



C&J Energy Services

C & J ENERGY SERVICES.

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July 20, 2016

RE: C&J's Chapter 11 Restructuring Process

Dear C&J Energy Services Investor,

As you may be aware, on July 20, 2016, C&J commenced a voluntary reorganization under Chapter 11 of the U. S. Bankruptcy Code, which will enable the Company to significantly strengthen its financial position through the protective forum of a court-supervised process, while continuing to operate its businesses in ordinary course without interruption. This Chapter 11 proceeding implements the terms of a Restructuring Support Agreement (as amended, the "RSA") that we entered on July 8, 2016 with the lenders under our credit facility, which calls for the complete deleveraging of the Company's balance sheet by converting all \$1.4 billion of debt outstanding into new common equity.

As is typical in a Chapter 11 proceeding, C&J's common stock will be delisted from the New York Stock Exchange shortly after the Chapter 11 filing. However, we currently expect that C&J's common stock may continue, for a period of time (not longer than the completion of the Chapter 11 proceeding), to be traded in the Over the Counter market.

With respect to C&J's existing shareholders, upon the completion of the proceeding and our emergence from Chapter 11, we currently expect that all existing C&J common shares will be cancelled and our lenders will hold 100% of the new equity of C&J, subject to dilution in certain events set out in the RSA. Among other things, the RSA contemplates that, subject to the satisfaction of certain conditions, the Company will issue one series of seven-year warrants to existing common stockholders, based on their pro rata share, exercisable for up to an aggregate of 6% of new common stock at a strike price of \$1.55 billion. Specifically, assuming bankruptcy court approval, C&J will ask its stakeholders, including C&J shareholders at that time, to vote to approve the Plan of Reorganization. The Company will set a "record date" to determine its existing shareholders as of such date who are entitled to vote on the Plan of Reorganization. If at least 2/3 of the C&J shareholders who vote on the Plan, vote to accept the Plan of Reorganization, then the warrants will be distributed to all existing C&J shareholders as of the record date. Otherwise, holders of existing C&J common shares will not receive a distribution under the Plan of Reorganization on account of their equity interests.

Please note that neither the Company, nor any of its employees, advisors or representatives will be able to provide financial advice with respect to an investment in C&J Energy Services. However, we encourage you to review the enclosed Frequently Asked Questions and to review other information included on the Restructuring page under the Investor Relations section on our website at www.cjenergy.com. All investors are also encouraged to consult their financial advisor(s) and tax professional(s) after carefully consideration of all facts related to the Company's restructuring.



C&J Energy Services

On behalf of C&J Energy Services and our Board of Directors, we appreciate your continued interest in our Company.

Sincerely,

Don Gawick
President, Chief Executive Officer and Chief Operating Officer
Member of the Board of Directors
C&J Energy Services Ltd.



C&J Energy Services

General FAQs:

1. What is a Restructuring Support Agreement and what does that mean for C&J?

- On July 8, 2016, we announced that C&J had entered into a Restructuring Support Agreement (“RSA”) with the Company’s secured lenders, which is a legal document that binds the lenders to certain specified terms of a restructuring transaction.
- The RSA provides for a court-supervised restructuring process, through a voluntary reorganization under Chapter 11 of the U. S. Bankruptcy Code, which will enable the Company to fully de-lever its balance sheet while continuing operations in the normal course.
- The RSA provides that we will be debt-free by converting ALL of our outstanding debt (approximately \$1.4 billion) into new common equity, and also ensures that we will have ample liquidity through the restructuring process and when we emerge at the completion of the Chapter 11 proceeding.
- It is important to understand that this is a financial restructuring and we do not expect it to impact the running of the business. Our day-to-day operations will continue in the normal course of business, and we expect to continue to have ample resources and remain fully capable of providing safe, reliable and efficient operations to all of our customers.
- The Company currently has and will maintain a sufficient cash balance throughout the restructuring process.
- We value the important relationships that we have developed with our stakeholders, and the restructuring will put C&J on solid financial footing, and allow the Company to be a strong partner for years to come.
- C&J’s Executive Management team is confident that the Chapter 11 restructuring plan as contemplated by the RSA is in the best interest of the Company’s stakeholders and will strongly position C&J for long-term success.

2. What is a Chapter 11 proceeding?

- Chapter 11 is the section of the U.S. Bankruptcy Code that allows companies to implement financial restructurings through the protective forum of a court-supervised proceeding while continuing to operate their business in ordinary course.
- The Chapter 11 proceeding will not involve an interruption in our business, it does not mean we are going out of business, nor does it involve the liquidation of our assets or shuttering of our doors, but rather it does provide a protective forum for us to eliminate all of our debt and emerge a financially stronger organization.
- Many companies, such as General Motors and American Airlines, have utilized Chapter 11 to restructure their debt, without any disruption in business, and continued to grow and prosper as incredibly successful companies.



3. *Why did C&J take this action?*

- Our industry continues to operate in a difficult commodity price environment. Over the past eighteen months, we have responded proactively to the extremely challenging market conditions by aggressively cutting costs, right-sizing all of our businesses in-line with current market conditions, closing unprofitable facilities and focusing on operating in the safest and most efficient manner possible.
- We have also been working with our lending group on a comprehensive solution to de-lever our balance sheet, enhance our liquidity and generally strengthen our overall financial position.
- The Chapter 11 proceeding contemplated by the RSA represents a positive path forward in our efforts to strengthen the Company's balance sheet and to best position the Company for long-term success.
- The Chapter 11 proceeding will not involve an interruption in our business, it does not mean we are going out of business, nor does it involve the liquidation of our assets or shuttering of our doors, but rather it does provide a protective forum for us to eliminate all of our debt and emerge a financially stronger organization.
- We believe that the Chapter 11 restructuring plan as contemplated by the RSA is in the best interest of the Company's stakeholders and will strongly position C&J for long-term success.

4. *Does this bankruptcy case mean that C&J is shutting down or going out of business?*

- No, absolutely not. It is important to understand that this is a financial restructuring and our operations will continue in the normal course throughout this court-supervised process.
- A Chapter 11 bankruptcy case is NOT a liquidation of the Company.
- We believe C&J has sufficient liquidity from cash on hand and funds generated from operations, which together with debtor-in-possession financing that will be provided as part of the restructuring process, will allow us to continue our operations and support the business in the ordinary course through the restructuring process and upon emergence.
- The Company intends to continue its day-to-day operations in the normal course of business, providing safe, reliable and efficient operations to our customers worldwide.



C&J Energy Services

Investor FAQs:

1. *What will happen to C&J Energy stock (CJES shares)?*
 - C&J Energy Services is a publicly traded company with stock listed on the New York Stock Exchange (“NYSE”). As is typical in a Chapter 11 case, the Company’s stock will be delisted from the NYSE shortly after the Company’s commencement of the Chapter 11 case. However, we currently expect that C&J’s common stock may continue, for a period of time (not longer than the completion of the Chapter 11 proceeding), to be traded in the Over the Counter market.
 - Under the terms of the RSA, upon the Company’s emergence from Chapter 11, its secured lenders are expected to own 100% of the new stock in the reorganized Company, subject to dilution on account of certain events set out in the RSA.
 - Subject to the satisfaction of certain conditions, existing C&J shareholders could receive a pro rata share of seven year warrants exercisable for up to an aggregate of 6% of new common stock at a strike price of \$1.55 billion.
 - Specifically, assuming bankruptcy court approval, C&J will ask its stakeholders, including C&J shareholders at that time, to vote to approve a Plan of Reorganization. The Company will set a “record date” to determine its existing shareholders as of such date who are entitled to vote on the Plan of Reorganization. If at least 2/3 of the C&J shareholders who vote on the Plan, vote to accept the Plan of Reorganization, then the warrants will be distributed to all existing C&J shareholders as of the record date.
 - The warrants present an opportunity for existing C&J shareholders to potentially recoup some of their investment in the Company; however, all existing C&J shareholders will be substantially diluted. If the warrants are not issued, holders of existing C&J common shares will not receive a distribution under the Plan of Reorganization on account of their equity interests.
2. *Can stockholders sell the shares of stock that they own? Should they do so?*
 - The Company is not in a position to offer investment advice. We strongly encourage you to seek the advice of your investment advisor(s) or tax planning professional(s).
 - C&J employees are still subject to the Company’s Insider Trading Policy, including any applicable blackout periods.
 - Per the RSA, upon the Company’s emergence from Chapter 11, the secured lenders will receive 100% of the new stock in the reorganized Company, subject to dilution on account of certain events set out in the RSA.
 - Subject to the satisfaction of certain conditions, existing C&J shareholders could receive a pro rata share of seven year warrants exercisable for up to an aggregate of 6% of new common stock at a strike price of \$1.55 billion.
 - Specifically, assuming bankruptcy court approval, C&J will ask its stakeholders, including C&J shareholders at that time, to vote to approve a Plan of Reorganization.



The Company will set a “record date” to determine its existing shareholders as of such date who are entitled to vote on the Plan of Reorganization. If at least 2/3 of the C&J shareholders who vote on the Plan, vote to accept the Plan of Reorganization, then the warrants will be distributed to all existing C&J shareholders as of the record date.

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3. *Will the Company announce quarterly earnings reports and host quarterly earnings calls?*
- Although C&J will be delisted from the NYSE shortly following the commencement of the Chapter 11 cases on July 20, 2016, we currently plan to continue filing periodic reports with the U.S. Securities and Exchange Commission.
 - At this time, we do not expect to issue quarterly earnings press releases or to hold quarterly earnings conference calls during the court-supervised restructuring process.
4. *When is C&J expected to emerge from Chapter 11?*
- Recognizing that the pace of a court supervised process is not within our control, we are working proactively with our creditors to facilitate an outcome in the best interest of the Company as expeditiously as possible.
 - While we cannot estimate the amount of time the process will take, we will exercise our best efforts to move as quickly as the courts will allow.
 - We are confident that we are taking the right steps to provide a solid financial foundation for a successful future.
5. *How can I get updates and additional information?*
- The Company will continue to keep all stakeholders informed of new, relevant information as we move through the restructuring process.
 - We have set up a Restructuring tab under the Investor Relations section of our website, www.cjenergy.com, as an easily accessible avenue to provide additional information.
 - In addition, our claims agent – Donlin, Recano & Company, Inc. – has set up a website that includes free access to court documents and other information on the restructuring process at <http://www.donlinrecano.com/cjenergy>
 - We have also established a toll-free information hotline at (866) 296-8019 (U.S.) to address specific questions and concerns.
 - Investor inquiries can be submitted to investors@cjenergy.com or (713) 260-9986.