

STEP ENERGY SERVICES LTD. AGREES TO \$5.50 PER SHARE TAKE PRIVATE TRANSACTION WITH FUNDS ADVISED BY ARC FINANCIAL CORP.

Calgary, Alberta – October 17, 2025 – Further to its news release of September 25, 2025 announcing receipt of a non-binding offer from ARC Financial Corp., STEP Energy Services Ltd. (“**STEP**” or the “**Company**”) (TSX: STEP) is pleased to announce that it has entered into a definitive arrangement agreement (the “**Arrangement Agreement**”) with 2659160 Alberta Ltd. and the limited partnerships comprising ARC Energy Fund 8 (a private equity fund advised by ARC Financial Corp.) (collectively, “**ARC**”) to take the Company private in an all-cash transaction.

Under the terms of the Arrangement Agreement, ARC will acquire all of the issued and outstanding common shares of STEP (the “**Shares**”) that ARC (and the limited partnerships comprising ARC Energy Fund 6) does not currently own or control or direct, directly or indirectly, (the “**Minority Shares**”) for cash consideration of \$5.50 per Share by way of a plan of arrangement (the “**Arrangement**”) under the *Business Corporations Act* (Alberta) (the “**Act**”).

The Arrangement, which has been unanimously approved by the members of STEP’s board of directors (the “**Board**”) entitled to vote thereon, will be subject to shareholder approval, including the approval of the holders of the Minority Shares (the “**Minority Shareholders**”), court approval, and customary closing conditions. The Arrangement is expected to close in December 2025.

Steve Glanville, President and CEO of STEP, commented, “A year ago, when STEP was pursuing a similar corporate transaction, I expressed our pride at the Company’s development into one of the best-in-class energy services companies in North America and of our commitment to our clients, communities, and our dedicated employees, who we call professionals. The proposed transaction represents the culmination of the avenues we have explored to maximize value for our shareholders. Again, I would like to thank STEP shareholders for their support over the years.”

Highlights Of the Arrangement

- Significant Premium
 - The purchase price represents a premium of approximately 29% to STEP’s September 24, 2025 closing price on the TSX (being the last trading day prior to the announcement of the non-binding offer from ARC).
- Significant Minority Shareholder Support
 - ARC has entered into voting support agreements with Minority Shareholders holding, in aggregate, approximately 32.11% of the Shares and approximately 71.71% of the Minority Shares, pursuant to which such Minority Shareholders have agreed, subject to the provisions thereof, to vote in favour of the resolutions approving the Arrangement at the special meeting of holders of Shares to be called and held to approve the Arrangement (the “**STEP Meeting**”).
- All Cash Consideration
 - The purchase price payable to Minority Shareholders upon closing of the Arrangement will be paid in cash.

- Independent Valuation
 - In connection with the Arrangement, STEP obtained a formal valuation of the Shares as at October 14, 2025 from Ernst & Young LLP (“EY”), an independent valuator. The purchase price is in the fair market value range of \$4.80 to \$5.70 per Share, as determined by EY.
- Unanimous Board Approval
 - The members of the Board entitled to vote on the Arrangement unanimously support the Arrangement, and recommend that the Minority Shareholders vote in favour of the Arrangement resolution at the STEP Meeting.
- No Financing Condition
 - The Arrangement is not conditional on ARC obtaining financing.

Special Committee and Board Recommendation

As previously announced, the Board formed a special committee of independent directors (the “**Special Committee**”) to consider the non-binding offer from ARC to acquire all of the Shares held by Minority Shareholders, as well other alternatives available to STEP, and, if deemed advisable, to negotiate with ARC a proposed transaction for ARC to acquire all of the Minority Shares. Following a comprehensive review of the ARC proposal, the receipt of the formal valuation from EY as to the fair market value of the Shares, the receipt of advice from its financial and legal advisors and Michael Kelly, advisor to the Special Committee, negotiations between the Special Committee and ARC as to the terms of the Arrangement Agreement, the receipt of a fairness opinion from EY in respect of the fairness, from a financial point of view, of the consideration to be received by the Minority Shareholders under the Arrangement, and receipt of copies of the voting support agreements entered into among ARC and certain Minority Shareholders, the Special Committee unanimously determined that the Arrangement is in the best interests of STEP and recommended that the Board approve the execution and delivery of the Arrangement Agreement and recommend that Minority Shareholders vote in favour of the Arrangement.

After considering, among other things, the unanimous recommendation of the Special Committee and the receipt of advice from its legal advisors, the Board (with Mr. Jeremy Gackle and Ms. Jacqueline Forrest, representatives of ARC, abstaining) unanimously determined that the Arrangement is in the best interests of STEP and is fair to the Minority Shareholders, approved the execution and delivery of the Arrangement Agreement, and recommends that the Minority Shareholders vote in favour of the Arrangement resolution at the STEP Meeting.

Opinion and Formal Valuation

In connection with its review of the Arrangement, the Special Committee retained EY as its independent valuator and requested that EY prepare a formal valuation of the Shares in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). In addition to its formal valuation of the Shares, EY has also delivered a fairness opinion as of October 17, 2025, stating that, subject to the assumptions, limitations and qualifications set forth in EY’s written fairness opinion, the consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Minority Shareholders.

Lock-up Agreements

STEP has received from ARC copies of voting support agreements entered into by ARC with: (a) MMCAP International Inc. SPA (“**MMCAP**”) on September 24, 2025, in respect of approximately 22.50% of the outstanding Shares; (b) each of XIB Arbitrage Master Fund and XIB International Master Fund, by their advisor XIB Asset Management Inc. (collectively, “**XIB**”) on October 7, 2025, in respect of an aggregate of approximately 6.35% of the outstanding Shares; and (c) Groundlayer Capital Inc. (“**Groundlayer**”) on October 9, 2025, in respect of an aggregate of approximately 1.64% of the outstanding Shares pursuant to which they have agreed, subject to the provisions thereof, to vote in favour of the resolution approving the Arrangement at the STEP Meeting and otherwise support the Arrangement.

Concurrently with the execution of the Arrangement Agreement, all members of the Board and STEP’s officers (together with MMCAP, XIB and Groundlayer, the “**Locked-up Shareholders**”), who collectively own directly or indirectly or exercise control or direction over approximately 1.61% of the outstanding Shares, and ARC Energy Fund 6, which exercises control or direction over approximately 18.65% of the outstanding Shares, have entered into voting support agreements pursuant to which they have agreed, subject to the provisions thereof, to vote in favour of the resolution approving the Arrangement at the STEP Meeting and otherwise support the Arrangement.

Shares held by the Locked-up Shareholders represent approximately 71.71% of the “minority shareholders”, being all outstanding Shares excluding the 40,243,000 Shares collectively held by ARC Energy Fund 8 and ARC Energy Fund 6. On a combined basis, the Shares held by ARC Energy Fund 8, ARC Energy Fund 6 and the Locked-up Shareholders represent approximately 87.33% of the Shares.

Arrangement Details

The Arrangement is subject to customary TSX and court approvals and the following approvals at the STEP Meeting: (a) the approval of at least 66 2/3% of the votes cast by holders of the Shares (the “**Shareholders**”); and (b) the approval of at least a majority of the votes cast by Shareholders, excluding votes of ARC (and ARC Energy Fund 6) and any other holders of Shares whose votes are required to be excluded for the purposes of such vote under MI 61-101. For the purposes of this “majority of the minority” approval requirement under MI 61-101, 40,243,000 Shares controlled, directly or indirectly, by ARC and ARC Energy Fund 6 will be excluded from voting.

The STEP Meeting is expected to be held on December 12, 2025. Additional information regarding the Arrangement and how Shareholders can participate in and vote at the STEP Meeting will be provided in a STEP information circular (the “**Circular**”), which is expected to be filed and sent to Shareholders on or before November 10, 2025. EY’s formal valuation report and fairness opinion will be included in the Circular. EY believes that its report and opinion must be read in their entirety to understand the valuation process and valuation results and fairness opinion.

At the time of this press release, delivery of mail in Canada is disrupted by rotating strikes as a result of the ongoing Canada Post labour dispute and STEP does not have any indication as to when such disruption may cease. As a result, delivery of paper copies of the meeting materials for the STEP Meeting may be impacted and STEP cannot guarantee that delivery to Canadian addresses will be completed prior to the proxy deposit deadline for the STEP Meeting. If the ongoing Canada Post labour dispute is not resolved, STEP intends to issue a subsequent press release on or before November 10, 2025 outlining: (a) details of the STEP Meeting and steps that may be taken by Shareholders to transmit proxies by courier, hand delivery, internet voting or telephone;

(b) where to access the Circular and other meeting materials; and (c) where and how to request copies of the Circular and other meeting materials.

The Arrangement Agreement contains customary provisions, including a non-solicitation covenant on the part of STEP, subject to the fiduciary duties of the Board in the event an unsolicited superior proposal is received by STEP.

Closing of the Arrangement is expected to occur on or about December 16, 2025, following the STEP Meeting and upon satisfaction of all conditions precedent, including receipt of the final order of the Court of King's Bench of Alberta.

Following completion of the Arrangement, it is expected that the Shares will be delisted from trading on the TSX and an application will be made for STEP to cease to be a reporting issuer. STEP will continue to be run by its current management team, led by Mr. Steve Glanville.

A copy of the Arrangement Agreement will be available for viewing under STEP's SEDAR+ profile at www.sedarplus.ca. Additional information about the Arrangement will be contained in the Circular, which will be sent to Shareholders and available for viewing under STEP's SEDAR+ profile at www.sedarplus.ca. All Minority Shareholders are urged to read the Circular once available as it will contain additional important information concerning the Arrangement.

Advisors and Counsel

Peters & Co. Limited is acting as financial advisor to the Special Committee. EY provided an independent valuation pursuant to MI 61-101 and fairness opinion to the Special Committee. Burnet, Duckworth & Palmer LLP is acting as legal advisor to the Special Committee.

Stikeman Elliott LLP is acting as legal advisor to STEP.

RBC Capital Markets is acting as lead financial advisor and ATB Capital Markets is acting as co-financial advisor to ARC. Norton Rose Fulbright Canada LLP is acting as legal advisor to ARC.

STEP has received from ARC a copy of a signed commitment letter for a fully underwritten commitment of secured senior credit facilities to support the Arrangement, with ATB Financial acting as sole lead arranger and bookrunner.

Forward Looking Statements

This news release contains "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws (collectively, "forward-looking statements"). In some cases, forward-looking statements are identifiable by the terminology used, such as "will", "expect", "could", "believe", "estimate", "may", "should", "anticipate", "potential", "opportunity", "intend" or other similar wording. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements in this news release, include, among other things, references, expressed or implied, to: STEP's business in general statements relating to the anticipated benefits of the Arrangement; the ability to complete the Arrangement contemplated by the Arrangement Agreement and the timing thereof, including the parties ability to satisfy the conditions to consummation of the Arrangement; the receipt of the approval of holders of Shares; anticipated timing of filing

and sending of the Circular and holding of the STEP Meeting; anticipated impacts of the Canada Post labour dispute; STEP's intention to disseminate a subsequent press release outlining details for Shareholders in connection with transmitting proxies and receiving the Circular and the anticipated timing thereof; timing of court approvals and other customary closing conditions; the possibility of any termination of the Arrangement Agreement in accordance with its terms; the expected benefits to STEP and the Shareholders of the proposed Arrangement; payment of the cash consideration; the anticipated date of closing of the Arrangement; delisting of the Shares and changes to reporting issuer status; statements relating to the source of funds for payment by ARC.

Forward-looking statements are subject to known and unknown risks and uncertainties and other factors, some beyond the control of STEP, which could cause actual events, results, expectations, achievements or performance to differ materially. The risks and uncertainties related to the Arrangement contemplated by the Arrangement Agreement include, but are not limited to: the possibility that the Arrangement will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all: failure to obtain or satisfy, in a timely manner or otherwise, required shareholder and court approvals and other conditions to the closing of the Arrangement; the risk that the ongoing Canada Post labour dispute may impact, prevent or delay delivery of the Circular and other meeting materials for the STEP Meeting to Shareholders; the risk that competing offers or acquisition proposals will be made; the negative impact that the failure to complete the Arrangement for any reason could have on the price of the Shares or on the business of the Company; the failure of ARC to satisfy the closing conditions thereunder in a timely manner or at all; ARC's failure to pay the cash consideration at closing of the Arrangement; the absence of a reverse break fee in favour of the Company; the business of STEP may experience significant disruptions, including loss of clients or employees due to Arrangement related uncertainty, industry conditions or other factors; risks relating to employee retention; the risk of regulatory changes that may materially impact the business or the operations of STEP; the risk that legal proceedings may be instituted against STEP; risks related to the diversion of management's attention from STEP's ongoing business operations while the Arrangement is pending; and other risks and uncertainties affecting STEP, including those described in the Company's annual information form for the year ended December 31, 2024, as well as other filings and reports STEP may make from time to time with the Canadian securities authorities. The foregoing list of risks and uncertainties is not exhaustive.

In addition, forward-looking statements are based upon, among other things, factors, expectations and assumptions that STEP has made as at the date of this news release regarding, among other things: the satisfaction of the conditions to closing of the Arrangement in a timely manner, including the receipt of all necessary approvals; ARC's ability to pay the cash consideration at closing of the Arrangement; the timing of receipt of court and shareholder approvals; and assumptions regarding past and future business strategies, local and global economic conditions, and the environment in which the Company operates.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of the date made. The forward-looking statements contained in this news release represents the Company's expectations as of the date of this news release (or as the date they are otherwise stated to be made) and are subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as

required under applicable securities laws in Canada. All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

About STEP

STEP is an energy services company that provides coiled tubing, fluid and nitrogen pumping and hydraulic fracturing solutions. Our combination of modern equipment along with our commitment to safety and quality execution has differentiated STEP in plays where wells are deeper, have longer laterals and higher pressures. STEP has a high-performance, safety-focused culture and its experienced technical office and field professionals are committed to providing innovative, reliable and cost-effective solutions to its clients.

Founded in 2011 as a specialized deep capacity coiled tubing company, STEP has grown into a North American service provider delivering completion and stimulation services to exploration and production companies in Canada and the U.S. Our Canadian services are focused in the Western Canadian Sedimentary Basin, while in the U.S., our coiled tubing services are focused on the Permian and Eagle Ford in Texas, the Uinta-Piceance, and Niobrara-DJ basins in Colorado and the Bakken in North Dakota.

Our four core values- **Safety, Trust, Execution and Possibilities**- inspire our team of professionals to provide differentiated levels of service, with a goal of flawless execution and an unwavering focus on safety.

About ARC Financial

Founded in 1989, ARC is committed to building high-performing businesses that address the world's energy and sustainability needs. ARC provides growth capital to companies across the energy spectrum with high quality management teams. To date, ARC has raised over CAD \$6.3 billion across eleven energy focused private equity funds and invested in more than 180 companies. For more information, visit www.arcfinancial.com.

For more information please contact:

Steve Glanville
President & Chief Executive Officer
Telephone: (403) 457-1772

Klaas Deemter
Chief Financial Officer
Telephone: (403) 457-1772

Email: investor_relations@step-es.com
Web: www.stepenergyservices.com