

News Release

AVEDA TRANSPORTATION AND ENERGY SERVICES REPORTS RECORD SECOND QUARTER RESULTS

CALGARY, Alberta – August 15, 2017 – Aveda Transportation and Energy Services Inc. (“Aveda” or the “Company”) (TSX-V:AVE), North America’s largest dedicated rig moving company, today announced its results for the three months and six months ended June 30, 2017.

“With more than 90 percent of revenue generated from our US operations, our high level of exposure to the US market has helped to produce record results for our company,” said Ronnie Witherspoon, President and Chief Executive Officer for Aveda. “Even as industry fundamentals continue to reset, for the past two quarters and year-to-date, Aveda has reported record revenue.”

“We have captured new business opportunities as rig counts continued to increase in every US basin in which we operate,” Mr. Witherspoon continued. “Along with continuing to capture market share, our priorities for the remainder of the year are to remain focused on continuous improvement, higher utilization rates as a result of asset optimization and improved scheduling of our services and equipment to further strengthen our margins.”

2017 Second Quarter Business Highlights

- Generated record revenue for the three months ended June 30, 2017 of \$52.1 million. This is the most revenue Aveda has ever reported in any quarter in the Company’s history. Aveda has now reported four sequential quarters of revenue growth and two sequential quarters of record revenue. Revenue in the second quarter of 2017 increased by \$43.1 million or almost 500%, compared with revenue of \$8.9 million for the same period in 2016;
- For the three months ended June 30, 2017, the Company reported gross profit before depreciation and amortization¹ of \$9.7 million. This is the highest level of gross profit before depreciation and amortization¹ the Company has ever reported in a second quarter. Gross profit excluding depreciation and amortization¹ in the second quarter of 2017 increased by almost \$10.0 million compared to a loss of \$0.2 million in 2016;
- Generated record Adjusted EBITDA¹ of \$5.1 million for the three months ended June 30, 2017. This is the greatest amount of Adjusted EBITDA¹ the Company has ever reported in a second quarter in Aveda’s history. Adjusted EBITDA¹ increased by \$2.5 million or approximately 100% compared to the first quarter of 2017. Aveda has now reported four quarters of sequential Adjusted EBITDA¹ growth. Adjusted EBITDA¹ in the second quarter of 2017 increased by almost \$9.0 million compared to a loss of \$3.7 million in the second quarter of 2016;
- Net loss for the three months ended June 30, 2017 decreased by \$8.5 million to \$1.3 million, compared to a net loss of \$9.8 million for the same period in 2016. Loss per share was \$0.02 compared to \$0.51 in the comparative period;
- Aveda expanded its operational footprint by opening new terminals in Casper, WY and in Midland, TX (the Midland terminal will start generating revenue in the third quarter of 2017 – see June MD&A for additional information); and
- Aveda ended the quarter with a net asset value per share⁶ of \$0.67, \$21.5 million in working capital with a current ratio of 1.8:1, and undrawn cash availability of \$22.8 million on its senior debt facility.

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First Half 2017 Business Highlights

- Generated record revenue for the six months ended June 30, 2017 of \$93.0 million. This is the most revenue that Aveda has ever reported in the first half of any year in the Company's history. Revenue in the first six months of 2017 increased by \$72.1 million or approximately 350%, compared with revenue of \$20.9 million for the same period in 2016;
- Recorded gross profit before depreciation and amortization¹ of \$16.5 million in the six month period ended June 30, 2017. Gross profit excluding depreciation and amortization¹ in the first six months of 2017 increased by almost \$17.0 million to \$16.5 million compared to a loss of \$0.3 million in 2016;
- Reported Adjusted EBITDA¹ of \$7.7 million for the six months ended June 30, 2017. Adjusted EBITDA¹ in the first half of 2017 increased by over \$15.0 million compared to a loss of \$7.6 million in the comparative period of 2016;
- Net loss for the six months ended June 30, 2017 decreased by \$15.4 million to \$4.7 million, compared to a net loss of \$20.1 million for the same period in 2016. Loss per share was \$0.10 compared to \$1.05 in the comparative period;
- Aveda restructured its debt in the first quarter of 2017 as further outlined in the June MD&A and in the news release dated January 13, 2017;
- The Company also raised gross proceeds of \$22.9 million through an equity offering as outlined in the news released dated, February 22, 2017; and
- As a result of both successfully restructuring its debt and raising the equity outlined above, the Company now has a significantly stronger balance sheet.

The Company's consolidated financial statements and management's discussion and analysis ("June MD&A") for the three and six months ended June 30, 2017 are available on the Company's website at www.avedaenergy.com and the SEDAR website at www.sedar.com.

Banking Update

Due to the strong performance of Aveda in the first half of 2017, the Company's banking syndicate (the "Bank") has agreed to make the following changes to Aveda's loan agreements:

1. Effective July 1, 2017, the Company's interest rate pricing structure will be based on the agreed upon interest rate grid (see the Company's news release dated January 13, 2017 ("January Release") for further information). Based on the current structure, this will reduce Aveda's borrowing costs on its bank debt by 50 basis points; and
2. The Company had received support from its Executive Chairman, David Werklund in the form of a Standby Facility (as defined in the January Release). Effective August 4, 2017, the Bank has agreed to release obligations of the Standby Facility. The Company has terminated the Standby Facility and paid all obligations due. Aveda's board of directors (the "Board") and management, thank Mr. Werklund for his strong support of the Company.

Board of Directors Update

Aveda is pleased to report that Mr. Larry Heidt has been appointed to its Board as an independent director. Mr. Heidt is a distinguished businessman who offers a significant depth of expertise in the oilfield services arena and has held executive level roles for nearly thirty years. He held the role of President with Bawden Drilling, Noble Drilling, and Nabors Drilling and later was the President and CEO of Nabors Well Services. Upon the acquisition of Nabors Well Services by C&J Energy Services, he continued as the President of Production Services and has most

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recently been a professional advisor to executives with C&J Energy Services. Aveda's Board and management welcome Mr. Heidt and look forward to working with him.

Investor Relations Update

The Company has posted an updated corporate presentation and fact sheet to its website. The updated information can be found at www.avedaenergy.com/investor-hub/presentations/default.aspx.

Aveda's CEO and CFO also expect to be making presentations to retail and institutional investors in September as well as presenting at the Subscriber Investment Summit (www.subscribersummit.com) in Vancouver on October 3, 2017.

Conference Call

The Company will host its second quarter fiscal 2017 results conference call on Wednesday, August 16, 2017 at 10:30 a.m. Eastern Time (ET). President and CEO, Ronnie Witherspoon 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 (416) 915-3239 or (403) 351-0324. A live audio webcast of the conference call will be available at: <http://services.choruscall.ca/links/aveda20170816.html>.

The conference call webcast will be archived and available until September 30, 2017 at: <http://www.avedaenergy.com/investor-hub/conference-calls/default.aspx>.

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Financial Overview

(in thousands, except per share and ratio amounts)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	% Change 2016 - 2017	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	% Change 2016 - 2017
Revenue	52,059	8,920	484%	93,021	20,931	344%
Gross profit (loss) ¹	5,781	(4,580)	226%	8,713	(9,367)	193%
Gross margin ⁴	11%	-51%	N/A	9%	-45%	N/A
Gross profit (loss) ¹ excluding depreciation and amortization	9,724	(197)	5036%	16,522	(329)	5122%
Gross margin excluding depreciation and amortization ⁵	19%	-2%	N/A	18%	-2%	N/A
Adjusted EBITDA (loss) ¹	5,103	(3,745)	236%	7,662	(7,610)	201%
Adjusted EBITDA ¹ as a percentage of revenue	10%	-42%	N/A	8%	-36%	N/A
Net loss	(1,285)	(9,758)	-87%	(4,697)	(20,051)	-77%
Net loss as a percentage of revenue	-2%	-109%	N/A	-5%	-96%	N/A
Adjusted EBITDA (loss) ¹ per share	0.09	(0.20)	145%	0.17	(0.40)	143%
Loss per share - basic and diluted	(0.02)	(0.51)	-96%	(0.10)	(1.05)	-90%
Current ratio ²	1.8	1.6	12%	1.8	1.6	12%
Debt to equity ratio ³	2.0	2.3	-11%	2.0	2.3	-11%

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 US and the WCSB.

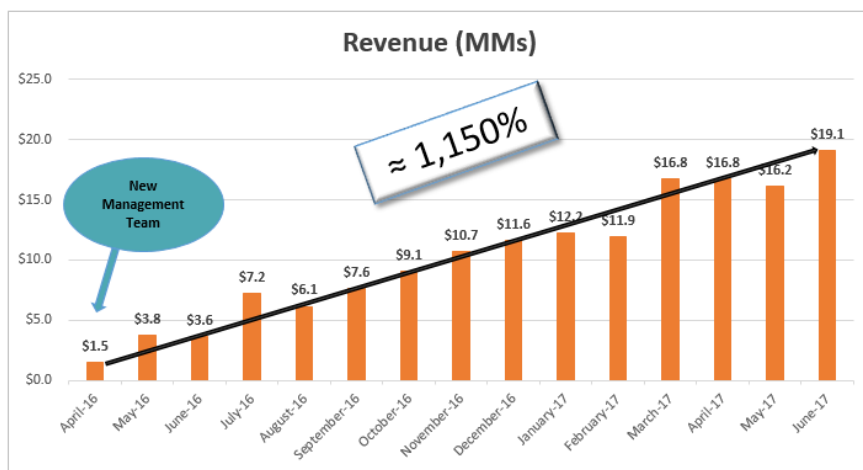
2016 was a challenging year, yet the Company steadily improved its performance in the last two quarters of 2016 and the trend continues into 2017 with the Company generating positive Adjusted EBITDA in the third and fourth quarters of 2016 and the first two quarters of 2017. Relative to the first half of 2016, both oil and natural gas prices have rebounded and rig counts in both Canada and the United States have substantially risen in the first half of 2017. Activity levels, particularly in the United States, are continuing to increase.

In the third quarter of 2016, the Company opened a second location in the Permian Basin in Pecos, TX. In the fourth quarter of 2016, the Company recommenced operations in the Marcellus Shale in Williamsport, PA. In the first quarter of 2017, the Company expanded its operations by opening a satellite facility in Casper, WY to service the Uinta, Wamsutter, Pinedale and DJ Basins. In the second quarter of 2017, the Company has expanded its operations by opening a new satellite yard in Midland, TX in the Permian Basin. The new Midland, Texas branch will not start generating revenue until the third quarter of 2017. This new Midland, Texas branch is not expected to generate any significant incremental revenue for Aveda. However, it is expected to contribute towards the Company's goal of reducing third party sub-contractor revenues (see below). The Company also expanded its operations in the second quarter of 2017 by relocating its existing operations in Marshall, TX to a larger facility and expanding its operations at that location. The Company has also signed a new lease and will be opening a

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terminal in Martins Ferry, OH in the third quarter of 2017. This new facility will serve both the Utica and Marcellus basins.

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. The Company’s revenue results since the new management team took over are as follows:



It is important to note that although the Company generated more revenue in June 2017 than it did in any other month of the second quarter of 2017, Aveda generated less Adjusted EBITDA during that same month in the quarter. The lower Adjusted EBITDA generated in June on higher revenues can be attributed primarily to high third party utilization as well as labour inefficiencies associated with the unplanned higher volumes. Please see below regarding Aveda’s plans to reduce the use of third party subcontractors and increase efficiency and utilization of the Company’s equipment. Preliminary July revenues are estimated at \$16.9 million.

During the first half of 2017, the Company benefited from a relatively weaker Canadian dollar. Revenues have also benefited from several long-distance rig moves the Company was awarded. The Company does not expect to see the same volume of long-distance rig moves in the second half of 2017 as it witnessed in the first half of the year. Further, the US dollar has depreciated against the Canadian dollar in the early part of the third quarter. Should the US dollar retain its current value or depreciate further, this would have a negative impact on the Company’s revenues in the second half of 2017 as compared to the first half of the year. However, Aveda is committed to improving the quality of its revenue by shifting more revenue to owned equipment versus the use of third party subcontractors. During the second quarter of 2017, the Company’s reliance on third party subcontractors as a percentage of revenue increased substantially. As noted in the June MD&A, Aveda only generated \$0.3 million of gross profit on \$20.0 million of third party revenue. Almost all of Aveda’s gross profit is generated from the Company’s equipment, not through the use of third parties. Consequently, in the third quarter of 2017 the Company established a special task force to increase utilization of Aveda’s fleet and reduce third party expenditures. The task force will be:

1. Relocating assets at all Aveda branches to optimize utilization. The task force expects to have the majority of this work completed by the end of September; and
2. Activating all power units held for future expansion by the end of the year. Due to the significant demand for Aveda’s services, our existing operations do not have capacity to quickly activate all the power units in the Company’s fleet. Further, the task force noted that some branches are unable to keep up with servicing all their equipment to keep 100% up time capacity on their fleet. As a result, Aveda is

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recommencing operations in its Mineral Wells, TX facility which will be focused on both equipment activations and equipment overhauls.

The equipment activation and refurbishment program is expected to have all of Aveda's power units activated and working in the first quarter of 2018. Aveda expects through equipment activations and refurbishment to increase its working equipment fleet by 15 – 20%. While there will be costs associated with relocating equipment to increase utilization and recommencing operations in Mineral Wells, the Company expects it will substantially reduce third party expenses and significantly improve Aveda's long-term profitability.

Based on the information above, Aveda expects to see continued improvements in Adjusted EBITDA and net income results in 2018.

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, Wyoming, Oklahoma, Ohio and North Dakota. Aveda balances Performance, Safety and Value for our Customers through Leadership, Financial Discipline and Proper Planning, while providing a culture of Family for our employees. Aveda strives for a world where its operations improve the daily experience of our customers, our employees, and every person we meet on the road to success.

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, Casper, WY, Williamsport, PA, Martins Ferry, OH and Oklahoma City, OK. Aveda is publicly traded on the TSX Venture Exchange under the symbol AVE. Aveda has 15 locations which cover North America's most prolific oil and gas plays. The Company has almost 1,500 pieces of modern, well maintained equipment and employs 520 team members. Aveda's unique differentiator is our advanced operational and safety culture. 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, 2016 (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 June 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 (\$38.6 million) by the common shares outstanding (57.3 million).

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.