

NEWS RELEASE TRANSMITTED BY MARKETWIRED

FOR: SOURCE ENERGY SERVICES LTD.

April 13, 2017

Source Energy Services Ltd. Completes \$175 Million Initial Public Offering

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Source Energy Services Ltd. (TSX:SHLE) (the "Company" or "Source") is pleased to announce that it has completed its previously announced initial public offering (the "Offering") of 16,666,667 common shares ("Common Shares") at a price of \$10.50 per Common Share ("Offering Price") for aggregate gross proceeds of approximately \$175 million.

The underwriting syndicate was co-led by Scotiabank, Morgan Stanley Canada Limited and BMO Capital Markets (the "Co-Lead Underwriters") and included CIBC Capital Markets, Goldman Sachs Canada Inc., Raymond James Ltd., RBC Capital Markets, Canaccord Genuity Corp., Altacorp Capital Inc., Cowen and Company, GMP FirstEnergy and Peters & Co. Ltd. (collectively, with the Co-Lead Underwriters, the "Underwriters").

The Company has granted to the Underwriters an over-allotment option, exercisable in whole or in part for a period of 30 days following the closing of the Offering, to purchase up to an additional 2.5 million Common Shares at the Offering Price.

The Common Shares are listed on the Toronto Stock Exchange under the symbol "SHLE".

Following the Offering, the internal corporate reorganization and the shareholder loans settlement disclosed in Source's final long form prospectus dated April 6, 2017 (the "Prospectus"): (a) TriWest IV (as defined in the Prospectus) exercises control or direction over an aggregate of 15,377,191 Common Shares and 1,300,154 Class B Shares, representing approximately 31.18% of the issued and outstanding Common Shares and 100% of the issued and outstanding Class B Shares; and (b) Jim McMahon collectively with MFT 2 Family Trust and their affiliates (collectively, "McMahon") own or exercise control or direction over an aggregate of 8,240,503 Common Shares, representing approximately 16.71% of the issued and outstanding Common Shares.

Each of TriWest IV and McMahon acquired the Common Shares in connection with the internal corporate reorganization and the

shareholder loans settlement mentioned above. Each of TriWest IV and McMahon hold the Common Shares for investment purposes and may, depending on market and other conditions, acquire additional Common Shares through market transactions, private agreements, treasury issuances, dividend reinvestment programs, exercise of options, convertible securities or otherwise, or may sell all or some portion of the Common Shares it owns or controls, or may continue to hold the Common Shares.

TriWest IV and McMahon have each filed early warning reports dated April 13, 2017 advising of these matters. Copies of such early warning reports may be found on Source's profile at www.sedar.com or may be obtained c/o Source using the contact information noted below.

No securities regulatory authority has either approved or disapproved of the contents of this press release. This press release is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia) or any other jurisdiction outside Canada. This press release does not constitute or form a part of any offer or solicitation to buy or sell any securities in the United States or any other jurisdiction outside of Canada. The securities offered pursuant to the Offering have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States or to a U.S. person absent registration or pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. There will be no public offering of securities in the United States.

About the Company

Source is a fully integrated producer, supplier and distributor of high-quality Northern White frac sand primarily to the Western Canadian Sedimentary Basin. Source provides its customers with a full end-to-end solution through its Wisconsin mine assets, processing facilities, unit train capable rail assets, strategically located terminal network and "last mile" logistics capabilities. Source's full service approach allows customers to rely on its logistics capabilities to increase reliability of supply and to ensure the timely delivery of their growing frac sand requirements. In addition to its transload terminal network and in-basin storage capabilities, Source has also developed Sahara, a proprietary wellsite mobile sand storage and handling system.

Advisories

Forward-Looking Information: This press release contains forward-looking statements that involve known and unknown risks and uncertainties, most of which are beyond the Company's control. The forward-looking statements

contained in this release include, but are not limited to, those in respect of the future plans of TriWest IV and McMahon with respect to the Common Shares held by each such investor. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on these forward-looking statements. The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise it to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

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FOR FURTHER INFORMATION PLEASE CONTACT:

Source Energy Services Ltd.
Brad Thomson
Chief Executive Officer
(403) 262-1312 (ext. 225)

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SUBJECT: FNC

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