



NEWS RELEASE

CATHEDRAL ENERGY SERVICES CLOSSES \$26.4 MILLION UPSIZED BOUGHT DEAL EQUITY FINANCING INCLUDING EXERCISE IN FULL OF OVER-ALLOTMENT OPTION

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CALGARY, AB, CANADA – April 25, 2022 – Cathedral Energy Services Ltd. (TSX:CET) ("**Cathedral**" or the "**Company**") is pleased to announce it has closed its previously announced "bought deal" short form prospectus offering (the "**Offering**") of units ("**Units**") of the Company, including the exercise in full of the underwriters' over-allotment option. The Offering was led by Acumen Capital Finance Partners Limited ("**Acumen**" or the "**Lead Underwriter**") and included Peters & Co. Limited (collectively with Acumen, the "**Underwriters**").

In connection with the Offering, the Company issued an aggregate of 37,786,700 Units at a price of \$0.70 per Unit, for aggregate gross proceeds of \$26,450,690. Each Unit is comprised of one common share in the capital of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant will be exercisable to acquire one additional Common Share (a "**Warrant Share**") for a period of 12 months following the closing of the Offering (the "**Closing**") at an exercise price of \$0.85 per Warrant Share, subject to adjustment in certain events. It is expected that the Warrants will begin trading on April 25, 2022 on the Toronto Stock Exchange (the "**TSX**") under the symbol "CET.WT"

The Company plans to use the net proceeds from the offering for general corporate and working capital purposes, capital expenditures, and the repayment of approximately half of the term loan pursuant to its amended and restated credit agreement.

"This financing strengthens Cathedral's ability to execute our strategy of accelerated growth through accretive acquisitions and further expands our capacity to deploy high-performance technology offerings and grow market share," said Tom Connors, Cathedral's President and CEO.

Certain insiders of Cathedral, have participated in the Offering and were issued 10,714,286 Units. Such participation in the Offering constitute "related party transactions" as defined in Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions ("**61-101**"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of 61-101 as neither the fair market value of the securities issued to insiders nor the consideration for such securities by insiders exceed 25% of the Company's market capitalization. The Company did not file a material change report 21 days prior to closing of the Offering as the participation of insiders of the Company in the Offering had not been confirmed at that time.

DS Lawyers Canada LLP acted as legal advisors to the Company in connection with the Offering. Burnet, Duckworth & Palmer LLP acted as legal advisors to the Underwriters in connection with the Offering.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any 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, for the account or



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benefit of, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT CATHEDRAL

Cathedral Energy Services Ltd., based in Calgary, Alberta is incorporated under the Business Corporations Act (Alberta) and operates in the U.S. under Cathedral Energy Services Inc. Cathedral is publicly-traded on the TSX under the symbol "CET". Cathedral is a trusted partner to North American energy companies requiring high performance directional drilling services. We work in partnership with our customers to tailor our equipment and expertise to meet their specific geographical and technical needs. Our experience, technologies and responsive personnel enable our customers to achieve higher efficiencies and lower project costs. For more information, visit www.cathedralenergyservices.com

FORWARD-LOOKING INFORMATION

All information included in this press release, including any statements of Cathedral that express management's expectations or estimates of future performance, other than statements of historical fact, constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws and are based on management's expectations, estimates and projections as of the date hereof. Forward-looking statements are included for the purpose of providing information about management's current expectations and plans relating to the future. Wherever possible, words such as "plans", "expects", "believe", "intend", "ability to", or statements that certain actions, events or results "may", "should", "could", or are "likely" to occur, or the negative of these words or other variations thereof, have been used to identify such forward-looking information. In this press release, forward looking statements relate to, among other things: the listing of the Warrants on the TSX, the anticipated use of the net proceeds from the Offering, and Cathedral's business plans and strategies for growth. The forward-looking statements discussed in this release may not occur and could differ materially as a result of known and unknown risk factors, including but not limited to risks regarding: conditions in the oil and gas and financial markets in Canada and the United States, geopolitical factors, the risk that Cathedral will not be able to identify and/or close on additional accreditive opportunities in Canada and/or the United States, the ability of management to execute and fund its business strategy, and the impact of general economic conditions in Canada and the United States, including debt markets and equity markets generally. Additional information regarding risks and uncertainties of the Company's business are contained under the heading "Risk Factors" in the Company's annual information form for the financial year ended December 31, 2021 and the Company's other public filings which are available under the Company's profile on SEDAR at www.sedar.com. The forward-looking information included in this news release is made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, future events or otherwise, except as required by applicable law.



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