



NEWS RELEASE

October 26, 2022
Calgary, Alberta

CATHEDRAL ENERGY SERVICES ACQUIRES THE CANADIAN DIRECTIONAL BUSINESS OF ENSIGN ENERGY SERVICES INC. AND FORMS STRATEGIC ALLIANCE

CALGARY, AB, CANADA – October 26, 2022 – Cathedral Energy Services Ltd. (TSX: CET) (“**Cathedral**” or the “**Company**” or “CET”) and Ensign Energy Services Inc. (TSX: ESI) are pleased to announce the acquisition of the operating assets and personnel of Ensign’s Canadian directional drilling business (the “Transaction”) by Cathedral for a purchase price of CAN\$5.0 million. As part of the Transaction, Cathedral and Ensign have entered into a Marketing and Technology Alliance (“the Marketing Alliance”) which will further help support and expand the customer base of both companies in the Canadian market. The purchase price will be satisfied through the issuance by Cathedral to Ensign Drilling Inc. of 7,017,988 common shares of Cathedral (the “Consideration Shares”). In addition to a 4-month statutory hold period on the Consideration Shares, the parties have agreed to customary contractual restrictions on resale.

Tom Connors, Cathedral’s President & CEO, stated, “The addition of a Marketing Alliance with Ensign further cements our position as a leader in the directional drilling space and allows for further differentiation of our business model as we drive value for our customers through a combined technology offering that will continue to push efficiency benchmarks within the industry. This acquisition also demonstrates that we continue to deliver on a consolidation strategy that significantly strengthens our business.”

Ensign’s President and COO, Robert Geddes commented: “Our investment and strategic partnership with Cathedral will add value to our customers through improved drilling performance over time as we further advance directional specific technologies and provide a differentiated service offering in the market together. The combination of Cathedral’s MWD platform and high-performance mud motor technology along with Ensign’s Edge digital DRC automation platform and operational footprint in Canada will help accelerate the evolution of automation-assisted drilling for Ensign and the industry.”

Ensign did not own any securities of Cathedral prior to the transaction. Post-closing, Ensign owns approximately 3.15% of Cathedral’s issued and outstanding common shares on a non-diluted basis.

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 anticipated successful integration of the Ensign directional drilling assets and personnel ("Assets"); and Cathedral's business plans and strategies for growth. 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 anticipated benefits from the Transaction and the Marketing Alliance; conditions in the oil and gas markets and debt and equity markets generally; and the ability of the Company to successfully implement its strategic plans and initiatives. 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 the integration of the Assets will not yield the operational or financial benefits as anticipated; the risk that demand for Cathedral's services, including services relating to the Marketing Alliance, will not be as anticipated; conditions in the oil and gas and financial markets in Canada and 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. 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.

Requests for further information should be directed to:

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