



NEWS RELEASE

ESSENTIAL ENERGY SERVICES ENTERS INTO BOUGHT DEAL FINANCING

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

Calgary, Alberta September 19, 2016 – Essential Energy Services Ltd. (TSX: ESN) (“Essential” or the “Company”) is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by Raymond James Ltd. and Peters & Co. Limited and including TD Securities Inc., Cormark Securities Inc., Canaccord Genuity, Clarus Securities, PI Financial, and HSBC Securities (Canada) Inc. (collectively, the “Underwriters”) pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, 15,384,615 common shares of Essential (“Shares”) at a price of \$0.65 per Share (the “Issue Price”) for gross proceeds of approximately \$10 million (the “Offering”). Essential has also granted the Underwriters an option to purchase an additional 2,307,692 Shares at the Issue Price to cover over-allotments, if any, and for market stabilization purposes (the “Over-Allotment Option”), for additional gross proceeds of up to approximately \$1.5 million. The Over-Allotment Option is exercisable in whole or in part at any time until 30 days after the closing of the Offering.

The Offering will be completed by way of short form prospectus in all provinces of Canada except Quebec, and on a private placement basis in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”). The Offering is subject to customary conditions including, without limitation, the approval of the Toronto Stock Exchange, and is expected to close on or about October 12, 2016.

The net proceeds of the Offering are expected to be used to partially repay outstanding indebtedness, which may be redrawn and used to fund capital expenditures, acquisitions, organic growth initiatives, working capital and for general corporate purposes.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any offer, solicitation or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under any state securities laws and may not be offered or sold in the United States absent registration or any applicable exemption from the registration requirements.

FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements and information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking statements pertaining to, among other things, the following: the Offering, including the timing of closing of the Offering, receipt of regulatory approvals and the expected use of proceeds from the Offering.

These forward-looking statements and information are based on certain key expectations and assumptions made by Essential regarding timing and receipt of regulatory approvals and the anticipated use of proceeds from the

Offering. Although Essential believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Essential can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the closing of the Offering being delayed or not being completed if Essential is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned, conditions to the closing of the Offering not being met or the Offering not being completed within the anticipated time or at all. Accordingly, readers should not place undue reliance on the forward-looking statements and information. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Essential or its financial results are included in the Company's securities filings with applicable securities regulatory authorities and may be accessed under Essential's profile on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this news release are made as of the date hereof and Essential undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and information contained in this news release are expressly qualified by this cautionary statement.

ABOUT ESSENTIAL

Essential Energy Services Ltd. provides oilfield services to oil and natural gas producers, primarily in western Canada. Essential offers completion, production and abandonment services to a diverse customer base. Services are offered with masted coil tubing, fluid and nitrogen pumping, services rigs and the sale and rental of downhole tools and equipment. Essential offers the largest masted coil tubing fleet in Canada. Further information can be found at www.essentialenergy.ca.

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The TSX has neither approved nor disapproved the contents of this news release.