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NEWS RELEASE

CLEARSTREAM ENERGY SERVICES INC. ANNOUNCES REFINANCING TRANSACTION

TORONTO, ONTARIO, **ClearStream Energy Services Inc. (TSX: CSM and CSM.DB.A)** (the "**Company**") announced today that it has entered into a refinancing agreement (the "**Refinancing Agreement**") with Canso Investment Counsel Ltd. (in its capacity as portfolio manager for and on behalf of certain accounts that it manages, "**Canso**"), pursuant to which Canso, in its capacity as portfolio manager for and on behalf of certain accounts that it manages, has agreed to exchange certain of the Company's existing debt for newly created Series 1 Preferred Shares of the Company (the "**Preferred Shares**") and to subscribe for additional Preferred Shares of the Company (collectively the "**Refinancing Transaction**"). The Refinancing Transaction ensures that the Company is able to continue to service its outstanding indebtedness and is designed to improve the balance sheet and liquidity of the Company going forward in order to allow it to better execute upon its business plan and growth strategies.

Pursuant to the Refinancing Agreement, Canso has agreed to exchange $75,000,000 principal amount of 8.00% senior secured debentures due 2026 (the "**Senior Secured Debentures**") and approximately $33,564,900 principal amount of 10.00% second lien secured convertible debentures due 2026 (the "**Convertible Secured Debentures**" and, together with the Senior Secured Debentures, the "**Secured Debentures**") for Preferred Shares. Additionally, Canso has agreed to acquire up to $20,000,000 in additional Preferred Shares (the "**Private Placement**"), the proceeds of which will primarily be used to fund the interest obligations of the Company under the Secured Debentures due on January 2, 2018, June 30, 2018 and December 31, 2018. The Company does not intend to seek a listing of the Preferred Shares on the TSX.

Closing of the Refinancing Transaction is expected to occur on or following January 5, 2018 and will be subject to the terms and conditions set out in the Refinancing Agreement, including approval of certain amendments to the indentures governing the Secured Debentures by the holders thereof (as described below), as well as the approval of the Toronto Stock Exchange (the "**TSX**") and the approval of Bank of Montreal, as agent, and the lenders under the Company's senior credit agreement. The Refinancing Agreement will be available on the Company's SEDAR profile at www.sedar.com. Since proceeds of the Private Placement will be used to fund the interest payment due on January 2, 2018 under the Secured Debentures, the Company does not expect an Event of Default (as defined in the indentures governing the Secured Debentures) to occur unless the Company is unable to complete the Refinancing Agreement on or prior to January 17, 2018.

"ClearStream is pleased to announce this refinancing transaction with Canso, a significant security holder of the Company," said Dean MacDonald, the Executive Chairman and interim Chief Executive Officer of the Company. "This transaction significantly improves the Company's balance sheet and provides it with the increased flexibility ClearStream needs in order to continue to implement its business plan."

The terms of the Preferred Shares provide for a 10% fixed cumulative preferential cash dividend payable when the Company shall have sufficient monies to be able to do so, including under the provisions of applicable law and contracts affecting the Company. The board of directors of the Company (the "**Board**") does not intend to declare or pay any cash dividends until such time as the Company's balance sheet and liquidity position supports the payment. Any accrued but unpaid dividends are convertible in certain circumstances at the option of the holder into additional Preferred Shares. Holders of the Preferred Shares will have the right, at their option, to convert their Preferred Shares into common shares of the Company ("**Common Shares**") at a price of $0.35 per Common Share, subject to adjustment in certain circumstances. The Preferred Shares are retractable by the Company in cash at 110% of par value, plus accrued but unpaid dividends once all of the outstanding Senior

Secured Debentures have been repaid and are subject to repayment in the event of certain change of control transactions. There are approximately 110,000,000 Common Shares issued and outstanding. Additionally, 10% of the Common Shares are reserved for issuance under the Company's Incentive Option Plan and Performance Share Unit Plan, and in excess of 100,000,000 Common Shares are reserved for issuance upon conversion of the Company's Convertible Secured Debentures.

In accordance with the rules of the TSX, the Company has applied to the TSX for permission to obtain shareholder approval for the Refinancing Transaction through the delivery of a written consent executed by holders of more than 50% of the issued and outstanding Common Shares, excluding those shareholders who also hold Convertible Secured Debentures, in lieu of holding a shareholder meeting. None of the consenting shareholders will participate in the Private Placement.

Pursuant to the Refinancing Transaction, an aggregate of up to approximately $130,000,000 in Preferred Shares will be issued at closing, with almost all of the Preferred Shares being issued to accounts managed by Canso as portfolio manager. Accordingly, based upon a conversion price of $0.35 per Common Share, there could be significant dilution to the current holders of Common Shares. Up to approximately 371,430,000 additional Common Shares will be issuable upon conversion of the face amount of Preferred Shares to be issued on closing of the Refinancing Transaction, representing approximately 338% of the issued and outstanding Common Shares as of December 18, 2017 (which amount includes the 100,000,000 Common Shares currently issuable on conversion of the Convertible Secured Debentures and for which shareholder approval was already obtained in 2016 and assumes that approximately all $35,000,000 in Convertible Secured Debentures is ultimately voluntarily exchanged for Preferred Shares). Assuming that the holders of the Preferred Shares exercise the right to convert all accrued dividends into Preferred Shares at the end of every year, and no right of redemption or retraction is exercised under the Preferred Shares, up to approximately 963,400,000 Common Shares would be issuable upon conversion of the face amount of Preferred Shares after ten years, which represents approximately 877% of the issued and outstanding Common Shares as of December 18, 2017. Potentially almost all of these Common Shares could, subject to applicable securities laws, be issued to accounts managed by Canso. Currently, approximately 240,000,000 Common Shares are potentially issuable pursuant to the Convertible Secured Debentures assuming the payment of all interest on such debentures is satisfied, pursuant to the terms of the existing indenture, by issuing additional Convertible Secured Debentures. Accordingly, the incremental dilutive effect of the Refinancing Transaction would be the possible issuance of at least 131,430,000 Common Shares on closing and potentially up to 723,400,000 Common Shares after ten years based on the assumptions set out above. Accordingly, the Company will seek written consent from holders for the issuance of up to 963,400,000 Common Shares. If the Preferred Shares are outstanding for longer than ten years and accrued dividends continue to be paid in Preferred Shares past that time, the Company will have to seek further shareholder approval for the issuance and listing of the Common Shares underlying such additional Preferred Shares.

The indentures governing the Convertible Secured Debentures and the Senior Secured Debentures will be amended to effect the exchange referred to above. Such amendments are subject to approval of the TSX and the written consent of the holders of at least 66 2/3% of each of the Convertible Secured Debentures and the Senior Secured Debentures, respectively. Canso, holding greater than 66 2/3% of each of the Convertible Secured Debentures and the Senior Secured Debentures, has agreed to consent to such amendments. Any Convertible Secured Debentures that remain outstanding following the Refinancing Transaction are expected to be delisted from the TSX and any continuing holders of Convertible Secured Debentures will have the option to continue to hold their debentures until maturity, exchange their debentures for Preferred Shares or exchange their debentures for cash until March 31, 2018. Canso, for and on behalf of accounts that it manages, will continue to hold approximately $1,000,000 principal amount of Convertible Secured Debentures, and has agreed to exchange such Convertible Secured Debentures for Preferred Shares after no other Convertible Secured Debentures remain outstanding. Continuing holders of Convertible Secured Debentures are asked to contact the Company at the number noted below.

As the Refinancing Transaction could result in: (i) an aggregate number of Common Shares potentially greater than 25% of the Company's issued and outstanding Common Shares being issued (which requires shareholder approval pursuant to Section 607(g)(i) of the TSX Company Manual); (ii) greater than 10% of the currently issued and outstanding Common Shares being issued to insiders of the Company during a six month period (which requires shareholder approval pursuant to Sections 607(g)(ii) of the TSX Company Manual); (iii) the Preferred Share conversion price being below the allowable discount thresholds (which requires shareholder approval pursuant to Section 610 of the TSX Company Manual); (iv) the Preferred Share conversion price being below the allowable discount thresholds (which requires shareholder approval pursuant to Section 607(e) of the TSX Company Manual); and (v) a pool of Preferred Shares being reserved for issuance pursuant to the payment of accrued dividends under the Preferred Shares being priced before the applicable dividend payment date or the obligation to pay the dividend has occurred, the Company would ordinarily be required to obtain shareholder approval for the Refinancing Transaction pursuant to Sections 607(g)(i) and (ii) of the TSX Company Manual.

However, in excess of 50% of the disinterested shareholders (excluding Canso and Mr. Dean Macdonald) have evidenced their approval by written consent in accordance with the requirements set forth in Section 604(d) of the TSX Company Manual.

In accordance with the requirements set forth in the TSX Company Manual and in connection with the approval being sought thereunder for the listing of the Common Shares underlying the Preferred Shares, the Company also confirms that the transactions described herein have been negotiated at arm's length.

In aggregate, the accounts managed by Canso as portfolio manager currently hold: (i) approximately 17,153,650 Common Shares, representing approximately 15.6% of the Company's 109,941,241 outstanding Common Shares; (ii) all of the outstanding Senior Secured Debentures; and (iii) approximately $34,564,900 aggregate principal amount of outstanding Convertible Secured Debentures. As Canso is an insider of the Company, the Refinancing Transaction constitutes a related party transaction under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Investments* ("**MI 61-101**") of certain of the Canadian Securities Administrators and the Company would ordinarily be required to obtain shareholder approval for the Refinancing Transaction on a disinterested basis both pursuant to the requirements of MI 61-101 and the policies of the TSX.

The Company is relying on the formal valuation exemption in Section 5.5(a) of MI 61-101 and the minority approval exemption in Section 5.7(1) of MI 61-101 pursuant to Subsection 5.7(1)(e) of MI 61-101 based on the Board, acting in good faith, having determined, and at least two-thirds of the Company's independent directors, acting in good faith, having determined that: (i) the Company is in serious financial difficulty with limited alternatives; (ii) the Refinancing Transaction is designed to improve the Company's financial position; (iii) the terms of the Refinancing Transaction are reasonable in the Company's circumstances; (iv) the immediacy of the Company's need for financing through the Refinancing Transaction does not afford it sufficient time to hold a special shareholders' meeting; and (v) the Refinancing Transaction is fair to, and in the best interests of, the shareholders of the Company.

Mr. MacDonald currently holds approximately $100,000 principal amount of the Convertible Secured Debentures. As part of the Refinancing Transaction, such Convertible Secured Debentures will be exchanged for Preferred Shares on the same basis as the Convertible Secured Debentures held by accounts managed by Canso, that is, at par, with no premium, penalty or bonus. Mr. MacDonald was not involved with the negotiation of the Refinancing Transaction and declared his interest to the Board in connection with the Refinancing Transaction, abstained from voting, and recused himself from the portion of the board meeting relating to the Refinancing Transaction. The remaining directors, free from any interest in the Refinancing Transaction and unrelated to the parties involved in the Refinancing Transaction, reviewed the Refinancing Transaction and concluded that it is in the best interests of the Company.

The Company did not file a material change report at least 21 days prior to the anticipated date of completion of the Refinancing Transaction due to the Company's determination that it is in the best interests of the Company to avail itself of the proceeds of and to complete the Refinancing Transaction in an expeditious manner.

The Preferred Shares issued pursuant to the Refinancing Transaction will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation. The Preferred Shares issued pursuant to the Refinancing Transaction have not been and will not be registered under the U.S. Securities Act of 1993, as amended, or any state securities laws and may not be offered or sold unless an exemption from registration is available.

For further information please contact:

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About ClearStream Energy Services Inc.

With a legacy of excellence and experience stretching back more than 50 years, ClearStream provides solutions to the Energy and Industrial markets including: Oil & Gas, Petrochemical, Mining, Power, Agriculture, Forestry, Infrastructure and Water Treatment. With offices strategically located across Canada and over 3,000 employees, we construct, transport and provide maintenance services that keep our clients moving forward. For more information about ClearStream, please visit www.ClearStreamEnergy.ca.

Forward-looking information

This press release contains forward-looking information based on current expectations, including but not limited to the Company's expectations in connection with the Refinancing Transaction, benefits of the Refinancing Transaction, conditions precedent to the completion of the Refinancing Transaction, the delisting of the Convertible Secured Debentures following the Refinancing Transaction and the expected performance of the Company. Forward-looking information is often, but not always, identified by the use of the words “contemplate” and “anticipate” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur and any similar expressions or negative variations thereof. In providing forward-looking information in this press release, management of the Company has made numerous assumptions regarding the Refinancing Transaction which it believes to be reasonable, including assumptions relating to: (i) the Company’s existing and future business prospects and opportunities; (ii) the receipt of all required security holder approvals in respect of the Refinancing Transaction; (iii) the satisfaction or waiver of all other conditions to the completion of the Refinancing Transaction; (iv) the expected actions of third parties; and (v) the outcome of the Refinancing Transaction and related transactions and agreements including the expected use of proceeds. However, forward-looking information entails various risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking information. Specific risks that could cause actual results to differ materially from those anticipated or disclosed herein include, but are not limited to: (i) failure to satisfy the conditions to complete the Refinancing Transaction including failure to receive required stock exchange, security holder and third party approvals and/or consents; (ii) the occurrence of any event, change or other circumstance that could give rise to the termination of the Refinancing Agreement; (iii) the delay of consummation of the Refinancing Transaction or the failure of the Refinancing Transaction to be completed for any other reason; (iv) the amount of costs, fees and other expenses incurred in connection with the Refinancing Transaction; and (v) the risk that the anticipated effects of the Refinancing Transaction, if completed, may not result in the outcomes expected by management. In addition, general risks relating to capital markets, economic conditions, regulatory changes, changes in interest rates as well as the management and operations of the Company’s business may also cause actual results to differ materially from those anticipated or disclosed herein. These and other risks and uncertainties relating generally to the Company’s business are more fully discussed in the Company’s disclosure materials, including its annual information form and MD&A, filed with the securities regulatory authorities in Canada and available at www.sedar.com. Forward-looking statements are not guarantees of future performance, and management’s assumptions upon which such forward-looking information are based may prove to be incorrect. Accordingly, there can be no assurance that actual events or results will be consistent with the forward-looking statements disclosed herein. In light of the significant uncertainties inherent in forward-looking information, any such forward-looking information should not be regarded as representations by the Company that its objectives or plans relating to the Refinancing Transaction or otherwise will be achieved. Readers are cautioned not to place undue reliance on any forward-looking information contained herein and that such forward-looking information are provided solely for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. In addition, forward-looking information relates to the date on which they are made. The Company disclaims any intention or obligation to update or revise any forward-looking information contained herein, whether as a result of new information, future events or otherwise, except to the extent required by law.