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AVEDA TRANSPORTATION AND ENERGY SERVICES ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2015

CALGARY, Alberta – August 13, 2015 – Aveda Transportation and Energy Services Inc. (“Aveda” or the “Company”) (TSX-V:AVE), a leading provider of oilfield hauling services and equipment rentals to the energy industry, today announced results for the six months ended June 30, 2015.

2015 SECOND QUARTER BUSINESS HIGHLIGHTS

- As a result of the significant slow-down experienced in the oil and gas sector as a result of the drastic decline in the price of oil and natural gas, revenue for the three months ended June 30, 2015 decreased by \$9.0 million to \$23.0 million, compared with revenue of \$32.1 million for the same period in 2014. US revenue decreased by 18.7% while Canadian revenue decreased by 69.7% which resulted in an overall revenue decrease of 28.2%;
- Generated net income for the three months ended June 30, 2015 of \$5.9 million, compared to \$0.3 million of loss for the same period in 2014. Earnings per share were \$0.31 compared to a loss per share of \$0.02 in the comparative period. Onetime items related to the Acquisition had a positive impact on 2015 earnings of approximately \$9.9 million (\$0.52 per share). Excluding the onetime items related to the Acquisition, the Company would have generated an operating loss of \$4.0 million (\$0.21 per share) in the second quarter of 2015;
- Generated Adjusted EBITDA¹ loss for the quarter ended June 30, 2015 of \$2.2 million, compared with Adjusted EBITDA¹ of \$4.4 million for the same period in 2014;
- Completed the acquisition (the “Acquisition”) of Hodges Trucking Company, L.L.C. (“Hodges”), from Seventy Seven Energy Inc. for total consideration of US\$42.0 million, the Company acquired approximately 900 pieces of rig moving and heavy haul equipment. US\$15.0 million of the purchase price was financed through the Company’s existing senior credit facility, and US\$27.0 million was financed by a seller take-back note (the “Note”). The Note is a five-year term debt note with no requirement for early principal payment;
- Subsequent to the closing of the Acquisition, the Company sold approximately 350 pieces of Hodges’ non-oilfield equipment for approximately US\$22.0 million. The Company received US\$20.8 million of the sale price in cash and US\$1.25 million is currently in escrow to be released over the next 12 months subject to meeting certain milestones. The US\$20.8 million received was then used to reduce the Company’s senior credit facility;
- The Company ended the quarter with \$38.8 million of outstanding loans and borrowings on its senior secured debt, the lowest amount outstanding in the previous 12 months; and
- The Company ended the quarter with \$27.2 million in working capital with a working capital ratio of 2.90.

2015 FIRST HALF BUSINESS HIGHLIGHTS

- Revenue for the six months ended June 30, 2015 declined by \$7.9 million to \$59.7 million, compared with revenue of \$67.5 million for the same period in 2014. US revenue increased by 4.1% and Canadian revenue decreased by 60.7% which resulted in an overall revenue decrease of 11.6%;
- Generated net income for the six months ended June 30, 2015 of \$4.8 million, compared to \$2.2 million

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for the same period in 2014. Earnings per share were \$0.25 compared to \$0.12 in the comparative period. Onetime items related to the Acquisition had a positive impact on 2015 earnings of approximately \$9.9 million (\$0.51 per share). Excluding the onetime items related to the Acquisition, the Company would have generated an operating loss of \$5.1 million (\$0.27 per share);

- Generated Adjusted EBITDA¹ for the six months ended June 30, 2015 of \$2.2 million, a decrease of \$8.8 million compared with Adjusted EBITDA¹ of \$11.0 million for the same period in 2014; and
- The Company has implemented wage roll backs across the organization to reduce costs.

“Amidst the current cyclical downturn in the oil and gas industry, we are continuing to position the Company for the future. The transformative acquisition of Hodges will further cement the Company as a dominant force in the rig moving industry.” said Kevin Roycraft, President and Chief Executive officer of Aveda “We are continuing to optimize our operations and realizing all potential synergy the Hodges acquisition may offer in order to weather the current industry condition and emerge from the current environment stronger and more profitable.”

All directors have been re-elected at the Annual Meeting of the shareholders. In addition, Mr. Tor Wilson has been elected as a director of the Company. The Board and management welcome Mr. Wilson to the Board, and look forward to working with him.

Mr. Wilson has been a director (or trustee) and President of Badger Daylighting Ltd., including its predecessors, since 2000, and Chief Executive Officer of Badger Daylighting Ltd., including its predecessors, since 2001. Prior thereto, Mr. Wilson was the Chief Operating Officer of Timberjack Inc., a worldwide forestry equipment manufacturer, from 1996 to May 2000. Mr. Wilson holds a Bachelor of Science degree in Forestry from the University of New Brunswick, an MBA from Laurentian University in Ontario and the ICD.D designation from the Institute of Corporate Directors.

The Company will host its second quarter fiscal 2015 results conference call on Friday, August 14, 2015 at 9:00 a.m. Eastern Time (ET). Executive Chairman David Werklund, President and CEO Kevin Roycraft and Vice-President, Finance and CFO Bharat Mahajan will discuss Aveda's financial results for the quarter and then take questions from securities analysts.

To access the conference call by telephone, dial (647) 427-7450 or 1-888-231-8191. A live audio webcast of the conference call will be available at <http://event.on24.com/r.htm?e=1033217&s=1&k=4C9522194395FB40951A991E1B277BA3>.

The conference call webcast will be archived and available at <http://www.avedaenergy.com/investors/Conference-Calls/default.aspx> until September 15, 2015.

The Company's consolidated financial statements and Management's Discussion and Analysis are available on the Company's website at www.avedaenergy.com or the SEDAR website at www.sedar.com.

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Financial Overview

(in thousands, except per share and ratio amounts)

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	% Change 2014 - 2015	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	% Change 2014 - 2015
Revenue	59,657	67,510	-11.6%	23,021	32,055	-28.2%
Gross profit ⁵	1,599	13,597	-88.2%	(2,489)	6,056	-141.1%
Gross margin	2.7%	20.1%	N/A	-10.8%	18.9%	N/A
Gross profit ⁵ excluding depreciation and amortization	10,606	19,778	-46.4%	2,046	9,489	-78.4%
Gross margin excluding depreciation and amortization	17.8%	29.3%	N/A	8.9%	29.6%	N/A
Adjusted EBITDA ¹	2,209	10,985	-79.9%	(2,177)	4,413	-149.3%
Adjusted EBITDA ¹ as a percentage of revenue	3.7%	16.3%	N/A	-9.5%	13.8%	N/A
Net income (loss)	4,751	2,210	115.0%	5,890	(334)	1863.5%
Net income (loss) as a percentage of revenue	8.0%	3.3%	N/A	25.6%	-1.0%	N/A
Adjusted EBITDA ¹ per share	0.11	0.59	-81.4%	(0.11)	0.22	-150.0%
Earnings per share - basic	0.25	0.12	108.3%	0.31	(0.02)	1650.0%
Earnings per share - diluted	0.25	0.12	108.3%	0.31	(0.02)	1650.0%
Current ratio ²	2.90	2.62	10.7%	2.90	2.62	10.7%
Debt to equity ratio ³	0.89	0.74	20.3%	0.89	0.74	20.3%
Debt to EBITDA ratio ^{3, 4}	4.55	2.65	71.7%	4.55	2.65	71.7%

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Outlook

Aveda earns revenue primarily by providing specialized transportation services to companies engaged in the exploration, development and production of petroleum resources. As a result, demand for Aveda's transportation services is generally linked to the economic conditions of the energy industry and the level of drilling activity in the WCSB and US.

In recent history, total drilling activity in the WCSB and US has been negatively impacted due to lower average oil and natural gas prices compared to 2013 and 2014. This has largely been the result of increased supply in both the US and other oil producing countries, combined with slowing demand in large economies such as China and Europe.

Although oil prices remain depressed compared to the high levels it experienced in mid-2014, recently, rig counts appear to have stabilized in the US, and increased in the WCSB relative to the lows experienced so far during this downturn. According to the Baker Hughes website, as of July 24, 2015, total US rig count has generally remained at 830 since early June. Rig count in the WCSB has increased to 192, up from its low of 69 experienced during May¹. Although rig counts remain significantly lower compared to the same time last year, the recent data may suggest that the rig count has, or is close to, finding a bottom. However, given the recent sharp decline in energy prices has created a significant amount of uncertainty in the market.

The current climate presents both challenges and opportunities for Aveda. Despite the drop in revenues during the first half of 2015, due to the combined acquisition/disposition of the Hodges assets in June, Aveda's balance sheet remains extremely strong. Aveda's strong balance sheet has positioned the Company well to take advantage of additional acquisitions that are a strategic fit and increase shareholder value.

Aveda's most recent acquisition of Hodges resulted in simultaneously consolidating a key competitor (therefore, increasing market share) and expanding Aveda's geographic footprint to Oklahoma City, OK and Marshall, TX. The new terminals have made Aveda one of the largest companies operating in Oklahoma, and introduces the Company to a new market (Louisiana – via the Marshall, TX Terminal), which includes the resources rich Haynesville Basin. Subsequent to the Acquisition, Aveda sold approximately US\$22 million of the non-oil and gas specific assets nearly recouping all of the initial investment made in acquiring the Hodges' hard assets (equipment). Following the sale of equipment, Aveda still retained over 550 pieces of equipment. Select pieces of this equipment have already been deployed to high demand regions, reducing third party dependence. The balance of the equipment not deployed is being held on site ready to be utilized when the market rebounds or may be sold offshore. Currently, Aveda's acquisition opportunities in Canada and the US are among the most robust it has ever seen as many of its competitors are struggling to make a profit in the current environment. Aveda anticipates that its market share will continue to increase through a combination of strategic acquisitions and competitors exiting the market.

Overall, the Company expects the remainder of 2015 to be a challenging operating environment. Competition in the rig moving market remains fierce. The Company expects competitors to gradually exit the market, which the Company expects will start to relieve pricing pressure as its market share grows. Over the long term, the Company is well positioned to thrive when the market recovers. However, in the short-term, the Company will likely need to further reduce operating expenses across the organization to return to profitability. With a strong balance sheet, flexible and talented workforce, and the largest fleet in the industry, Aveda expects to emerge from the downturn stronger, and more profitable.

¹ Baker Hughes, accessed on July 30, 2015 at <http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-reports&other>

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About Aveda Transportation and Energy Services

Aveda provides specialized transportation services and equipment required for the exploration, development and production of petroleum resources in the Western Canadian Sedimentary Basin and in the United States of America principally in and around the states of Texas, Pennsylvania, Oklahoma and North Dakota. Transportation services include both the equipment necessary to move the load as well as a trained, professional driver capable of securing, moving and manipulating the load at its origin and destination. Aveda's rental operations include the rental of well-sites, tanks, mats, pickers, light towers and other equipment necessary for oilfield operations.

Aveda was incorporated in 1994 as a private company to serve the oil and gas industry. In the spring of 2006 the Company went public on the TSX Venture Exchange. Aveda has major operations in Calgary, AB, Leduc, AB, Sylvan Lake, AB, Edson, AB, Mineral Wells, TX, Pleasanton, TX, Midland, TX, Marshall, TX, Williamsport, PA, Buckhannon, WV, Williston, ND, Cherokee, OK and Oklahoma City, OK. Aveda is publicly traded on the TSX Venture Exchange under the symbol AVE. For more information on Aveda please visit www.avedaenergy.com.

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This News Release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes. In particular, this News Release contains forward-looking statements relating to: demand for the Company's services and general industry activity level; the Company's growth opportunities; and expectations regarding the Company's revenue, EBITDA and equipment utilization. Aveda believes the expectations reflected in such forward-looking statements are reasonable as of the date hereof but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Various material factors and assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements. Those material factors and assumptions are based on information currently available to Aveda, including information obtained from third party industry analysts and other third party sources. In some instances, material assumptions and material factors are presented elsewhere in this News Release in connection with the forward-looking statements. Readers are cautioned that the following list of material factors and assumptions is not exhaustive. Specific material factors and assumptions include, but are not limited to:

- the performance of Aveda's businesses, including current business and economic trends;
- oil and natural gas commodity prices and production levels;
- the effect of the rebranding on Aveda's businesses;
- capital expenditure programs and other expenditures by Aveda and its customers;
- the ability of Aveda to retain and hire qualified personnel;

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- the ability of Aveda to obtain parts, consumables, equipment, technology, and supplies in a timely manner to carry out its activities;
- the ability of Aveda to maintain good working relationships with key suppliers;
- the ability of Aveda to market its services successfully to existing and new customers;
- the ability of Aveda to obtain timely financing on acceptable terms;
- currency exchange and interest rates;
- risks associated with foreign operations;
- changes under governmental regulatory regimes and tax, environmental and other laws in Canada and the United States; and
- a stable competitive environment.

The forward-looking statements regarding Aveda's potential revenue and EBITDA are included herein to provide readers with an understanding of Aveda's anticipated cash flow and Aveda's ability to fund its expenditures based on the assumptions described herein. Readers are cautioned that this information may not be appropriate for other purposes.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Aveda's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the risks identified in Aveda's annual information form and management discussion and analysis for the year ended December 31, 2014 (the "MD&A"), which are available for viewing on SEDAR at www.sedar.com. Any forward-looking statements are made as of the date hereof and, except as required by law, Aveda assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

This News Release contains the terms "EBITDA" and "Adjusted EBITDA" which are defined in the MD&A. EBITDA and Adjusted EBITDA as presented do not have any standardized meanings prescribed by international financial reporting standards ("IFRS") and therefore may not be comparable with the calculation of similar measures for other entities. Management uses Adjusted EBITDA to analyze the operating performance of the business. Adjusted EBITDA as presented is not intended to represent cash provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

This News Release contains the terms "cash flow", "working capital" and "working capital ratio", which do not have any standardized meanings prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. As an indicator of the Company's performance, cash flow should not be considered as an alternative to, or more meaningful than, net cash from operating activities as determined in accordance with IFRS. The Company considers cash flow to be a key measure as it demonstrates the Company's underlying ability to generate the cash necessary to fund operations and support activities related to its major assets. Cash flow is determined by adding back changes in non-cash operating working capital to cash from operating activities. Management calculates working capital as current assets less current liabilities and uses this measure to analyze operating performance and leverage.

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Notes:

- (1) This News Release contains the term Adjusted EBITDA. Adjusted EBITDA as presented does not have any standardized meaning prescribed by international financial reporting standards (IFRS) and therefore it may not be comparable with the calculation of similar measures for other entities. Management uses Adjusted EBITDA to analyze the operating performance of the business. Adjusted EBITDA as presented is not intended to represent cash provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. It is defined as earnings before interest, taxes, depreciation and amortization excluding foreign exchange gains or losses which are primarily related to the US dollar activities of the Company and can vary significantly depending on exchange rate fluctuations, which are beyond the control of the Company, and write downs of intangible assets, goodwill impairment, financing costs, gains or losses on disposal of assets, stock based compensation, fees and expenses on settlement of debt and losses on extinguishment of debt.
- (2) Current ratio calculated as current assets divided by current liabilities.
- (3) Debt includes loans and borrowings as per their carrying amounts on the balance sheet.
- (4) EBITDA used is Adjusted EBITDA for the trailing twelve months.
- (5) Gross profit calculated as revenue less direct operating expense.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.