ESSENTIAL
ENERGY SERVICES

NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES THIRD QUARTER RESULTS AND QUARTERLY DIVIDEND

Calgary, Alberta November 7, 2012 – Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces third quarter results with EBITDA(1) of $19.1 million compared to $27.3 million in the third quarter of 2011. On a year-to-date basis, EBITDA(1) was $50.9 million compared to $40.6 million in the same period of 2011.

SELECTED FINANCIAL INFORMATION

	Three months ended September 30,		Nine months ended September 30,	
(Thousands, except per share amounts)	**2012**	2011	**2012**	2011
Revenue	**$ 84,896**	$ 99,416	**$ 256,809**	$ 206,311
Gross margin	**$ 22,979**	$ 31,100	**$ 63,150**	$ 50,829
Gross margin %(1)	**27%**	31%	**25%**	25%
EBITDA(1)	**$ 19,062**	$ 27,293	**$ 50,935**	$ 40,557
EBITDA %(1)	**22%**	27%	**20%**	20%
Funds flow from operations (1)	**$ 17,466**	$ 23,857	**$ 47,212**	$ 34,584
Per share – basic and diluted (1)	**$ 0.14**	$ 0.19	**$ 0.38**	$ 0.36
Net income attributable to shareholders of Essential	**$ 8,660**	$ 13,678	**$ 21,631**	$ 13,563
Per share – basic and diluted	**$ 0.07**	$ 0.11	**$ 0.17**	$ 0.14
Total assets	**$ 415,653**	$ 411,204	**$ 415,653**	$ 411,204
Total long-term debt	**$ 50,474**	$ 79,230	**$ 50,474**	$ 79,230
Equity attributed to shareholders of Essential	**$ 304,312**	$ 271,681	**$ 304,312**	$ 271,681

(1) Refer to Non-IFRS measures.

Completion of the acquisition of Technicoil Corporation ("Technicoil" or the "Technicoil Acquisition") on May 31, 2011 impacts the results for the nine months ended September 30, 2012 compared to the same period in 2011. The results for Technicoil are not included for January to May of 2011.

INDUSTRY OVERVIEW

At the start of the third quarter the Canadian oilfield services industry faced wet weather conditions and exploration and production ("E&P") companies were dealing with various uncertainties including pipeline limitations, volatile crude oil prices and unpredictable capital markets. These factors contributed to E&P companies curtailing or delaying capital spending. As a result, the drilling rig count was down 25% in the Western Canadian Sedimentary Basin ("WCSB") during the third quarter 2012 compared to the third quarter of 2011. The drop in drilling rig count also reduced well completion activity, including deep coil well service completion work.

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

OPERATING HIGHLIGHTS – ESSENTIAL

Results for the third quarter 2012 reflect a year-over-year decline in activity across all of Essential's operations. During the quarter:

- Coil well service – The coil well service fleet performed relatively well in the quarter despite a slowdown in industry activity with deep utilization of 79%, compared to 104% in the third quarter 2011.
- Service rigs – Completion and workover activity was sporadic during the quarter as customers managed spending levels. Service rig utilization was 45% in the third quarter 2012 compared to 54% in the third quarter 2011.
- Downhole tools & rentals – The downhole tools business reported strong performance in both the Tryton multi-stage fracturing system ("Tryton MSFS") and conventional tools.

Essential continued to execute its 2012 capital program but some spending has been deferred to 2013 by manufacturing delays during the year. Year-to-date capital expenditures were $34 million, consisting of $22 million in growth capital, $11 million in maintenance capital and $1 million in infrastructure. Essential continues to focus on investing in high-demand assets in addition to maintaining and enhancing its existing fleet. During the third quarter, Essential converted one intermediate coil tubing rig to a deep coil tubing rig and added two custom built, mobile free standing, all period double service rigs. One of these service rigs was purpose-built to work on steam-assisted gravity drainage ("SAGD") wells.

SEGMENT RESULTS - *WELL SERVICING - CANADA*

(Thousands)	Three months ended September 30, 2012	2011	Nine months ended September 30, 2012	2011
Revenue				
Coil well service*	$ **33,857**	$ 36,349	$ **94,968**	$ 60,351
Service rigs	**17,465**	20,969	**60,218**	54,448
Other	**5,849**	7,148	**20,246**	12,880
Total revenue	**57,171**	64,466	**175,432**	127,679
Operating expenses	**41,537**	41,481	**134,091**	94,165
Gross margin	**$ 15,634**	$ 22,985	**$ 41,341**	$ 33,514
Gross margin %(1)	**27%**	36%	**24%**	26%
Utilization**				
Deep coil tubing rigs				
Utilization	**79%**	104%	**71%**	90%
Operating hours	**18,301**	21,938	**48,799**	30,151
Service rigs				
Utilization	**45%**	54%	**49%**	49%
Operating hours	**22,632**	28,201	**74,003**	70,140

* Includes revenue from coil tubing rigs, nitrogen and fluid pumpers and other ancillary equipment.
** Utilization is calculated on a 10 hour day.

Completion of the acquisition of Technicoil on May 31, 2011 impacts the results for the nine months ended September 30, 2012 compared to the same period in 2011. The results for Technicoil for January to May 2011 are not included in the prior year comparatives.

Coil well service revenue decreased during the third quarter 2012 as a result of a year-over-year decrease in the number of new wells drilled and the number of wells completed. Deep coil tubing utilization was 79% during the third quarter 2012 compared to 104% for the same period in 2011. Overall, conventional deep coil tubing utilization decreased due to a decline in stimulation work in southern Alberta. Strong demand for masted deep coil tubing rigs generated similar revenue in the third quarter of 2012 compared to 2011. Essential's larger nitrogen and fluid pumper fleet generated increased revenue during the third quarter 2012 compared to 2011. The 2012 year-to-date increase in coil well service revenue reflects the timing of the Technicoil Acquisition. The current year impact of price increases introduced during the second half of 2011, and an increase in nitrogen and pumper revenue, has increased the rate per hour.

Service rig revenue decreased from the same quarter in the prior year due to wet weather conditions in July and uncertain customer spending plans. While Essential continued to see strong utilization from its service rigs in the Slave Lake region and on SAGD wells, this was offset by decreased activity across the remainder of Essential's fleet. Service rig revenue increased for the year-to-date over the same period in the prior year due to the service rigs added through the Technicoil Acquisition. Service rig pricing remained relatively stable for both the quarter and on a year-to-date basis.

During the third quarter, other revenue, which includes hybrid drilling rigs and rod rigs, decreased compared to the prior year. Utilization of the hybrid drilling rigs was adversely impacted by weather delays which resulted in utilization of 33% during the third quarter of 2012 compared to 48% in 2011.

Gross margin was lower in the third quarter of 2012 compared to the same period in the prior year. The year-over-year change was a result of lower utilization, the costs associated with increasing coil well service personnel, write-off of exhausted coil inventory, and higher repair and maintenance costs in a few locations. During the quarter, Essential also began hiring and training additional coil well service staff to ensure it has qualified personnel available to staff the new equipment that Essential is building under its 2012 capital program. Lower than anticipated utilization and delays in new equipment deliveries resulted in Essential incurring additional labour costs. It is anticipated that these costs will continue to impact the fourth quarter, but should be mostly absorbed in the first quarter of 2013 once the new equipment starts to arrive. During the nine months ended September 30, 2012, operating expenses were higher than in 2011 due to Technicoil's annual maintenance programs in the second quarter that are included in the current year results but not in the comparable information for the prior year as the costs were incurred prior to the completion of the Technicoil Acquisition.

SEGMENT RESULTS - *DOWNHOLE TOOLS & RENTALS - CANADA*

	Three months ended September 30,		Nine months ended September 30,	
(Thousands)	**2012**	2011	**2012**	2011
Revenue	**$ 26,342**	$ 33,316	**$ 77,133**	$ 76,637
Operating expenses	**17,587**	23,428	**51,602**	54,857
Gross margin	**$ 8,755**	$ 9,888	**$ 25,531**	$ 21,780
Gross margin %(1)	**33%**	30%	**33%**	28%
Number of Tryton MSFS jobs	**89**	85	**210**	167

The downhole tools & rentals segment focuses on oil and liquids-rich natural gas plays by providing production and completion tools for horizontal and vertical wells. Operations for this segment are well placed geographically across many of the active oil plays in the WCSB.

During the third quarter of 2012, demand for the Tryton MSFS remained relatively unchanged compared to the same quarter in the prior year. The average revenue per MSFS job decreased as customers reduced the number of stages per MSFS job as part of their efforts to minimize horizontal well completion costs. In the third quarter of 2012, activity levels for Essential's conventional downhole tools business remained consistent with 2011. Segment revenue also decreased in the third quarter due to a reduction in activity of the rental operations and the disposal of the wireline business in February 2012.

During the nine months ended September 30, 2012, Essential's downhole tools & rentals segment continued to grow compared to the same period in 2011. The industry continued using multi-stage fracturing services for completions on horizontal wells, and Essential realized continued growth in its conventional downhole tools operations. During the first nine months of 2012, Essential completed 210 Tryton MSFS jobs compared to 167 jobs over the same period in 2011.

The gross margin percentage for this segment improved over the prior year as a result of tool procurement efficiencies and the disposition of the wireline business. Wireline historically generated lower margins compared to the ongoing operations of this segment.

COLOMBIA

Essential services producing wells from its operating base in Barrancabermeja, Colombia. The Colombian operations were slightly cash flow negative during the quarter and revenue was below management expectations due to periods of inactivity largely related to the service rig operations. The

Colombian operations continued to experience inconsistent activity. Essential is pursuing opportunities to stabilize activity and improve these operations. Management believes that there is significant demand for the services Essential provides and is continuing to pursue reliable work arrangements with a broader customer base.

GENERAL AND ADMINISTRATIVE

(Thousands)	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011
General and administrative expenses	**$ 3,917**	$ 3,807	**$ 12,215**	$ 10,272
As a % of revenue	**5%**	4%	**5%**	5%

General and administrative expenses are comprised of wages, professional fees, office space and other administrative costs incurred at the corporate and operational level. General and administrative expenses as a percentage of revenue increased in the third quarter of 2012 due to the impact of lower revenue. General and administrative expenses increased on a year-to-date basis in 2012 primarily due to additional administrative costs associated with Technicoil field operations which are only included in the 2011 comparative information for four months following completion of the Technicoil Acquisition.

WORKING CAPITAL

(Thousands)	**September 30, 2012**	September 30, 2011
Current assets	**$ 92,937**	$ 98,314
Current liabilities, excluding current portion of long-term debt	**(33,180)**	(39,166)
Working capital	**$ 59,757**	$ 59,148
Working capital ratio	**2.8 : 1**	2.5 : 1

The increase in working capital is a result of Essential's operating results compared to the prior year.

CREDIT FACILITY

Essential's Credit Facility with its banking syndicate is comprised of a $100 million revolving term loan facility with a $35 million accordion feature available on lender's consent. The revolving term loan facility matures on May 30, 2014, is renewable at the lender's consent and is secured by a general security agreement over the Company's assets. To the extent the revolving term loan facility is not renewed, debt payments would be required over a two year period based on a three year amortization schedule. At September 30, 2012, the maximum of $100 million was available to Essential.

As at September 30, 2012, all financial debt covenants were satisfied and all banking requirements were up to date. Essential does not anticipate any financial resource or liquidity issues to restrict its future operating, investing or financing activities. On November 7, 2012, Essential had long-term debt outstanding of $51 million.

EQUIPMENT EXPENDITURES

(Thousands)	Three months ended September 30, 2012		Nine months ended September 30, 2012	
	2012	2011	**2012**	2011
Well Servicing	**$ 10,480**	$ 14,245	**$ 31,568**	$ 28,167
Downhole Tools & Rentals	**168**	1,534	**1,381**	4,663
Corporate	**115**	246	**825**	671
Total equipment expenditures	**10,763**	16,025	**33,774**	33,501
Less: proceeds on disposal of property and equipment	**(169)**	(578)	**(8,284)**	(2,929)
Net equipment expenditures[1]	**$ 10,594**	$ 15,447	**$ 25,490**	$ 30,572

Essential continues to execute its 2012 capital program. The delivery of certain equipment has been delayed due to equipment manufacturers encountering manpower shortages and procurement delays. 2012 capital spending is expected to decrease from the previous expectation of $57 million to $51 million due to these delays and is now expected to consist of $36 million in growth capital and $15 million in maintenance and infrastructure capital. The program continues to focus on increasing the depth capacity of the coil tubing fleet, expanding the pumping fleet to support deeper horizontal well activity and enhancing the service rig fleet.

During the first nine months of 2012, Essential added the following assets to its fleet:

- One intermediate coil tubing rig was converted to a deep coil tubing rig.
- One 1,000 HP quintiplex fluid pumper.
- Three custom built, mobile free standing, all-period double service rigs. One of these service rigs was purpose-built to work on SAGD wells.

Essential expects to add the following assets to its fleet through the remainder of 2012 and into 2013:

		Expected In-Service Date	
	Quantity	**2012**	**2013**
Deep masted coil tubing rigs	5	-	Q1(2), Q2, Q3(2)
Conventional deep coil tubing rig	1	Q4	-
Intermediate to deep coil tubing rig conversion	1	-	Q2
Fluid pumpers – 1,000 HP quintiplex	2	Q4(2)	-
Nitrogen pumpers – Low-rate	4	Q4(4)	-
Double service rigs – Custom built, mobile free standing, all-period (purpose-built for SAGD wells)	2	-	Q1(2)

Essential classifies its equipment expenditures as growth capital[1], maintenance capital[1], and infrastructure capital[1]. The latter category includes information systems, operational facilities and leasehold improvements. Comparative equipment expenditures are as follows:

(Thousands)		Three months ended September 30, 2012		2011		Nine months ended September 30, 2012		2011
Growth capital[1]	**$**	**6,285**	$	8,717	**$**	**21,918**	$	20,982
Maintenance capital[1]		**4,271**		7,194		**10,823**		11,325
Infrastructure capital[1]		**207**		114		**1,033**		1,194
Total equipment expenditures	**$**	**10,763**	$	16,025	**$**	**33,774**	$	33,501

OUTLOOK

So far in the fourth quarter, there has been some improvement in activity and there is an expectation of continued improvement heading into the winter drilling season. However, oil prices continue to be volatile and there is still uncertainty in the market. Management expects greater clarity as E&P companies begin to set their 2013 capital budgets, which typically occurs in the latter part of the fourth quarter.

Essential is a leading well service provider in the WCSB with a strong balance sheet and high demand services which are focused on meeting its customers' needs. With an expectation of ongoing increases in horizontal well completions, there is a growing need for horizontal workovers and production work. Essential's fleet and expertise in providing these services gives it a strong position for the future.

QUARTERLY DIVIDEND

The cash dividend for the period October 1, 2012 to December 31, 2012 has been set at $0.025 per share. The dividend will be paid on January 15, 2013 to shareholders of record on December 31, 2012. The ex-dividend date is December 27, 2012.

The third quarter 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.

SUMMARY OF QUARTERLY DATA

($Thousands, except per share amounts)	**Sep 30, 2012**	June 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010
Well servicing:								
Coil well service	**33,857**	18,697	42,414	43,945	36,349	9,871	14,131	11,373
Service rigs	**17,465**	12,815	29,938	25,060	20,969	9,606	23,873	17,747
Other	**5,849**	3,818	10,579	7,735	7,148	3,526	2,206	2,457
Total well servicing	**57,171**	35,330	82,931	76,740	64,466	23,003	40,210	31,577
Downhole tools & rentals*	**26,342**	15,540	35,251	32,115	33,316	17,115	26,206	22,366
Colombia	**1,383**	1,463	1,398	2,048	1,634	361	-	-
Total revenue	**84,896**	52,333	119,580	110,903	99,416	40,479	66,416	53,943
Gross margin(1)	**22,979**	3,667	36,504	35,758	31,100	3,077	16,652	14,636
Gross margin %(1)	**27%**	7%	31%	32%	31%	8%	25%	27%
EBITDA(1)	**19,062**	(479)	32,352	31,829	27,293	(137)	13,401	11,293
EBITDA %(1)	**22%**	(1)%	27%	29%	27%	0%	20%	21%
Net income (loss) attributable to shareholders of Essential	**8,660**	(5,923)	18,893	17,559	13,678	(6,364)	6,248	6,121
Per share – basic and diluted	**$0.07**	$(0.05)	$0.15	$0.14	$0.11	$(0.07)	$0.09	$0.09
Total assets	**415,653**	393,377	430,674	421,500	411,204	371,017	191,046	173,803
Total long-term debt	**50,474**	41,198	57,238	63,486	79,230	63,459	7,392	396
Equity attributable to shareholders of Essential	**304,312**	297,937	306,372	288,828	271,681	257,119	156,408	149,660
Utilization **								
Coil tubing rigs – deep	**79%**	32%	102%	111%	104%	37%	85%	81%
Coil tubing rigs – other	**15%**	7%	25%	30%	25%	18%	34%	35%
Service rigs	**45%**	34%	68%	59%	54%	27%	64%	51%
Hybrid drilling rigs	**33%**	11%	60%	47%	48%	47%	-	-
Operating Hours								
Coil tubing rigs – deep	**18,301**	7,262	23,236	23,524	21,938	3,638	4,575	3,740
Coil tubing rigs – other	**2,819**	1,596	5,494	6,778	5,813	3,805	7,033	8,704
Service rigs	**22,632**	16,183	35,188	31,005	28,201	13,229	28,710	24,072
Hybrid drilling rigs	**3,620**	1,230	6,581	5,192	5,337	1,696	-	-
Number of Tryton MSFS jobs	**89**	35	86	69	85	36	46	41
Equipment fleet ***								
Canada								
Coil tubing rigs - deep	**26**	25	25	25	23	23	6	5
Coil tubing rigs - other	**19**	20	24	24	25	25	26	27
Service rigs	**55**	53	58	57	57	58	52	51
Nitrogen pumpers	**10**	10	10	10	9	8	8	9
Fluid pumpers	**16**	16	15	15	12	6	-	-
Hybrid drilling rigs	**5**	5	5	5	5	5	-	-
Rod rigs	**14**	14	14	14	14	14	20	20
Colombia								
Coil tubing rigs	**2**	2	2	2	2	2	2	1
Service rigs	**2**	2	2	2	1	1	1	1
Nitrogen pumpers	**2**	2	2	2	2	2	2	1
Rod rigs	**2**	3	3	3	3	3	3	3

* Revenue for Downhole Tools & Rentals included revenue from Essential's wireline fleet until it was disposed of on February 2, 2012.

** Utilization is calculated using a 10 hour day for the entire fleet except for hybrid drilling rigs which is calculated using a 24 hour day.

*** Fleet data represents the number of units at the end of the period.

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(unaudited)

(Thousands)	**As at September 30, 2012**	As at December 31, 2011
Assets		
Current		
Cash	**$ -**	$ 164
Trade and other receivables	**69,362**	85,013
Inventories	**19,673**	17,819
Prepayments	**3,902**	2,929
	92,937	105,925
Non-current		
Property and equipment	**222,970**	211,764
Intangible assets	**40,530**	44,750
Goodwill	**57,425**	57,425
Deferred tax assets	**1,791**	1,636
	322,716	315,575
Total assets	**$ 415,653**	$ 421,500
Liabilities		
Current		
Bank indebtedness	**$ 1,457**	$ -
Trade and other payables	**28,513**	39,913
Dividends payable	**3,100**	-
Income taxes payable	**-**	5,234
Current portion of long-term debt	**-**	14,513
Current portion of equity taxes	**110**	117
	33,180	59,777
Non-current		
Long-term debt	**50,474**	48,973
Equity taxes	**110**	232
Deferred tax liabilities	**27,525**	23,615
	78,109	72,820
Total liabilities	**111,289**	132,597
Equity		
Share capital	**258,749**	257,775
Retained earnings	**40,987**	28,651
Other reserves	**4,576**	2,402
Equity attributable to shareholders of Essential	**304,312**	288,828
Non-controlling interest	**52**	75
Total equity	**304,364**	288,903
Total liabilities and equity	**$ 415,653**	$ 421,500

ESSENTIAL ENERGY SERVICES LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited)

(Thousands, except per share amounts)	For the three months ended September 30, 2012	2011	For the nine months ended September 30, 2012	2011
Revenue	**$ 84,896**	$ 99,416	**$ 256,809**	$ 206,311
Operating expenses	**61,917**	68,316	**193,659**	155,482
Gross margin	**22,979**	31,100	**63,150**	50,829
General and administrative expenses	**3,917**	3,807	**12,215**	10,272
	19,062	27,293	**50,935**	40,557
Depreciation and amortization	**6,451**	6,492	**19,845**	14,047
Share-based compensation	**492**	374	**1,427**	1,088
Equity taxes	**-**	-	**-**	478
Other (income) expense	**123**	266	**(1,020)**	1,494
Operating profit	**11,996**	20,161	**30,683**	23,450
Transaction costs	**-**	608	**-**	3,004
Finance costs	**497**	822	**1,702**	1,314
Earnings before income taxes	**11,499**	18,731	**28,981**	19,132
Income taxes				
Current expense	**1,624**	3,012	**4,092**	3,251
Deferred expense	**1,159**	2,102	**3,449**	2,619
Total income tax expense	**2,783**	5,114	**7,541**	5,870
Net income	**8,716**	13,617	**21,440**	13,262
Other comprehensive income:				
Unrealized foreign exchange gain on foreign operations	**197**	316	**1,204**	660
Comprehensive income	**$ 8,913**	$ 13,933	**$ 22,644**	$ 13,922
Net income (loss) attributable to:				
Shareholders of Essential	**$ 8,660**	**$** 13,678	**$ 21,631**	$ 13,563
Non-controlling interest	**56**	(61)	**(191)**	(301)
	$ 8,716	**$** 13,617	**$ 21,440**	$ 13,262
Comprehensive income (loss) attributable to:				
Shareholders of Essential	**$ 8,826**	**$** 13,930	**$ 22,672**	$ 14,124
Non-controlling interest	**87**	3	**(28)**	(202)
	$ 8,913	**$** 13,933	**$ 22,644**	$ 13,922
Earnings per share				
Basic and diluted, attributable to shareholders of Essential	**$ 0.07**	**$** 0.11	**$ 0.17**	$ 0.14

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

(Thousands)	For the nine months ended September 30, 2012	2011
Operating activities:		
Net income	**$ 21,440**	$ 13,262
Non-cash adjustments to reconcile net income to net cash flow:		
Depreciation and amortization	**19,845**	14,047
Deferred income tax expense	**3,449**	2,619
Share-based compensation	**1,427**	1,088
Provision for (recovery of) impairment of trade receivables	**(237)**	341
Finance costs	**1,702**	1,314
(Gain) loss on disposal of assets	**(414)**	1,913
Operating cash flow before changes in working capital	**47,212**	34,584
Changes in working capital:		
(Increase) decrease in trade and other receivables before provision	**18,063**	(26,221)
(Increase) in inventories	**(1,854)**	(1,840)
(Increase) in prepayments	**(973)**	(963)
Increase (decrease) in income taxes payable	**(6,804)**	2,856
(Decrease) in trade and other accounts payables	**(11,400)**	(4,532)
Increase (decrease) in equity taxes payable	**(129)**	402
Net cash flows from operating activities	**44,115**	4,286
Investing activities:		
Purchase of property and equipment	**(33,774)**	(33,501)
Business acquisition	**-**	(56,582)
Proceeds on disposal of equipment	**8,284**	2,929
Net cash flows used in investing activities	**(25,490)**	(87,154)
Financing activities:		
Increase (decrease) in long-term debt	**(13,012)**	78,608
Dividends paid	**(6,190)**	-
Issuance of share capital, net of costs	**685**	261
Finance costs	**(1,702)**	(1,314)
Net cash flows from (used in) financing activities	**(20,219)**	77,555
Foreign exchange gain on cash held in a foreign currency	**(27)**	(11)
Change in cash	**(1,621)**	(5,324)
Cash, beginning of period	**164**	2,392
Bank indebtedness, end of period	**$ (1,457)**	$ (2,932)
Supplemental cash flow information		
Cash taxes paid	**$ 10,906**	$ **395**

[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 and capital programs. 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.

Gross margin % – This measure is considered a primary indicator of operating performance as calculated by gross margin divided by revenue.

EBITDA (Earnings before finance costs, income taxes, equity taxes, depreciation, amortization, transaction costs, non-controlling interest earnings, losses or gains on disposal of equipment and share-based compensation) – This measure is considered an indicator of Essential's ability to generate funds flow in order to fund required working capital, service debt and fund capital programs.

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

Funds flow or funds flow from operations – This measure is an indicator of Essential's ability to generate funds flow in order to fund working capital, principal debt repayments and capital programs. 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.

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.

Infrastructure capital – Additions that are incurred in order to maintain the Company's business systems and operating facilities. Such additions do not provide incremental increases in revenue.

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.

ABOUT ESSENTIAL

Essential is a growth-oriented, dividend paying corporation that provides oilfield services to oil and gas producers in western Canada for servicing 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 57 service rigs. Essential also sells, rents and services downhole tools and equipment including the Tryton Multi-Stage Fracturing System. 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 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 including expectations regarding capital spending, in-service timing of new equipment, expectations regarding the impact of recent equipment purchases, expectations of future cash flow and earnings, expectations with respect to the demand for and price of oil and liquids-rich natural gas, expectations regarding the level and type of drilling activity, completion activity, workover activity, production activity and required oilfield services in the WCSB, expectations for continued improvement in activity heading into the winter drilling season, expectations regarding the demand for Essential's services, expectations regarding the ability to absorb labour costs in the first quarter of 2013, expectations regarding the business, operations and revenues of the Company in addition to general economic conditions, expectations regarding Essential's ability to meet the changing needs of the WCSB market, expectations regarding the capital spending plans of E&P companies, expectations for Essential's positioning for the future and expectations regarding demand for Essential's services in Colombia.

Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that such statements and information 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 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 associated with government regulations and environmental health and safety matters and other unforeseen conditions which could impact the use of equipment and services supplied by Essential in Colombia; 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 financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (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 or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

THIRD QUARTER 2012 EARNINGS CONFERENCE CALL AND WEBCAST

Essential has scheduled a conference call and webcast to begin at 10:00 am MT (12:00 pm ET) on Thursday, November 8, 2012.

The conference call dial in numbers are 416-340-8061 or 866-225-0198

A live webcast of the conference call will be accessible on Essential's website at www.essentialenergy.ca by selecting "Investors", then "Events and Presentations". Shortly after the live webcast, an archived version will be available for approximately 30 days. An archived recording of the conference call will be available approximately one hour after the completion of the call until December 8, 2012 by dialing 905-694-9451 or 800-408-3053, passcode 9994629.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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