

Cathedral Energy Services

News release re LEXA Drilling Technologies

June 20, 2022

CATHEDRAL ENERGY SERVICES ACQUIRES LEXA DRILLING TECHNOLOGIES; ADDS TECHNOLOGY LEADERSHIP WITH AXEL SCHMIDT AND ADDS CHAD ROBINSON IN KEY STRATEGY ROLE

CALGARY, AB, CANADA– June 20, 2022 – Cathedral Energy Services Ltd. (TSX:CET) (“Cathedral” or the “Company”) today announced the acquisition of 90.98% of LEXA Drilling Technologies Inc. (“LEXA”), a Calgary-based, downhole technology company for equity consideration in Cathedral, (the “Transaction”). As part of the Transaction, Mr. Axel Schmidt will join Cathedral as Senior Vice President, Engineering and Technology while Mr. Chad Robinson will join as Vice President, Corporate Development. LEXA also brings an experienced engineering and development team.

“The principals of LEXA have deep experience in building sizable directional drilling companies as well as highly-innovative and reliable tools to differentiate those services” said Tom Connors, Cathedral’s President and CEO. “Axel and Chad were instrumental in building Pacesetter Directional Drilling (now owned by Schlumberger) into a formidable Canadian competitor. Axel has a strong tool development history, especially in creating highly-reliable MWD (measurement-while-drilling) and RSS (rotary steerable) technology for the Canadian marketplace and his experience and insight will be invaluable as we build out our differentiated technology platform into the future. Going forward, we are excited at the opportunity for Axel to enhance our MWD offering and ensure it remains among the top performing and most reliable products in the industry.”

LEXA is focused on the development and commercialization of high data rate positive pulse MWD technology. They are also focused on developing technology that enhances and enables drilling automation through remote downhole directional equipment. The addition of high-performance pulse technology to Cathedral’s industry leading electromagnetic technology will further strengthen the performance of Cathedral’s existing MWD platform. Mr. Connors added, “When it comes to MWD technology, the US market is primarily a pulse market and in the long run this addition of personnel and technology will strengthen our offering and help us further penetrate the market. As the market continues to evolve and portions of it demand MWD tools that require less direct human interaction, we believe this team will help accelerate Cathedral’s plans to be a leader in this space, further enabling drilling automation.”

Axel is well-known in the directional drilling industry and brings a wealth of technical experience focused on the development, manufacturing, and operation of directional drilling tools. Over the past 22 years, Axel has built a career developing highly-competitive MWD platforms. At the start of his career with Newsco, he developed and patented a revolutionary mud pulser for MWD tools and went from there to develop and commercialize a complete MWD platform, which was sold to Sondex in 2006. In 2007 Axel became owner and Vice President of Technology at Pacesetter Directional Drilling where he assembled a team that developed a proprietary MWD tool. Axel left Schlumberger/Pacesetter in 2020 after the buyout was complete and founded Lexa Drilling Technologies.

The addition of Chad will be a considerable boost to Cathedral’s business development efforts. Although he has over 24 years of energy financial experience, Chad’s role in helping to build Pacesetter Directional Drilling is particularly noteworthy. From 2006 to 2015, Mr. Robinson was an owner and CFO before the company sold to Schlumberger as Canada’s largest privately-owned, directional drilling company. After Pacesetter, Chad was founder and President of Resource Equity Partners, an oilfield boutique capital firm. He moved from there to take the role of Calgary Operating and Managing Partner for SCF Partners

- a leading North American energy service private equity firm. Most recently, he was also co-founder of Lexa Drilling Technologies with Axel.

Cathedral would also like to thank Bogdan Piciooreanu for his years of services with Cathedral as VP, Technology. The appointment of Axel to the Cathedral team will enable Bogdan to proceed with his planned retirement date for the end of June, 2022.

In exchange for 90.98% of the shares of LEXA, its technology and products in development, Cathedral will issue 1,612,891 Cathedral common shares, (the 'Acquisition Shares') which will be subject to a four-month hold period. A director of Cathedral, Mr. Rod Maxwell, owns the remaining shares equating to 9.02% of LEXA, which were not purchased as part of the Transaction. Cathedral intends to purchase the remaining shares prior to year-end from Mr. Maxwell on the same terms and conditions. Mr. Maxwell abstained from voting on the Transaction in accordance with Cathedral's corporate governance policies.

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 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 press release contains statements and information that may constitute "forward-looking information" within the meaning of applicable securities legislation, including statements identified by the use of words such as "will", "expects", "positions", "believe", "potential" 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 Cathedral's business plans to continue its technology platform build-out, including expansion of its MWD tool offering; and successful integration of LEXA's business into Cathedral. Such forward- looking information is based on various assumptions that may prove to be incorrect, including, but not limited to, assumptions with respect to: the benefits from the Transaction; the integration of the LEXA business and personnel into Cathedral's business; expectations regarding the evolution of the US market for directional drilling and Cathedral's ability to service such market; conditions in the oil and gas market; the ability of the Company to successfully implement its business plans and initiatives and whether such business plans and initiatives will yield the expected benefits. Although the Company believes that such assumptions are reasonable, the Company can give no assurance that such forward-looking statements will prove to be correct or that any of the events anticipated by such forward-looking statements will occur, or if any of them do so, what benefits the Company will derive there from. Actual results could differ materially due to a number of factors and risks including, but not limited to: the risk that Cathedral will not be able to integrate the LEXA business as anticipated or at all; the risk that the LEXA business will not result in the business growth for Cathedral expected by Cathedral; and economic conditions in the oil and gas industry and debt and equity financial markets in Canada and the United States 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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