6903
file # 051147

Bennett Jones LLP
4500 Bankers Hall East,
855 - 2nd Street SW,
Calgary, AB, T2P 4K7

Attention: Chris Simard

Dear Mr. Simard:

Re: Calfrac Well Services et al ("Calfrac") Plan of Arrangement Application (the "Application")

I am writing with reference to this Application, which is scheduled for hearing on September 30, 2020, and the opposition of my client, Wilks Brothers LLC ("**Wilks**") to that Application.

Calfrac and Wilks have agreed to a compressed schedule leading up to the hearing of the Application, including the delivery of your Application material (and that of any supporting parties) tomorrow, cross-examination(s) on September 15, and delivery of Wilks' evidence on September 21.

Wilks requires the production of items of relevant documents in the possession of Calfrac for use on the cross-examination(s) and for the preparation of its evidence. The following is a list of the documents requested.

I. Information Provided by the Company to Peters & Co Limited ("Peters") and which are listed in the July 13, 2020 Fairness Opinion of Peters

1. Unaudited projected financial statements for the Company on a consolidated basis prepared by management of the Company for the years ending December 31, 2020 through 2021, under various potential financing and recapitalization alternatives, and including projections

See Peters Opinion, July 13, 2020 - Scope of Review, pages 2 to 4.

respecting the liquidity of the Company, and ability of the Company to satisfy material financial covenants.

2. A detailed listing of the Company's capital assets.

3. Notes, materials, documentation and descriptions of discussions between Peters and senior management and directors of the Company relating to the Company's current business, plans, financial

4. Notes, materials, documentation and descriptions of discussions between Peters and management and directors of the Company and the Company's legal and financial advisors relating to efforts by the Company to improve its strategic and financial position.

5. Notes, materials, documentation and descriptions of discussions between Peters and senior management and directors of the Company and the Company's legal and financial advisors relating to the alternatives available to the Company and the consequences of completing or not completing the Recapitalization.

6. Notes, materials, documentation and descriptions of discussions between Peters and the Company's legal counsel regarding various matters relating to the Recapitalization Transaction.

7. Copy of Representations contained in certificates addressed to Peters from certain senior officers and directors of the Company as to the completeness and accuracy of the information upon which the CBCA Opinion is based.

II. Additional Information Requested

8. Notes, material, documents and descriptions presented to the Board of Calfrac by the Financial Advisors in their "detailed review" of the restructuring plan as referred to at page 18 of the Circular, including but not limited to listed items (a) through (h).

9. Extracts of Board and Independent Committee minutes from April 1, 2020 to date referring to the Recapitalization Transaction, any and all alternative transactions considered, and/or Wilks Brothers LLC.

10. Any other internal presentations and materials prepared for Calfrac's Management and/or Board of Directors related to the Recapitalization Transaction.

11. Current borrowing base calculation, including drawn amounts and projects for those amounts.

12. Budgets/projections prepared during the current fiscal year for each of Calfrac's operating segments, by country.

13. Covenant calculations under the banking arrangement, both current and projected.

14. Detailed calculations and assumptions (including underlying assumptions such as fracturing revenue per job, number of fracturing jobs, active pumping horsepower, idle pumping

horsepower etc.). underlying each category of financial projections, budgets and cash flow forecasts, by geographic segment and country.

15. Most current cash flow forecasts prepared by Calfrac.

16. Calfrac's interim consolidated financial statements as at August 31, 2020 (if not available, provide as at July 30, 2020).

17. Calfrac's most current corporate income tax return(s) and assessments.

18. Detailed calculations and assumptions underlying Calfrac's write-offs of the company's deferred tax assets during 2020.

19. Assumptions underlying the forecast information provided in the July 13, 2020 press release.

20. The Agreement for the Revolving Term Loan Facility

21. Any appraisals and/or valuations of Calfrac, Calfrac's subsidiaries or assets.

22. Calfrac's impairment calculations for the 2020 Second Quarter Interim Report.

23. The following information respecting the M&A alternatives referred to at page 15 of the Circular:

    a. Whether the M&A alternatives included a sale of the Company or a sale of substantially all of the assets of the Company;

    b. The numbers of parties approached or contacted, the number of non-disclosure agreements signed, the number of term sheets received and the number of parties in due diligence; and

    c. Copies of all non-disclosure agreements entered into by Calfrac in this regard.

24. Notes, material, documents and descriptions relating to the alternative considered of a draw on the bank line of credit, and any steps taken to negotiate the amendment of covenants to permit such a draw.

25. A description of the process undertaken to canvass the markets in respect of a 1.5 lien convertible debt offering, including the number of parties approached or contacted, the number of non-disclosure agreements signed, the number of term sheets received and the number of parties in due diligence.

26. Copies of the non-disclosure agreements signed in connection with the 1.5 lien convertible debt offering.

27. A breakdown of the unsecured noteholders who are (a) supporting the Recapitalization Transaction (through support agreements), (b) participating in the committed component of the 1.5 lien convertible debt offering, and (c) a related party to Matco or G2S2

We would ask that this information be provided as soon as possible, and in any event no later than the end of the day tomorrow.

Yours faithfully,

Timothy Pinos
TP/gmc

cc:

EXHIBIT 33

This is Exhibit "33" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Cassels

September 14, 2020

By Email

Bennett Jones LLP
4500 Bankers Hall East,
855 - 2nd Street SW,
Calgary, AB, T2P 4K7

Attention: Chris Simard

TIMOTHY PINOS
Certified as a Specialist in Civil Litigation

tpinos@casselsbrock.com
tel: 416.869.5784
fax: 416.350.6903
file # 051147

Dear Mr. Simard:

Re: Calfrac Well Services et al ("Calfrac") Plan of Arrangement Application (the "Application")

I am writing to follow up with respect to my letter of September 10, 2020 (attached), in which I requested the production of documents relevant to Calfrac's Application. In that letter I requested delivery of the documents requested by September 11, 2020.

To date, I have not received any of the documents requested, or any response to my letter at all. My client requires this information, which is in the possession, power or control of Calfrac, to properly represent its interest in the Application.

I would ask that you deliver the documents requested no later than the end of day on September 16, failing which we will be forced to seek an order of the Court compelling the production of same, a step which will entail unnecessary expense for both your client and mine. I am happy to discuss any of these matters.

Yours faithfully,

Timothy Pinos
TP/gmc

EXHIBIT 34

This is Exhibit "34" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDO
Barrister & Solicito

Bennett Jones

Bennett Jones LLP
4500 Bankers Hall East, 855 - 2nd Street SW
Calgary, Alberta, Canada T2P 4K7
Tel: 403.298.3100 Fax: 403.265.7219

Chris Simard
Direct Line: 403.298.4485
e-mail: simardc@bennettjones.com
Our File No.: 44609.111

September 16, 2020

Via Email

Mr. Timothy Pinos
Cassels Brock & Blackwell LLP
2100-40 King St W
Toronto, ON M5H 3C2

Dear Mr. Pinos:

Re: In the Matter of 12178711 Canada Inc., Calfrac Well Services Ltd., et al. – Action No. 2001 - 08434

I am writing in response to your letters of September 10 and September 14, 2020. In your September 10 letter, you advised that your client "requires the production of items of relevant documents in the possession of Calfrac for use on the cross-examination(s) and for the preparation of its evidence." You then provided a list of 27 document requests, many of which were not requests for specific documents, but instead were requests for broadly-described categories of documents. What your client is seeking is in fact extremely broad discovery of records.

With respect to your request for records discovery prior to cross-examinations, there is no process in the *Alberta Rules of Court* that would permit such a request or obligate our clients to provide such discovery. You are, of course, entitled to cross-examine our affiants, should you choose to do so. If you do, we will fully cooperate to ensure that our affiants attend voluntarily at a mutually convenient time. Our affiants will be fully informed, and will answer all permissible questions, and give all permissible undertakings. That is the process authorized by the *Alberta Rules of Court*.

Your admission that the second purpose of your request for discovery of records is "for the preparation of [your client's] evidence" is perhaps even more troubling. That statement makes it very clear that what your client really desires is to go on a fishing expedition, in which it hopes to discover useful information which it then wishes to use to fashion its own reply evidence. Such a process is completely at odds with the purpose of these CBCA proceedings, and is also not contemplated by the *Alberta Rules of Court* applicable to such proceedings. Your client is entitled to reply to our evidence with its own sworn affidavit, setting out any facts in its knowledge.

Further, even if your client was entitled to the discovery of records in these proceedings, we do not agree that the records you are requesting are relevant and material, and we note that many of the requests actually expressly seek privileged material. We also question the tactical nature of your request (received in an email at 3:57 p.m. on Thursday, September 10 and demanding production of

the long list of records "as soon as possible, and in any event no later than the end of the day [on Friday, September 11]". Our concern about the tactical nature of your client's request has been confirmed in your September 14 letter, in which you have stated that, if our clients do not comply by September 16 with your (inappropriate, unauthorized and unreasonable) demands, your client will "seek an order of the Court compelling the production…". Such a step would add additional cost and delay to these proceedings. It appears that your client therefore intends to use this inappropriate request for records discovery as another means to put pressure on our clients and its other stakeholders. Any such application will be opposed.

For the foregoing reasons, we will not be providing the discovery of records that you have demanded. As noted, our clients will fully and voluntarily comply with the proper process contemplated by the *Alberta Rules of Court* in these proceedings: cross-examinations on their sworn affidavits, including providing responses to any proper undertaking requests.

We trust the foregoing makes our clients' position clear. Should you wish to discuss this matter, please do not hesitate to contact me.

Yours truly,

Chris Simard

CS:dmk
cc: Client

EXHIBIT 35

This is Exhibit "35" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Cassels

September 18, 2020

By Email

Bennett Jones LLP
4500 Bankers Hall East,
855 - 2nd Street SW,
Calgary, AB, T2P 4K7

Attention: Chris Simard

TIMOTHY PINOS
Certified as a Specialist in Civil Litigation

tpinos@casselsbrock.com
tel: 416.869.5784
fax: 416.350.6903
file # 051147

Dear Mr. Simard:

Re: Calfrac Well Services et al ("Calfrac") Plan of Arrangement Application (the "Application")

I am writing further to your letter of September 16, 2020.

It is unfortunate that you characterize our document request as "inappropriate, unauthorized and unreasonable". The request was made in good faith and your response is a misapprehension of the law.

First with respect to authorization, you mistakenly assert that the ability of my client to obtain information from your affiant(s) is limited to questioning and requesting undertakings to produce documents following the questioning. That is not the case. The Alberta Rules of Court provide for the scheduling of questioning via the service of a notice of appointment for questioning which must "describe any records the person is required to bring to the appointment for questioning". Further the Court may resolve any dispute over the records to be produced at the appointment for questioning.

It is also clear that the Court has the power to make an order for production of records prior to a questioning. This power is found in the inherent jurisdiction of a superior court, and foundational rules 1.2 ("court process in a timely and cost-effective way"), 1.4 (power of court to give orders and directions) and 1.7 (application of rules by analogy to any matter not dealt with).

Rule 6.16(1)(b).
Rule 6,16(3).

With respect to unreasonableness, the records sought are material and relevant and go directly to the issues which the Court must decide on the Application: whether the plan of arrangement is fair and reasonable, whether the business on emergence would be solvent, and whether the Board discharged its duties and responsibilities to stakeholders. The request cannot be characterized as a fishing expedition, since, as many judges have put it, there is clearly evidence that there are fish there, and a lot of them.

Items 1 through 8 in our request are items recorded by Peters & Co. as having been provided by Calfrac for the purposes of the Peters fairness opinion. That opinion was relied on by the Board in its decision to proceed with the arrangement and is relied upon in the Circular in support of it. That opinion is very much in issue, and elementary fairness and a level playing field would dictate that the informational foundation for the opinion be disclosed.

Likewise, items 8 through 27 of our request deal with the process by which the plan of arrangement was arrived at, a matter specifically referred to in the Circular, and financial matters relevant to both fairness and solvency. The suggestion that privileged information is sought could not be further from the case – the only item potentially engaged is item 6, and since that was disclosed to Peters, any privilege has been waived by that disclosure.

Lastly, with respect to appropriateness, my letter and the requested time frame for response were completely proper. At the time of sending (and before Calfrac unilaterally postponed the shareholder vote and upended a highly compressed schedule), your clients' material was due two days later, and your affiant(s) scheduled for cross-examination four days after that. You knew that when you replied to me. That time frame simply did not permit the niceties of my service of a notice of appointment listing the documents, waiting for your affiant(s) to show up at the questioning without them, and then taking the time to bring an application requiring disclosure. And in the environment of the pandemic, where everything is virtual, such an approach was even more unfeasible.

I attach a draft notice of appointment, containing the list of records which we seek to be produced at the questioning of your affiant(s). Please advise of your position on their production at the questioning no later than 5 pm ET on Monday, September 21. If you agree to produce them at the questioning, I will serve an appointment in that form for the questioning of Mr. Mathison for 5 days later, and at his questioning I will receive the documents and then adjourn the questioning until you serve the remainder of Calfrac's evidence. If you take the position that they will not be produced, we will bring the necessary application under Rule 6.16(3).

Franco v. Hackett (2000), 2000 ABQB 241 (CanLII),at para. 34

We look forward to hearing from you.

Yours faithfully,

Timothy Pinos
TP/gmc

Form 29
[Rules 5.21 and 6.15]

Clerk's Stamp

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.
APPLICANTS	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.
RESPONDENT	WILKS BROTHERS, LLC
DOCUMENT	**NOTICE OF APPOINTMENT FOR QUESTIONING**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** Suite 1250 Millennium Tower 440 – 2nd Avenue SW Calgary, AB T2P 5E9 **Attention:** **Timothy Pinos / Lara Jackson** Tel: 416.869.7584 Fax: 416.350.6903 Email: tpinos@cassels.com ljackson@cassels.com

NOTICE TO: TBD

This notice requires you to attend for questioning.

You must attend at the date, time and place and for the period specified below:

DATE:	September 15, 2020
TIME:	10:00 o'clock in the forenoon
PLACE:	Via Webex or equivalent
PERIOD OF ATTENDANCE:	TBD

DRAFT

You must notify the questioning party prior to the date of the appointment regarding any arrangements that are necessary to accommodate your reasonable needs. The questioning party must, to the extent reasonably possible, make arrangements to accommodate those reasonable needs that you identify.

You must also bring any records described below.

☐ You are not required to bring any records.

OR

☒ You must also bring the following records:

(a) See Schedule "A" attached.

An allowance that is required to be paid to you for attending as a witness accompanies this notice.

The allowance is calculated as follows:

Allowance payable for each day or part of a day necessarily spent by you as a witness:	$50.00
Meals Lunch ($11.60)	$11.60
Accommodation	$N/A
Transportation/Parking	$30,00
TOTAL	**$91.60**

WARNING

The Court may order a person to attend for questioning, at a date, time and place specified by the Court, if the person

(a) is required to be questioned under the *Alberta Rules of Court*,
(b) was served with a notice of appointment for questioning under the *Alberta Rules of Court*,
(c) was provided with an allowance, determined in accordance with Schedule B [Court Fees and Witness and Other Allowances] of the *Alberta Rules of Court*, if so required by the *Alberta Rules of Court*, and
(d) did not attend the appointment.

The Court may order the person to be questioned to bring records to the questioning that the person could be required to produce at trial.

Schedule “A”

I. Records Provided by the Company to Peters & Co Limited (“Peters”) and which are listed in the July 13, 2020 Fairness Opinion of Peters[1]

1. Unaudited projected financial statements for the Company on a consolidated basis prepared by management of the Company for the years ending December 31, 2020 through 2021, under various potential financing and recapitalization alternatives, and including projections respecting the liquidity of the Company, and ability of the Company to satisfy material financial covenants.

2. A detailed listing of the Company’s capital assets.

3. Notes, materials, documentation and descriptions of discussions between Peters and senior management and directors of the Company relating to the Company's current business, plans, financial

4. Notes, materials, documentation and descriptions of discussions between Peters and management and directors of the Company and the Company’s legal and financial advisors relating to efforts by the Company to improve its strategic and financial position.

5. Notes, materials, documentation and descriptions of discussions between Peters and senior management and directors of the Company and the Company’s legal and financial advisors relating to the alternatives available to the Company and the consequences of completing or not completing the Recapitalization.

6. Notes, materials, documentation and descriptions of discussions between Peters and the Company’s legal counsel regarding various matters relating to the Recapitalization Transaction.

7. Copy of Representations contained in certificates addressed to Peters from certain senior officers and directors of the Company as to the completeness and accuracy of the information upon which the CBCA Opinion is based.

II. Additional Records Requested

8. Notes, material, documents and descriptions presented to the Board of Calfrac by the Financial Advisors in their “detailed review” of the restructuring plan as referred to at page 18 of the Circular, including but not limited to listed items (a) through (h).

9. Extracts of Board and Independent Committee minutes from April 1, 2020 to date referring to the Recapitalization Transaction, any and all alternative transactions considered, and/or Wilks Brothers LLC.

10. Any other internal presentations and materials prepared for Calfrac’s Management and/or Board of Directors related to the Recapitalization Transaction.

11. Current borrowing base calculation, including drawn amounts and projects for those amounts.

[1] See Peters Opinion, July 13, 2020 - Scope of Review, pages 2 to 4.

12. Budgets/projections prepared during the current fiscal year for each of Calfrac's operating segments, by country.

13. Covenant calculations under the banking arrangement, both current and projected.

14. Detailed calculations and assumptions (including underlying assumptions such as fracturing revenue per job, number of fracturing jobs, active pumping horsepower, idle pumping horsepower etc.). underlying each category of financial projections, budgets and cash flow forecasts, by geographic segment and country.

15. Most current cash flow forecasts prepared by Calfrac.

16. Calfrac's interim consolidated financial statements as at August 31, 2020 (if not available, provide as at July 30, 2020).

17. Calfrac's most current corporate income tax return(s) and assessments.

18. Detailed calculations and assumptions underlying Calfrac's write-offs of the company's deferred tax assets during 2020.

19. Assumptions underlying the forecast information provided in the July 13, 2020 press release.

20. The Agreement for the Revolving Term Loan Facility

21. Any appraisals and/or valuations of Calfrac, Calfrac's subsidiaries or assets.

22. Calfrac's impairment calculations for the 2020 Second Quarter Interim Report.

23. The following information respecting the M&A alternatives referred to at page 15 of the Circular:

    a. Whether the M&A alternatives included a sale of the Company or a sale of substantially all of the assets of the Company;

    b. The numbers of parties approached or contacted, the number of non-disclosure agreements signed, the number of term sheets received and the number of parties in due diligence; and

    c. Copies of all non-disclosure agreements entered into by Calfrac in this regard.

24. Notes, material, documents and descriptions relating to the alternative considered of a draw on the bank line of credit, and any steps taken to negotiate the amendment of covenants to permit such a draw.

25. A description of the process undertaken to canvass the markets in respect of a 1.5 lien convertible debt offering, including the number of parties approached or contacted, the number of non-disclosure agreements signed, the number of term sheets received and the number of parties in due diligence.

26. Copies of the non-disclosure agreements signed in connection with the 1.5 lien convertible debt offering.

27. A breakdown of the unsecured noteholders who are (a) supporting the Recapitalization Transaction (through support agreements), (b) participating in the committed component of the 1.5 lien convertible debt offering, and (c) a related party to Matco or G2S2

EXHIBIT 36

This is Exhibit "36" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

From: Chris Simard
Sent: Monday, September 21, 2020 3:00 PM
To: 'Pinos, Timothy' <tpinos@cassels.com>; Jackson, Lara <ljackson@cassels.com>
Cc: Jacobs, Ryan <rjacobs@cassels.com>
Subject: RE: Calfrac - Adjournment of September 30 Final Order Application

Tim,

I wanted to let you know that we are working on getting back to you on the document requests in your letter, but won't be in a position to do so by your deadline of 3:00 pm Mountain today. I expect that we will be able to do so tomorrow morning, and trust that will be sufficient. Thanks

Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 4485 | F. 403 265 7219
E. simardc@bennettjones.com

From: Pinos, Timothy <tpinos@cassels.com>
Sent: Friday, September 18, 2020 1:49 PM
To: Chris Simard <SimardC@bennettjones.com>; Jackson, Lara <ljackson@cassels.com>
Cc: Jacobs, Ryan <rjacobs@cassels.com>
Subject: RE: Calfrac - Adjournment of September 30 Final Order Application

Chris: Please see my letter of today's date, attached.

Cassels
TIMOTHY PINOS
t: +1 416 869 5784
e: tpinos@cassels.com

Cassels Brock & Blackwell LLP | **cassels.com**
Suite 2100, Scotia Plaza, 40 King St. W.
Toronto, ON M5H 3C2 Canada

From: Chris Simard <SimardC@bennettjones.com>
Sent: Wednesday, September 16, 2020 5:47 PM
To: Pinos, Timothy <tpinos@cassels.com>; Jackson, Lara <ljackson@cassels.com>
Subject: RE: Calfrac - Adjournment of September 30 Final Order Application

Tim,

My reply is attached.

Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 4485 | F. 403 265 7219
E. simardc@bennettjones.com

From: Pinos, Timothy <tpinos@cassels.com>
Sent: Monday, September 14, 2020 1:44 PM
To: Jackson, Lara <ljackson@cassels.com>; Chris Simard <SimardC@bennettjones.com>
Subject: RE: Calfrac - Adjournment of September 30 Final Order Application

Chris: Further to Lara's email, I attach my letter to you of today's date, together with my letter of Thursday, September 10.

Cheers.

Cassels

TIMOTHY PINOS
t: +1 416 869 5784
e: tpinos@cassels.com

Cassels Brock & Blackwell LLP | **cassels.com**
Suite 2100, Scotia Plaza, 40 King St. W.
Toronto, ON M5H 3C2 Canada

From: Jackson, Lara
Sent: Monday, September 14, 2020 3:23 PM
To: Chris Simard <SimardC@bennettjones.com>
Cc: Pinos, Timothy <tpinos@cassels.com>
Subject: RE: Calfrac - Adjournment of September 30 Final Order Application

Chris,

In light of the company's announced delay of the meeting, we propose the following litigation schedule if the company intends to proceed with the current transaction. Please confirm this schedule works for you. Thanks.

Step	Deadline
All evidence from Calfrac and Supporting Parties (other than voting results)	September 24
Meetings	September 29
Calfrac supplementary affidavit (limited to voting results and voting/acquisition matters in para. 42 of Interim Order)	September 29
Cross-examinations on Company and Supporting Parties' evidence	October 1
Wilks evidence	October 6

Reply evidence, if any	October 8
Any additional cross-examinations	October 9
Calfrac and Supporting Parties' factums	October 12
Wilks factum	October 14
Reply factum, if any	October 15
Hearing	October 16

Lara

Cassels

LARA JACKSON
t: +1 416 860 2907
e: ljackson@cassels.com

Cassels Brock & Blackwell LLP | **cassels.com**
Suite 2100, Scotia Plaza, 40 King St. W.
Toronto, ON M5H 3C2 Canada

From: Chris Simard <SimardC@bennettjones.com>
Sent: Monday, September 14, 2020 12:50 PM
To: jkruger@blg.com; bwiffen@goodmans.ca; rchadwick@goodmans.ca; pcalce@clarkeinc.com; Oliver, Jeffrey <joliver@cassels.com>; Jackson, Lara <ljackson@cassels.com>; dfliman@stroock.com; jstorz@stroock.com; EEnglish@porterhedges.com; EGarfias@porterhedges.com; JHiggins@porterhedges.com; MWebb@porterhedges.com; pgriffin@litigate.com; lthacker@litigate.com; john.salmas@dentons.com; sara.vanallen@dentons.com; scollins@mccarthy.ca; AKerlin@reedsmith.com; eschaffer@reedsmith.com; ntaylorsmith@millerthomson.com; jcarhart@millerthomson.com; mschein@vedderprice.com; sam.alberts@dentons.com; RGurofsky@blg.com; ICooper@blg.com; howard.gorman@nortonrosefulbright.com; kirk.litvenenko@nortonrosefulbright.com
Cc: Brent Kraus <KrausB@bennettjones.com>; Denise Brunsdon <BrunsdonD@bennettjones.com>; Kevin Zych <ZychK@bennettjones.com>; Mike Shakra <ShakraM@bennettjones.com>; Adam.Goldberg@lw.com; nacif.taousse@lw.com; Caroline.Reckler@lw.com; Justin Lambert <LambertJ@bennettjones.com>
Subject: Calfrac - Adjournment of September 30 Final Order Application

Calfrac Service List,

Many of you will have seen the Calfrac press release issued this morning, advising of the postponement of the shareholder and unsecured noteholder meetings from September 17 to September 29.

Given the postponement of the meetings, we will not be able to proceed with the Final Order Application on September 30. We will seek another hearing date for the Final Order application and then will be back to this group to propose a new pre-hearing litigation schedule.

Thanks

Chris Simard
Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 4485 | F. 403 265 7219
E. simardc@bennettjones.com

Bennett Jones is committed to mitigating the spread of COVID-19. We have transitioned to a remote work environment and continue to provide complete and uninterrupted service to our clients. Visit our COVID-19 Resource Centre (https://www.bennettjones.com/COVID-19) for timely legal updates.

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EXHIBIT 37

This is Exhibit "37" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Bennett Jones

Bennett Jones LLP
4500 Bankers Hall East, 855 - 2nd Street SW
Calgary, Alberta, Canada T2P 4K7
Tel: 403.298.3100 Fax: 403.265.7219

Chris Simard
Direct Line: 403.298.4485
e-mail: simardc@bennettjones.com
Our File No.: 44609.111

September 22, 2020

Via Email

Mr. Timothy Pinos
Cassels Brock & Blackwell LLP
2100-40 King St W
Toronto, ON M5H 3C2

Dear Mr. Pinos:

Re: In the Matter of 12178711 Canada Inc., Calfrac Well Services Ltd., et al. – Action No. 2001 - 08434

I am writing in response to your letter of September 18, 2020.

We have considered the positions you have described, as to why you believe your client is entitled to discovery of the requested documents. Respectfully, we disagree. We remain of the view that the documents are not producible.

We have also considered the draft Notice of Appointment attached to your letter and your proposal to serve that Notice of Appointment as a method of obtaining discovery of the listed documents, then adjourning the cross-examination of our affiant. We do not believe that procedure would entitle your client to discovery of the listed documents.

We are not prepared to allow this issue to disrupt or delay our clients' application for a Final Order. We believe that it is everyone's interest to efficiently resolve this dispute by bringing it before the Court promptly. As I discussed with Ms. Jackson last week, when we adjourned the full-day hearing that had been booked before Mr. Justice Nixon on September 30, for a full-day hearing of the Final Order application, we preserved the morning hearing time, in case any unforeseen issues arose.

Accordingly, we enclose for service on you our application, returnable before Mr. Justice Nixon at 10:00 a.m. on Wednesday, September 30, 2020. We will serve our supporting affidavit in due course.

EXHIBIT 38

This is Exhibit "38" referred to in Affidavit No. 3 of RONALD MATHISON sworn before me this 25TH day of September, 2020.

A Commissioner for Oaths in and for the Province of Alberta

DENISE H. BRUNSDON
Barrister & Solicitor

Schedule "A"

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	**ORDER**
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: 416.350.6903/403.648.1151 Email: tpinos@cassels.com/jholowachuk@cassels.com

Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION AT WHICH ORDER WAS MADE:

NAME OF JUDGE WHO MADE THIS ORDER:

UPON THE APPLICATION of the Applicant; **AND UPON HEARING** counsel for the Applicant and the Respondents;

IT IS HEREBY ORDERED THAT:

1. The Respondents shall produce to counsel for the Applicant, within five (5) days from the date of this Order, full and complete copies of the following records:

   (a) Each of the following documents as provided to Peters & Co. Limited ("**Peters**") and which are listed in the July 13, 2020 Fairness Opinion of Peters:

      (i) Unaudited projected financial statements for Calfrac Well Services Ltd. (the "**Company**") on a consolidated basis prepared by management of the Company for the years ending December 31, 2020 through 2021, under various potential financing and recapitalization alternatives, and including projections respecting the liquidity of the Company, and ability of the Company to satisfy material financial covenants.

      (ii) A detailed listing of the Company's capital assets.

      (iii) Documents provided to, or recording discussions between, Peters and senior management and directors of the Company relating to the Company's current business, plans, financial condition and prospects, including the results of recent operating activities;

      (iv) Documents provided, to or recording discussions between, Peters and management and directors of the Company and the Company's legal and financial advisors relating to efforts by the Company to improve its strategic and financial position.

   (b) Documents presented to the Board of Calfrac by the Financial Advisors in their "detailed review" of the restructuring plan as referred to at page 18 of the Circular, including but not limited to listed items (a) through (h).

   (c) Current borrowing base calculation, including drawn amounts and projects for those amounts.

   (d) Budgets and projections prepared during the current fiscal year for each of Calfrac's operating segments, by country.

   (e) Documents which contain detailed calculations and assumptions (including underlying assumptions such as fracturing revenue per job, number of fracturing jobs, active pumping horsepower, idle pumping horsepower etc.) underlying each category of financial projections, budgets and cash flow forecasts.

   (f) Most current cash flow forecasts prepared by Calfrac.

   (g) Calfrac's interim consolidated financial statements as at August 31, 2020 (if not available, provide as at July 30, 2020).

(h) Documents which contain the assumptions underlying the forecast information provided in the July 14, 2020 press release, specifically, in Table 2:

(i) Revenue for 2020 and 2021;

(ii) Capital Expenditures for 2020 and 2021;

(iii) Adjusted EBITDA ($ and % of Revenue) for 2020 and 2021; and,

(iv) Unlevered Free Cash Flow for 2020 and 2021.

(i) The Agreement for the Revolving Term Loan Facility.

(j) Copies of the non-disclosure agreements signed in connection with the 1.5 lien convertible debt offering.

2. The Applicant is awarded its costs _____.

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J.C.C.Q.B.A.