



NEWS RELEASE

ESSENTIAL ENERGY SERVICES LTD. COMPLETES THE ACQUISITION OF TECHNICOIL CORPORATION

CALGARY, ALBERTA May 31, 2011 – Essential Energy Services Ltd. (TSX: ESN) (“**Essential**”) and Technicoil Corporation (TSX: TEC) (“**Technicoil**”) today announced completion of the acquisition of Technicoil by Essential pursuant to a plan of arrangement (the “**Arrangement**”) under the *Business Corporations Act* (Alberta).

Pursuant to the Arrangement, Essential has acquired all of the issued and outstanding common shares of Technicoil (the “**Technicoil Shares**”) in exchange for 0.7111 of a common share of Essential (each an “**Essential Share**”) and \$0.80 in cash for each Technicoil Share issued and outstanding.

APPROVAL OF THE ARRANGEMENT

The Arrangement was approved by shareholders and optionholders of Technicoil at the Technicoil annual and special meeting held May 30, 2011 (the “**Technicoil Meeting**”). At the Essential annual and special meeting held May 30, 2011 (the “**Essential Meeting**”), Essential shareholders approved the issuance of up to 51,736,446 Essential Shares in connection with the Arrangement.

Following the Technicoil Meeting and the Essential Meeting, the Court of Queen’s Bench of Alberta granted a final order approving the Arrangement on May 30, 2011. The Arrangement closed effective May 31, 2011.

THE COMBINED ENTITY

After giving effect to the Arrangement, there are approximately 123.2 million Essential Shares issued and outstanding. The Technicoil Shares are expected to be delisted from the Toronto Stock Exchange (“**TSX**”) within two to three days after receipt by the TSX of all required documentation.

The board of directors of Essential has been constituted and is comprised of members from the former Essential and Technicoil boards of directors. The board members include: James Banister, Chairman, Garnet Amundson, Robert German, Roderick Graham, Edward Grimes, Nicholas Kirton, and Andrew Zaleski.

Benefits of the Arrangement include the expectation that the combined company will:

- strengthen Essential’s position as the largest provider of coil tubing well services in Canada, will operate the sixth largest fleet of conventional well service rigs and be a key supplier of downhole tools and multi-stage fracturing service in the Canadian market;
- be strategically positioned to service the various oil and liquids-rich natural gas resource plays in western Canada that are being developed with horizontal well and multi-stage fracturing technology;
- benefit from operating and cost efficiencies realized through the consolidation of certain operating and administrative functions;
- provide the opportunity to market existing services to an expanded customer base; and
- continue to provide an exciting and respected platform to attract and retain experienced personnel.

ESSENTIAL CREDIT FACILITY

Essential announces it has entered into a renewed credit agreement dated May 31, 2011 (the “**Credit Agreement**”) with a syndicate of lenders including: National Bank of Canada, as Agent, with National Bank of Canada, The Toronto-Dominion Bank, HSBC Bank Canada and Canadian Western Bank (the

“Lenders”). The Credit Agreement provides Essential with a \$100 million credit facility and an accordion feature that allows Essential to increase the credit facility by \$35 million at a future date, subject to certain terms and conditions, including Lenders’ consent. The credit facility has an initial maturity term date of May 31, 2012 and is renewable annually at the option of Essential, upon the consent of the Lenders. On May 31, 2011, Essential had \$54.6 million drawn on the credit facility.

ABOUT ESSENTIAL

Essential Energy Services Ltd. is a growth-oriented corporation that provides oilfield services to oil and gas producers in western Canada and Colombia for servicing producing wells and new drilling activity. Essential provides services through its Well Servicing and Downhole Services & Rentals divisions. With the acquisition of Technicoil, Essential continues to operate the largest coil tubing well service fleet and 6th largest service rig fleet in Canada with 51 coil tubing rigs and 62 service rigs. Essential sells, rents and services downhole tools and equipment including the Tryton Multi-Stage Fracturing System. Further information about Essential can be found at www.essentialenergy.ca

For further information, please contact:

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

Cautionary Note Regarding Forward-Looking Statements and Information

This news release contains certain “forward-looking information” within the meaning of Canadian securities laws, which may include, but is not limited to, statements with respect to future events or future performance. In particular, this news release contains forward-looking statements concerning the expected date of the delisting of Technicoil common shares, the anticipated benefits from the Arrangement, Essential’s business outlook following the Arrangement; the nature of Essential’s operations following the Arrangement; integration of Essential and Technicoil and anticipated operating efficiencies.

These statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things, risks associated with fluctuations in the price and demand for oil and natural gas; activity levels in the energy sector, specifically activities requiring the services of Essential, post-acquisition; and legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where Essential operates, post-acquisition. Essential and Technicoil, respectively, do not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf.