

April 16, 2021

CATHEDRAL ENERGY SERVICES ANNOUNCES PROPOSED NON-BROKERED PRIVATE PLACEMENT FINANCING

NOT FOR DISSEMINATION IN THE UNITED STATES OF AMERICA

Cathedral Energy Services Ltd. ("Cathedral" or the "Company" / TSX: CET) is pleased announce a proposed non-brokered private placement of up to 12,654,500 common shares of the Company ("**Shares**") at a price of \$0.25 per Share for gross proceeds of up to \$3,163,625 (the "**Private Placement**"). It is expected that this financing will be fully-subscribed.

All Shares issued under the Private Placement will be subject to a four-month hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside of Canada. The net proceeds of the Private Placement will be used to repay certain bank indebtedness and fund Cathedral's 2021 capital program, including the expansion of its fleet of RapidFire™ measurement-while-drilling systems and mud lube drilling motors to meet increased demand. The Company's latest generation of RapidFire systems provide a more robust suite of tools better capable of meeting and exceeding the performance demands of the long reach horizontal wells drilled in the market today. This capital investment will allow the Company to accelerate expansion of its RapidFire job capacity to 12 this year and further solidify its growth in market share.

The Private Placement is subject to the approval of the Toronto Stock Exchange and other customary conditions, and is expected to close on or about May 5, 2021. This news release does not constitute an offer to sell or a solicitation of an offer to sell any of securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (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 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.

Certain directors and officers of the Company have indicated that they intend to subscribe under the Private Placement for up to 2,920,000 Shares. Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Private Placement will constitute a "related party transaction" in respect of such subscriptions. These transactions will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 on the basis that the fair market value of, and the consideration to be paid for, any Shares subscribed for by insiders pursuant to the Private Placement will not exceed 25% of the Company's market capitalization, as calculated in accordance with MI 61-101.

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. The Company is publicly traded on the Toronto Stock Exchange 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

This news release contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is typically, but not always, identified by the use of words such as "proposed", "expected", "will" and similar words, including negatives thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking information in this news release includes, but is not limited to, statements regarding: the completion of the Private Placement, the size thereof, the intended use of the net proceeds therefrom, and the anticipated closing date thereof; the expectation that the Private Placement will be fully subscribed; and the participation in the Private Placement by insiders of the Company. Such forward-looking information is based on various assumptions and factors that may prove to be incorrect, including, but not limited to, factors and assumptions with respect to: the ability of the Company to complete the Private Placement on acceptable terms or at all; the receipt of all necessary regulatory and other approvals or consents; and the ability of the Company to successfully implement its strategic plans and initiatives and whether such strategic plans and initiatives will yield the expected benefits. Although the Company believes that the assumptions and factors on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that it will prove to be correct or that any of the events anticipated by such forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive there from. Actual results could differ materially from those currently anticipated due to a number of factors and risks including, but not limited to: conditions in the oil and gas market; fluctuations in market conditions, including in securities markets; economic factors; the risk that the Private Placement will not be completed as anticipated or at all, including the risk that the Company will not receive the approvals necessary in connection with the Private Placement; the risk that the Company is not able to fund its 2021 capital program; the ability of management to execute its business strategy, objectives and plans; and the impact of general economic conditions and the COVID-19 pandemic in Canada and the United States. Additional information regarding risks and uncertainties relating to 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, 2020 and the Company's other public filings, copies of 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, subsequent events or otherwise, except as required by applicable law.

Requests for further information should be directed to:

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