

Source Energy Services Announces New Duvernay Agreement That Will Support Expansion of Fox Creek Terminal

Calgary, Alberta – September 11, 2018 - Source Energy Services Ltd. ("Source") announced today it has entered into a three-year agreement with a multinational exploration and production company to provide Northern White frac sand for its Duvernay program. The take or pay agreement will commence January 1, 2019 and allows for the customer and Source to expand volumes to further support the customer's growing Canadian operations.

The contract will be serviced from Source's Fox Creek, Alberta terminal. Featuring a current storage capacity of approximately 35,000 tonnes and an annual through-put capacity of over 1 million tonnes, Source's Fox Creek terminal is ideally located to service the customer in the Duvernay. As part of the contract, Source will be expanding its storage capacity at Fox Creek in early 2019.

Brad Thomson, Chief Executive Officer of Source said, "As a leading supplier of high quality Northern White frac sand to operators in the WCSB, Source is excited to support another company's operations in the Duvernay. With this agreement, the customer will be able to move from delineation to development with a reliable supply of high quality proppant."

He went on to say, "We're thrilled that another significant operator has chosen Source's Northern White sand for its program for the next 3-5 years. Source's scale and industry leading logistics allows us to economically deliver the highest quality frac sand to operators throughout the WCSB."

The contract is Source's third long term frac sand supply contract with a major operator accelerating completion activities in the Duvernay.

ABOUT SOURCE ENERGY SERVICES

Source is a fully integrated producer, supplier and distributor of high quality Northern White frac sand primarily to the WCSB. Source provides its customers with a full end-to-end solution through its mines, processing facilities, rail assets, strategically located terminal network and "last mile" logistics operations. In addition, Source provides storage and logistics services for other bulk oil and gas well completion materials that are not produced by Source. 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 requirements for frac sand and other bulk completion materials.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking statements relating to, without limitation, expectations, intentions, plans and beliefs, including information as to the future events, results of operations and Source's future performance (both operational and financial) and business prospects. In certain cases, forward-looking statements can be identified by the use of words such as "expects", "estimates", "forecasts", "intends", "anticipates", "believes", "plans", "seeks", "projects" or variations of such words and phrases, or state that certain actions, events or results "may" or "will" be taken, occur or be achieved. Such forward-looking statements reflect Source's beliefs, estimates and opinions regarding its future growth, results of operations, future performance (both operational and financial), and business prospects and opportunities at the time such statements are made, and, except as may be required by law, Source undertakes 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 made by Source that 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, but not limited, to: outlook for operations and sales volumes; industry activity levels;

rail service; the impact of weather; expectations regarding increased demand for and sales volumes of sand in 2019 and beyond; the continued increase of sand sales volumes. By their nature, forward-looking statements involve numerous current 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 the forward-looking statements. With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: future oil, natural gas and natural gas liquids prices; future global economic and financial conditions; future commodity prices, demand for oil and gas and the product mix of such demand; levels of activity in the oil and gas industry in the areas in which Source operates; the continued availability of timely and safe transportation for Source's products, including without limitation, rail accessibility; the maintenance of Source's key customers and the financial strength of its key customers operating costs; that the regulatory environment in which Source operates will be maintained in the manner currently anticipated by Source; future exchange and interest rates; geological and engineering estimates in respect of Source's resources; the recoverability of Source's resources; the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions and product demand; demand for horizontal drilling and hydraulic fracturing and the maintenance of current techniques and procedures, particularly with respect to the use of proppants; Source's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which Source conducts its business; future capital expenditures to be made by Source; future sources of funding for Source's capital program;. A number of factors, risks and uncertainties could cause results to differ materially from those anticipated and described herein including, among others: the effects of competition and pricing pressures; risks inherent in key customer dependence; effects of fluctuations in the price of proppants; risks related to indebtedness and liquidity, including Source's leverage, restrictive covenants in Source's debt instruments and Source's capital requirements; risks related to interest rate fluctuations and foreign exchange rate fluctuations; changes in general economic, financial, market and business conditions in the markets in which Source operates; changes in the technologies used to drill for and produce oil and natural gas; Source's ability to obtain, maintain and renew required permits, licenses and approvals from regulatory authorities; the stringent requirements of and potential changes to applicable legislation, regulations and standards; the ability of Source to comply with unexpected costs of government regulations; liabilities resulting from Source's operations; the results of litigation or regulatory proceedings that may be brought against Source; the ability of Source to successfully bid on new contracts and the loss of significant contracts; uninsured and underinsured losses; risks related to the transportation of Source's products, including potential rail line interruptions or a reduction in rail car availability or the impact of weather; the geographic and customer concentration of Source; the ability of Source to retain and attract qualified management and staff in the markets in which Source operates; labour disputes and work stoppages and risks related to employee health and safety; general risks associated with the oil and natural gas industry, loss of markets, consumer and business spending and borrowing trends; limited, unfavourable, or a lack of access to capital markets; uncertainties inherent in estimating quantities of mineral resources; sand processing problems; and the use and suitability of Source's accounting estimates and judgments. Although Source has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in its forward-looking statements, there may be other factors, including those described under the heading "Risk Factors" in the AIF, that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will materialize or 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. Readers should not place undue reliance on forward-looking statements. These statements speak only as of the date of this press release. Except as may be required by law, Source expressly disclaims any intention or obligation to revise or update any forward-looking statements or information whether as a result of new information, future events or otherwise.

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