

NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES THIRD QUARTER RESULTS

Calgary, Alberta November 9, 2016 – Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces third quarter results.

SELECTED INFORMATION

			hs ended mber 30,	_	-	ths ended ember 30,
(in thousands of dollars except per share, percentages and fleet data)	2016		2015	2016		2015
Revenue	\$ 30,376	\$	47,824	\$ 76,299	\$	142,233
Gross margin Gross margin %	4,030 13%		11,927 25%	3,681 5%		27,809 20%
EBITDAS ⁽¹⁾	1,317		8,503	(5,635)		16,530
Net (loss) income Per share – basic and diluted	(3,814) (0.03)		2,996 0.02	(65,218) (0.52)		(4,403) (0.03)
Utilization						
Masted coil tubing rigs	36%		70%	31%		62%
Service rigs	21%	6	24%	18%		26%
				As at Se	epte	ember 30,
				2016		2015
Total assets Long-term debt ⁽²⁾				\$ 242,781 31,781	\$	346,564 34,738
Equipment fleet						
Masted coil tubing rigs				21		19
Service rigs				38		48

⁽¹⁾ Refer to "Non-IFRS Measures" section for further information.

HIGHLIGHTS

Despite oil and natural gas prices improving from the lows reached earlier in the year, exploration and production company ("E&P") spending continued to be well below historical levels throughout the third quarter 2016. This reduced spending limited oilfield service activity and created an environment of excess equipment and aggressive competitor pricing. Wells drilled in the Western Canadian Sedimentary Basin ("WCSB") during the third quarter 2016, a key indicator of industry activity, were 24% lower than the third quarter 2015.

Long-term debt at September 30, 2016 does not reflect proceeds from the equity financing closed on October 12, 2016.

Essential's third quarter 2016 revenue was \$30.4 million, 36% lower than the same period of 2015 driven by low oilfield service industry activity and pricing declines resulting from competitive pricing pressure. Key third quarter 2016 highlights include:

- Bank EBITDA⁽¹⁾ of \$1.3 million exceeded Essential's minimum Bank EBITDA⁽¹⁾ covenant of \$1.0 million for the three months ended September 30, 2016.
- Essential's Generation III and IV masted coil tubing rigs experienced increased demand as customers used this equipment to complete complex, long-reach horizontal wells in the Bakken, Montney and Duvernay regions of the WCSB.
- Tryton MSFS® revenue, while below the prior year quarter, was the strongest in the past three quarters due to drilling and completion activity by a few key customers.
- On October 12, 2016, Essential closed an equity issuance for gross proceeds of \$10.4 million.
 The proceeds were used to partially repay outstanding indebtedness. The equity offering
 addresses near-term bank covenant concerns as proceeds will be applied as an equity cure to
 the Company's financial covenants for the next four quarters, beginning with the fourth quarter
 of 2016.

EBITDAS⁽¹⁾ was \$1.3 million and negative \$5.6 million for the three and nine months ended September 30, 2016, respectively. Lower utilization due to reduced industry activity and competitive pricing pressure resulted in revenue and EBITDAS⁽¹⁾ declines from 2015. While third quarter 2016 revenue is comparable to the first quarter 2016, the cost management strategies implemented earlier in the year resulted in improved EBITDAS⁽¹⁾.

Long-term debt outstanding at September 30, 2016 was \$31.8 million. With working capital of \$45.2 million, working capital exceeded debt by \$13.4 million. On November 9, 2016 there was \$21.8 million of debt outstanding. The proceeds from the equity offering on October 12, 2016 were applied to debt.

RESULTS OF OPERATIONS SEGMENT RESULTS - WELL SERVICING

(in thousands of dollars	Three months ended September 30,				_	Nine months ended September 30,		
except percentages, hours and fleet data)		2016		2015	2016		2015	
Revenue								
Coil well service (i)	\$	13,896	\$	24,432	\$ 36,074	\$	66,295	
Service rigs		4,363		7,682	11,815		29,533	
Total revenue		18,259		32,114	47,889		95,828	
Operating expenses		16,463		23,188	45,642		75,153	
Gross margin	\$	1,796	\$	8,926	\$ 2,247	\$	20,675	
Gross margin %		10%		28%	5%		22%	
Utilization (ii)								
Masted coil tubing rigs								
Utilization		36%		70%	31%		62%	
Operating hours		6,926		12,319	17,781		31,995	
Pumping								
Utilization		38%		57%	30%		47%	
Operating hours		10,127		15,747	24,681		39,714	
Service rigs								
Utilization		21%		24%	18%		26%	
Operating hours		7,180		10,418	18,352		37,402	
Equipment fleet (iii)								
Masted coil tubing rigs		21		19	21		19	
Pumping		28		30	28		30	
Service rigs		38		48	38		48	

⁽i) Includes revenue from coil tubing rigs, nitrogen and fluid pumping and other ancillary equipment.

Coil well service third quarter 2016 revenue declined 43% compared to the third quarter 2015 due to lower activity and pricing. Lower E&P spending resulted in reduced operating hours for both masted coil tubing and pumping operations. While there was a decrease in total masted coil tubing operating hours, Essential's Generation III and Generation IV masted coil tubing rigs experienced increased demand as customers used this equipment to complete complex, long-reach horizontal wells in the Bakken, Montney and Duvernay regions of the WCSB. Coil well service revenue per hour declined by 5% to 10% compared to the third quarter 2015.

Third quarter 2016 service rig revenue decreased 43% compared to the same period in 2015. Operating hours declined 31% compared to third quarter 2015. Service rig revenue per hour was down approximately 20% compared to the third quarter 2015. Limited industry activity continued to result in aggressive competition and pricing pressure.

Well servicing gross margin as a percentage of revenue was 10% in the third quarter of 2016, lower than the same period of 2015. Cost reductions implemented earlier in the year partially offset the impact of lower revenue.

⁽ii) Utilization is calculated using a 10 hour day.

⁽iii) Fleet data represents the number of units in-service at the end of the period.

On a year-to-date basis, well servicing revenue decreased 50% compared to the prior period. The year-over-year decline is due to lower activity and price declines as a result of the continued industry downturn. Essential maintained positive gross margin year-to-date despite the price and activity declines due to cost reductions implemented earlier in the year.

SEGMENT RESULTS - DOWNHOLE TOOLS & RENTALS

			months tember		Nine months ended September 30,				
(in thousands of dollars, except percentages)		2016		2015	2016		2015		
Revenue	\$	12,256	\$	15,919	\$ 28,728	\$	46,990		
Operating expenses		9,989		12,229	25,174		37,064		
Gross margin Gross margin %	\$	2,267 18%	\$	3,690 23%	\$ 3,554 12%	\$	9,926 21%		
Downhole Tools & Rentals revenue – % of revenue	nue								
Tryton MSFS®		45%		40%	37%		35%		
Conventional Tools & Rentals		55%		60%	63%		65%		

Downhole Tools & Rentals ("DT&R") revenue decreased 23% in the third quarter 2016 compared to the same period in 2015 due to lower Canadian and U.S. tools revenue as a result of decreased industry activity and pricing declines. Third quarter 2016 revenue from Tryton MSFS® was the strongest in the last three quarters due to drilling and completion activity by a few key customers.

Gross margin was 18% for the third quarter 2016, lower than the prior period, as pricing declines more than offset cost reductions implemented in the Canadian and U.S. operations earlier in the year. The 18% gross margin in the quarter was the highest achieved in the last three quarters.

On a year-to-date basis, DT&R revenue was below 2015 as all service lines were impacted by lower activity and price declines. Gross margin for the nine months ended September 30, 2016 decreased compared to the same period in 2015 due to reduced revenue and fixed operating costs comprising a larger percentage of revenue. The gross margin decline was partially mitigated by cost reductions implemented earlier in the year.

FINANCIAL RESOURCES AND LIQUIDITY

CREDIT FACILITY

Essential's credit facility is comprised of a \$40 million revolving term loan facility with a \$20 million accordion feature available on the lender's consent (the "Credit Facility"). The Credit Facility was renewed on June 15, 2016 and matures on May 31, 2019. It is renewable at the lender's consent and is secured by a general security agreement over the Company's assets. To the extent the Credit Facility is not renewed, the balance becomes immediately due and payable on the maturity date. At September 30, 2016, the maximum of \$40 million under the Credit Facility was available to Essential.

The Credit Facility includes an equity cure provision where proceeds from equity offerings may be applied to the calculation of Bank EBITDA⁽¹⁾ in the funded debt⁽¹⁾ to Bank EBITDA⁽¹⁾ covenant, the minimum cumulative Bank EBITDA⁽¹⁾ covenant and the fixed charge coverage⁽¹⁾ covenant. The equity cure provision can be exercised in the period that the proceeds are received or the prior period if the proceeds are received in advance of filing the quarterly compliance certificate with the banking

syndicate. On October 12, 2016, Essential received gross proceeds of \$10.4 million for 16,019,883 shares issued at \$0.65 per share from an equity offering. The Company will apply the proceeds as an equity cure to its fourth quarter 2016 Bank EBITDA⁽¹⁾ calculation under the Credit Facility. Due to the trailing 12 month nature of the covenants, the proceeds from the equity offering will increase Bank EBITDA⁽¹⁾ for the first, second and third quarter 2017 covenants as well.

As at September 30, 2016, all financial covenants were satisfied and all banking requirements under the Credit Facility were up-to-date. Essential does not anticipate financial resource or liquidity issues to restrict its future operating, investing or financing activities. On November 9, 2016, Essential had \$21.8 million of debt outstanding.

EQUIPMENT EXPENDITURES AND FLEET ADDITIONS

	Three months ended September 30,			Nine months ended September 30,				
(in thousands of dollars)	2016		2015	2016		2015		
Well Servicing	\$ 1,468	\$	4,195	\$ 7,641	\$	11,869		
Downhole Tools & Rentals	5		-	1,376		692		
Corporate	1		136	33		623		
Total equipment expenditures	1,474		4,331	9,050		13,184		
Less proceeds on disposal of equipment	(491)		(302)	(2,084)		(1,112)		
Net equipment expenditures ⁽¹⁾	\$ 983	\$	4,029	\$ 6,966	\$	12,072		

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

	Three months ended September 30,			Nine months ended September 30,					
(in thousands of dollars)	2016		2015	2016		2015			
Growth capital ⁽¹⁾ Maintenance capital ⁽¹⁾	\$ 1,076 398	\$	3,704 627	\$ 6,375 2,675	\$	10,716 2,468			
Total equipment expenditures	\$ 1,474	\$	4,331	\$ 9,050	\$	13,184			

Near the end of the third quarter, the fabricator of Essential's Generation IV masted coil tubing rigs advised that they were unable to complete the two rigs under construction within the agreed delivery schedule and price. Given the fabricator's history of cost overruns, delivery delays and Essential's recent concerns with their ability to complete the project, Essential concluded that it would not provide further funds to the fabricator to complete the rigs. On November 6, 2016 Essential executed a settlement agreement and terminated its contract with the fabricator. Pursuant to the terms of the settlement agreement, Essential has taken delivery of the partially completed rigs, fabricated components, parts, technical information and certifications that were previously in the fabricator's possession. Essential is currently conducting a full evaluation of all equipment, parts and components received. The evaluation will include inventory verification, assessment of the percentage of completion, remaining costs and a timeline to bring the two Generation IV masted coil tubing rigs into service. Although Essential's decision to terminate this contract will delay the delivery of these two rigs, management anticipates that its existing fleet of Generation III and IV masted coil tubing rigs will meet near-term market demand.

In addition to the two rigs under construction, Essential had previously paid deposits of approximately \$2 million to the fabricator for two additional rigs that had been deferred. Essential took delivery of the majority of parts and components associated with these deferred rigs. The balance of the parts are

expected to be shipped directly to Essential from a third party fabricator by the end of the first quarter, 2017.

Essential estimates that the cumulative value of assets that were in the fabricator's possession, including deposits, is \$13 million.

Essential's 2016 capital budget has increased from \$11 million to \$12 million. It is comprised of \$9 million of growth capital and \$3 million of maintenance capital. The \$1 million increase in growth capital consists of additional deposits Essential expects to pay to a new third party fabricator for completion of the first of the remaining two Generation IV masted coil tubing rigs under construction and the purchase of incremental rental drill pipe for DT&R. The remaining cost to complete the rigs under construction will be included in Essential's 2017 capital budget.

PATENT LITIGATION UPDATE

Essential is in the final stages of preparing for trial in its defense against allegations that certain products and methods associated with the Tryton MSFS® infringe on a patent issued to Packers Plus Energy Services Inc. ("Packers Plus") (the "Claim"). The trial is scheduled to start on February 6, 2017 and is expected to last four weeks. There are two parts to the trial:

- Validity The validity portion of the trial will focus on whether or not the patent is valid. Given
 the fact that Packers Plus has asserted infringement of the same patent against Essential and
 three other groups of defendants, Baker Hughes Canada Company, Weatherford Canada Ltd.
 and Resource Well Completion Technologies Inc., and all of the defendants have filed
 counterclaims seeking a declaration that the patent is invalid, the Federal Court has directed
 that the counterclaims be consolidated into a single trial (the "Joint Validity Trial"). During the
 Joint Validity Trial the four defendants will assert their common position that the patent is
 invalid.
- Infringement The infringement portion of the trial will focus on whether or not Essential has infringed the Packers Plus patent, if the Federal Court holds that the patent is valid. The infringement portions of the Baker Hughes Canada Company, Weatherford Canada Ltd. and Resource Well Completion Technologies Inc. trials will not be consolidated with the infringement portion of the Essential case since each infringement action, by its nature, deals with different tools and, additionally, the other three actions were started more recently than the Claim.

Essential continues to believe that the Claim is without merit. The Claim targets only the Tryton MSFS® ball & seat system, which Essential commenced using in 2009. It does not target past or future operations of Essential's conventional tools, other Tryton MSFS® tools or the rentals business. Proceedings of this nature can take years to resolve through the court process.

OUTLOOK

Commodity prices have improved from earlier in the year resulting in a new level of cautious, but encouraging, optimism in the industry. Drilling rig utilization to-date in the fourth quarter in the WCSB has been approximately 20%, which is less than the same period in 2015 but is an improvement from the third quarter of 2016. Demand for oilfield services has improved as stronger commodity prices support E&P investment. Visibility beyond the fourth quarter is limited but should become clearer as E&P companies announce their 2017 capital budgets.

For Essential, activity in the fourth quarter has improved from the third quarter. Customer interest and enquiries have increased. Due to staffing reductions in prior periods, Essential could become Page 6 of 6

constrained in its ability to supply equipment in the short-term if demand continues to increase. Essential has increased its labour pool by 30% since the first quarter 2016 and is continuing to hire during the fourth quarter 2016 in anticipation of a busier winter season. Service pricing appears to have bottomed in the third quarter of 2016 and has remained stable but with excess equipment in the industry, activity increases will need to be more pronounced before service pricing can increase in a meaningful way.

Essential completed an equity financing on October 12, 2016, for gross proceeds of \$10.4 million. This addresses near-term bank covenant concerns as proceeds will be applied as an equity cure to the Company's financial covenants for the next four quarters, beginning with the fourth quarter of 2016.

Essential has among the lowest debt levels in the oilfield services sector with debt on November 9, 2016, of \$21.8 million. Essential is well-positioned to respond and grow as the industry begins to pull out of the prolonged downturn with the flexibility to meet anticipated operating needs and capital spending requirements.

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 (loss) income and net (loss) income 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 (loss) income and net (loss) income per share as calculated in accordance with IFRS.

Bank EBITDA – Bank EBITDA is generally defined in Essential's Credit Facility as EBITDAS before severance costs.

EBITDAS (Earnings before finance costs, income taxes, depreciation, amortization, transaction costs, losses or gains on disposal of equipment, write-down of assets, impairment loss, foreign exchange gains or losses, and share-based compensation, which includes both equity-settled and cash-settled transactions) – These adjustments are relevant as they provide another measure which is considered an indicator of Essential's results from its principal business activities.

EBITDAS % – This measure is considered an indicator of Essential's results from its principal business activities as calculated by EBITDAS divided by revenue.

Fixed charge coverage ratio – This measure is generally defined in Essential's Credit Facility as the ratio of Bank EBITDA less cash tax expense to the sum of scheduled principal repayments and interest expense.

Funded debt – Funded debt is generally defined in Essential's Credit Facility as long-term debt including current portion of long-term debt plus deferred financing costs and bank indebtedness, net of cash.

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

Maintenance capital – Equipment additions that are incurred in order to refurbish, replace or extend the life of previously acquired equipment. Such additions do not provide incremental revenue.

Net equipment expenditures – This measure is equipment expenditures less proceeds on the disposal of equipment. Essential uses net equipment expenditures to describe net cash outflows related to the financing of Essential's capital program.

Working capital – Working capital is calculated as current assets less current liabilities.

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

		As at		As at
	Sept	ember 30	Dec	ember 31
(in thousands of dollars)		2016		2015
Assets				
Current				
Cash	\$	-	\$	1,042
Trade and other accounts receivable		23,621		28,460
Inventories		26,662		30,609
Income tax receivable		7,418		3,791
Prepayments and other current assets		3,142		2,697
		60,843		66,599
Non-current				
Property and equipment		176,001		225,479
Intangible assets		2,348		21,347
Goodwill		3,589		3,799
		181,938		250,625
Total assets	\$	242,781	\$	317,224
Liabilities				
Current				
Bank indebtedness	\$	426	\$	-
Trade and other accounts payable		15,254		15,466
Dividends payable		-		378
		15,680		15,844
Non-current				
Long-term debt		31,781		25,543
Deferred tax liabilities		16,121		31,279
		47,902		56,822
Total liabilities		63,582		72,666
Equity				
Share capital		262,977		262,977
Deficit		(89,191)		(23,595)
Other reserves		5,413		5,176
Total equity		179,199		244,558
Total liabilities and equity	\$	242,781	\$	317,224

ESSENTIAL ENERGY SERVICES LTD. CONSOLIDATED INTERIM STATEMENTS OF NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME (Unaudited)

	For the three months ended September 30,			Sep	onths ended er 30,	
(in thousands of dollars, except per share amounts)	2016		2015	2016		2015
Revenue	\$ 30,376	\$	47,824	\$ 76,299	\$	142,233
Operating expenses	26,346		35,897	72,618		114,424
Gross margin	4,030		11,927	3,681		27,809
General and administrative expenses	2,713		3,424	9,316		11,279
Depreciation and amortization	4,313		6,280	15,736		19,434
Share-based compensation	805		34	1,520		648
Impairment loss	-		(702)	61,652		- (404)
Other expenses (income)	780		(782)	2,164		(481)
Operating (loss) income	(4,581)		2,971	(86,707)		(3,071)
Finance costs	272		325	940		1,129
(Loss) income before income taxes	(4,853)		2,646	(87,647)		(4,200)
Current income tax (recovery) expense	(640)		1,805	(7,271)		(1,757)
Deferred income tax (recovery) expense	(399)		(2,155)	(15,158)		1,960
Income tax (recovery) expense	(1,039)		(350)	(22,429)		203
Net (loss) income	\$ (3,814)	\$	2,996	\$ (65,218)	\$	(4,403)
Unrealized foreign exchange (loss) gain	(20)		179	(72)		366
Comprehensive (loss) income	\$ (3,834)	\$	3,175	\$ (65,290)	\$	(4,037)
Net (loss) income per share						
Basic and diluted	\$ (0.03)	\$	0.02	\$ (0.52)	\$	(0.03)
Comprehensive (loss) income per share						
Basic	\$ (0.03)	\$	0.03	\$ (0.52)	\$	(0.03)
Diluted	\$ (0.03)	\$	0.02	\$ (0.52)	\$	(0.03)

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

		 onths ended oer 30,		
(in thousands of dollars)	2016	2015		
Operating activities:				
Net loss	\$ (65,218)	\$ (4,403)		
Non-cash adjustments to reconcile net loss for the period to operating cash flow:				
Depreciation and amortization	15,736	19,434		
Deferred income tax (recovery) expense	(15,158)	1,960		
Equity-settled share-based compensation	309	252		
Provision for impairment of trade accounts receivable	532	676		
Finance costs	940	1,129		
Impairment loss	61,652	-		
Loss on disposal of assets	1,533	1,204		
Operating cash flow before changes in non-cash operating working capital Changes in non-cash operating working capital:	326	20,252		
Trade and other accounts receivable before provision	4,691	38,112		
Income tax receivable	(3,627)	(2,048)		
Inventories	282	5,317		
Prepayments and other current assets	(445)	11		
Trade and other accounts payable	510	(12,976)		
Net cash provided by operating activities	1,737	48,668		
Investing activities:				
Purchase of property, equipment and intangible assets	(9,050)	(13,184)		
Non-cash investing working capital in trade and other accounts payable	(722)	(3,354)		
Proceeds on disposal of equipment	2,084	1,112		
Net cash used in investing activities	(7,688)	(15,426)		
Financing activities:				
Increase (repayment) of long-term debt	6,238	(20,515)		
Proceeds from exercise of options	-	68		
Dividends paid	(755)	(11,324)		
Finance costs	(940)	(1,129)		
Net cash provided by (used in) financing activities	4,543	(32,900)		
Foreign exchange (loss) gain on cash held in a foreign currency	(60)	321		
Net (decrease) increase in cash	(1,468)	663		
Cash (bank indebtedness), beginning of period	1,042	(991)		
Bank indebtedness, end of period	\$ (426)	\$ (328)		
Supplemental cash flow information Cash taxes (refunded) paid Cash interest and standby fees paid	\$ (3,408)	\$ 290 1,056		

2016 THIRD QUARTER RESULTS CONFERENCE CALL AND WEBCAST

Essential has scheduled a conference call and webcast at 10:00 am MT (12:00 pm ET) on November 10, 2016.

The conference call dial in numbers are 416-340-2217 or 866-696-5910, passcode 1561348.

An archived recording of the conference call will be available approximately one hour after completion of the call until November 24, 2016 by dialing 905-694-9451 or 800-408-3053, passcode 4938292.

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 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, service 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.

FORWARD-LOOKING STATEMENTS AND INFORMATION

This news release contains "forward-looking statements" and "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of material factors, assumptions, risks and uncertainties, many of which are beyond the control of the Company.

Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "continues", "projects", "potential", "budget" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. This news release contains forward-looking statements, pertaining to, among other things, the following: cash flow and earnings; the application of proceeds from the equity offering to bank covenants and this addressing near-term bank covenant concerns; the Credit Facility and the impact of financial covenant limitations thereunder; the impact of Essential's financial resources or liquidity on its future operating, investing and financing activities; the Company's belief that the Packers Plus Claim is without merit, the date the trial is scheduled to start, the duration of the trial and the length of time it will take to resolve the claim; capital spending; Essential's long-term build program and the addition of new masted coil rigs; the evaluation and value of the partially completed rigs and associated equipment parts, equipment and components received from the fabricator; the ability of Essential's existing fleet of Generation III and IV masted coil tubing rigs to meet near-term market demand; the future demand for Generation IV coil tubing rigs, the costs, timing, anticipated delivery of parts and in-service dates associated with such program, including the anticipated growth capital to be paid to a new third party fabricator; industry spending and use of available cash; anticipated economic conditions; short and long-term outlook on industry activity; visibility beyond the fourth quarter should become clearer as E&P companies announce their 2017 capital budgets; the Company's ability to supply equipment in the short-term; the hiring of employees by the Company; stability of service pricing; the Company being positioned to respond and grow as the industry begins to pull out of the downturn; and the Company having flexibility to meet anticipated operating needs and capital requirements.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements are made, undue reliance should not be placed on the forward-looking statements because the Company can give no assurances that such statements and information will prove to be correct and such statements are not guarantees of future performance. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

[®] MSFS is a registered trademark of Essential Energy Services Ltd.

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 for the year ended December 31, 2015 (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 importance or reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive.

Statements, including forward-looking statements, contained in this news release are made as of the date they are given and the Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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 under Essential's profile on SEDAR at www.sedar.com.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Garnet K. Amundson Karen Perasalo
President and CEO Investor Relations
Phone: (403) 513-7272 Phone: (403) 513-7272
service@essentialenergy.ca service@essentialenergy.ca

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