

**CALFRAC'S AMENDED RECAPITALIZATION TRANSACTION IS STILL THE BEST WAY TO VOTE, FOR BOTH SHAREHOLDERS AND THE COMPANY**

*The Board Recommends that Shareholders VOTE FOR on the white proxy form.*

Calgary, AB, Oct. 6, 2020 - Calfrac Well Services Ltd. ("Calfrac" or the "Company") (TSX: CFW) today summarized the current status of its Amended Recapitalization Transaction:

**What Shareholders Need to Know:**

**Calfrac's Offer:** At your election:

- (i) **Cash of \$0.15 per share; or retain your Calfrac shares.** (The cash amount is subject to possible proration.); **plus**
- (ii) **in either case:** Shareholders will also receive **two warrants for each share held**, exercisable for a period of three years at a price of \$0.05 per share.

**Potential Value of the Calfrac Warrants:** Using conventional finance methods: **\$0.05 per share now**, but with the potential to be worth **\$0.26 to \$0.71** per share, if Calfrac's enterprise value returns to its historical average. More details in respect of the warrant analysis will be posted on our website under the Recapitalization Transaction Information tab which can be found [here](#).

**Important Reasons to Accept the Calfrac Offer:**

- (i) **Deal certainty.**

Calfrac's transaction can be readily completed. It is contractually supported by 78% of Unsecured Noteholders. (The Unsecured Notes balance due is US\$431.8 million.)

This is the **only transaction** being voted on at the meetings on October 16, 2020.

As discussed below, the Wilks Brothers Offer is conditional, uncertain and appears to be in violation of applicable securities laws.

Calfrac's Amended Recapitalization Transaction will proceed if Calfrac Shareholders vote **FOR**, which is the best result.

- (ii) **The alternative plan is significantly less favourable for Shareholders.**

If the Shareholder votes are negative, then the original Recapitalization Transaction will still proceed. Calfrac has agreed with a majority of Unsecured Noteholders to apply to implement the original Recapitalization Transaction under the CCAA in this event. This agreement was made to deliver the incremental consideration to Shareholders under the Amended Recapitalization Transaction.

The cash alternative and the warrants for Shareholders are only available under the Amended Recapitalization Transaction if Shareholder approval is obtained.

### **The Wilks Brothers Takeover Bid -- Issues and Problems**

#### **Overall:**

The Wilks Brothers takeover bid is still a mirage. It exists to try to entice Shareholders to vote against the Calfrac Amended Recapitalization Transaction. The Wilks Brothers takeover bid has no clear path to implementation. Its principal purpose is to disrupt the Amended Recapitalization Transaction.

Even if the Wilks Brothers takeover bid could be completed, it would be a change of control under all of Calfrac's loan documents, triggering an immediate insolvency. The Amended Recapitalization Transaction does not face this hurdle.

A failure of the upcoming Calfrac Shareholder vote may also push Calfrac into insolvency, which Wilks Brothers has sought several times already.

#### **What are the Conditions to the Wilks Brothers Offer?**

No one knows, because on October 5, 2020, Wilks Brothers announced that it has added a new condition to its offer without disclosing any of the details. Wilks Brothers has said that it will not disclose the details of this condition until its formal notice of amendment is filed, within ten days. This additional undisclosed condition – which appears to be a violation of Canadian takeover bid rules – creates even more uncertainty about whether Shareholders could ever receive any recovery under the Wilks Brothers Offer.

#### **Adverse Amendments to the Wilks Brothers Offer:**

**Wilks Brothers seeks to adversely change its offer structure – seemingly in violation of Canadian takeover bid rules.**

As described above, Wilks Brothers has, most unfairly, failed to disclose the details of its new takeover bid condition, announced on October 5. Wilks Brothers vaguely announced that it will be adding another condition to “preserve the status quo with respect to Calfrac’s issued shares”. The addition of new conditions to an outstanding takeover bid appears to be a violation of Canadian takeover bid rules.

Furthermore, Wilks Brothers has sought to cap the amount of cash it would need to pay under its offer at \$21,103,250. This amendment also appears to be a violation of Canadian takeover bid rules. The capped cash amount provided in the Wilks Brothers Offer would equate to approximately \$0.01 for each of Calfrac’s pro forma shares outstanding after the original Recapitalization Transaction is completed, but it is certainly not clear what is intended.

**Does anyone seriously believe that Wilks Brothers does not already know what its new takeover bid condition will say?**

**Does Wilks Brothers intend to provide details at a time that is too late for Shareholders to consider before making their decisions for the October 16 meetings?**

**The Wilks Brothers Offer, regardless of its offer price, continues to be unlikely to be completed.**

### **Conclusion**

The Board of Directors of Calfrac urges Shareholders:

- (i) to continue to ignore the noise;
- (ii) to focus on Shareholder economics;
- (iii) to carefully consider deal certainty;
- (iv) to consider the downside risks of the alternatives; and
- (v) to look at all of the terms and conditions involved (including the newly added and as yet unclear condition).

Calfrac remains of the opinion that Shareholders should VOTE FOR the Amended Recapitalization Transaction.

***Shareholders and Unsecured Noteholders are reminded that the meetings previously scheduled for September 29, 2020, have been postponed to October 16, 2020.***

***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 North America, or (ii) e-mail to [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).***

***Further details regarding the Amended Recapitalization Transaction are available on Calfrac's SEDAR profile at [www.sedar.com](http://www.sedar.com) and on Calfrac's website at [www.calfrac.com](http://www.calfrac.com).***

***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.***

***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 completion of the proposed Amended Recapitalization Transaction; potential outcomes for Shareholders, including in the event that the Amended Recapitalization Transaction is approved or not and the possible consequences of a CCAA proceeding; the potential future value of the warrants; the executability of the Amended Recapitalization Transaction; the viability of and conditions to the Wilks Brothers Offer, including the value per share of the Wilks Brothers Offer under certain scenarios; potential outcomes if the Wilks Brothers Offer is successful or not; the potential motivations and intentions behind the Wilks Brothers actions and omissions; and Calfrac's expectations and intentions with respect to the foregoing.***

*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; the written statements of intention of the Consenting Noteholders; precedent decisions by Canadian securities regulators with respect to the scope of exemptive relief available under takeover bid legislation; 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; decisions by Canadian securities regulators and/or the courts; 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 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 Management Information Circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020, and Company's annual information form dated March 10, 2020, each as filed on SEDAR at [www.sedar.com](http://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.***