

STEP ENERGY SERVICES LTD. ANNOUNCES COMMENCEMENT OF SENDING AND FILING OF CIRCULAR FOR SPECIAL MEETING OF SHAREHOLDERS TO APPROVE ARRANGEMENT

- Shareholders will receive \$5.50 per share in cash, a substantial 29.11% premium to the trading price of shares on September 24, 2025, being the last trading day prior to the announcement of the non-binding offer from ARC
- Shareholders are encouraged to vote well in advance of the proxy deadline of December 11, 2025 at 10:00 a.m. (Calgary time)
- Shareholders who have questions or need assistance in voting should contact TSX Trust Company by telephone at 1-866-600-5869 (toll free in Canada and the United States) or 1-416-361-0930 (outside Canada and the United States), or by email at tsxtis@tmx.com.

Calgary, Alberta – November 3, 2025 – STEP Energy Services Ltd. ("**STEP**" or the "**Company**") is pleased to announce the commencement of sending of its management information circular (the "**Circular**") and related documents for the special meeting of STEP shareholders (the "**Meeting**") in connection with the previously announced plan of arrangement (the "**Arrangement**") under section 193 of the Business Corporations Act (Alberta) involving the Company, the limited partnerships comprising ARC Energy Fund 8 ("**ARC Energy Fund 8**"), a private equity fund advised by ARC Financial Corp. ("**ARC**"), and 2659160 Alberta Ltd. (the "**Purchaser**" and, together with ARC Energy Fund 8, the "**Purchaser Parties**"), as more particularly described in the Circular.

For each common share of STEP ("**Share**"), holders thereof ("**Shareholders**"), other than those Shares owned, controlled or directed, directly or indirectly, by the limited partnerships comprising ARC Energy Fund 6 ("**ARC Energy Fund 6**"), the Purchaser, ARC Energy Fund 8 and other persons controlled or managed, directly or indirectly, by ARC (collectively, the "**ARC Funds**"), will receive \$5.50 in cash (the "**Consideration**").

The Consideration represents a substantial premium across multiple periods, including approximately:

- 29.11% to the closing price of the Shares of \$4.26 on the Toronto Stock Exchange (the "**TSX**") on September 24, 2025 (being the last trading day prior to the announcement of the non-binding offer from ARC);
- 27.61% to the 10-day volume-weighted average price of the Shares of \$4.31 on the TSX as of the end of trading on September 24, 2025;
- 28.81% to the 30-day volume-weighted average price of the Shares of \$4.27 on the TSX as of the end of trading on September 24, 2025; and
- 10.00% to the consideration of \$5.00 in cash per Share previously offered to Shareholders under the arrangement agreement dated November 3, 2024 among the Purchaser Parties and STEP (the "**Prior Transaction**").

Ongoing labour action by the Canadian Union of Postal Workers which has resulted in the disruption or delay of the mail service of Canada Post (the "**Canada Post Disruption**") may impact the timing of delivery of physical copies of the Circular and related documents to Shareholders. In light of this, STEP has adopted the notice and access model provided for under National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument 51-102 - Continuous Disclosure Obligations for the delivery of the Notice of Special Meeting of Shareholders and the Circular (collectively, the "**Meeting Materials**") to both registered and non-registered Shareholders for the Meeting. Under notice and access, instead of receiving printed copies of the Meeting Materials, Shareholders will receive a notice and access notification (the "**NAA Notification**") containing details of the Meeting date, location and purpose, as well as information on how they can access the Meeting Materials electronically. Shareholders wishing to receive a printed copy of the Meeting Materials should follow the instructions set out in the NAA Notification.

The Company cannot guarantee that paper copies of the Meeting Materials will be received by requesting Shareholders with Canadian addresses in advance of the proxy deposit deadline for the Meeting due to the ongoing Canada Post Disruption. As a result, Shareholders who wish to receive paper copies of the Meeting Materials should request these from TSX Trust as early as possible either by phone at 1-866-600-5869 (toll free in Canada and the United States) or 416-361-0930 (from outside of Canada and the United States), or by email at tsxtis@tmx.com. Alternatively, Shareholders may request by email to

investor_relations@step-es.com that the Company send them a copy of the Meeting Materials by email.

The Meeting Materials can also be found under the Company's profile on SEDAR+ (www.sedarplus.ca) as well as on STEP's website at www.stepenergyservices.com/special-meeting. Capitalized terms used but not defined in this news release shall have the respective meanings given to them in the Circular.

REASONS TO SUPPORT THE ARRANGEMENT

A special committee of STEP's board of directors (the "**Board**"), comprised of independent directors of the Board (the "**Special Committee**") unanimously recommended that the Board approve the Arrangement and the Arrangement Agreement and that the Board recommend to Shareholders (other than the ARC Funds) (the "**Minority Shareholders**") that they vote **FOR** the resolution approving the Arrangement (the "**Arrangement Resolution**"). The Board (with two directors, who are both managing directors of ARC, abstaining) unanimously recommends that Minority Shareholders vote **FOR** the Arrangement, for the reasons below, among other reasons discussed more fully under the heading "*The Arrangement – Reasons for the Recommendation*" in the Circular.

Consideration is an Attractive Premium to Market. The Consideration offered to Minority Shareholders under the Arrangement represents a premium of approximately: (a) 29.11% to the closing price of the Shares of \$4.26 on the TSX on September 24, 2025 (being the last trading day prior to the announcement of the non-binding offer from ARC); (b) 27.61% to the 10-day volume-weighted average price of the Shares on the TSX as of the end of trading on September 24, 2025; (c) 28.81% to the 30-day volume-weighted average price of the Shares on the TSX as of the end of trading on September 24, 2025; and (d) an increase of 10% over the price offered by ARC in respect of the Prior Transaction.

Transaction Support by Minority Shareholders. The Purchaser Parties have entered into voting support agreements (the "**Arm's Length Lock-up Agreements**") with: (a) MMCAP International Inc. SPA ("**MMCAP**"); (b) each of XIB Arbitrage Master Fund and XIB International Master Fund, by their advisor XIB Asset Management Inc. (collectively, "**the XIB Parties**"); and (c) Groundlayer Capital Inc. ("**Groundlayer**"), pursuant to which such Shareholders, holding an aggregate of approximately 68.11% of the Shares held by Minority Shareholders (excluding such Shares held by the directors and officers of STEP) counting towards the requisite approval of the Arrangement by at least a majority of the votes cast by Shareholders excluding votes of ARC, ARC Energy Fund 8, 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 (as defined below) (the "**Minority Approval Vote**"), have agreed, among other things and subject to the terms thereof, to vote or cause to be voted all of the Shares which they legally or beneficially own, directly or indirectly, or over which they exercise control or direction, directly or indirectly, in favour of the Arrangement Resolution and to otherwise support the Arrangement. This level of support is sufficient to satisfy the Minority Approval Vote.

Overall Transaction Support. Each director and officer of STEP has entered into a voting support agreement with the Purchaser Parties and ARC Energy Fund 6 has entered into a voting support agreement with STEP. On a combined basis, the Shares held by ARC Energy Fund 8 or subject to a voting support agreement represent approximately 87.33% of the Shares on a non-diluted basis, signifying the overwhelming support of Shareholders for the Arrangement. This level of support is sufficient to satisfy the required corporate approval pursuant to the Interim Order (as defined below) of at least 66 2/3% of the votes cast by Shareholders.

Certainty of Value and Liquidity. The Consideration to be received by the Minority Shareholders under the terms of the Arrangement is all cash, which provides the Minority Shareholders with certainty of value and an immediate opportunity to dispose of all of their Shares at a significant premium within a relatively illiquid market otherwise available to Minority Shareholders.

Value Supported by the Formal Valuation and Fairness Opinion. On October 14, 2025, Ernst & Young LLP ("**EY**") orally delivered to the Special Committee the substance of the Formal Valuation prepared in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), concluding that, as of October 14, 2025, and based upon and subject to the assumptions, limitations and qualifications set forth in the Formal Valuation dated October 14, 2025, the fair market value of the Shares was in the range of \$4.80 - \$5.70 per Share, which places the Consideration favourably within the range. In addition, EY also delivered to the Special Committee the substance of the Fairness Opinion that, as of October 17, 2025, and subject to the assumptions, limitations and qualifications set forth in the Fairness Opinion, the Consideration to be received by the Minority Shareholders pursuant to the Arrangement

Agreement is fair, from a financial point of view, to the Minority Shareholders. The written Formal Valuation and written Fairness Opinion were delivered by EY on October 17, 2025 and are reproduced in the Circular.

Historical Market Price and Limited Liquidity of Shares. The Special Committee considered the historical market prices and trading volume of the Shares, including the historical volatility of the price of the Shares and the underlying financial results of STEP. The Special Committee also considered the ARC Funds' aggregate controlling stake in STEP and the other large blocks of Shares held by Minority Shareholders, including MMCAP, and the likely ongoing impact of that controlling stake on STEP's share price and the liquidity of the Shares in the future.

Compelling Value Relative to Limited Alternatives. The Special Committee, with the assistance of its financial and legal advisors, and based upon their collective knowledge of the business, operations, financial conditions, earnings and prospects of STEP, their collective knowledge of the current and prospective environment in which STEP operates, as well as the current shareholdings of the ARC Funds, assessed the relative benefits and risks of the limited alternatives to the Arrangement (including the status quo). In that regard, the ARC Funds directly and indirectly own or exercise control or direction over approximately 55.22% of the Shares. As ARC has indicated that it does not intend to sell the ARC Funds' controlling stake in STEP, there are limited strategic alternatives available to STEP, with the principal alternative to the Arrangement being maintaining the status quo and executing STEP's current business plan with the ARC Funds maintaining their controlling stake. In light of the available alternatives, the Arrangement is more favourable to the Minority Shareholders than any other strategic alternative reasonably available to STEP and is also more favourable than the status quo with the ARC Funds maintaining their controlling stake. In making that determination, the Special Committee also evaluated the Arrangement in the context of current industry and economic conditions and trends, in addition to Management's and the Special Committee's expectations of the future of the industry.

ARC's Intention. The Special Committee considered the fact that ARC has advised the Special Committee during the Prior Transaction and again in the September 24, 2025 non-binding offer that it was not interested in any alternative transaction, including the sale of the ARC Funds' controlling stake in STEP or the sale of any of STEP's material assets. After considerable negotiations and discussions with ARC over an extended period of time in connection with the Prior Transaction, and in view of the level of support from MMCAP, the XIB Parties and Groundlayer for the Arrangement as evidenced by the Arm's Length Lock-up Agreements, the Special Committee concluded that the Consideration was the highest price that the Purchaser Parties were prepared to pay.

Arm's Length Negotiations. The Arrangement Agreement is the result of arm's-length negotiations between the Special Committee, with input from and consultation with its independent financial and legal advisors, Management and STEP's legal advisors, on the one hand, and ARC and its financial and legal advisors, on the other hand.

Limited Conditions to Closing. The Purchaser Parties' obligation to complete the Arrangement is subject to a limited number of conditions that the Special Committee believes are reasonable and customary in the circumstances, and the completion of the Arrangement is not subject to a due diligence or financing condition.

No Regulatory Approvals Required. No Regulatory Approvals are required for the completion of the Arrangement.

Special Committee Oversight. The Special Committee, which is comprised entirely of independent directors and was advised by experienced and qualified independent financial and legal advisors, oversaw, reviewed and considered, and directly participated in the negotiation of, the Arrangement Agreement.

Support of Independent Directors and Management. Each director and officer of STEP, including all of the independent directors of the Board, holding or controlling, in the aggregate, approximately 1.61% of the outstanding Shares, have entered into voting support agreements to vote their Shares in favour of the Arrangement, subject to certain customary exceptions.

MEETING DETAILS AND HOW TO VOTE

The Meeting will be held virtually on December 12, 2025 at 10:00 a.m. (Calgary Time) at <https://virtual-meetings.tsxtrust.com/1860> (Password: step2025 (case sensitive)). Shareholders are encouraged to vote well in advance of the meeting, in accordance with the instructions accompanying the form of proxy or voting instruction form mailed to Shareholders together with the NAA Notification. Further details and voting instructions can be found in the Circular under the section entitled "Information Concerning the Meeting and Voting – Voting Before the Meeting".

Voting Methods			
Registered Shareholders <i>Shares held in own name and represented by a physical certificate or DRS statement and have a 12-digit control number.</i>		Vote online at www.voteproxyonline.com	Return the completed Form of Proxy or Voting Instruction Form in the enclosed postage paid envelope.
Non-Registered Shareholders <i>Shares held with a broker, bank or other intermediary and have a 16-digit control number.</i>		Vote online at http://www.proxyvote.com	

In the event of any delays in receiving materials due to the Canada Post Disruption, registered Shareholders are encouraged to contact TSX Trust and non-registered Shareholders are encouraged to contact their intermediaries in order to obtain their control numbers.

The close of business on October 28, 2025 is the record date for the determination of Shareholders who will be entitled to receive notice of and vote at the Meeting and at any adjournment or postponement of the Meeting.

The deadline for Shareholders to return their completed proxies or voting instruction forms is Thursday, December 11, 2025 at 10:00 a.m. (Calgary time). Note that Shareholders who hold their Shares with a broker, bank or other intermediary may be required to return their voting instruction form in advance of December 11, 2025 at 10:00 a.m. (Calgary time) to be included in the vote.

SHAREHOLDER QUESTIONS AND VOTING ASSISTANCE

Shareholders who have questions or need assistance in voting should contact TSX Trust Company by telephone at 1-866-600-5869 (toll free in Canada and the United States) or 1-416-361-0930 (outside Canada and the United States), or by email at tsxtis@tmx.com.

RECEIPT OF INTERIM COURT ORDER

The Company is also announcing that on October 28, 2025, it was granted an interim order (the "Interim Order") by the Court of King's Bench of Alberta. The Interim Order authorizes STEP to proceed with various matters, including the holding of the Meeting to consider the vote on the Arrangement Resolution.

FORWARD-LOOKING INFORMATION & 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 "may," "expect," "believe," "plan," "anticipate," "intend," "could," "estimate," "continue," or similar expressions or the negative of such expressions are intended to identify forward-looking statements. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances are considered forward-looking statements. Forward-looking statements in this news release, include, among other things, references, expressed or implied, to: statements and implications about the reasons for, and the anticipated benefits of, the

Arrangement for the Company and the Minority Shareholders; the timing of various steps to be completed in connection with the Arrangement, including sending of the Circular, the anticipated date for the holding of the Meeting and the completion of the Arrangement; the receipt and timing of necessary Shareholder approvals, the Final Order and the Effective Date; the impacts of the Canada Post Disruption; the timing and effects of the Arrangement; the solicitation of proxies by the Company; the ability of the Parties to satisfy the other conditions to the completion of the Arrangement; and other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts.

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 Circular 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, due to a failure to obtain or satisfy, in a timely manner or otherwise, the necessary Shareholder and court approvals and other conditions to the completion of the Arrangement or for other reasons; failure to realize the expected benefits of the Arrangement; the failure to complete the Arrangement, which could negatively impact the price of the Shares or otherwise affect the business of the Company; the dedication of significant resources to pursuing the Arrangement and the restrictions imposed on the Company while the Arrangement is pending; the uncertainty surrounding the Arrangement could adversely affect the Company's retention of customers, business partners and key employees; the occurrence of a material adverse effect leading to the termination of the Arrangement Agreement; the payment of a fee by the Company to the Purchaser if the Arrangement Agreement is terminated in certain circumstances; general economic conditions; and other risks and uncertainties. The foregoing list of risks and uncertainties is not exhaustive.

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 ("E&P") companies in Canada and the U.S. Our Canadian services are focused in the Western Canadian Sedimentary Basin ("WCSB"), while in the U.S., our coiled tubing services are concentrated in 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.

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