

News Release

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Aveda Transportation and Energy Services Announces Upsizing and Pricing of Public Offering

Calgary, Alberta – January 31, 2017 – 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, announced today that it has priced its previously announced public offering (the “Offering”) of common shares of the Company (the “Common Shares”). Pursuant to the Offering, the Company has engaged a syndicate of agents, co-led by Beacon Securities Limited and Canaccord Genuity Corp., and including PI Financial Corp. and Mackie Research Capital Corporation (collectively, the “Agents”), to sell a minimum of 33,334,000 Common Shares and a maximum of 41,667,000 Common Shares at a price of C\$0.60 per Common Share (the “Offering Price”), for aggregate gross proceeds to the Company of a minimum of C\$20,000,400 and a maximum of C\$25,000,200 in each of the provinces of British Columbia, Alberta, Manitoba and Ontario (the “Offering Jurisdictions”). Aveda has also granted the Agents an over-allotment option, exercisable, in whole or in part, at any time in the 30-day period following the closing of the Offering, to sell up to an additional 15% of the number of Common Shares sold pursuant to the Offering at the Offering Price to cover over-allotments, if any, and for market stabilization purposes.

The Company has received a receipt from the Alberta Securities Commission for the preliminary short form prospectus filed in connection with the Offering, dated January 17, 2017, which is available on SEDAR at www.sedar.com. Aveda will file a final short form prospectus in connection with the Offering in each of the Offering Jurisdictions. The Offering is expected to close on or about February 16, 2017 and is subject to customary closing conditions, including obtaining the approval of the TSX Venture Exchange and receipts from applicable securities regulatory authorities for the final short form prospectus.

The net proceeds of the Offering will be used for debt reduction, enhanced working capital and general corporate purposes. Werklund Capital Corporation and Werklund Ventures Ltd. (collectively “WCC”), Aveda’s largest shareholders holding approximately 40% of the Company, have committed to subscribe for up to \$5,000,000 of the Offering on the same terms and conditions as public investors, subject to regulatory, shareholder and TSX Venture Exchange approval previously described in the Company’s January 17, 2017 news release. Senior executives of Aveda are also anticipated to participate in the Offering.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

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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, Oklahoma, Pennsylvania, Wyoming 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, Williamsport, PA, Casper, WY, 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", "potential" or similar words, including negatives thereof, suggesting future outcomes. In particular, this News Release contains forward-looking statements relating to: the Offering and its pricing, timing and WCC's participation therein; demand for the Company's services and general industry activity level; the Company's growth opportunities; and expectations regarding the Company's revenue. 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:

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- a receipt of all applicable approvals to close the Offering;
- the performance of Aveda's businesses, including current business and economic trends;
- oil and natural gas commodity prices and production levels;
- 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 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, approvals from the Exchange, the OSC and minority shareholders in connection with the Offering, 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 does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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.