SOURCE

ENERGY SERVICES

Corporate Presentation

July

2025

DISCLAIMER

Forward-Looking Statements

Certain statements contained in this presentation constitute “forward-looking information” or “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable Canadian and United States securities laws relating to, without limitation, expectations, intentions, plans and beliefs, including information as to the future events, results of operations and Source Energy Services Ltd.’s (“Source”) future performance (both operational and financial) and business prospects. In certain cases, forward-looking statements can be identified by the use of words such as “expects”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “plans”, “seeks”, “projects,” or variations of such words and phrases, or state that certain actions, events or results “may” or “will” be taken, occur or be achieved. To the extent any forward-looking statements in this presentation constitutes “future-oriented financial information” or “financial outlook” within the meaning of applicable Canadian securities laws, and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlook. Future-oriented financial information and financial outlook, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out below. Such information is presented for illustrative purposes only and may not be an indication of Source’s actual financial position or results of operations. Such forward-looking statements reflect Source’s beliefs, estimates and opinions regarding its future growth, results of operations, future performance (both operational and financial), and business prospects and opportunities at the time such statements are made, and Source undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change. Forward-looking statements are necessarily based upon a number of estimates and assumptions made by Source that are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Forward-looking statements are not guarantees of future performance. In particular, this presentation contains forward-looking statements pertaining, but not limited, to Source’s growth initiatives; expectations regarding the price of proppants and sensitivity to changes in such prices; changes in proppant demand; drilling activity in the WCSB; trends in the oil and gas industry; targets for percentage of volumes contracted in 2025; expectations regarding Sahara contract terms; opportunities to deploy additional Sahara units; Source’s projected sales, revenues, Adjusted EBITDA and margin, capital expenditures and free cash flow; market expansion in Northeast British Columbia; Source’s breakdown of capital spending for 2025; and credit metrics and liquidity ratios for Source.

By their nature, forward-looking statements involve numerous current assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Source to differ materially from those anticipated by Source and described in the forward-looking statements. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement. Readers should not place undue reliance on forward-looking statements. These statements speak only as of the date of this presentation.

With respect to the forward-looking statements contained in this presentation, assumptions have been made regarding, among other things: the ability of Source to execute on its growth initiatives; proppant market prices; future oil, natural gas and natural gas liquids prices; future global economic and financial conditions; demand for oil and gas and the product mix of such demand; levels of activity in the oil and gas industry in the areas in which Source operates; the continued availability of timely and safe transportation for Source’s products, including without limitation, rail accessibility; the maintenance of Source’s key customers and the financial strength of its key customers; the maintenance of Source’s significant contracts or their replacement with new contracts on substantially similar terms and that contractual counterparties will comply with current contractual terms; operating costs; that the regulatory environment in which Source operates will be maintained in the manner currently anticipated by Source; future exchange and interest rates; geological and engineering estimates in respect of Source’s resources; the recoverability of Source’s resources; the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions and product demand; demand for horizontal drilling and hydraulic fracturing and the maintenance of current techniques and procedures, particularly with respect to the use of proppants; Source’s ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which Source conducts its business and any other jurisdictions in which Source may conduct its business in the future; future capital expenditures to be made by Source; future sources of funding for Source’s capital program; Source’s future debt levels; the impact of competition on Source; and Source’s ability to obtain financing; and, where applicable, each of those assumptions set forth in the footnotes provided herein in respect of particular forward-looking statements.

A number of factors, risks and uncertainties could cause results to differ materially from those anticipated and described herein including, among others: the effects of competition and pricing pressures; risks inherent in key customer dependence; effects of fluctuations in the price of proppants; risks related to indebtedness and liquidity, including Source’s leverage, restrictive covenants in Source’s debt instruments and Source’s capital requirements; risks related to interest rate fluctuations and foreign exchange rate fluctuations; changes in general economic, financial, market and business conditions in the markets in which Source operates; changes in the technologies used to drill for and produce oil and natural gas; Source’s ability to obtain, maintain and renew required permits, licenses and approvals from regulatory authorities; the stringent requirements of and potential changes to applicable legislation, regulations and standards; the ability of Source to comply with unexpected costs of government regulations; liabilities resulting from Source’s operations; the results of litigation or regulatory proceedings that may be brought against Source; the ability of Source to successfully bid on new contracts and the loss of significant contracts; uninsured and underinsured losses; risks related to the transportation of Source’s products, including potential rail line interruptions or a reduction in rail car availability; the geographic and customer concentration of Source; the ability of Source to retain and attract qualified management and staff in the markets in which Source operates; labour disputes and work stoppages and risks related to employee health and safety; general risks associated with the oil and natural gas industry, loss of markets, consumer and business spending and borrowing trends; limited, unfavourable, or a lack of access to capital markets; uncertainties inherent in estimating quantities of mineral resources; sand processing problems; and the use and suitability of Source’s accounting estimates and judgments and the impact of information systems and cyber security breaches.

Statements relating to Mineral Resources are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the Mineral Resources described exist in the quantities predicted or estimated and that the Mineral Resources described might be able to be profitably produced in the future.

Although Source has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in its forward-looking statements, there may be other factors, including those described under the heading “Risk Factors” in Source’s Annual Information Form dated February 26, 2025 (the “AIF”) and those described in Source’s management’s discussion and analysis of the historical financial position and results of Source for the year ended December 31, 2024 (the “MD&A”), each of which are filed under Source’s profile on www.sedarplus.ca, that cause actions, events or results not to be as anticipated, estimated or intended.

DISCLAIMER (CONTINUED)

Scientific and Technical Information

Certain scientific or technical information regarding Source's Northern White frac sand mine and related closed-loop wet processing plant located in east-central Barron County near the town of Sumner, Wisconsin (the "Sumner Facility"), Source's Northern White frac sand mine and related closed-loop wet processing plant, which includes three washing circuits, dry processing plant and unit train capable loadout facility, located near Blair, Wisconsin (the "Blair Facility") and Source's Northern White frac sand mine and related closed-loop wet processing plant, dry processing plant and loadout facility located in or around Blair, Wisconsin and all related or associated assets and real property (the "Preston Facility") in this presentation is summarized or extracted from the following technical reports prepared by APEX Geoscience Ltd., respectively:

Sumner Facility: "Technical Report, 2024 Indicated and Inferred Resource Estimates Update due to Conventional Annual Mining: Source Energy Services Ltd.'s Sumner Silica Sand Mine and Property in Wisconsin, United States" dated December 31, 2024 (the "Sumner APEX Report") prepared by D. Roy Eccles, M.Sc P. Geol, and Robert J. Farmer, BSC., P.Eng.;

Blair Facility: "Technical Report, 2024 Indicated and Inferred Resource Estimates Update due to Conventional Annual Mining: Source Energy Service Ltd.'s Blair Silica Sand Mine and Property in Wisconsin, United States" dated December 31, 2024 (the "Blair APEX Report") prepared by D. Roy Eccles, M.Sc P. Geol, and Robert J. Farmer, BSC., P.Eng.; and

Preston Facility: "Technical Report, 2024 Indicated and Inferred Resource Estimates Update due to Conventional Annual Mining: Source Energy Services Ltd.'s Preston Silica Sand Mine and Property in Wisconsin, United States" dated December 31, 2024 (the "Preston APEX Report"), prepared by D. Roy Eccles, M.Sc., P. Geol., and Robert J. Farmer, BSC., P.Eng.

The authors of these technical reports are independent of Source and are "Qualified Persons" in accordance with National Instrument 43-101-Standards of Disclosure for Mineral Projects ("NI 43-101").

Source has not based its production decisions and ongoing mine production on Mineral Reserve estimates, preliminary economic assessments, pre-feasibility studies or feasibility studies. As a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery. Historically projects without any Mineral Reserves have increased uncertainty and risk of failure. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resources described in this presentation will be converted into a Mineral Reserve.

Readers are cautioned not to rely solely on the summary of such information contained in this presentation, but should read the Sumner APEX Report, the Blair APEX Report and the Preston APEX Report which are available for review on Source's profile on SedarPkus located at www.sedarplus.ca and any future amendments to such reports. Readers are also directed to the cautionary notices and disclaimers contained herein and therein and in the short form prospectus filed with securities regulators in each of the provinces and territories in Canada in connection with the proposed offering.

The scientific and technical information in this presentation has been updated with current information, where applicable. Unless otherwise indicated, all Mineral Resource estimates contained in such scientific and technical information have been prepared in accordance with NI 43-101 and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019) and CIM Definition Standards for Mineral Resources and Mineral Reserves (2014). Without limiting the foregoing, such scientific and technical information uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

IFRS and Non-IFRS Measures

This presentation refers to certain financial measures that are not determined in accordance with IFRS such as "Free Cash Flow", "Adjusted EBITDA" and "Adjusted Gross Margin". See this presentation and the MD&A for a description of these Non-IFRS measures and a reconciliation to the most relevant IFRS measure for the noted periods. These financial measures do not have standardized meanings prescribed by IFRS and Source's method of calculating these measures may differ from the method used by other entities and, accordingly, they may not be comparable to similar measures presented by other companies. See Slide Notes for further information.

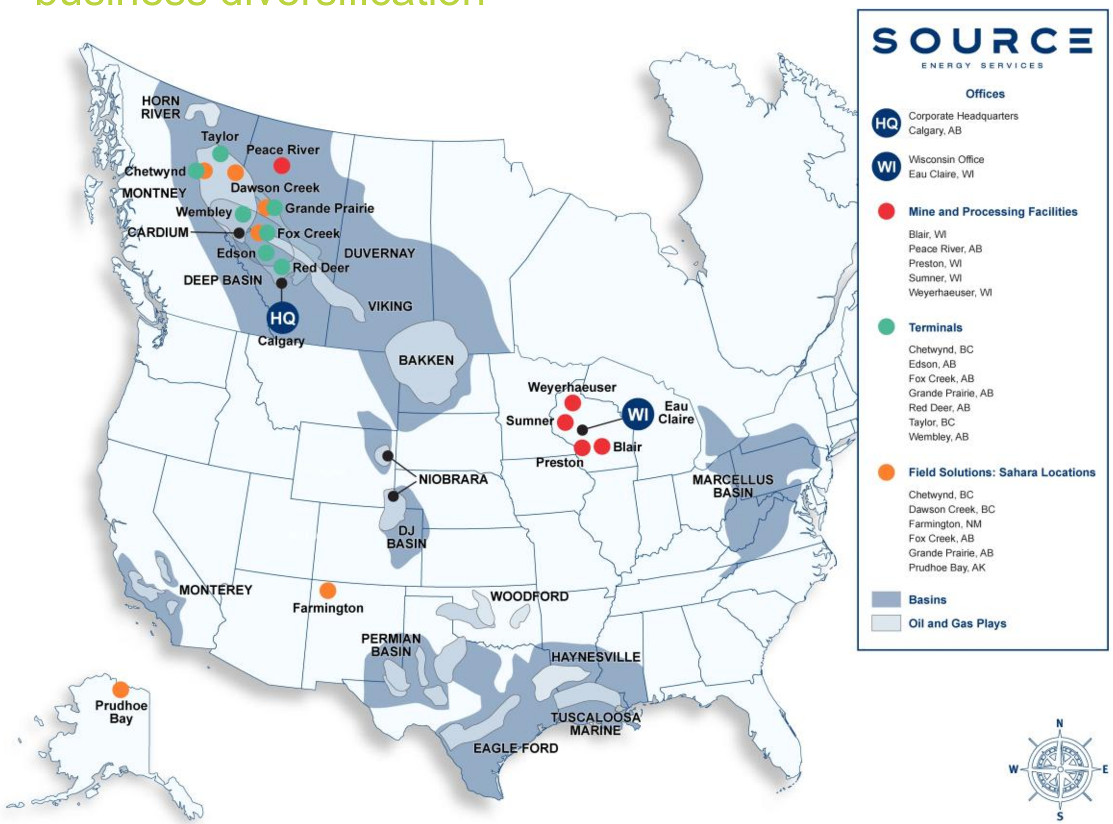
Investors are cautioned not to consider these non-IFRS measures in isolation or place undue reliance on ratios or percentages calculated using these non-IFRS measures. These non-IFRS measures should be read in conjunction with Source's audited consolidated financial statements for the year ended December 31, 2024 and 2023, together with the notes thereto and the MD&A, each of which can be found under Source's profile at www.sedar.com.

United States Securities Law Considerations

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

SOURCE AT A GLANCE

Source is a leading logistics company with a significant infrastructure footprint in Western Canada, a solid base frac sand business, and upside opportunity with business diversification



Production:

- Source has 4.8 mmtpa of Northern White frac sand production capacity across 3 mines
- The closest Domestic sand mine to the Montney region, ensuring efficiency of supply for our customers, capable of producing 1 mmtpa

Terminals:

- 7 WCSB terminals and storage facilities, including the largest HCL storage facility
- 4 unit-train capable facilities handle the transportation of up to 100 rail cars directly from our mine to terminals in the WCSB
- All Source terminals are connected to the extensive CN rail network across North America
- Provides terminal services for other bulk products including; resin, condensate, pipe, agriculture, etc.

Well Site Solutions:

- The Sahara is Source’s industry-leading proppant storage solution
- It has the smallest proppant storage footprint in the industry
- Nearly 4 Million lbs. storage capacity in 12 separate bins is available with the unit
- Source has 11 Sahara units operating/available across Western Canada, and the US

THE WCSB'S LEADING ENERGY LOGISTICS COMPANY

Source's infrastructure unlocks efficiencies to match the evolving needs of current and future oilfield operations

Mining, Processing, & Storage

- 4.8 M MT/A of tier 1 Northern White frac sand across 3 mines in Wisconsin
- 58,600 MT of storage
- 1.0 M MT/A of Domestic sand production in the WCSB

Rail Operations

- 3,000 rail cars
- Ability to load 170 rail cars a day

Terminals

- 7 in the WCSB
- 4 unit train capable terminals
- Most storage in the WCSB
- Load a truck in 15 minutes at high-capacity terminals

Well Site Solutions

- A trucking fleet made up of 37 tractors and 37 sets of Super B trailers
- Dispatch team with 24/7 coverage that utilizes Source owned technology to work with 3rd party trucking firms
- Real-time ability to manage trucking waiting costs and logistical issues

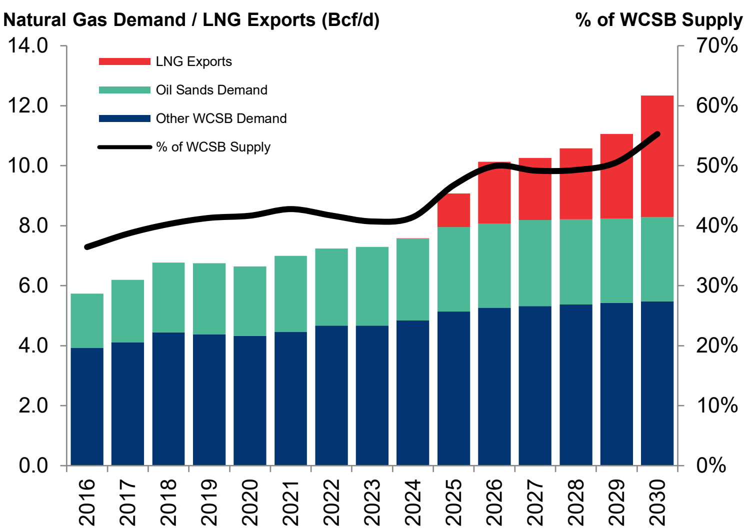
SAHARA

- 11 units operational (8 in Canada, 3 in US)
- Can unload trucks at more than 6 MT/min
- Can load the Frac Blender at 10 MT/min
- Can store 1,800 MT on site

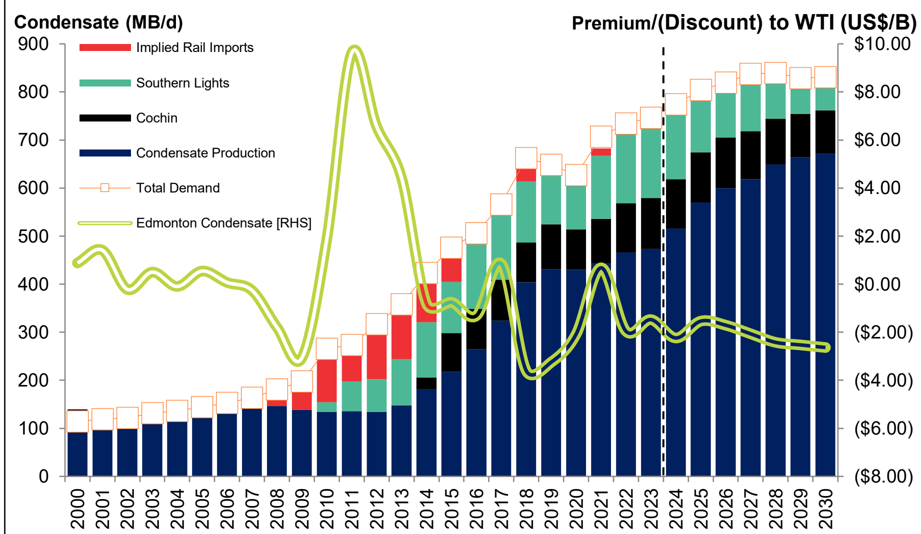
DEMAND GROWTH

- Natural Gas and Condensate demand are expected to continue to grow from 2025 to 2030 due to continued growth in exports, driven by LNG Growth (LNG Canada Phase 1, Woodfibre, and Cedar LNG, with other projects still being developed)
- The Montney is expected to drive that growth, with the BC Montney, with its higher natural gas content leading the development
- The Alberta Montney development will continue with its higher NGL content
- Producers are contracting around a lower AECO price, or realizing improved profits from NGL sales

Western Canada Natural Gas Demand + LNG[1]



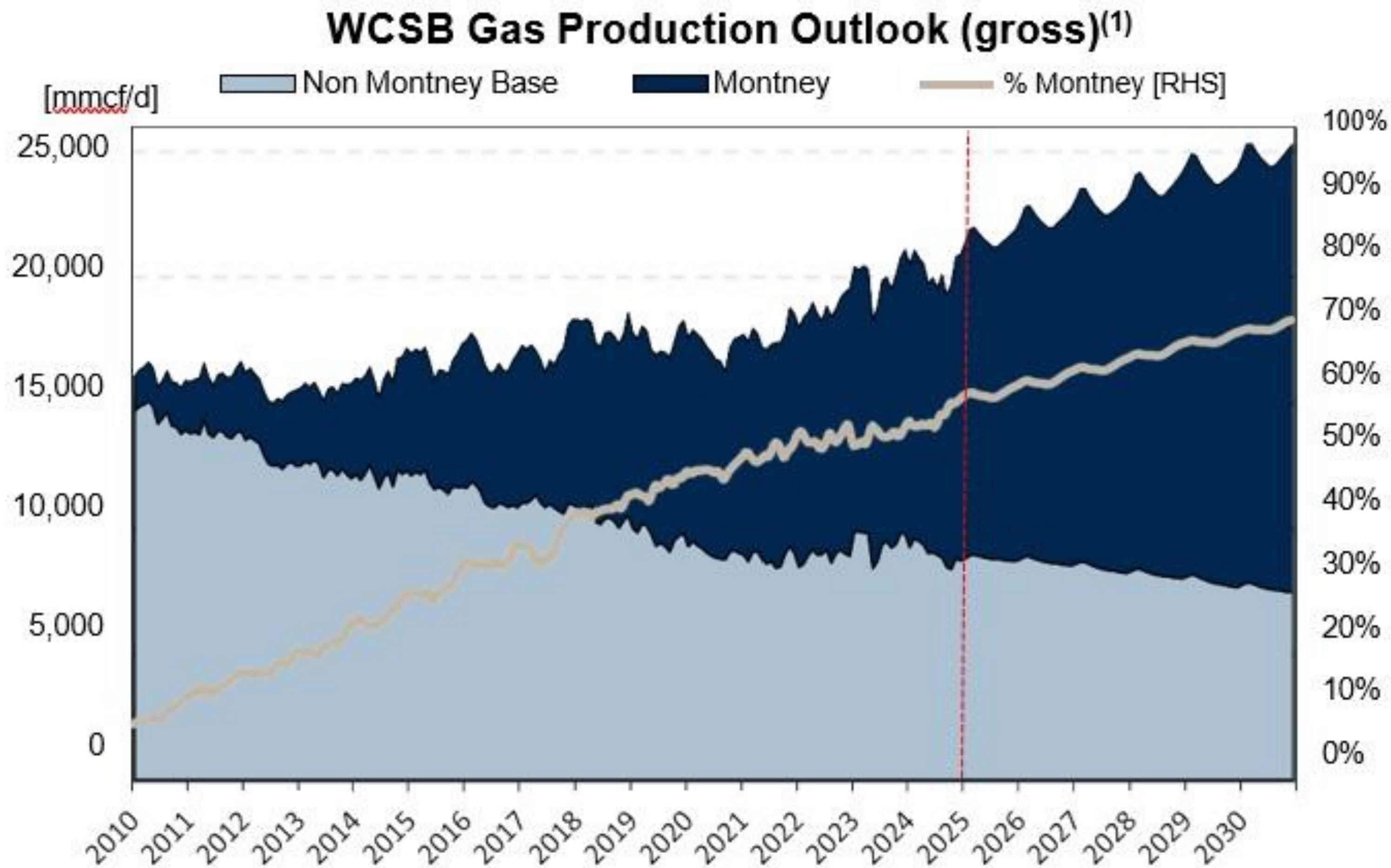
Western Canada Condensate Supply/Demand Balance vs. Edmonton Pricing[2]



1, 2 – Slide Notes

SOURCE

DEMAND GROWTH (CTD.)



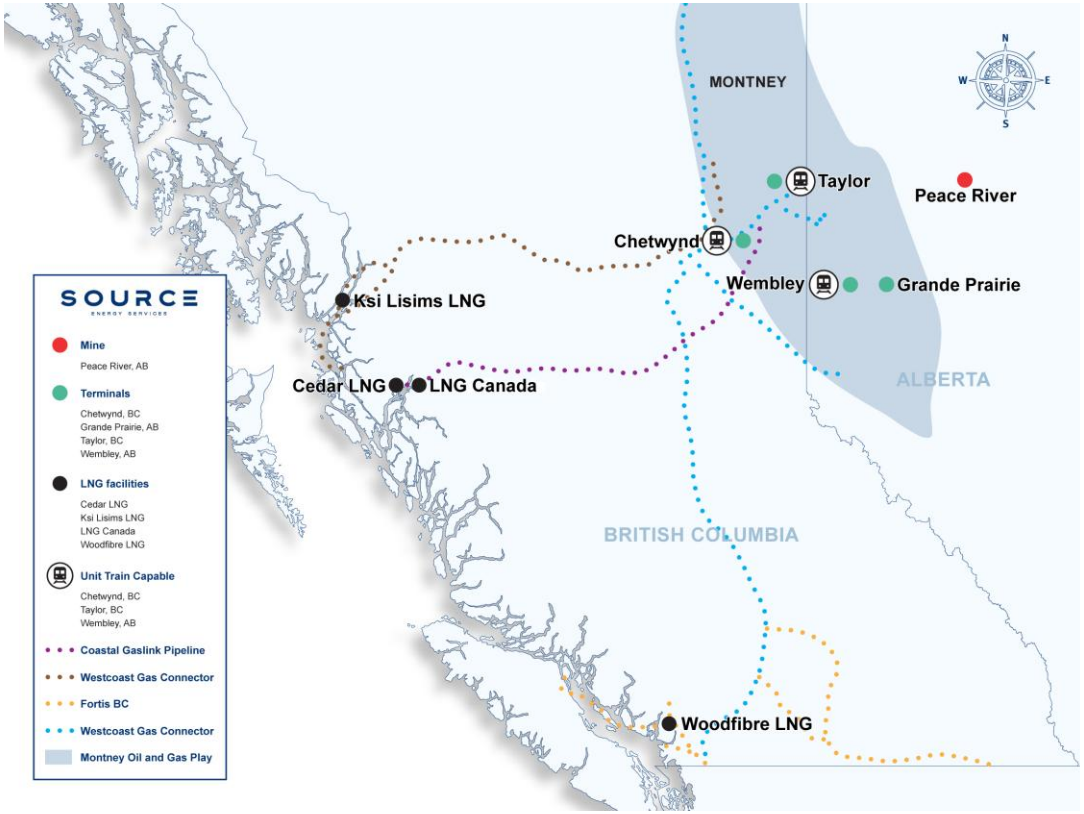
1 – Slide Notes

LNG INFRASTRUCTURE

Source's infrastructure is ideally placed for the upcoming LNG growth

LNG INFASTRUCTURE:

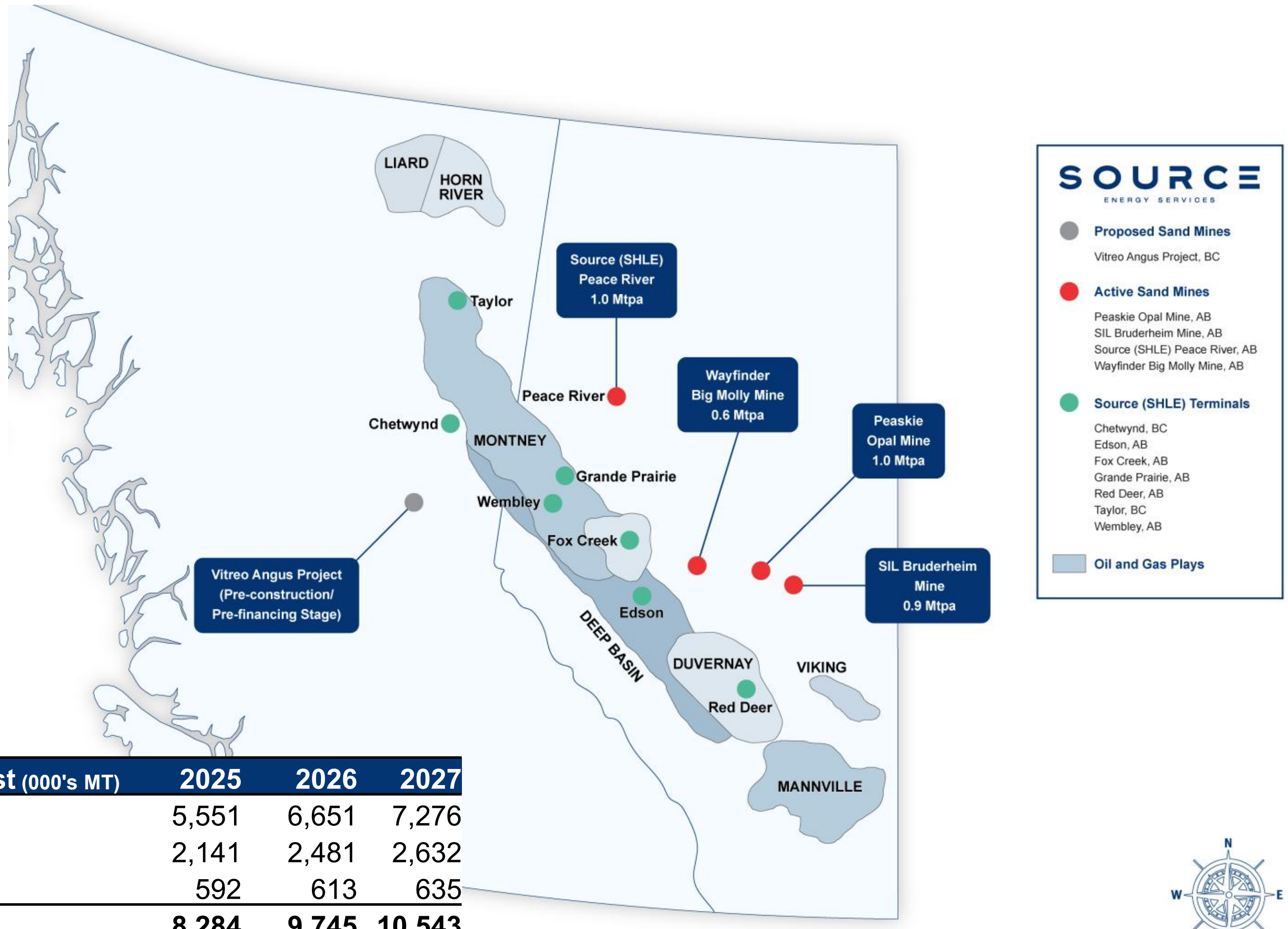
- 3 - Unit Train Terminals
- 180K tonnes of Sand Storage
- Closest supply of Domestic Sand to the Montney



SOURCE

DOMESTIC SUPPLY

The strategic location of our Domestic Sand mine in Peace River provides Source a significant logistical advantage over competing facilities in Western Canada



Proppant Forecast (000's MT)	**2025**	**2026**	**2027**
Montney	5,551	6,651	7,276
Duvernay	2,141	2,481	2,632
Deep Basin	592	613	635
Total	**8,284**	**9,745**	**10,543**

OPERATIONAL & FINANCIAL HIGHLIGHTS

Q2 2025

- Realized record sand sales volumes of 1,094,355 MT and sand revenue of $161.5 million, an increase of $21.4 million or 15% from the second quarter of 2024
- Generated total revenue of $201.9 million, a $25.5 million increase from the same period last year
- Realized gross margin of $36.7 million and Adjusted Gross Margin(1) of $48.6 million, increases of 13% and 15%, respectively, when compared to the three months ended June 30, 2024
- Reported net income of $13.6 million, an increase of $8.9 million from the second quarter of last year
- Realized Adjusted EBITDA(1) of $35.2 million, a $4.4 million improvement from the second quarter of 2024
- Delivered record sand volumes to our customer well sites through our "last mile" logistics and realized 83% utilization across the eleven-unit Sahara fleet
- Completed the next phase of the Peace River facility expansion, approaching nameplate capacity of one million MT of domestic sand production
- Implemented a Normal Course Issuer Bid, resulting in the repurchase of 225,400 shares during the second quarter
- Received a Remission Order from the Government of Canada which reverses and refunds all tariffs imposed earlier this year

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Sales	$201,889	$176,356	$410,453	$345,924
Adjusted Gross Margin /MT	$44.42/MT(1)	$45.75/MT(1)	$44.39/MT(1)	$47.51/MT(1)
Gross Margin	$36,736	$32,642	$73,529	$68,279
Free Cash Flow	$11,642(1)	$12,884(1)	$23,561(1)	$27,848(1)
Adjusted EBITDA	$35,208(1)	$30,798(1)	$68,969(1)	$62,819(1)
Net Income	$13,568	$4,685	$37,167	$6,578

1 – Slide Notes

BALANCE SHEET: NEW CREDIT PACKAGE

Term Loan

- Oversized the facility to improve the liquidity of the business
- Deleveraging remains a strategic goal of the business
  - 5% annual amortization, spread out in quarterly payments, plus a quarterly excess cash flow sweep
- Key Terms
  - Principal $135 million USD with $25 million USD delayed draw available until December 2025
  - Matures December 2029
  - Coupon – SOFR + 5.25%, SOFR floor at 4.25%
  - Covenants – FCCR – 1.20:1, total leverage ratio 2.25:1 declining to 1.75:1 over term of the deal, current ratio 1.25:1

ABL Facility

- Becomes a true liquidity back stop in the new structure, to support working capital fluctuations
- Key Terms
  - Principal $40 million CDN, though can be drawn in $USD
  - Matures December 2027
  - Coupon – can be drawn in many ways, (Prime, Base Rate, CORRA, SOFR) plus margin
    - As a prime rate loan, margin ranges from 0 to 25 bps, depending on drawn level
  - Springing FCCR at 1.00:1 if excess availability is less than 10%

BALANCE SHEET

Our working capital surplus of $75,742 includes $40,623[1] of Cash on Hand, giving Source available liquidity of $80,623[1]

(000’s) Working Capital	June 30, 2025	June 30, 2024
Total Current Assets	$212,676[1]	$158,043
Total Current Liabilities	<$136,934>	<$115,590>[3]
	$75,742	$42,453
Asset Backed Loan		
Drawn	-	$13,422
Available	$40,000	$42,747
Long Term Debt		
Term Loan	$176,385[2]	-
Senior Secured Notes	-	$140,453
Cash on Hand	$40,623[1]	-
Net Debt (including Asset Backed Loan)	$135,762	$153,875

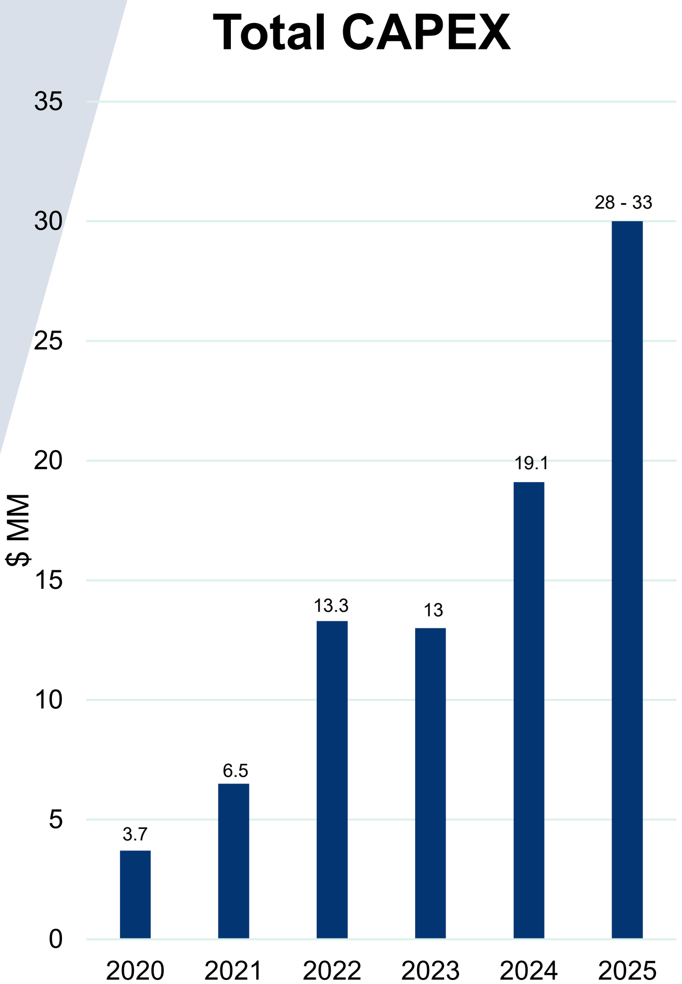
1, 2, 3 – *Slide Notes*

SOURCE

CAPITAL SPENDING & GROWTH OPPORTUNITIES

Customer contracts and investments are backstopping the expansion of the Domestic production capabilities to 1 million tonnes in 2025

Total Capacity & Growth Potential of Source Assets	
Terminal Throughput	5.7 mmpta
Production Capacity	4.8 mmpta Northern White
	1.0 mmpta Domestic sand
Sahara Units	11



1 – *Slide Notes*

SOURCE

INVESTMENT HIGHLIGHTS

Source is positioned for long-term, sustainable growth

- More stable industry activity continues to favorably impact frac sand supply and demand fundamentals which are expected to remain strong through 2025
- The increased demand for natural gas, driven by power generation facilities, increased natural gas pipeline export capabilities, and liquefied natural gas exports will drive incremental demand for Source's services in the WCSB
- There is increased demand from customers that are primarily focused on the development of natural gas properties in the Montney, Duvernay, and Deep Basin
  - This trend is consistent with Source's view that natural gas will be an important transitional fuel that is critical for the successful movement to a less carbon intensive world
- Source is the only supplier in the WCSB that has Northern White and Domestic Sand supply options
- Source continues to focus on increasing its involvement in the provision of logistics services for other items needed at the well site in response to customer requests to expand its service offerings and to further utilize its existing Western Canadian terminals to provide additional services

CONTACT SOURCE

Questions?

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SOURCE

SLIDE NOTES

Slide 6: Demand Growth
1) Sources: Company reports, government data, and Peters & Co. Limited estimates.
2) Sources: Bloomberg, government/third-party data, and Peters & Co. Limited estimates.

Slide 7: Demand Growth (ctd.)
1) RBC Capital Markets, Canadian E&P Perspectives – January 31, 2025 report. Graph Data Source: geoSCOUT, RBC Capital Markets estimates.

Slide 9: Domestic Supply
1) Source: Peters & Co. Limited estimates.

Slide 10: Operational & Financial Highlights
1) Adjusted Gross Margin (including on a per MT basis) and Adjusted EBITDA are not defined under IFRS (as defined herein) and might not be comparable to similar financial measures disclosed by other issuers, refer to 'Non-IFRS Measures' below for reconciliations to measures recognized by IFRS. For additional information, please refer to Source's Management's Discussion and Analysis ("MD&A"), dated July 30, 2025, available online at www.sedarplus.ca.

Slide 12: Balance Sheet
1) Excludes Cash on Hand related to the timing of advances under the Taylor Financing Facilities.
2) US:Canadian exchange rate at June 30, 2025 = 1.3643
3) Excluding current portion of long-term debt as at June 30, 2024.

Slide 13: Capital Spending & Growth Opportunities
1) Based on Management's estimate.

NON-IFRS MEASURES
In this presentation Source release Source has used the terms Free Cash Flow, Adjusted Gross Margin and Adjusted EBITDA, including per MT, which do not have standardized meanings prescribed by IFRS and Source's method of calculating these measures may differ from the method used by other entities and, accordingly, they may not be comparable to similar measures presented by other companies. These financial measures should not be considered as an alternative to, or more meaningful than, net income and gross margin, respectively, which represent the most directly comparable measures of financial performance as determined in accordance with IFRS.

Reconciliation of Adjusted EBITDA and Free Cash Flow to Net Income (Loss)

	Three months ended June 30,		Six months ended June 30,	
($000's)	**2025**	2024	**2025**	2024
Net income	**13,568**	4,685	**37,167**	6,578
Add:				
Income taxes	**3,062**	3,395	**9,588**	5,153
Interest expense	**6,308**	6,284	**12,143**	12,567
Cost of sales – depreciation	**11,873**	9,500	**21,275**	17,049
Depreciation	**5,432**	4,289	**11,132**	8,499
Loss (gain) on debt modification and extinguishment	**428**	49	**(490)**	164
Finance expense (excluding interest expense)	**869**	2,349	**1,898**	4,782
Share-based compensation expense (recovery)	**1,081**	(1,032)	**(3,878)**	8,309
Loss (gain) on asset disposal	**536**	(47)	**540**	(1,978)
Loss on sublease	**—**	635	**13**	638
Unrealized foreign exchange gain	**(8,226)**	—	**(8,195)**	—
Other expense (recovery)(1)	**277**	691	**(12,224)**	1,058
Adjusted EBITDA	**35,208**	30,798	**68,969**	62,819
Financing expense paid	**(6,710)**	(6,625)	**(13,516)**	(13,437)
Capital expenditures, net of proceeds on disposal of property, plant and equipment and reimbursement of capital costs(2)	**(7,623)**	(5,665)	**(14,693)**	(10,259)
Payment of lease obligations	**(6,321)**	(4,987)	**(12,595)**	(10,106)
Income taxes paid	**(2,912)**	(637)	**(4,604)**	(1,169)
Free Cash Flow	**11,642**	12,884	**23,561**	27,848

Notes:

1) *Includes expenses and recoveries related to the incident at the Fox Creek terminal facility, costs and reimbursements under insurance claims and other one-time expenses.*

2) *Excludes capital expenditures for the Taylor facility.*

SLIDE NOTES

Reconciliation of Gross Margin to Adjusted Gross Margin

	Three months ended June 30,		Six months ended June 30,	
($000's)	**2025**	2024	**2025**	2024
Gross margin	**36,736**	32,642	**73,529**	68,279
Cost of sales – depreciation	**11,873**	9,500	**21,275**	17,049
Adjusted Gross Margin	**48,609**	42,142	**94,804**	85,328

For additional information regarding non-IFRS measures, including their use to management and investors, their composition and discussion of changes to either their composition or label, if any, please refer to the 'Non-IFRS Measures' section of the MD&A, which is incorporated herein by reference. Source's MD&A is available online at www.sedarplus.ca and through Source's website at www.sourceenergyservices.com.