

Cathedral Energy Services Closes its Second Acquisition in the Quarter Through the Purchase of Valiant Energy Services

CALGARY, AB, Sept. 8, 2021 /CNW/ - Cathedral Energy Services Ltd. (TSX: CET) ("Cathedral" or the "Company") is pleased to announce the closing of Cathedral's acquisition of the operating assets of Valiant Energy Services ("Valiant"), an Alberta-based directional drilling company, for a purchase price of \$1,500,000 (the "Transaction"). The purchase price was satisfied through the issuance of 3,464,204 common shares of Cathedral (the "Consideration Shares") to Valiant. The Consideration Shares will be subject to a 4-month statutory hold period.

Post-closing, Cathedral's Canadian business is expected to operate over 30 jobs in Q3-2021 in the Western Canadian Sedimentary Basin ("WCSB") which equates to an estimated market share of current active jobs in Canada of more than 20%. Valiant currently has a 5-job capability and has been consistently operating at high levels of utilization since inception. This transaction also represents an opportunity for further margin expansion as Cathedral's complementary motor fleet replaces motor rentals on existing Valiant jobs. The principal owner of Valiant, Mr. Vaughn Spengler, has entered into a long-term performance-based agreement to remain with Cathedral and will continue to focus on opportunities to support and expand the existing customer base.

Tom Connors, Cathedral President & CEO, commented, "Valiant has constantly outperformed the market on a utilization basis and delivered above average margin performance and financial results over several years due to their high reliability and efficient operations. We are pleased to have Mr. Spengler join our organization and are excited about his contribution to our growth into the future. This deal represents another step on our strategic consolidation path and solidifies our position as one of the top three directional drilling contractors in Canada by job count. We will continue to explore opportunities to expand our business in both Canada and the USA through organic growth, further accretive acquisitions, and leading-edge technology."

FORWARD-LOOKING INFORMATION

This news release contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is typically, but not always, identified by the use of words such as "proposed", "expected", "will" and similar words, including negatives thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking information in this news release includes, but is not limited to, statements regarding: anticipated growth in sales margins, market share, job count and customer retention of Valiant's former directional drilling customers, and other statements relating to the expected operations of the assets and business purchased in the Transaction going forward, as well as statements relating to Cathedral's strategic plans for growth and expansion.

Such forward-looking information is based on various assumptions and factors that may prove to be incorrect, including, but not limited to, factors and assumptions with respect to: the ability of the Company to integrate the acquired business into Cathedral's business; and the ability of the Company to successfully implement its strategic plans and initiatives and whether such strategic plans and initiatives will yield the expected benefits. Although the Company believes that the assumptions and factors on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that it will prove to be correct or that any of the events anticipated by such forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive there from. Statements regarding Cathedral's current percentage of Canadian market share

and Cathedral's position as a top directional drilling contractor in Canada are management estimates based on publicly available information regarding drilling rig counts in the WCSB as of August 31, 2021.

Actual results could differ materially from those currently anticipated due to a number of factors and risks including, but not limited to: conditions in the oil and gas market in North America; fluctuations in market conditions, including in securities markets; economic factors; and the impact of general economic conditions and the COVID-19 pandemic in Canada and the United States. Additional information regarding risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's annual information form for the financial year ended December 31, 2020 and the Company's other public filings, copies of which are available under the Company's profile on SEDAR at www.sedar.com. The forward-looking information included in this news release is made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise, except as required by applicable law.

ABOUT CATHEDRAL

Cathedral Energy Services Ltd., based in Calgary, Alberta is incorporated under the Business Corporations Act (Alberta) and operates in the U.S. under Cathedral Energy Services Inc. Cathedral is publicly traded on the Toronto Stock Exchange under the symbol "CET". Cathedral is a trusted partner to North American energy companies requiring high performance directional drilling services. We work in partnership with our customers to tailor our equipment and expertise to meet their specific geographical and technical needs. Our experience, technologies and responsive personnel enable our customers to achieve higher efficiencies and lower project costs. For more information, visit www.cathedralenergyservices.com.

SOURCE Cathedral Energy Services Ltd.

View original content: <http://www.newswire.ca/en/releases/archive/September2021/08/c3313.html>

%SEDAR: 00000484E

For further information: Requests for further information should be directed to: Tom Connors, President & Chief Executive Officer, Ian Graham, Chief Financial Officer, Cathedral Energy Services Ltd., 6030 3 Street S.E., Calgary, Alberta T2H 1K2, Telephone: 403.265.2560, Fax: 403.262.4682, www.cathedralenergyservices.com

CO: Cathedral Energy Services Ltd.

CNW 06:00e 08-SEP-21