NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES SECOND QUARTER RESULTS AND DECLARES QUARTERLY DIVIDEND

Calgary, Alberta August 6, 2014 – Essential Energy Services Ltd. (TSX: ESN) (“Essential” or the “Company”) announces second quarter results.

SELECTED INFORMATION

(Thousands of dollars, except per share, percentages and fleet data)	Three months ended June 30, 2014	2013	Six months ended June 30, 2014	2013
Revenue	**$ 52,752**	$ 38,417	**$ 156,482**	$ 158,936
Gross margin	**5,222**	(1,310)	**32,549**	36,521
Gross margin %	**10%**	(3)%	**21%**	23%
EBITDAS[1] from continuing operations	**440**	(5,171)	**22,947**	28,254
EBITDAS % [1]	**1%**	(13)%	**15%**	18%
Net income (loss) attributable to shareholders of Essential	**(5,425)**	(11,501)	**4,724**	7,126
Per share-basic and diluted	**(0.04)**	(0.09)	**0.04**	0.06
Total assets	**408,964**	380,728	**408,964**	380,728
Total long-term debt	**38,433**	14,592	**38,433**	14,592
Utilization				
Deep coil tubing rigs	**27%**	18%	**52%**	64%
Service rigs	**34%**	28%	**50%**	48%
Equipment fleet				
Masted deep coil tubing rigs	**17**	14	**17**	14
Conventional deep coil tubing rigs	**12**	11	**12**	11
Service rigs	**55**	56	**55**	56

[1] Refer to Non-IFRS Measures section for further information

SECOND QUARTER 2014 OVERVIEW

Revenue for the second quarter of 2014 was $52.8 million, 37% higher than the second quarter of 2013. The strong second quarter was due to increased customer demand, supported by a less severe spring break-up compared to the prior quarter.

- Coil Well Service – Coil well service revenue increased 84% from the prior quarter with a significant improvement in masted deep coil tubing utilization quarter-over-quarter at 42% compared to 19% in 2013. The Company’s masted deep coil tubing fleet experienced increased customer demand, in particular, there was strong demand for the two Generation III masted deep coil tubing rigs.

- Service Rigs – Service rigs performed well in the quarter with utilization at 34% compared to 28% in the prior quarter.
- Downhole Tools & Rentals – Essential's downhole tools & rentals revenue increased in the quarter due to strong demand for conventional downhole tools, continued growth of Essential's United States ("U.S.") operation and increased rental revenue.

EBITDAS for the second quarter of 2014 was $0.4 million, a significant improvement of $5.6 million from 2013. The increase was driven by improved activity across both segments and lower operating expenses as a percentage of revenue. Operating expenses associated with training and retaining key personnel and maintaining equipment are typically higher in the second quarter when equipment is restricted from travelling to customer locations during spring break-up. Revenue increases in the second quarter of 2014 offset these expenditures and improved margins.

In the second quarter of 2014, Essential took delivery of its first state-of-the-art Generation IV masted deep coil tubing rig.

YEAR-TO-DATE 2014 OVERVIEW

Revenue for the six months ended June 30, 2014 was $156.5 million, slightly lower than the same period in 2013. EBITDAS for six months ended June 30, 2014 was $22.9 million, a decrease of $5.3 million compared to the same period in 2013. The EBITDAS impact of lower revenue during the first quarter 2014 was somewhat offset by improved revenue and activity in both well servicing and downhole tools & rentals during the second quarter. Tryton Multi-Stage Fracturing System ("MSFS®") revenue for the first half of 2014 was lower than the prior year. The margin impact of this revenue shortfall has been partially offset within the segment by growth in conventional downhole tools and higher margin rentals operations. EBITDAS during the first half of 2014 was also impacted by increased fuel costs in well servicing and increased labour costs in coil well service. Incremental labour costs in coil well service relates to additional costs incurred in the first quarter to retain crews on location during specific short-term periods of inactivity, that was brought on by extremely cold weather, and costs incurred to hire and train additional crews in anticipation of the delivery of the new Generation III and Generational IV masted deep coil tubing rigs.

INDUSTRY OVERVIEW

Industry activity in the second quarter is typically the slowest quarter of the year due to the onset of spring break-up. Compared to 2013, the second quarter of 2014 benefitted from a less severe spring break-up in western Canada, and improved demand from exploration and production ("E&P") companies as a result of stronger commodity prices and access to capital. Drilling rig utilization increased 35% , well completion count increased 4% and the number of wells drilled increased by 29% for the second quarter 2014 compared to the prior quarter. These are indicators of overall oilfield activity in the Western Canadian Sedimentary Basin ("WCSB").

Well service activity in the WCSB continues to be driven by horizontal drilling, completion and stimulation of oil and liquids-rich natural gas wells. Horizontal wells typically require more investment capital and increased rig time per well due to their depth and complexity compared to vertical wells.

SEGMENT RESULTS - *WELL SERVICING*

(Thousands of dollars, except percentages, fleet and hours)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Revenue				
Coil Well Service [i]	**$ 17,398**	$ 9,433	**$ 58,897**	$ 59,054
Service Rigs	**16,437**	14,732	**48,936**	48,288
Total revenue	**33,835**	24,165	**107,833**	107,342
Operating expenses	**34,389**	28,298	**88,650**	83,340
Gross margin	**$ (554)**	$ (4,133)	**$ 19,183**	$ 23,002
Gross margin %	**(2)%**	(17)%	**18%**	21%
Utilization [ii]				
Deep coil tubing rigs				
Utilization	**27%**	18%	**52%**	64%
Operating hours	**6,972**	4,125	**26,103**	28,890
Service rigs				
Utilization	**34%**	28%	**50%**	48%
Operating hours	**16,907**	14,234	**49,523**	48,598
Equipment fleet [iii]				
Masted deep coil tubing rigs	**17**	14	**17**	14
Conventional deep coil tubing rigs	**12**	11	**12**	11
Service rigs	**55**	56	**55**	56
Nitrogen pumpers	**14**	15	**14**	15
Fluid pumpers	**18**	18	**18**	18

(i) Includes revenue from coil tubing rigs, nitrogen and fluid pumpers and other ancillary equipment.
(ii) Utilization is calculated using a 10 hour day.
(iii) Fleet data represents the number of units at the end of the period.

Coil well service second quarter revenue increased 84% from the prior quarter due to improved customer demand for Essential's masted deep coil tubing fleet and, in particular, the two Generation III masted deep coil tubing rigs that went into service in the fourth quarter 2013 and first quarter 2014, respectively. With increased customer demand, supported by a less severe spring break-up, Essential's masted deep coil tubing utilization was 42% compared to 19% in prior quarter. The two Generation III masted deep coil tubing rigs performed well achieving 72% utilization during the quarter. Essential's fluid and nitrogen pumper revenue also increased significantly as this equipment supports the masted deep coil tubing fleet.

Conventional deep coil tubing utilization was down quarter-over-quarter due to competition in the less technical smaller diameter conventional coil tubing market.

Service rig utilization was 34% compared to 28% in the prior quarter due to milder spring break-up conditions in 2014. Essential's utilization was particularly strong in the Grande Prairie, Fort St. John, southern Alberta areas and for the rigs working in steam-assisted gravity drainage ("SAGD").

Gross margin for well servicing in the second quarter of 2014 improved from the prior quarter due to higher revenue and activity. However, costs related to training and retaining key staff, seasonal maintenance work, and fixed costs associated with maintaining service locations and infrastructure resulted in negative gross margin for the segment during the quarter.

On a year-to-date basis, well servicing revenue is similar to the prior year as strong nitrogen and fluid pumper utilization offset lower conventional deep coil tubing utilization. Masted deep coil tubing utilization was 75% on a year-to-date basis, compared to 83% in the prior year. Gross margin for the six months ended June 30, 2014 was adversely impacted by increased fuel and labour costs in coil well servicing. Incremental labour costs were incurred to retain crews on location during specific short term periods of inactivity during the first quarter, that was brought on by extremely cold weather, and costs incurred to hire and train additional crews in anticipation of the delivery of the new Generation III and Generational IV masted deep coil tubing rigs. Revenue per hour for coil well service and service rigs was consistent with the prior quarter.

SEGMENT RESULTS – *DOWNHOLE TOOLS & RENTALS*

	Three months ended June 30,		Six months ended June 30,	
(Thousands of dollars, except percentages)	**2014**	2013	**2014**	2013
Revenue	**$ 19,521**	$ 14,252	**$ 49,807**	$ 51,594
Operating expenses	**12,910**	10,641	**34,138**	35,015
Gross margin	**$ 6,611**	$ 3,611	**$ 15,669**	$ 16,579
Gross margin %	**34%**	25%	**31%**	32%
Downhole Tools & Rentals revenue – revenue % of total				
Tryton MSFS®	**25%**	40%	**34%**	54%
Conventional Tools & Rentals	**75%**	60%	**66%**	46%

Downhole tools & rentals second quarter revenue increased 37% from the same period in 2013 primarily due to strong performance of the conventional tools and rentals operations. Tryton MSFS® revenue was lower than the prior quarter as Essential continues to adjust its MSFS® product offerings to meet changing customer demands. Gross margin increased significantly as a result of improved conventional tool activity and greater contributions from the higher margin rentals business.

Revenue from conventional tools and rentals increased by 71% from the prior quarter. Growth in conventional tools was generated by both Canadian operations and U.S. conventional tools. Tryton's role as a dominant conventional tools service provider offers growth opportunities and insights into customer well completion preferences and requirements. Higher rentals revenue was primarily due to increased rental of specialty drill pipe and pressure control equipment as second quarter sales continued to demonstrate the benefits of an evolving sales and product strategy. Management anticipates continued growth in the conventional tools and rentals businesses in the second half of 2014.

Tryton MSFS® revenue in the second quarter included revenue from Essential's Canadian and U.S. operations. In Canada, the second quarter is typically a slower period for MSFS® products as fracturing activity is reduced during spring break-up. Demand for Tryton's Canadian MSFS® products historically has been exclusively "ball & seat" technology, using standard or dissolvable balls. In response to customer demand for alternative completion techniques when conducting a multi-stage fracture, Essential continued its efforts to develop and test new MSFS® products. These products include the development of coil-actuated Viking sliding-sleeve technology which offers unlimited stages without balls or seats. In the second quarter, Essential also experienced early success in the U.S. with its Tryton MaxFrac® tool, a new packer design that provides a consistently large inner diameter sleeve that eliminates the mill-out phase of "plug-and-perf" completions. In the second half of 2014, management expects that "ball & seat" products will continue to form the core of its Tryton MSFS® product line. The introduction of new tools and additional growth in U.S. Tryton MSFS® revenue are also expected to contribute to MSFS® revenue.

On a year-to-date basis, downhole tools & rentals revenue and margin was similar to the prior year due to growth in conventional downhole tools and higher margin rentals operations, which was offset by lower Tryton MSFS® revenue for the first half of 2014.

On April 30, 2014, Essential acquired all of the issued and outstanding shares of Sam's Packer & Supply LLC, a private downhole tool company that provides conventional tool sales, rentals and services to a diversified customer base in Oklahoma, Kansas and Texas. The purchase price was US$5.1 million plus working capital adjustments.

GENERAL AND ADMINISTRATIVE

	Three months ended June 30,		Six months ended June 30,	
(Thousands of dollars, except percentages)	**2014**	2013	**2014**	2013
General and administrative expenses	**$ 4,782**	$ 3,861	**$ 9,602**	$ 8,267
As a % of revenue	**9%**	10%	**6%**	5%

General and administrative expenses are comprised of wages, professional fees, office space and other administrative costs incurred at corporate and operational levels. General and administrative expense for the three and six months ended June 30, 2014 increased compared to the same period in 2013 due to employee costs, facility lease costs and legal fees.

FINANCIAL RESOURCES AND LIQUIDITY

WORKING CAPITAL

(Thousands of dollars, except ratios)	**As at June 30 2014**	As at December 31 2013
Current assets	**$ 85,227**	$ 107,945
Current liabilities, excluding current portion of long-term debt	**(32,780)**	(45,419)
Working capital (1)	**$ 52,447**	$ 62,526
Working capital ratio (1)	**2.6:1**	2.4:1

EQUIPMENT EXPENDITURES AND FLEET ADDITIONS

	Three months ended June 30,		Six months ended June 30,	
(Thousands of dollars)	**2014**	2013	**2014**	2013
Well Servicing	**$ 6,350**	$ 10,365	**$ 13,157**	$ 16,508
Downhole Tools & Rentals	**1,600**	1,297	**5,316**	1,741
Corporate	**175**	218	**699**	455
Total equipment expenditures	**8,124**	11,880	**19,172**	18,704
Less proceeds on disposal of property and equipment	**(1,037)**	(186)	**(1,902)**	(726)
Net equipment expenditures(1)	**$ 7,087**	$ 11,694	**$ 17,269**	$ 17,978

During the second quarter, Essential took delivery of its first state-of-the-art Generation IV masted deep coil tubing rig.

Essential classifies its equipment expenditures as growth capital(1) and maintenance capital(1):

(Thousands of dollars)	Three months ended June 30, **2014**	2013	Six months ended June 30, **2014**	2013
Growth capital(1)	**$ 5,675**	$ 8,576	**$ 14,214**	$ 13,352
Maintenance capital(1)	**2,449**	3,304	**4,958**	5,352
Total equipment expenditures	**$ 8,124**	$ 11,880	**$ 19,172**	$ 18,704

Essential's 2014 capital budget of $53 million is comprised of $36 million in growth capital and $17 million of maintenance capital. Growth capital consists primarily of expenditures to expand Essential's masted deep coil tubing fleet and to purchase additional rental equipment.

Essential has established a long-term build program intended to increase the depth and coil diameter capability of its masted deep coil tubing fleet. Customers are demanding coil tubing rigs that can operate beyond 6,000 meters with large diameter coil. Given the limited number of builders that are qualified to build this type of equipment, and the long lead time required to secure build spots and fabricate the equipment, Essential selected two companies to manufacture its Generation III and Generation IV equipment. Essential expects to spend approximately $63 million through to 2016 to build a total of four Generation III and eight Generation IV masted deep coil tubing rigs. To date, Essential has spent approximately $27 million on this capital program and has taken delivery of two Generation III and one Generation IV masted deep coil tubing rigs.

The Company believes that it has access to sufficient funds through internally generated cash flows and from the Credit Facility to meet current spending needs.

The following table shows the expected in-service dates of the major equipment:

	Total Rigs Being Built	**Total Rigs In-Service**	**Expected In-Service Dates**
Masted deep coil tubing rigs:			
Generation III	4	2	Q4'14, H2'15
Generation IV	8	-	Q3'14, Q4'14, Q1'15, Q3'15(2), 2016(3)

OUTLOOK

Heading into the last half of 2014, there is a sense of renewed optimism within the energy services sector as E&P companies, bolstered by strong oil prices, improved access to capital markets and, in some instances, merger and acquisition activity, continue to execute their 2014 capital programs. Increases in key industry metrics including second quarter drilling activity, a backlog of well completion work heading into the last half of the year and an increase in the number and total depth of horizontal wells drilled in western Canada, support a strong industry environment for oilfield service companies in the last half of 2014.

Essential believes that it is well positioned to benefit from the anticipated increase in demand for well completion services in the last half of the year, particularly as the industry continues to shift towards deeper, longer reach horizontal wells.

Essential's masted deep coil tubing fleet, which achieved 109% utilization in the first quarter of 2014, is expected to continue to experience strong demand as customers execute their drilling, fracturing and completion programs. Essential also expects to benefit from the expanded service capacity of its masted deep coil tubing fleet with the recent delivery of two Generation III and one Generation IV rigs.

Essential also expects further growth in its downhole tools and rentals segment as year-to-date growth in the conventional downhole tools and rentals operations is expected to continue throughout the back half of the year. Management expects that "ball & seat" products will continue to form the core of its Tryton MSFS® product line. The introduction of new tools and additional growth in U.S. Tryton MSFS® revenue are also expected to contribute to MSFS® revenue.

Essential continues to execute its $53 million capital equipment program. As mentioned above, during the first half of 2014, Essential took delivery of its second Generation III masted deep coil tubing rig. The Generation III rigs that are in-service have seen strong utilization in the first half of 2014, even during break-up. In the second quarter, Essential took delivery of its first Generation IV masted deep coil tubing rig. One additional Generation III rig and one additional Generation IV rig is expected to be in-service later in the year.

Essential has a strong balance sheet with $49.4 million of debt outstanding on August 6, 2014 and a debt to EBITDAS ratio of 0.8x.

QUARTERLY DIVIDEND

The cash dividend for the period July 1, 2014 to September 30, 2014 has been set at $0.03 per share. The dividend will be paid on October 15, 2014 to shareholders of record on September 30, 2014. The ex-dividend date is September 26, 2014. This dividend is an eligible dividend for Canadian income tax purposes.

The Management's Discussion and Analysis and Financial Statements are available on Essential's website at www.essentialenergy.ca and on SEDAR at www.sedar.com.

[1]Non-IFRS Measures

Throughout this news release, certain terms that are not specifically defined in IFRS are used to analyze Essential's operations. In addition to the primary measures of net earnings and net earnings per share in accordance with IFRS, Essential believes that certain measures not recognized under IFRS assist both Essential and the reader in assessing performance and understanding Essential's results. Each of these measures provides the reader with additional insight into Essential's ability to fund principal debt repayments, capital programs and pay dividends. As a result, the method of calculation may not be comparable with other companies. These measures should not be considered alternatives to net earnings and net earnings per share as calculated in accordance with IFRS.

EBITDAS (Earnings before finance costs, income taxes, depreciation, amortization, transaction costs, non-controlling interest earnings, losses or gains on disposal of equipment, foreign exchange gains or losses, results of discontinued operations and share-based compensation, which includes both equity-settled and cash-settled transactions) – These adjustments are relevant as they provide a measure which is considered an indicator of Essential's ability to generate funds flow in order to fund required working capital, service debt, capital programs and pay dividends.

EBITDAS % – This measure is considered an indicator of Essential's ability to generate funds flow as calculated by EBITDAS divided by revenue.

Funds flow or funds flow provided by (used in) operations – This measure is an indicator of Essential's ability to generate funds flow in order to fund working capital, principal debt repayments, capital programs and pay dividends. Funds flow or funds flow from operations is defined as cash flow from operations before changes in non-cash operating working capital. This measure is useful in assessing Essential's operational cash flow as it provides cash generated in the period excluding the timing of non-cash operating working capital. This reflects the ability of the operations of Essential to meet the above noted funding requirements.

Working capital – Working capital is calculated as current assets less current liabilities, excluding the current portion of long-term debt.

Growth capital – Growth capital is capital spending which is intended to result in incremental increases in revenue. Growth capital is considered to be a key measure as it represents the total expenditures on equipment expected to add incremental revenues and funds flow to Essential.

Maintenance capital – Equipment additions that are incurred in order to refurbish or replace previously acquired equipment less proceeds on the disposal of retired equipment. Such additions do not provide incremental increases in revenue. Maintenance capital is a key component in understanding the sustainability of Essential's business as cash resources retained within Essential must be sufficient to meet maintenance capital needs to replenish the assets for future cash generation.

Net equipment expenditures – This measure is equipment expenditures less proceeds on the disposal of equipment. Essential uses net equipment expenditures to assess net cash flows related to the financing of Essential's oilfield services equipment.

SUMMARY OF QUARTERLY DATA

(Thousands of dollars, except per share amounts, percentages and fleet data)	**Jun 30, 2014**	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	**Jun 30, 2013**	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Well Servicing:								
Coil Well Service	**17,398**	41,499	36,150	33,037	**9,433**	49,621	41,228	33,857
Service Rigs	**16,437**	32,499	25,593	23,870	**14,732**	33,556	26,012	20,552
Other [(i)]	**-**	**-**	-	-	**-**	-	786	2,762
Total well servicing	**33,835**	73,998	61,743	56,907	**24,165**	83,177	68,026	57,171
Downhole Tools & Rentals	**19,521**	30,286	31,560	28,185	**14,252**	37,342	27,989	26,342
Inter-segment eliminations	**(604)**	(554)	(480)	(582)	-	-	-	-
Total revenue	**52,752**	103,730	92,823	84,510	**38,417**	120,519	96,015	83,513
Gross margin	**5,222**	27,327	25,332	21,414	**(1,310)**	37,832	27,039	23,012
Gross margin %	**10%**	26%	27%	25%	**(3)%**	31%	28%	28%
EBITDAS[(1)]	**440**	22,507	20,705	17,132	**(5,171)**	33,426	22,368	19,261
EBITDAS %[(1)]	**1%**	22%	22%	20%	**(13)%**	28%	23%	23%
Continuing operations								
Net income (loss)	**(5,425)**	10,149	9,478	4,292	**(8,958)**	19,205	8,050	8,343
Per share – basic and diluted	**$(0.04)**	$0.08	$0.07	$0.03	**$(0.07)**	$0.15	$0.06	$0.07
Net income (loss) attributable to shareholders of Essential	**(5,425)**	10,149	11,126	3,843	**(11,501)**	18,627	678	8,660
Per share – basic and diluted	**$(0.04)**	$0.08	$0.09	$0.03	**$(0.09)**	$0.15	$0.01	$0.07
Total assets	**408,964**	439,745	423,963	409,613	**380,728**	436,301	406,853	415,653
Total long-term debt	**38,433**	50,821	39,027	40,484	**14,592**	35,603	35,563	50,474
Utilization [(ii)]								
Deep coil tubing rigs	**27%**	77%	74%	73%	**18%**	110%	95%	79%
Pumpers	**34%**	69%	55%	47%	**14%**	73%	57%	50%
Service rigs	**34%**	66%	53%	50%	**28%**	69%	54%	45%
Operating Hours								
Deep coil tubing rigs	**6,972**	19,131	18,257	17,724	**4,125**	24,765	22,777	18,301
Pumpers	**9,861**	19,995	16,612	14,418	**4,241**	20,481	15,328	11,919
Service rigs	**16,907**	32,616	26,557	25,084	**14,234**	34,364	27,310	22,632
Downhole Tools & Rentals - revenue % of total								
Tryton MSFS®	**25%**	39%	55%	55%	**40%**	60%	51%	52%
Conventional Tools & Rentals	**75%**	61%	45%	45%	**60%**	40%	49%	48%
Equipment fleet [(iii)]								
Coil tubing rigs:								
Masted deep	**17**	16	15	15	**14**	14	16	16
Conventional deep	**12**	12	12	12	**11**	11	11	10
Conventional other	**18**	18	18	18	**19**	19	19	19
Service rigs	**55**	55	55	54	**56**	56	55	55
Nitrogen pumpers	**14**	14	14	15	**15**	13	13	10
Fluid pumpers	**18**	18	18	18	**18**	18	18	16
Rod rigs	**13**	13	13	12	**14**	14	14	14

(i) Other revenue included revenue from Essential's drilling operation until its disposal in November 2012.
(ii) Utilization is calculated using a 10 hour day.
(iii) Fleet data represents the number of units at the end of the period.

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(Thousands)	**As at June 30 2014**	As at December 31 2013
Assets		
Current		
Trade and other accounts receivable	**$ 47,489**	$ 76,640
Inventories	**34,033**	27,979
Prepayments	**3,705**	3,326
	85,227	107,945
Non-current		
Property and equipment	**235,566**	230,292
Intangible assets	**30,227**	30,712
Goodwill	**57,944**	55,014
	323,737	316,018
Total assets	**$ 408,964**	$ 423,963
Liabilities		
Current		
Bank indebtedness	**$ 1,199**	$ 2,112
Trade and other accounts payable	**27,807**	36,161
Dividends payable	**3,774**	3,765
Income taxes payable	**-**	3,381
Current portion of long-term debt	**-**	7,603
	32,780	53,022
Non-current		
Long-term debt	**38,433**	31,424
Deferred taxes	**26,810**	26,360
	65,243	57,784
Total liabilities	**98,023**	110,806
Equity		
Share capital	**263,062**	262,177
Retained earnings	**43,804**	46,622
Other reserves	**4,075**	4,358
Total equity	**310,941**	313,157
Total liabilities and equity	**$ 408,964**	$ 423,963

ESSENTIAL ENERGY SERVICES LTD.

CONSOLIDATED STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	For the three months ended June 30		For the six months ended June 30	
(Thousands, except per share amounts)	**2014**	2013	**2014**	2013
Revenue	**$ 52,752**	$ 38,417	**$ 156,482**	$ 158,936
Operating expense	**47,530**	39,727	**123,933**	122,415
Gross margin	**5,222**	(1,310)	**32,549**	36,521
General and administrative expenses	**4,782**	3,861	**9,602**	8,267
	440	(5,171)	**22,947**	28,254
Depreciation and amortization	**6,576**	6,006	**13,361**	13,050
Share-based compensation	**678**	269	**1,329**	612
Other expense	**98**	187	**853**	53
Operating profit (loss) from continuing operations	**(6,912)**	(11,633)	**7,404**	14,539
Finance costs	**481**	402	**914**	778
Income (loss) before income tax from continuing operations	**(7,393)**	(12,035)	**6,490**	13,761
Current income tax expense (recovery)	**(1,466)**	(969)	**1,316**	3,456
Deferred income tax expense (recovery)	**(502)**	(2,108)	**450**	58
Total income tax expense (recovery)	**(1,968)**	(3,077)	**1,766**	3,514
Net income (loss) from continuing operations	**$ (5,425)**	$ (8,958)	**$ 4,724**	$ 10,247
Loss from discontinued operations, net of tax	**-**	(2,678)	**-**	(3,285)
Net income (loss)	**$ (5,425)**	$ (11,636)	**$ 4,724**	$ 6,962
Unrealized foreign exchange loss from continuing operations	**(80)**	-	**(166)**	-
Unrealized foreign exchange loss from discontinued operations	**-**	(156)	**-**	(187)
Other comprehensive loss	**(80)**	(156)	**(166)**	(187)
Comprehensive income (loss)	**$ (5,505)**	$ (11,792)	**$ 4,558**	$ 6,775
Net income (loss) attributable to:				
Shareholders of Essential	**$ (5,425)**	$ (11,501)	**$ 4,724**	$ 7,126
Non-controlling interest	**-**	(135)	**-**	(164)
	$ (5,425)	$ (11,636)	**$ 4,724**	$ 6,962
Comprehensive income (loss) attributable to:				
Shareholders of Essential	**$ (5,505)**	$ (11,650)	**$ 4,558**	$ 6,947
Non-controlling interest	**-**	(142)	**-**	(172)
	$ (5,505)	$ (11,792)	**$ 4,558**	$ 6,775
Net income (loss) per share from continuing operations				
Basic and diluted, attributable to shareholders of Essential	**$ (0.04)**	$ (0.07)	**$ 0.04**	$ 0.08
Net income (loss) per share				
Basic and diluted, attributable to shareholders of Essential	**$ (0.04)**	$ (0.09)	**$ 0.04**	$ 0.06
Comprehensive income (loss) per share				
Basic and diluted, attributable to shareholders of Essential	**$ (0.04)**	$ (0.09)	**$ 0.04**	$ 0.06

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands)		For the six months ended June 30 **2014**		2013
Operating activities:				
Net income from continuing operations	**$**	**4,724**	$	10,247
Non-cash adjustments to reconcile net income for the period to operating cash flow:				
Depreciation and amortization		**13,361**		13,050
Deferred income tax expense		**450**		58
Share-based compensation		**400**		612
Provision for impairment of trade accounts receivable		**225**		280
Finance costs		**914**		778
Loss on disposal and retirement of assets		**848**		64
Operating cash flow before changes in non-cash working capital		**20,922**		25,089
Change in non-cash operating working capital:				
Trade and other accounts receivable before provision		**32,374**		31,326
Inventories		**(5,520)**		(4,218)
Prepayments		**(379)**		547
Trade and other accounts payable		**(4,540)**		(6,156)
Current income taxes payable		**(6,102)**		(1,374)
Net cash provided by operating activities from continuing operations		**36,755**		45,214
Investing activities:				
Purchase of property, equipment and intangibles		**(19,172)**		(18,704)
Business acquisition, net of cash acquired		**(5,533)**		-
Non-cash investing working capital in trade and other accounts payable		**(4,349)**		(546)
Proceeds on disposal of equipment		**1,902**		726
Net cash used in investing activities from continuing operations		**(27,152)**		(18,524)
Financing activities:				
Issuance of long-term debt		**(594)**		(20,971)
Proceeds from exercise of share options		**871**		2,187
Repurchase of shares		**(500)**		(421)
Dividends paid		**(7,534)**		(6,227)
Finance costs		**(914)**		(778)
Net cash used in financing activities from continuing operations		**(8,671)**		(26,210)
Foreign exchange (gain) loss on cash held in a foreign currency		**(19)**		17
Net increase in cash		**913**		497
Bank indebtedness, beginning of period		**(2,112)**		(1,835)
Bank indebtedness, end of period	**$**	**(1,199)**	$	(1,338)
Supplemental cash flow information				
Cash taxes paid	**$**	**7,434**	$	4,830
Cash interest and standby fees paid	**$**	**794**	$	645

2014 SECOND QUARTER EARNINGS CONFERENCE CALL AND WEBCAST

Essential has scheduled a conference call and webcast at 10:00 am MT (12:00 pm ET) on August 7, 2014.

The conference call dial in numbers are 416-340-2217 or 866-696-5910, passcode 8406362.

An archived recording of the conference call will be available approximately one hour after completion of the call until August 23, 2014 by dialing 905-694-9451 or 800-408-3053, passcode 5383943.

A live webcast of the conference call will be accessible on Essential's website at www.essentialenergy.ca by selecting "Investors" and "Events and Presentations". Shortly after the live webcast, an archived version will be available for approximately 30 days.

ABOUT ESSENTIAL

Essential is a growth-oriented, dividend paying corporation that provides oilfield services to producers in western Canada for producing wells and new drilling activity. Essential operates the largest coil tubing well service fleet in Canada with 47 coil tubing rigs and a fleet of 55 service rigs. Essential also sells, rents and services downhole tools and equipment including the Tryton MSFS®. Further information can be found at www.essentialenergy.ca.

FORWARD-LOOKING STATEMENTS AND INFORMATION

This news release contains forward-looking statements and forward-looking information (collectively the "Forward-Looking Statements") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "may", "will", "believe", "intends", "budget" and similar expressions are intended to identify Forward-Looking Statements. In particular, this news release contains forward-looking statements, including, among other things, expectations regarding: capital spending, in-service timing and the timing of completion and delivery of new equipment, customer demands and the demand for new equipment and the possible implications on results, development of new products, demand for new products, growth opportunities and sources of such growth opportunities, future cash flow and earnings, access to sufficient funding, the NCIB, the level and type of drilling activity, completion activity, work-over activity, production activity, fracturing activity and required oilfield services in the WCSB, the business, operations, revenues and margins of the Company in addition to general economic conditions, Essential's ability to meet the changing needs of the WCSB market, Essential's positioning for the future, the future operations of the coil well service and downhole tools & rentals segments, Essential's ability to overcome competitive industry pressure for the MSFS® and the Company's belief that the Packers Plus Energy Services Inc. claim is without merit. In addition, this new release contains Forward-Looking Statements, including expectations regarding: the Company's outlook for the second half of 2014 including: oilfield service activity and demand, Essential's improved service capacity, the Company's segment growth and revenue growth, the MSFS® product line, price expectations, and financial resource or liquidity issues restricting Essential's future operating, investing or financing activities.

Although the Company believes that the expectations and assumptions on which such Forward-Looking Statements are reasonable, undue reliance should not be placed on the Forward-Looking Statements because the Company can give no assurance that such statements and information will prove to be correct. Since Forward-Looking Statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual performance and results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: known and unknown risks, including those set forth in the Company's annual information form ("AIF") (a copy of which can be found under Essential's profile on SEDAR at www.sedar.com); the risks associated with the oilfield services sector (e.g. demand, pricing and terms for oilfield services; current and expected oil and natural gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks); integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties, incentive programs and environmental regulations; stock market volatility and the inability to access sufficient capital from external and internal sources; the ability of the Company's subsidiaries to enforce legal rights in foreign jurisdictions; general economic, market or business conditions; global economic events; changes to Essential's financial position and cash flow; the availability of qualified personnel, management or other key inputs; currency exchange fluctuations; changes in political and security stability; risks and uncertainty related to distribution and pipeline constraints; and other unforeseen conditions which could impact the use of services supplied by the Company. Accordingly, readers should not place undue reliance on the Forward-Looking Statements. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website at www.sedar.com for the Company. **The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any Forward-Looking Statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.**

FOR FURTHER INFORMATION, PLEASE CONTACT:

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