



Canadian Energy
SERVICES

**PRESS RELEASE
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**CANADIAN ENERGY SERVICES & TECHNOLOGY CORP. ANNOUNCES REDUCED
CASH DIVIDEND AND ACQUISITION OF SIALCO MATERIALS LIMITED**

Canadian Energy Services & Technology Corp. (“CESTC” or the “Corporation”) (TSX: CEU) (OTCQX:CESDF) announced today that it will pay a cash dividend of \$0.018 per common share on January 15, 2016, to the shareholders of record at the close of business on December 31, 2015. On an annualized basis the new dividend would be \$0.216 per common share representing a 35% decrease from the previous annualized level of \$0.33 per common share. CESTC estimates that it will conserve approximately \$25 million in cash in 2016 based on the new dividend level. CESTC will use the cash to fund growth opportunities and preserve balance sheet strength.

CESTC is also pleased to announce that it has acquired Sialco Materials Limited (“Sialco”), a specialty chemical manufacturing company located in Delta, British Columbia. Sialco was established in 1987 and provides its products and delivers services to a diverse number of customers.

Tom Simons, President and Chief Executive Officer of CESTC, stated that "From a science and manufacturing perspective, Sialco is a smaller version of JACAM located in Canada. The Sialco acquisition further vertically integrates us with another state-of-the-art high temperature chemical reacting and manufacturing facility. The Sialco acquisition also compliments our PureChem and JACAM business units and will augment our product lines and capabilities, including some industry leading frac related chemistries. Consistent with our approach in our previous acquisitions, the founders of Sialco and the key staff will be joining CESTC, and will play leadership roles in the further development and execution of our expansion strategy. To capitalize on opportunities like Sialco and preserve balance sheet strength we have decided to reduce our monthly dividend by 35%. We believe this is a prudent reallocation of approximately \$25 million of capital in these difficult times."

Terry Porter, Sialco’s founder and President said, "By joining together in a shared commitment to solving problems for our customers the collective strengths of our two companies will generate enormous opportunities for invention and growth."

Sialco Acquisition – Strategic Rationale

The successful completion of the Sialco acquisition and the merger of Sialco into CESTC's operations is another step forward in the evolution of CESTC into a vertically integrated manufacturer and supplier of engineered chemical and consumable solutions to the North American oil and gas business.

- The Sialco acquisition is strategically aligned with CESTC's long-term business plan to pursue growth opportunities in the specialty chemical business; become more vertically integrated in the oilfield consumable chemicals business; and to provide consumable product offerings throughout the oil and gas product lifecycle.
- The Sialco acquisition is consistent with CESTC's strategy to focus on consumable products with superior outcomes for customers through technology and high levels of customer service.
- The production and specialty chemicals space is highly concentrated and continues to grow as operators face the challenges of maintaining the productivity of wells, and shipping their product to market.
- The Sialco acquisition provides CESTC with an expanded list of specialty chemical products. Sialco has over 30 proprietary products it manufactures and distributes, 12 trademarked solutions, and 2 patents pending. Sialco has custom developed these products and solutions by listening to their customer's challenges and then designing solutions in their state-of-the-art manufacturing facility.
- Sialco has built its business on similar principles CESTC has employed. Sialco designs, builds, and delivers products and services that solve customer problems. Sialco's founder and leader of the last 28 years, Terry Porter, BSc will continue on as President and Chief Technology Officer of the Sialco business unit and will also assume a leading role in developing new technologies and products for CESTC. Mike Hallat, Chief Operating Officer of Sialco, will also continue in his role at Sialco.
- The Sialco acquisition comes complete with a high temperature chemical reacting plant strategically located on the west coast of Canada. This state-of-the-art facility was built in 2006.
- Management of CESTC expects the Sialco acquisition to be accretive to CESTC's gross margin, cash flow, and EBITDAC metrics.

About Canadian Energy Services & Technology Corp.

CESTC is a leading provider of technically advanced consumable chemical solutions throughout the lifecycle of the oilfield. This includes solutions at the drill-bit, at the point of completion and stimulation, at the wellhead and pump-jack, and finally through to the pipeline and midstream market. CESTC's business model requires limited re-investment capital to grow. As a result, CESTC has been able to capitalize on the growing market demand for drilling fluids and production and specialty chemicals in North America while generating free cash flow. CESTC returns much of this free cash flow back to shareholders through its monthly dividend. Additional information about CESTC is available at www.sedar.com or on the Corporation's website at www.CanadianEnergyServices.com.

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**THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT
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Forward-Looking Information

This press release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this press release includes statements with respect to estimates as to future dividends, including annualized dividend levels, the payment of a dividend to shareholders of record on January 15, 2016, the potential means of funding dividends, the intention to make future dividend payments, the expected impact of the dividend reduction on CESTC's ability to fund growth opportunities and preserve balance sheet strength, the estimated cash to be conserved by CESTC as a result of a reduction in its dividend, the impact of the Sialco acquisition on the Corporation, the Corporation's plans to integrate Sialco, its founders and employees with the operations of CESTC, management of CESTC's expectation of the effect of the Sialco acquisition on CESTC's gross margin, cash flow, revenues, EBITDAC and net income and the expansion strategy of CESTC and its long-term business plan.

Material assumptions and factors that could cause actual results to differ materially from such forward-looking information include the successful integration of Sialco founders, employees and customers with CESTC, the state of the capital markets in Canada and the US, drilling activity in Canada and the US and the growth potential of the production and specialty chemicals industry and the challenges facing the industry. Although the Corporation believes that the material assumptions and factors used in preparing the forward-looking information in this press release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this press release, and no assurance can be given that such events will occur. The Corporation disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. All subsequent forward-looking statements, whether written or oral, attributable to CESTC or persons acting on CESTC's behalf, are expressly qualified in their entirety by these cautionary statements.