



Production Plus To Form Joint Venture with Schlumberger

Producers benefit from operating efficiencies and cost savings

CALGARY AB, April 20, 2017 - Production Plus Energy Services Inc. is pleased to announce that it has entered into an agreement with Schlumberger to create joint ventures in Canada and the US for the purpose of developing and growing the Production Plus HEAL System™ business.

Production Plus will contribute its HEAL System™ business to the JV Entities in exchange for cash consideration and future contingent payments. At the closing of the transaction, Production Plus will hold a 50.1% interest in the JV Entities and Schlumberger will hold 49.9%.

Closing of the transaction is expected to occur on or about May 24, 2017, and is subject to approval by the shareholders of Production Plus and other conditions typical of a transaction of this nature. The Board of Directors of Production Plus has unanimously approved the transaction and will recommend that shareholders of Production Plus vote in favour of the transaction. An information circular is expected to be mailed to shareholders of Production Plus in early May 2017.

Key highlights include:

- **Cash Consideration:** the consideration received by Production Plus for the 49.9% interest in the HEAL System™ business will provide Production Plus the opportunity to effect a special dividend.
- **Access to global markets:** the JV Entities will enable the HEAL System™ business to access global markets at a pace that Production Plus would not be able to sustain on its own.
- **Ability to develop the HEAL System™:** the JV Entities will have access to Schlumberger's global network of technical experts, efficient operational processes and research and development resources.
- **Delivery of a fully optimized lift strategy for horizontal wells:** the competitive advantage of the HEAL System™ together with the Schlumberger's artificial lift systems is strong.
- **Experienced Management Team:** the JV Entities will have a leadership team with extensive leadership and industry experience.

Jamie Biluk, Chair of the Board of Directors of Production Plus, said "This transaction will provide our shareholders with current liquidity from the sale of a 49.9% interest in the HEAL System™ business and also retain exposure to long term upside with the future development of the HEAL System™ business. We are excited to roll these assets in alongside Schlumberger in a new joint venture."

Benefits of the HEAL System™

Horizontal wells are known to have production challenges as a result of inconsistent multiphase slug fluid flow, damaging solids and excessive gas interference. Production through the lifecycle of horizontal wells often requires complex and expensive artificial lift strategies. The HEAL System™ offers a proven solution to mitigate slug flow that enables fewer, and simpler, artificial lift transitions while lowering production costs. With no moving parts, the HEAL System™ is easily integrated into standard horizontal well completions and is designed to perform over the life of the well. The HEAL System™ has consistently achieved productivity increases of more than 30% in typical horizontal wells across Western Canada and the United

States. The system will provide a very low-cost platform to increase productivity in North American shale oil wells.

The patent-pending set of HEAL System™ configurations offers producers increased efficiency, reduced costs and the flexibility to enhance the performance of any artificial system, including ESPs, rod pumps, progressive cavity pumps and plunger lift through the life of a horizontal well. The products in the HEAL System™ suite are designed to benefit a horizontal well's entire producing life – controlling frac flowback, extending the natural flow period, simplifying transition between artificial lift phases, lowering operating expenses, eliminating costly intermediate artificial lift and providing a solution to damaging offset inter-wellbore communication (frac-hits).

“In the lower commodity environment, producers are looking for proven solutions to reliably produce their wells as efficiently as possible. This joint venture will offer producer's global accessibility, enhanced quality control and assurance, as well greater certainty for the value adding capabilities of the HEAL System™”, said Jeff Saponja, Chief Executive Officer of Production Plus. “Production Plus shares Schlumberger's vision and strategies associated with their production life cycle solution”.

About Production Plus Energy Services Inc.

Production Plus is an oil and gas production optimization innovator that engineers and delivers reliable artificial lift enhancing systems to oil and gas operators. The HEAL System™ complements existing artificial lift systems, has no moving parts and benefits a well during any phase of its life cycle. The HEAL System™ has reduced operating costs in nearly 200 wells in over 30 formations across North America. Production Plus is headquartered in Calgary, Alberta, Canada.

For more information on the HEAL System™:

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