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NEWS RELEASE

**CLEARSTREAM ENERGY SERVICES INC. ANNOUNCES COMPLETION OF REFINANCING  
TRANSACTION**

**CALGARY, ALBERTA, January 16, 2018, ClearStream Energy Services Inc. (TSX: CSM and CSM.DB.A)** (the "**Company**") is pleased to announce today the completion of its previously announced refinancing transaction (the "**Refinancing Transaction**"). In connection with the Refinancing Transaction, Canso Investment Counsel Ltd. ("**Canso**") (in its capacity as portfolio manager for and on behalf of certain accounts that it manages, the "**Canso Accounts**"), has commenced the process of effecting the exchange of certain of the Company's existing debt for newly created series 1 preferred shares of the Company (the "**Preferred Shares**") and has subscribed for additional Preferred Shares of the Company on a private placement basis. In connection with the foregoing, the Company has: (i) amended the trust indenture (the "**Senior Secured Indenture**") governing its 8.00% senior secured debentures due 2026 (the "**Senior Secured Debentures**"); (ii) amended the trust indenture (the "**Convertible Secured Indenture**") governing its 10.00% second lien secured convertible debentures due 2026 (the "**Convertible Secured Debentures**" and, together with the Senior Secured Debentures, the "**Secured Debentures**"); and (iii) amended and restated its existing asset-based lending facility (the "**Credit Agreement**").

Further details regarding the foregoing Refinancing Transaction are set out below. Copies of all material documents and contracts, including the Refinancing Agreement (as defined below), the Second Senior Supplemental Indenture (as defined below), the Second Convertible Supplemental Indenture (as defined below) and terms of the Preferred Shares, have been, or will be (as applicable), filed for public inspection on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

*Amendments to Trust Indentures*

The Company has adopted certain amendments to the Senior Secured Indenture and the Convertible Secured Indenture, respectively, in order to effect the exchange of Senior Secured Debentures and Convertible Secured Debentures for Preferred Shares pursuant to the terms of the refinancing agreement dated December 27, 2017 between the Company and Canso, for and on behalf of the Canso Accounts (the "**Refinancing Agreement**"). The amendments, which received the written consent of the holders of at least 66 2/3% of the outstanding principal amount of each of the Senior Secured Debentures and the Convertible Secured Debentures, were adopted pursuant to a second supplemental senior secured indenture to the Senior Secured Indenture effective as of January 12, 2018 (the "**Second Senior Supplemental Indenture**") and a second supplemental convertible secured indenture to the Convertible Secured Indenture effective as of January 12, 2018 (the "**Second Convertible Supplemental Indenture**").

Pursuant to the terms of the Second Convertible Supplemental Indenture, holders of Convertible Secured Debentures may: (i) at any time prior to February 1, 2018, exchange all or any part of the outstanding principal amount of such Convertible Secured Debenture for either (A) 1 Preferred Share for each \$1,000 principal amount of Convertible Secured Debentures so exchanged; or (B) a cash amount that does not exceed 100% of the principal amount of Convertible Secured Debentures so exchanged; (ii) at any time on or after February 1, 2018, exchange all, but not part, of the outstanding principal amount of such Convertible Secured Debenture for 1 Preferred Share for each \$1,000 principal amount of Convertible Secured Debenture so exchanged; or (iii) at

any time on or after February 1, 2018 but prior to March 31, 2018, exchange all, but not part, of the outstanding principal amount of such Convertible Secured Debentures for a cash amount that does not exceed 100% of the principal amount of Convertible Secured Debentures so exchanged. Holders of Convertible Secured Debentures exchanged for cash are not entitled to receive any accrued and unpaid interest in respect of such Convertible Secured Debentures for the period from and including the most recently completed interest payment date up to the date of the exchange. Holders of Convertible Secured Debentures exchanged for Preferred Shares are entitled to receive any accrued and unpaid interest in respect of such Convertible Secured Debentures for the period from and including the most recently completed interest payment date up to and excluding the date of exchange. Any interest will be paid shortly after the date of exchange. Beneficial holders of Convertible Secured Debentures are encouraged to contact their broker as soon as possible should they wish to exchange their Convertible Secured Debentures in accordance with the terms of the Second Supplemental Convertible Indenture. A registered holder of Convertible Secured Debentures desiring to exchange its Convertible Secured Debenture shall surrender such Convertible Secured Debenture to BNY Trust Company of Canada (in its capacity as the debenture trustee of the Company, the "**Debenture Trustee**") at its principal offices at 320 Bay Street, 11th Floor, Toronto, Ontario, M5H 4A6, together with the exchange form attached as Schedule "H" to the Second Convertible Supplemental Indenture and available at the Company's website and on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), or any other written notice in a form satisfactory to the Debenture Trustee.

Beneficial holders of Convertible Secured Debentures are encouraged to contact the Company at the number noted below should they have any questions.

#### *Private Placement of Preferred Shares*

As part of the Refinancing Transaction, the Company issued to the Canso Accounts 19,000 Preferred Shares on a private placement basis (the "**Private Placement**") in aggregate principal amount of \$19,000,000. The proceeds of the Private Placement were used to fund the interest obligations of the Company due and payable on January 2, 2018 under the Secured Debentures, and will be used to fund the interest obligations under the Secured Debentures due on June 30, 2018 and December 31, 2018, among other things. The Preferred Shares issued pursuant to the Private Placement 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 Company does not intend to seek a listing of the Preferred Shares on the TSX. 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.

The terms of the Preferred Shares, created pursuant to articles of amendment of the Company dated January 4, 2018 (the "**Articles of Amendment**"), 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 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 at a price of \$0.35 per Common Share, subject to adjustment in certain circumstances. The Preferred Shares are redeemable by the Company in cash at 110% of the purchase price for such shares, 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.

#### *Exchange of Secured Debentures for Preferred Shares*

Additionally, as part of the Refinancing Transaction and pursuant to the terms of the Refinancing Agreement, Canso, in its capacity as portfolio manager for Canso Accounts, exchanged or is in the process of exchanging \$75,000,000 principal amount of Senior Secured Debentures for 75,000 Preferred Shares and \$33,565,000 principal amount of Convertible Secured Debentures for 33,565 Preferred Shares.

After completion of the exchange, approximately \$101,228,000 principal amount of Senior Secured Debentures and \$1,338,800 of Convertible Secured Debentures will remain outstanding. It is anticipated that the outstanding Convertible Secured Debentures will be delisted from the TSX within two to three business days pending receipt of required documentation by the TSX. Canso, for and on behalf of accounts that it manages, has agreed to exchange its remaining Convertible Secured Debentures for Preferred Shares once all other Convertible

Secured Debentures are exchanged for Preferred Shares or cash in accordance with the terms of the Second Convertible Supplemental Indenture.

### *Amendment and Restatement of Credit Agreement*

The Company also announces that, in connection with the Refinancing Transaction, its subsidiary, ClearStream Energy Holdings LP, as borrower, has entered into an amended and restated credit agreement (the “**New Credit Agreement**”) with (among others) the Company and certain of its other direct and indirect subsidiaries, as guarantors, and Bank of Montreal, as administrative agent (the “**ABL Agent**”). The New Credit Agreement, among other things, provides for certain borrowing base amendments and permits the consummation of the transactions contemplated by the Refinancing Agreement.

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](http://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, 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) assumptions relating to the ability of the Company and its subsidiaries to meet future obligations owing under the Secured Debentures; (iii) the outcome of the Refinancing Transaction including the expected use of proceeds; (iv) the exchange of Secured Debentures and Convertible Secured Debentures for Preferred Shares; and (v) existing and future business prospects and opportunities of the Company. 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) the inability of the Company and its subsidiaries to observe its covenants or to meet future payment obligations under the Secured Debentures, which will primarily depend upon the future financial performance of ClearStream; and (ii) 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](http://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.