Press Release TSX: SHLE

Source Energy Services Ltd. Announces Closing of $50M Senior Secured Notes Offering

Calgary, Alberta – May 31, 2018 - Source Energy Services Ltd. (the "Company" or "Source") is pleased to announce that its wholly-owned subsidiaries Source Energy Services Canada LP and Source Energy Services Canada Holdings Ltd. have closed the previously announced offering of an additional $50 million aggregate principal amount of 10.5% senior secured first lien notes due December 15, 2021 (the "Notes") by way of private placement (the "Private Placement"). The additional Notes were issued at a price of $1,057.50 per $1,000 principal amount which represents an effective yield of 7.953% to 2020. Source intends to use the net proceeds from the offering to initially repay drawn amounts under the Company's existing credit facilities, which in turn may be redrawn for general corporate purposes and to fund working capital and capital expenditures.

BMO Capital Markets and Scotiabank acted as joint book-running managers for the Private Placement.

This press release is neither an offer to sell nor a solicitation of an offer to buy the Notes, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction.

The Notes have not been registered under the *Securities Act of 1933*, as amended (the "Securities Act"), or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Notes were sold exclusively to qualified institutional buyers in the United States pursuant to Rule 144A under the Securities Act, to non-U.S. persons in transactions outside the United States pursuant to Regulation S under the Securities Act and pursuant to certain prospectus exemptions in Canada.

ABOUT SOURCE ENERGY SERVICES

Source is a fully integrated producer, supplier and distributer of high quality Northern White frac sand primarily to the Western Canadian Sedimentary Basin. Source provides its customers with a full end-to-end solution through its Wisconsin mine assets, processing facilities, unit train capable rail assets, strategically located terminal network and "last mile" logistics capabilities. Source's full service approach allows customers to rely on its logistics capabilities to increase reliability of supply and to ensure the timely delivery of their growing frac sand requirements. In addition to its transload terminal network and in-basin storage capabilities, Source has also developed Sahara, a proprietary wellsite mobile sand storage and handling system.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws regarding, without limitation, the Company's expectations, intentions, plans and beliefs, including information as to the future financial or operating performance of Source. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "contemplates", "expects" or "does not expect", "is expected", "budget", "goal", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements reflect management's beliefs, estimates and opinions regarding Source's future growth, results of operations, performance, and business prospects and opportunities at the time such statements are made, and Source takes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Source, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Forward-looking statements are not guarantees of future performance. In particular, this press release contains forward-looking statements pertaining to, but not limited to, the use of proceeds from the Private Placement.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Source to differ materially from those anticipated by Source and described in forward-looking statements.

With respect to forward-looking statements contained in this press release, various assumptions have been made. A number of factors, risks and uncertainties could cause results to differ materially from those anticipated and described herein.

Although Source has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. These statements speak only as of the date of this press release. Except as required by law, neither the Company nor any of the underwriters undertakes any obligation to publicly update or revise any forward-looking statements.

FOR FURTHER INFORMATION PLEASE CONTACT:

Source Energy Services Ltd.

Brad Thomson, Chief Executive Officer
(403) 262-1312 (ext. 225)

Derren Newell, Chief Financial Officer
(403) 262-1312 (ext. 233)