



ANNOUNCEMENT OF NEW SECURED FINANCING

CALGARY, ALBERTA – October 29, 2018 – Critical Control Energy Services Corp. (TSX: CCZ) ("Critical Control") announces that it has executed definitive loan agreements with Invico Diversified Income Limited Partnership, a funding vehicle managed by Invico Capital Corporation, for new senior secured financing (the "New Facilities"). The proceeds from the New Facilities will be used to fully repay the Corporation's current operating line, term loans and for additional working capital.

"Industry trends for oil and gas service companies were weaker than we anticipated in 2018, which, combined with increased competition in certain portions of our business resulted in weaker corporate performance and necessitated this financing," said Alykhan Mamdani, President and CEO of Critical Control. "We have taken cost cutting measures in both Canada and the US to reduce our costs in 2019, which, combined with a more focused execution of our software based strategic plan and the flexibility afforded by this interim financing, will enable us to regain positive cash flow in the fourth quarter of 2018."

The New Facilities are for a period of 3 years and can be repaid on 90 days notice after one year. The New Facilities include a term loan of \$7 million at 15% interest per annum (the "Term Loan"). The Term Loan is interest only until December 31, 2019 and principal payments thereafter will be calculated based on 80% of free cash flow after all expenses, capitalized payments and interest. The remainder of the New Facilities will be in the form of a flexible factoring operating line, enabling the Corporation to draw 90% of its invoices for a period of 120 days (the "Factor Facility"). Effective interest on the Factor Facility will be at 1.5% per month, but will only be incurred when required for working capital. Management expects to be able to draw a maximum of \$3.7 million as at Closing under the Factor Facility.

Closing of the financing is subject to completion of legal registrations and is expected to occur on or before November 12, 2018.

Forward Looking Statements

Management has stated its expectation of returning to positive cash flow in Q4 2018, which is a forward looking statement. This expectation is based upon current business trends related to the Corporation continuing to penetrate the US market with its software and cost saving measures the Corporation has already undertaken. Cost saving measures include staff reductions in Canada and the US of over 10% of its workforce and the closure of three offices in the US. The positive impact of these cost saving measures will be realized partly in Q4, 2018 and further in 2019. Positive cash flow expectations will be impacted if current trends relating to sales of software in the US decline or the Corporation's software business in Canada further declines due to industry conditions and increased competition.

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.

About Invico Capital Corporation

Invico Capital Corporation is a Calgary, Alberta based alternative investment fund management firm providing alternative investing and financing solutions to private and public companies. Invico currently manages approximately \$360 million of private capital with investment specialties including Income, Energy and Real Estate. Invico provides financing solutions to assist high quality companies and management teams in making



**CRITICAL
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Critical Control Energy Services Corp.

strategic acquisitions, financing capital expenditures and/or growth programs and supporting working capital requirements.

For further information

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