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**NEWS RELEASE**

**ESI ENERGY SERVICES INC. SHAREHOLDERS  
APPROVE PRIVATE PLACEMENT**

**Calgary, Alberta, July 4, 2018** – ESI Energy Services Inc. is pleased to announce the results of its special meeting of shareholders on July 3, 2018. Shareholders were asked at the meeting to approve the issue by private placement of up to 6,666,667 common shares of ESI to an investment partnership managed by Yorktown Partners LLC, at an issue price per share of CAD \$1.50 to raise aggregate gross proceeds of CAD \$10,000,000.50.

Shareholders who voted were unanimously in favor of the private placement. The private placement is a related party transaction under Canadian securities laws because Yorktown controls ESI. The resolution required passage by a majority of votes cast by all shareholders and also by minority shareholders.

The private placement is expected to be completed in mid-July. The proceeds will permit ESI to make a required CAD \$10 million payment to Battery Mineral Resources Limited ("**BMR**") under an early stage Process Facility and Cobalt Supply Agreement dated May 17, 2018 for its cobalt-focused mineral exploration claims located in Ontario.

The transaction with BMR will be a "change of business" of ESI under a Canadian Securities Exchange policy. Trading in the common shares of ESI has been halted until ESI satisfies the requirements of the CSE for a change of business, including the acceptance of a new listing statement for the resulting business. ESI anticipates that trading in its common shares will resume soon, but the exact date is dependent on CSE acceptance.

**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".

**United States Disclaimer**

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.

## **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 the completion and timing of ESI's planned private placement; ESI's agreement to finance, build and operate a cobalt processing facility with BMR; and resumption of trading in ESI's shares on the CSE.

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 has made assumptions that it considers to be reasonable to manage or eliminate the risks identified below. Such risks include, but are not limited to, the following: the private placement may not be completed as planned; ESI may not finance, build and operate a cobalt processing facility with BMR; and required CSE approvals or requirements may not be obtained or met.

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