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NEWS RELEASE

ESI ENERGY SERVICES INC. PLANS COBALT PROJECT

Calgary, Alberta, May 22, 2018 – ESI Energy Services Inc. ("ESI") is pleased to announce that it has entered into an early stage Process Facility and Cobalt Supply Agreement (the "**Agreement**") with Battery Minerals Resources Limited ("**BMR**") for BMR's cobalt-focused mineral exploration claims located in Ontario. BMR is a privately owned Australian multi-commodity battery materials exploration company.

Agreement Details

If the project proceeds, ESI would finance, build and operate a cobalt processing facility that would be supplied by feedstock material mined by BMR from its properties in Ontario. A five-member technical committee is to be established by ESI and BMR to oversee a planned feasibility study for mining operations and to make a recommendation on whether to proceed with the project. If the project is approved, the technical committee would oversee mining, construction and operations.

BMR would earn an initial 35% interest in the processing facility and related assets once sufficient quantities of feedstock material have been delivered such that ESI achieves a one-time return of capital. BMR would earn a further 40% interest once ESI achieves a two-times return of capital. If BMR earns a cumulative 75% interest, BMR and ESI would establish a joint venture to assume responsibility for purchasing feedstock material from BMR, operating the process facility and marketing cobalt concentrate.

BMR would have a right of first refusal to purchase ESI's interest if ESI wishes to sell to a third party and an option to purchase ESI's remaining 25% interest after the joint venture is formed. The Agreement contains various default and termination events. Certain events (failure to raise required financing, commence design and procurement activities or advance construction by determined dates) would entitle BMR to terminate the Agreement and receive a CAD \$20 million fee.

As part of its due diligence investigations, ESI reviewed information provided by BMR. This is an early stage exploration project. There is no assurance that mining operations or a processing facility will result.

Participation Payment and Construction Financing

ESI must make a CAD \$10 million payment to BMR for the right to participate in the project. The payment must be made by July 17, 2018 and is non-refundable unless BMR does not use commercially reasonable efforts to advance the development of its Ontario mineral properties. The payment obligation is expected to be funded through the issue by ESI of CAD \$10 million of common shares (initially represented by subscription receipts) at CAD \$1.50 per share. The closing price of ESI's common shares on the Canadian Securities Exchange on May 18, 2018, the last day on which the common shares traded before this news release, was CAD \$0.36.

An investment partnership managed by Yorktown Partners LLC ("**Yorktown**") is expected to be the sole purchaser of the shares. Yorktown partnerships currently own 87.6% of ESI's common shares. Yorktown is a New York based asset management firm dedicated to making private equity investments in the energy sector. The Yorktown team has invested nearly USD \$8 billion in more than 90 companies.

ESI plans to raise up to CAD \$90 million to be used towards construction of the processing facility, if constructed and the estimated cost of which has yet to be determined. An initial CAD \$50 million must be raised by the later of December 31, 2018 and four months after the closing of an initial public offering by BMR. The balance of CAD \$40 million will be raised later as required. Failure by ESI to raise the initial CAD \$50 million would entitle BMR to terminate the Agreement and to receive a CAD \$20 million termination fee from ESI. ESI has separately received assurances that the CAD \$50 million will be available.

Additional ESI Directors

ESI intends to appoint Gary Lewis and Ronald Phillips as ESI directors when or soon after ESI makes the required CAD \$10 million payment to BMR for the right to participate in the project. Mr. Lewis is the Chairman and Chief Executive Officer of BMR and is based in Sydney, Australia. Mr. Phillips is a principal of Weston Energy LLC, a New York-based Yorktown portfolio company with investments in energy minerals assets, including an approximate 18% interest in BMR.

Regulatory and Shareholder Approvals

Planning, construction and operation of mining and processing activities under the Agreement will require ESI and BMR to obtain or satisfy various regulatory approvals and requirements.

The agreed transaction is also subject to regulatory and shareholder approvals as regards ESI. It will be a "change of business" of ESI under a Canadian Securities Exchange ("CSE") policy and must be approved by the CSE and ESI's shareholders. It is anticipated that shareholder approval will be obtained by written consent of Yorktown partnerships that collectively own 87.6% of ESI's shares. Trading in the common shares of ESI will be halted until ESI satisfies the other requirements of the CSE for a change of business, which requirements include the filing of a new listing statement for the resulting business.

The private placement of common shares by ESI to raise CAD \$10 million is expected to be a related party transaction under securities laws. It is subject to approval by ESI's minority shareholders because a Yorktown partnership is expected to be the sole purchaser. The required shareholder meeting is expected to be held by mid-July 2018. No formal valuation is required because the shares of ESI are not listed on a senior stock exchange.

This news release is not an offer of ESI securities. ESI securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from such registration. The ESI securities have not been and will not be publicly offered in the United States. The securities have not been and will not be registered under the U.S. Securities Act, or any state securities laws.

About ESI

ESI Energy Services Inc. is a pipeline equipment rental and sales company with principal operations in Leduc, Alberta and Phoenix, Arizona. Through its operating entities, ESI Energy Services Inc. and Ozzie's Pipeline Padder, Inc., ESI supplies (rents and sells) backfill separation machines to mainline pipeline contractors, oilfield pipeline and construction contractors, utility construction contractors and renewables (wind and solar) contractors. ESI is a publicly traded company with its common shares listed on the Canadian Securities Exchange under the stock symbol "OPI".

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements can be identified by the use of words such as "are expected", "is forecast", "is targeted", "approximately" or variations of such words, and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements

involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements.

Forward-looking statements in this news release include, but are not limited to, statements concerning, generally, ESI's agreement to finance, build and operate a cobalt processing facility and BMR's agreement to supply feedstock material and, specifically, the following: the formation of a technical committee and the work that it would perform; BMR's ability to earn interests in the processing facility and the establishment of a joint venture; BMR's right of first refusal and option to purchase ESI's interest; BMR's rights to terminate the Agreement and receive a termination fee in certain events; ESI's participation payment and construction financing obligations; the appointment of additional ESI directors; and regulatory and shareholder approvals.

Forward-looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such statements are made. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. ESI and BMR have made assumptions that they consider to be reasonable to manage or eliminate the risks identified below. Such risks include, but are not limited to, the following: the technical committee may not recommend to proceed with the project, or BMR or ESI may not accept a recommendation to proceed; ESI may not complete construction of the processing facility in an appropriate, timely or economic manner, or at all; BMR properties may not contain sufficient quantities of feedstock material and/or BMR may not be able to supply committed quantities of feedstock material; ESI may not achieve returns of capital sufficient to permit BMR to earn an interest in the facility or form a joint venture; ESI may fail to meet certain financing, design or construction obligations, some of which would permit BMR to terminate the Agreement and receive a termination fee; planned additional ESI directors may not be appointed or serve; and required regulatory and shareholder approvals or requirements may not be obtained or met.

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