NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES SECOND QUARTER RESULTS AND DIVIDEND REDUCTION

Calgary, Alberta August 5, 2015 – Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces second quarter results and the quarterly dividend.

SELECTED INFORMATION

(in thousands of dollars except per share, percentages and fleet data)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
Revenue	**$ 23,990**	$ 52,752	**$ 94,409**	$ 156,482
Gross margin	**580**	5,222	**15,882**	32,549
Gross margin %	**2%**	10%	**17%**	21%
EBITDAS[(1)]	**(2,832)**	440	**8,027**	22,947
EBITDAS %[(1)]	**(12)%**	1%	**9%**	15%
Net (loss) income	**(10,495)**	(5,425)	**(7,399)**	4,724
Per share – basic and diluted	**(0.08)**	(0.04)	**(0.06)**	0.04
Total assets	**337,299**	408,964	**337,299**	408,964
Total long-term debt	**27,027**	38,433	**27,027**	38,433
Utilization				
Masted coil tubing rigs	**25%**	42%	**57%**	75%
Service rigs	**19%**	34%	**28%**	50%
Equipment fleet				
Masted coil tubing rigs	**19**	17	**19**	17
Service rigs	**54**	55	**54**	55

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

HIGHLIGHTS

Industry activity for the first half of 2015 was significantly below the same period in the prior year as weak oil and natural gas prices resulted in exploration and production ("E&P") companies drastically reducing spending, decreasing the demand for oilfield service activity. This also resulted in customers demanding lower prices for oilfield services. In response to this, Essential took proactive steps in the first quarter 2015 to manage costs. Compensation and discretionary spending reductions were implemented, including a 20% reduction in the Board's fees and executive salaries and suspension of various benefit and incentive programs. Non-executive employee salaries were decreased by an average of 10% and the employee headcount was reduced by approximately 40%. Essential expects to realize annualized fixed cost savings from these initiatives of approximately $10 million.

Second Quarter 2015

Second quarter results reflect the cumulative impact of the seasonally slow period and poor industry fundamentals. EBITDAS[1] for the three months ended June 30, 2015 was negative $2.8 million, compared to $0.4 million in the comparative 2014 period. The reduction reflects slower activity and pricing pressures. Cost management initiatives and an overall decrease in discretionary spending limited the second quarter 2015 operating loss, despite a significant revenue decline.

With industry well completions, a key driver of Essential's services, down 63% from the comparative period, Essential's masted coil tubing and pumping fleet performed relatively well with operating hours declining 29% and 35%, respectively. Competitive pricing pressures resulted in revenue per hour declines of approximately 10% to 15% in well servicing and price reductions of approximately 15% to 20% in downhole tools & rentals relative to the second quarter of 2014.

Year-To-Date 2015

EBITDAS[1] for the first half of 2015 was $8.0 million, compared to $22.9 million in the same period in 2014. Essential's employee headcount, wage and discretionary spending reductions implemented in the first quarter of 2015 resulted in cost reductions year-to-date, partially offsetting the revenue decline.

With the challenging industry conditions Essential has been focused on cost management, disciplined capital spending and balance sheet preservation. At June 30, 2015, the Company had $27.0 million of long-term debt outstanding.

Dividend Reduction

Industry fundamentals show no signs of improvement in the near term as there remains uncertainty with respect to the extent and duration of the industry downturn. In an effort to preserve its strong financial position, Essential has reduced its dividend by 50%. Starting with the August 5, 2015 dividend announcement, the quarterly dividend will be $0.015 per share. This will decrease the annualized dividend from $15.1 million to $7.6 million. The Board will continue to review the dividend on a quarterly basis.

DIVIDEND DECLARATION

The cash dividend for the period July 1, 2015 to September 30, 2015 has been set at $0.015 per share. The dividend will be paid on October 15, 2015 to shareholders of record on September 30, 2015. The ex-dividend date is September 28, 2015. This dividend is an eligible dividend for Canadian income tax purposes.

RESULTS OF OPERATIONS

SEGMENT RESULTS - *WELL SERVICING*

(in thousands of dollars, except percentages, hours and fleet data)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
Revenue				
Coil well service (i)	**$ 9,887**	$ 17,398	**$ 41,863**	$ 58,897
Service rigs	**6,825**	16,437	**21,851**	48,936
Total revenue	**16,712**	33,835	**63,714**	107,833
Operating expenses	**15,677**	34,389	**51,965**	88,650
Gross margin	**$ 1,035**	$ (554)	**$ 11,749**	$ 19,183
Gross margin %	**6%**	(2%)	**18%**	18%
Utilization (ii)				
Masted coil tubing rigs				
Utilization	**25%**	42%	**57%**	75%
Operating hours	**4,341**	6,094	**19,676**	21,406
Pumping				
Utilization	**23%**	34%	**43%**	52%
Operating hours	**6,381**	9,861	**23,967**	29,856
Service rigs				
Utilization	**19%**	34%	**28%**	50%
Operating hours	**9,239**	16,907	**26,984**	49,523
Equipment fleet (iii)				
Masted coil tubing rigs	**19**	17	**19**	17
Pumping	**30**	32	**30**	32
Service rigs	**54**	55	**54**	55

(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 revenue decreased 43% in the second quarter of 2015 compared to the same period in 2014. Masted coil tubing and pumping hours decreased 29% and 35% respectively, less than the 63% decline in industry well completions. Essential's performance relative to the industry comparative is attributed to demand from certain customers in the Bakken, Montney and Duvernay regions during the quarter. Masted coil tubing and pumping revenue per hour was 10% to 15% lower than the second quarter of 2014.

Service rig revenue decreased 58% compared to the second quarter of 2014 due to the industry-wide decrease in activity and pricing pressure. Revenue also decreased with the sale of Essential's rod rig assets in October 2014. In comparison to 2014, service rig revenue per hour was approximately 15% lower.

Well servicing gross margin as a percentage of revenue improved in the second quarter of 2015, compared to 2014, as Essential benefited from cost management initiatives implemented in the first quarter of 2015 in response to the industry downturn. These initiatives included integration of Essential's conventional coil with its masted coil tubing operations, employee headcount and wage reductions and an overall decrease in discretionary spending.

On a year-to-date basis, well servicing revenue decreased 41% compared to the prior period due to lower demand and price declines as a result of the industry downturn. Demand for Essential's masted coil tubing and pumper fleets remained relatively strong compared to industry conditions. Operating hours were down 8% for the masted coil tubing rigs and 20% for pumpers from the same period in 2014. Service rigs, however, experienced a 46% decrease in operating hours on a period-over-period basis. Despite the significant decrease in revenue, gross margin as a percentage of revenue for the six months ended June 30, 2015 remained unchanged from 2014 as Essential proactively reduced its cost structure and discretionary spending.

Following the second quarter of 2015, Essential reduced its service rig fleet to 48 rigs by retiring six rigs.

SEGMENT RESULTS - *DOWNHOLE TOOLS & RENTALS*

(in thousands of dollars)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
Revenue	**$ 7,460**	$ 19,521	**$ 31,071**	$ 49,807
Operating expenses	**8,004**	12,910	**24,835**	34,138
Gross margin	**$ (544)**	$ 6,611	**$ 6,236**	$ 15,669
Gross margin %	**(7)%**	34%	**20%**	31%
Downhole Tools & Rentals revenue – % of revenue				
Tryton MSFS®	**16%**	25%	**33%**	34%
Conventional Tools & Rentals	**84%**	75%	**67%**	66%

Downhole tools & rentals second quarter 2015 revenue decreased 62% from the same quarter of 2014. Tryton MSFS®, conventional tools and rental revenue were all negatively impacted by decreased drilling, well completions and production work. Competition for limited customer activity resulted in pricing pressures with price reductions of approximately 15% to 20% compared to the second quarter of 2014.

Downhole tools & rentals gross margin as a percentage of revenue was negative 7% in the second quarter of 2015, compared to 34% for the same period in 2014. Further cost reduction measures, including employee headcount reductions and a decrease in discretionary spending, were implemented in the second quarter 2015 as industry conditions continued to deteriorate.

On a year-to-date basis, downhole tools & rentals revenue decreased 38% due to industry declines in drilling, well completions, production work, and ongoing pricing pressures. Gross margin as a percentage of revenue for the six months ended June 30, 2015 decreased compared to the prior year as fixed costs comprised a greater percentage of revenue.

GENERAL AND ADMINISTRATIVE

(in thousands of dollars)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
General and administrative expenses	**$ 3,412**	$ 4,782	**$ 7,855**	$ 9,602
As a % of revenue	**14%**	9%	**8%**	6%

General and administrative expenses ("G&A") are comprised of wages, professional fees, office space and other administrative costs incurred at corporate and operational levels. G&A expenses for the three and six months ended June 30, 2015 were lower than the same period in 2014 due primarily to employee headcount reductions, salary reductions and the suspension of various benefit and incentive plans in 2015. G&A as a percentage of revenue increased from the same periods in 2014 due to the significant revenue declines.

OTHER EXPENSE

(in thousands of dollars)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
Loss (gain) on asset disposal and write-down	**$ 876**	$ (198)	**$ 1,143**	$ 848
Foreign exchange loss (gain)	**238**	256	**(763)**	(60)
Other (gain) loss	**(97)**	40	**(79)**	65
Other expense	**$ 1,017**	$ 98	**$ 301**	$ 853

Loss (gain) on assets includes disposal and write-down of equipment that is no longer used in operations. The weakening Canadian dollar in relation to the U.S. dollar resulted in higher foreign exchange gains in the first six months of 2015 compared to the same period in 2014.

INCOME TAXES

(in thousands of dollars)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
Current income tax (recovery) expense	**$ (4,004)**	$ (1,466)	**$ (3,562)**	$ 1,316
Deferred income tax expense (recovery)	**3,394**	(502)	**4,115**	450
Income tax (recovery) expense	**$ (610)**	$ (1,968)	**$ 553**	$ 1,766

For the three and six months ended June 30, 2015, current income tax recovery increased compared to 2014, as 2015 losses will be applied to recover taxes paid in previous years.

For the three and six months ended June 30, 2015, deferred income tax expense increased compared to 2014 due to legislation that was enacted during the second quarter 2015 to increase the Alberta provincial corporate income tax rate from 10% to 12% effective July 1, 2015. This rate increase resulted in the revaluation of the deferred income tax liability as at April 1, 2015.

FINANCIAL RESOURCES AND LIQUIDITY

FUNDS FLOW FROM OPERATIONS(1)

(in thousands of dollars, except per share amounts)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
Net cash provided by operating activities	**$ 23,681**	$ 32,452	**$ 52,027**	$ 36,755
Add:				
Changes in non-cash working capital	**(22,883)**	(31,331)	**(39,562)**	(15,833)
Funds flow provided by operations(1)	**$ 798**	$ 1,121	**$ 12,465**	$ 20,922
Per share – basic	**$ 0.01**	$ 0.01	**$ 0.10**	$ 0.17
Per share – diluted	**$ 0.01**	$ 0.01	**$ 0.10**	$ 0.16

WORKING CAPITAL[1]

(in thousands of dollars, except ratios)		As at June 30 2015		As at December 31 2014
Current assets	**$**	**64,552**	$	118,758
Current liabilities		**(16,397)**		(37,789)
Working capital [1]	**$**	**48,155**	$	80,969
Working capital ratio		**3.9:1**		3.1:1

The accounts receivable portion of working capital typically grows through the first, third and fourth quarters of the year when activity is greater. The inventory component is comprised of downhole tools and coil tubing inventory, which does not fluctuate as much with activity. Essential uses its revolving credit facility to meet the variable nature of its working capital needs as collection periods for accounts receivable are longer than payment cycles to vendors and employees. In periods of higher activity, debt initially tends to increase and in periods of lower activity debt initially declines.

EQUIPMENT EXPENDITURES AND FLEET ADDITIONS

	Three months ended June 30,				Six months ended June 30,			
(in thousands of dollars)		**2015**		2014		**2015**		2014
Well Servicing	**$**	**2,131**	$	6,350	**$**	**7,674**	$	13,157
Downhole Tools & Rentals		**45**		1,600		**691**		5,316
Corporate		**216**		174		**488**		699
Total equipment expenditures		**2,392**		8,124		**8,853**		19,172
Less proceeds on disposal of property and equipment		**(715)**		(1,037)		**(810)**		(1,902)
Net equipment expenditures[1]	**$**	**1,677**	$	7,087	**$**	**8,043**	$	17,270

Essential classifies its equipment expenditures as growth capital[1] and maintenance capital[1]:

	Three months ended June 30,				Six months ended June 30,			
(in thousands of dollars)		**2015**		2014		**2015**		2014
Growth capital[1]	**$**	**1,669**	$	5,675	**$**	**7,012**	$	14,214
Maintenance capital[1]		**723**		2,449		**1,841**		4,958
Total equipment expenditures	**$**	**2,392**	$	8,124	**$**	**8,853**	$	19,172

During the first half of 2015, Essential took advantage of the slowdown in industry activity to complete further modifications and enhancements on the two Generation IV masted coil tubing rigs that were in service. Both rigs are expected to be back in service in the third quarter of 2015 and the design modifications will be incorporated into the remaining four Generation IV masted coil tubing rigs.

Essential's 2015 capital budget of $21 million is comprised of $13 million in growth capital and $8 million of maintenance capital. Growth capital is focused primarily on the Generation III masted coil tubing rig and progress payments on the four Generation IV masted coil tubing rigs currently under construction. Two of these five masted coil tubing rigs are expected to be in service in 2015 and three in 2016.

Essential's long-term capital build program will increase the size and depth capacity of the masted coil tubing fleet. To date, the Company has added three Generation III and two Generation IV masted coil tubing rigs. Essential expects to spend approximately $52 million on this program and upon completion in 2016, expects to have four Generation III and six Generation IV masted coil tubing rigs. At June 30, 2015, Essential has spent approximately $42 million on this capital program. The Generation III and Generation IV masted coil tubing rigs have the capability to work on long-reach horizontal wells and are well-suited to work in deep, high pressure regions including the Montney, Bakken, Duvernay and Horn River. With a coil diameter of 2 3/8", the Generation III masted coil tubing rigs can reach 6,300 meters and the Generation IV masted coil tubing rigs can reach 7,900 meters.

The following table shows the expected in-service dates of the major equipment as at August 5, 2015:

	Capital Build Program	Rigs In-Service	Expected In-Service Dates
Masted coil tubing rigs:			
Generation III	4	3	Q4'15
Generation IV	6	2	Q4'15, 2016(3)

OUTLOOK

Uncertainty with respect to the duration and extent of the industry downturn continues as activity in the Western Canadian Sedimentary Basin remains significantly below the prior year. Continued weakness in oil and natural gas prices has resulted in customers remaining cautious and limiting capital spending following the traditionally slow second quarter in Canada. In Alberta, this has been compounded by uncertainty with regard to fiscal policy decisions, including the pending Alberta royalty review. For the remainder of 2015, activity is expected to increase from the seasonal lows experienced in the second quarter but is expected to remain below prior year levels. Pricing pressure is expected to continue as oilfield service providers compete for limited work. Through this time, management remains focused on the items the Company can control: costs, capital spending and debt.

Essential's cost management initiatives implemented earlier in the year are designed to allow the Company to continue to operate profitably during the downturn while retaining key employees. Essential remains on track to realize annualized fixed cost savings of $10 million.

The Company's capital expenditure plans for 2015 are focused on Essential's Generation III and IV masted coil tubing rigs. These rigs are well-suited to work in deep, high pressure regions and will better position the Company to take advantage of the industry trend of drilling and completing long-reach horizontal wells.

Cost management and conservative capital spending will help to preserve the strength of the balance sheet through the downturn. At August 5, 2015, Essential had $30.6 million outstanding and reported debt to EBITDAS(1) of 0.5x at the end of the second quarter.

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 International Financial Reporting Standards ("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, 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 ability to generate funds flow in order to fund required working capital, service debt, invest in 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 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.

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 revenue and funds flow to Essential.

Maintenance capital – Equipment additions that are incurred in order to refurbish or replace previously acquired 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 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.

SUMMARY OF QUARTERLY DATA

Essential operates primarily in western Canada, where activity is directly impacted by seasonality. Activity is traditionally higher in the first, third and fourth quarters of the year and lower in the second quarter. With the onset of spring, melting snow renders many roadways incapable of supporting heavy equipment. In addition, certain areas in Canada are typically only accessible during the winter months. The following table provides the Company's quarterly information for the past eight quarters:

(in thousands of dollars, except per share amounts, percentages and fleet data)	**Jun 30, 2015**	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	**Jun 30, 2014**	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013
Well Servicing:								
Coil Well Service	**9,887**	31,976	41,426	39,233	**17,398**	41,499	36,150	33,037
Service Rigs	**6,825**	15,026	22,034	22,105	**16,437**	32,499	25,593	23,870
Total Well Servicing	**16,712**	47,002	63,460	61,338	**33,835**	73,998	61,743	56,907
Downhole Tools & Rentals	**7,460**	23,611	35,921	35,261	**19,521**	30,286	31,560	28,185
Inter-segment eliminations	**(182)**	(194)	(527)	(463)	**(604)**	(554)	(480)	(582)
Total revenue	**23,990**	70,419	98,854	96,136	**52,752**	103,730	92,823	84,510
Gross margin	**580**	15,302	27,330	27,515	**5,222**	27,327	25,332	21,414
Gross margin %	**2%**	22%	28%	29%	**10%**	26%	27%	25%
EBITDAS[(1)]	**(2,832)**	10,859	21,992	22,657	**440**	22,507	20,705	17,132
EBITDAS %[(1)]	**(12)%**	15%	22%	24%	**1%**	22%	22%	20%
Net (loss) income [(i)]	**(10,495)**	3,096	(38,323)	10,777	**(5,425)**	10,149	11,126	3,843
Per share – basic	**(0.08)**	0.02	(0.30)	0.09	**(0.04)**	0.08	0.09	0.03
Per share – diluted	**(0.08)**	0.02	(0.30)	0.08	**(0.04)**	0.08	0.09	0.03
Total assets	**337,299**	371,496	397,351	454,745	**408,964**	439,745	423,963	409,613
Long-term debt	**27,027**	39,817	55,253	65,043	**38,433**	50,821	39,027	40,484
Utilization [(ii)]								
Masted coil tubing rigs	**25%**	90%	104%	105%	**42%**	109%	107%	112%
Pumping [(iii)]	**23%**	61%	72%	66%	**34%**	69%	55%	47%
Service rigs	**19%**	37%	49%	48%	**34%**	66%	53%	50%
Operating Hours								
Masted coil tubing rigs	**4,341**	15,335	17,469	15,524	**6,094**	15,312	14,699	14,738
Pumping [(iii)]	**6,381**	17,586	20,885	19,397	**9,861**	19,995	16,612	14,418
Conventional coil tubing rigs	**1,088**	3,665	3,951	4,426	**2,942**	6,959	6,612	5,002
Service rigs	**9,239**	17,745	24,394	23,997	**16,907**	32,616	26,557	25,084
Downhole Tools & Rentals - % of revenue								
Tryton MSFS®	**16%**	38%	45%	46%	**25%**	39%	55%	55%
Conventional Tools & Rentals	**84%**	62%	55%	54%	**75%**	61%	45%	45%
Equipment fleet [(iv)]								
Masted coil tubing rigs	**19**	19	19	17	**17**	16	15	15
Fluid pumpers	**18**	18	18	18	**18**	18	18	18
Nitrogen pumpers	**12**	14	14	14	**14**	14	14	15
Conventional coil tubing rigs	**11**	17	17	29	**30**	30	30	30
Service rigs [(v)]	**54**	54	54	54	**55**	55	55	54

(i) The quarter ended December 31, 2014 includes an impairment loss on goodwill and intangible assets of $47.2 million.
(ii) Utilization is calculated using a 10 hour day.
(iii) Pumping includes both fluid and nitrogen pumpers.
(iv) Fleet data represents the number of units at the end of the period.
(v) Effective July 1, 2015, six service rigs were retired and the service rig fleet was reduced to 48 rigs.

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

(in thousands of dollars)		**As at June 30 2015**		As at December 31 2014
Assets				
Current				
Cash	**$**	**1,461**	$	-
Trade and other accounts receivable		**27,532**		79,651
Inventories		**32,215**		35,991
Prepayments		**3,344**		3,116
		64,552		118,758
Non-current				
Property and equipment		**234,842**		239,696
Intangible assets		**23,367**		24,599
Goodwill		**14,538**		14,298
		272,747		278,593
Total assets	**$**	**337,299**	$	397,351
Liabilities				
Current				
Bank indebtedness	**$**	**-**	$	991
Trade and other accounts payable		**12,622**		32,822
Dividends payable		**3,775**		3,773
Income taxes payable		**-**		203
		16,397		37,789
Non-current				
Long-term debt		**27,027**		55,253
Deferred tax liabilities		**32,417**		28,299
		59,444		83,552
Total liabilities		**75,841**		121,341
Equity				
Share capital		**262,977**		262,871
(Deficit) retained earnings		**(6,244)**		8,706
Other reserves		**4,725**		4,433
Total equity		**261,458**		276,010
Total liabilities and equity	**$**	**337,299**	$	397,351

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

(in thousands of dollars, except per share amounts)	For the three months ended June 30, **2015**	2014	For the six months ended June 30, **2015**	2014
Revenue	**$ 23,990**	$ 52,752	**$ 94,409**	$ 156,482
Operating expenses	**23,410**	47,530	**78,527**	123,933
Gross margin	**580**	5,222	**15,882**	32,549
General and administrative expenses	**3,412**	4,782	**7,855**	9,602
	(2,832)	440	**8,027**	22,947
Depreciation and amortization	**6,464**	6,576	**13,154**	13,361
Share-based compensation	**460**	678	**614**	1,329
Other expenses	**1,017**	98	**301**	853
Operating (loss) profit	**(10,773)**	(6,912)	**(6,042)**	7,404
Finance costs	**332**	481	**804**	914
(Loss) income before income taxes	**(11,105)**	(7,393)	**(6,846)**	6,490
Current income tax (recovery) expense	**(4,004)**	(1,466)	**(3,562)**	1,316
Deferred income tax expense (recovery)	**3,394**	(502)	**4,115**	450
Income tax (recovery) expense	**(610)**	(1,968)	**553**	1,766
Net (loss) income	**$ (10,495)**	$ (5,425)	**$ (7,399)**	$ 4,724
Unrealized foreign exchange (loss) gain	**(61)**	(80)	**187**	(166)
Comprehensive (loss) income	**$ (10,556)**	$ (5,505)	**$ (7,212)**	$ 4,558
Net (loss) income and comprehensive (loss) income per share				
Basic and diluted	**$ (0.08)**	$ (0.04)	**$ (0.06)**	$ 0.04

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

(in thousands of dollars)	For the six months ended June 30, **2015**	2014
Operating activities:		
Net (loss) income	**$ (7,399)**	$ 4,724
Non-cash adjustments to reconcile net income for the period to operating cash flow:		
Depreciation and amortization	**13,154**	13,361
Deferred income tax expense	**4,115**	450
Share-based compensation	**143**	400
Provision for impairment of trade accounts receivable	**505**	225
Finance costs	**804**	914
Loss on disposal and write-down of assets	**1,143**	848
Operating cash flow before changes in non-cash operating working capital	**12,465**	20,922
Changes in non-cash operating working capital:		
Trade and other accounts receivable before provision	**55,793**	32,374
Inventories	**3,777**	(5,520)
Prepayments	**(228)**	(379)
Trade and other accounts payable	**(15,354)**	(4,540)
Current income taxes receivable	**(4,426)**	(6,102)
Net cash provided by operating activities	**52,027**	36,755
Investing activities:		
Purchase of property, equipment and intangible assets	**(8,853)**	(19,172)
Business acquisition, net of cash acquired	**-**	(5,533)
Non-cash investing working capital in trade and other accounts payable	**(4,846)**	(4,349)
Proceeds on disposal of equipment	**810**	1,902
Net cash used in investing activities	**(12,889)**	(27,152)
Financing activities:		
Repayment of long-term debt	**(28,226)**	(594)
Proceeds from exercise of options	**68**	871
Repurchase of shares	**-**	(500)
Dividends paid	**(7,548)**	(7,534)
Finance costs	**(804)**	(914)
Net cash used in financing activities	**(36,510)**	(8,671)
Foreign exchange gain on cash held in a foreign currency	**(176)**	(19)
Net increase in cash	**2,452**	913
Bank indebtedness, beginning of period	**(991)**	(2,112)
Cash (bank indebtedness), end of period	**$ 1,461**	$ (1,199)
Supplemental cash flow information		
Cash taxes paid	**$ 840**	$ 7,434
Cash interest and standby fees paid	**$ 731**	$ 794

2015 SECOND QUARTER FINANCIAL RESULTS CONFERENCE CALL AND WEBCAST

Essential has scheduled a conference call and webcast at 10:00 am MT (12:00 pm ET) on August 6, 2015.

The conference call dial in numbers are 416-340-2217 or 866-696-5910, passcode 8191139.

An archived recording of the conference call will be available approximately one hour after completion of the call until August 20, 2015 by dialing 905-694-9451 or 800-408-3053, passcode 2882853.

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 masted coil tubing fleet in Canada and has a fleet of service rigs. Essential also sells, rents and services downhole tools and equipment including the Tryton Multi-Stage Fracturing System (Tryton MSFS®). Further information can be found at www.essentialenergy.ca.

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

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: capital spending; the annualized dividend; application of losses to recover taxes paid in previous years; cash flow and earnings; Essential’s long-term build program and the addition of new masted coil tubing rigs, modification to existing masted coil tubing rigs, the costs and timing associated with such program, the delivery and in-service dates of the equipment, and the positioning advantage from the rigs; the performance of industry fundamentals, activity levels, pricing pressures and competition; the ability of the Company to operate profitably during the downturn; the retention of key employees; anticipated savings from cost reduction initiatives; and the impact of cost management efforts and conservative capital spending on Essential’s balance sheet.

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.

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 (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:

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