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AVEDA TRANSPORTATION AND ENERGY SERVICES ANNOUNCES SIGNIFICANTLY IMPROVED RESULTS FOR THE THIRD QUARTER OF 2016

CALGARY, Alberta – November 7, 2016 – 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, is pleased to announce its results for the three and nine months ended September 30, 2016.

2016 Third Quarter Business Highlights

- Driven by lower rig counts, revenue for the three months ended September 30, 2016 decreased by \$3.2 million to \$21.0 million, compared with revenue of \$24.1 million for the same period in 2015. However, compared to the second quarter of 2016, rig counts have rebounded slightly but revenue increased by 134% from \$8.9 million to \$21.0 million;
- Despite the fact that year-over-year revenue for the third quarter of 2016 decreased by \$3.2 million, gross profit excluding depreciation and amortization¹ increased by almost \$4.0 million to \$2.9 million and Adjusted EBITDA¹ increased by almost \$7.0 million to \$0.1 million;
- Generated net loss for the three months ended September 30, 2016 of \$5.6 million, compared to a net loss of \$20.1 million for the same period in 2015. Loss per share was \$0.30 compared to \$1.05 in the comparative period;
- Aveda expanded its operational footprint by opening a new rig moving branch in Pecos, Texas;
- The Company also expanded into the highway hauling industry and opened a location in Jacksonville, Florida with five power units; and
- Aveda ended the quarter with a net asset value per share⁶ of \$1.47, \$9.6 million in working capital with a working capital ratio of 2.0, and undrawn cash availability of \$37.7 million on its senior debt facility.

Nine Months Ended September 30, 2016 Business Highlights

- Due to the factors discussed above, as compared to 2015, revenue for the nine months ended September 30, 2016 declined by 50% to \$41.9 million, compared with revenue of \$83.8 million for the same period in 2015;
- Generated net loss for the nine months ended September 30, 2016 of \$25.7 million, compared to \$15.4 million for the same period in 2015. Loss per share was \$1.35 compared to \$0.80 in the comparative period;
- Generated an Adjusted EBITDA¹ loss for the nine months ended September 30, 2016 of \$7.5 million, compared with \$4.4 million for the same period in 2015; and
- The Company rebuilt most of its senior management team with the hiring of a new President & CEO, Vice-President of US Operations and a Vice-President of Canadian Operations who all have long-standing customer relationships and are focused on both profitable revenue generation and cost management.

“Despite challenging market conditions, Aveda’s Adjusted EBITDA improved by almost \$7.0 million to become positive in the third quarter of 2016 as compared to 2015,” said Ronnie Witherspoon, President and Chief Executive Officer of Aveda. “Our concentrated marketing efforts along with exceptional execution in the field are proving to be a winning formula. We expect to continue to strengthen our results going forward.”

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

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Financial Overview

(in thousands, except per share and ratio amounts)

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015	% Change 2015 - 2016	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	% Change 2015 - 2016
Revenue	41,886	83,770	-50.0%	20,955	24,113	-13.1%
Gross profit (loss) ¹	(10,930)	(4,774)	-128.9%	(1,563)	(6,373)	75.5%
Gross margin ⁴	-26.1%	-5.7%	N/A	-7.5%	-26.4%	N/A
Gross profit (loss) ¹ excluding depreciation and amortization	2,577	9,615	-73.2%	2,905	(991)	393.1%
Gross margin excluding depreciation and amortization ⁵	6.2%	11.5%	N/A	13.9%	-4.1%	N/A
Adjusted EBITDA (loss) ¹	(7,539)	(4,439)	-69.8%	71	(6,648)	101.1%
Adjusted EBITDA ¹ as a percentage of revenue	-18.0%	-5.3%	N/A	0.3%	-27.6%	N/A
Net income (loss)	(25,696)	(15,370)	-67.2%	(5,645)	(20,121)	71.9%
Net loss as a percentage of revenue	-61.3%	-18.3%	N/A	-26.9%	-83.4%	N/A
Adjusted EBITDA (loss) ¹ per share	(0.40)	(0.23)	-73.9%	-	(0.35)	-100.0%
Earnings per share - basic and diluted	(1.35)	(0.80)	68.8%	(0.30)	(1.05)	-71.4%
Current ratio ²	2.0	2.2	-9.1%	2.0	2.2	-9.1%
Debt to equity ratio ³	3.0	1.1	172.7%	3.0	1.1	172.7%

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.

Although the first 3 quarters of 2016 have been challenging, the Company has been steadily improving its performance and most recently was able to generate positive Adjusted EBITDA in the third quarter of 2016. Relative to the first half of 2016, both oil and natural gas prices have rebounded and rig counts in both Canada and the United States have risen in the third and fourth quarters of 2016. Activity levels, particularly in the United States are starting to increase.

The Company restructured its senior leadership team in the first half of 2016 with individuals that have extensive relationships in the oil and gas sector. Through these relationships, the Company is being invited to participate in an increased amount of bid activity. In the second quarter of 2016, the Company had temporarily shuttered its operations in the northeastern United States. Most recently, the Company has begun discussions with several customers who are considering expanding their drilling programs in the northeastern United States. Through these discussions, the Company is optimistic that it will resume operations in the northeastern United States in the fourth quarter of 2016 or the early part of 2017.

Based on the information above, Aveda management believes that we are at an inflection point in the rig

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moving industry. Aveda in particular has a significant opportunity to benefit from this because we have:

- 1) The most diversified geographic footprint in the North American rig moving market;
- 2) A blue-chip customer base that will increase drilling activity as oil prices continue to rebound;
- 3) A large fleet of trucking equipment that is underutilized. As such, the Company can grow without incurring significant capital expenditures for new trucks;
- 4) A talented dedicated work force;
- 5) A reputation for being a market leader in the rig moving industry; and
- 6) A management team with a significant amount of experience and relationships to capitalize on the opportunities ahead.

Corporate Presentation

The Company has posted an updated corporate presentation to its website. The updated corporate presentation can be found at <http://www.avedaenergy.com/investor-hub/presentations/default.aspx>.

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, 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, Edson, AB, Pleasanton, TX, Midland, TX, Pecos, TX, Marshall, TX, Williston, ND, 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, Adjusted 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.

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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;
- 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, EBITDA and Adjusted 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, 2015 (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", "Adjusted EBITDA", "gross profit" "gross profit margin", "gross profit excluding depreciation and amortization" and "gross margin excluding depreciation and amortization" which are defined in the MD&A. The above terms 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 EBITDA, Adjusted EBITDA, gross profit, gross profit margin, gross profit excluding depreciation and amortization, and gross margin excluding depreciation and amortization to analyze the operating performance of the business. These non-IFRS measures presented are not intended to represent cash provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

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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.

Notes:

- (1) See MD&A Section 8.
- (2) Current ratio calculated as current assets divided by current liabilities.
- (3) Debt includes loans and borrowings and note payable as per their carrying amounts on the balance sheet.
- (4) Gross margin is calculated as gross profit divided by revenue.
- (5) Gross margin excluding depreciation and amortization is calculated by dividing gross profit excluding depreciation and amortization by revenue.
- (6) Net asset value per share calculated by dividing total equity (\$28.1 million) by common shares outstanding (19.1 million).

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