Critical Control Energy Services Corp.

CRITICAL CONTROL ANNOUNCES PRIVATE PLACEMENT AND PLAN OF ARRANGEMENT

CALGARY, ALBERTA, May 11, 2017 – Critical Control Energy Services Corp. ("Critical Control" or the "Corporation") (TSX:CCZ) announces that it intends to complete a non-brokered private placement of units (the "Units") consisting of a newly created class of Series A Preferred Shares (the "Preferred Shares") and common share purchase warrants (the "Warrants") for gross proceeds of a minimum of $3,000,000 to a maximum of $5,000,000 (the "Offering"). Contemporaneously with the Offering, the Corporation intends on issuing $4,650,000 of Preferred Shares to the current common shareholders of the Corporation in exchange for some or all of their existing common shares (the "Arrangement").

"The completion of the Offering will immediately improve the Corporation's balance sheet, liquidity and cash flow," said Alykhan Mamdani, President and CEO of the Critical Control. "In management's opinion, the creation of the Preferred Share combined with both the Offering and the Arrangment improves the Corporation's capital structure by providing greater long term flexibility to finance growth."

The Corporation currently has no shares outstanding other than common shares. The Preferred Shares underlying the Offering and the Arrangement will have a $2.00 deemed value and a maximum of 4,825,000 Preferred Shares will be distributed pursuant to the Offering and the Arrangement. The Preferred Shares will entitle the holders to an 8% cumulative dividend paid quarterly, will be redeemable by the Corporation after 5 years from initial issuance, and the cumulative dividend rate shall be reset after the 5-year anniversary to be the Canada 5-year bond rate plus 5%, with a minimum rate of 8%.

The Offering

The Offering will be for a minimum of 1,500,000 and a maximum of 2,500,000 Units at $2.00 per Unit. Each unit shall consist of one Preferred Share with a $2.00 deemed value and one Warrant to acquire one common share of the Corporation for $0.20 per common share. Each Warrant shall expire 2 years from the date on which it is issued.

Any closing of subscriptions for the Offering (the "Closing") is subject to the subscription of a minimum of 1.5 million units for minimum proceeds of $3.0 million. The Closing will also be subject to the completion of the Arrangement and the approval of the Toronto Stock Exchange to list the Preferred Shares on the Toronto Stock Exchange.

Management and Directors of the Corporation are expected to subscribe for 375,000 Units, for total gross proceeds of $750,000. Closing is expected to occur with the Arrangement on or about June 30, 2017.

The Offering is expected to be non-brokered and shall be completed upon reliance on exemptions from the prospectus requirements of applicable securities regulations. Subscribers to the Units shall have statutorily imposed hold periods attributed to the Preferred Shares acquired thereunder and to the common shares acquired from the issuance of the Warrants. The Offering may be subject to a finder's fee.

Proceeds of the Offering will be used to reduce the Corporation's bank debt.

The Arrangement

The Arrangement will allow existing holders of common shares of the Corporation to exchange any portion of their common shares for Preferred Shares on the basis of one Preferred Share for every 12.9 common shares they tender for conversion. This exchange ratio is based upon a conversion rate of $2.00 per Preferred Share and a price of $0.155 per common share, representing a premium of 14.8% over the closing price of the common shares on the Toronto Stock Exchange on May 11, 2017.

Under the Arrangement, holders of common shares will not be required to exchange their common shares under the Arrangement and may elect to keep some or all of their common shares. A maximum of 29,992,500 common shares will be exchanged for a maximum of 2,325,000 Preferred Shares under the Arrangement. In the event holders of common shares in aggregate elect to receive more than 2,325,000 Preferred Shares, the maximum number of Preferred Shares shall be distributed to them on a *pari passu* basis based upon their election. In the event the holders of common shares in aggregate elect to receive less than 2,325,000 Preferred Shares, the remaining Preferred Shares will be distributed *pro rata* to those holders of common shares who do not make a valid election subject to a maximum of 2,325,000 Preferred Shares being distributed pursuant to the Arrangement and in accordance with the aforementioned exchange ratio.

Details of the Arrangement will be distributed to the holders of the common shares in an information circular associated with the Corporation's Annual and Special Meeting to be held in Calgary on June 29, 2017 (the "Meeting"). The Arrangement is expected to be completed on or about June 30, 2017 through a statutory plan of arrangement under section 193 of the *Business Corporation Act* (Alberta), which will be subject to court approval and approval of the shareholders of the Corporation at the Meeting. In addition, the Arrangement will also be contingent upon the Corporation reaching the minimum Offering.

About Critical Control

Critical Control provides solutions for the collection, control and analysis of measurement and operational data related to oil and gas wells across North America. We provide services to capture the data, cloud-based software to visualize and manage it and the business intelligence to make quicker and more informed operational decisions.

For further information

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Forward-Looking Information

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. Forward-looking information generally refers to disclosure about an issuer's business, capital, or operations that is prospective in nature, and includes future-oriented financial information about the issuer's prospective financial performance or financial position.

The forward-looking information in this press release relates to the proposed terms and anticipated benefits of the Arrangement and the Offering. No assurance can be given that the Arrangement or the Offering will close on these terms or that the Arrangement and the Offering will close at all. Actual results could differ materially from those anticipated in this press release due to prevailing economic conditions, failure to obtain the requisite regulatory and security holders approvals, and other factors, many of which are beyond the control of the Corporation.

The Corporation assumes no obligation to update or revise the forward-looking information in this press release, unless it is required to do so under Canadian securities legislation.