

Cathedral Energy Services Ltd.

Term Sheet

April 4, 2022

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in each of the provinces of Canada except Quebec. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The securities described in this document have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the 1933 Act). This document does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

Issuer:	Cathedral Energy Services Ltd. ("Cathedral" or the "Company").
Offering:	28,575,000 Units ("Units").
Offering Price:	\$0.70 per Unit (the "Offering Price").
Amount:	\$20,002,500
Form of Offering:	Bought deal treasury offering of Units to be completed by way of short form prospectus, qualifying the securities comprising the Units for distribution in all of the provinces of Canada except Quebec (the "Qualifying Jurisdictions") and in the United States pursuant to available exemptions from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws, and may be distributed outside Canada and the United States on a basis which does not require the qualification or registration of any of the Company's securities under domestic or foreign securities laws.
Unit:	Each Unit shall be comprised of one common share in the capital of the Company (a "Common Share") and one-half of a Common Share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant shall be exercisable into one Common Share (a "Warrant Share") for a period of twelve (12) months from the Closing Date at a price of \$0.85 per Warrant Share. On the Closing Date, the Warrants will be listed for trading on the Toronto Stock Exchange.
Commission:	Cash commission of 6.0% of the gross proceeds of the Offering payable on closing of the Offering (the "Closing Date").
Over-Allotment Option:	The underwriters will have an option to purchase up to an additional 15% of the Units issued under the Offering (4,286,250 Units) at the Offering Price to cover over-allotments, if any, and for market stabilization purposes, exercisable in whole or in part at any time until and including the 30th day following the Closing Date.
Eligibility:	The Units will be eligible under the usual Canadian statutes for Canadian RRSPs, RRIFs, DPSPs, RDSPs, TFSA's and RESPs.
Listing:	Application will be made to list the Common Shares and the Warrants on the Toronto Stock Exchange (the "TSX"). The existing Common Shares of the Company are listed on the TSX under the symbol CET.
Closing Date:	Payment for and delivery of the Units pursuant to the Offering is expected to occur on or about April 25, 2022, or such date as may be agreed upon by the Company and the Lead Underwriter.

Use of Proceeds: The net proceeds from the Offering will be used to help fund future acquisitions and for general corporate purposes including repayment of indebtedness.

Lead Underwriter: Acumen Capital Finance Partners Limited.