



NEWS RELEASE

May 10, 2020
Calgary, Alberta

CATHEDRAL ENERGY SERVICES ANNOUNCES DELAY IN FILING 2020 Q1 FINANCIAL STATEMENTS AND MD&A

NOT FOR DISSEMINATION IN THE UNITED STATES OF AMERICA

Cathedral Energy Services Ltd. (the "**Company**" or "**Cathedral**" / TSX: CET) is announcing that due to the ongoing COVID-19 pandemic, the Company is postponing the filing of its interim financial statements (the "**Financial Statements**") and related management's discussion and analysis (the "**MD&A**", and together with the Financial Statements, the "**Interim Filings**") for the interim period ended March 31, 2020. In response to the pandemic, securities regulatory authorities in Canada have granted a blanket exemption granting issuers an additional 45 days to complete certain regulatory filings (the "**Exemption**"). Cathedral is relying on the Exemption to postpone the filing of the Financial Statements required by section 4.4 of National Instrument 51-102 and the filing of the MD&A required by subsection 5.1(2) of National Instrument 51-102.

Cathedral anticipates filing the Interim Filings on or about June 25, 2020. Until such time as the Interim Filings are filed, management and other insiders of Cathedral will be subject to a trading black-out policy that reflects the principles in section 9 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*.

Except as set out below and in Cathedral's news release dated April 20, 2020, which provided a corporate update in relation to the current deterioration in the business environment related to the COVID-19 pandemic and declining world oil prices, there have been no material business developments since the date of the Company's financial statements for the year ended December 31, 2019 which were filed on March 16, 2020. That news release also provided details of the cost cutting initiatives implemented by Cathedral's management team in response to the expected decline in activity levels.

As at March 31, 2020, Cathedral was in compliance with the financial covenants in its credit facility. However, as a result of the ongoing COVID-19 pandemic and given the recent downturn in oil prices, which is negatively impacting drilling activity in the U.S. and Canada, management has approached its senior lender to request a relaxation of certain financial covenants for a reasonable period. We have no reason to believe at this time that our request for such relaxation will not be granted.

On May 8, 2020, Cathedral received approval under an application for a U.S. Paycheck Protection Program loan ("PPP") of \$1.04 million (USD\$750,000). Funding is expected in approximately 10 days. The loan will bear interest at 1% per annum and will mature on May 8, 2022. The proceeds will be used to support payroll expenditures for Cathedral's U.S. employees. A portion of the loan proceeds may be forgivable in accordance with certain U.S. Treasury guidelines. Cathedral estimates that approximately 70% of the loan proceeds (USD\$525,000) may be forgiven, if the U.S. Treasury guidelines are met. Management continues to evaluate and apply for any additional U.S. and Canadian federal, state and provincial government relief programs for which Cathedral qualifies.

Requests for further information should be directed to:

P. Scott MacFarlane, President, Chief Executive Officer and Interim Chief Financial Officer or Randy Pustanyk, Executive Vice President

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Cathedral Energy Services Ltd. (the "Company" or "Cathedral"), 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 STATEMENTS

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. In particular, this news release contains forward-looking statements relating to, among other things, the anticipated timing of filing the Interim Filings and the anticipated effects of the current global COVID-19 pandemic and low commodity price environment on Cathedral's operations as it may impact Cathedral's financial covenants under its credit facility, expected loan proceeds under the PPP and the estimate of the portion of the PPP that may be forgivable under the terms of the PPP.

The Company believes the expectations reflected in such forward-looking statements are reasonable as of the date hereof but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Various factors and assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements. Those material factors and assumptions are based on information currently available to the Company, including information obtained from third party industry analysts and other third-party sources. You are cautioned that the following list of material factors and assumptions is not exhaustive. Specific material factors and assumptions include, but are not limited to: current and anticipated oil and natural gas commodity prices and production levels; capital expenditure programs and other expenditures by Cathedral and its customers; impact of economic and social trends; the performance of Cathedral's business; the current terms of the PPP program; the ability of Cathedral to comply with the terms and conditions of its credit facility; changes under governmental regulatory regimes and tax, environmental and other laws in Canada and the United States ("U.S."); risks associated with future foreign operations; and currency exchange and interest rates.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the risks identified in this news release and in the Company's Annual Information Form under the heading "Risk Factors". Any forward-looking statements are made as of the date hereof and, except as required by law, the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise. All forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements is available in the Company's current Annual Information Form that has been filed with Canadian provincial securities commissions and is available on www.sedar.com.