



## ESSENTIAL ENERGY SERVICES TRUST REPORTS FIRST QUARTER 2008 RESULTS

CALGARY, ALBERTA May 14, 2008 – Essential Energy Services Trust (TSX: ESN.UN) (“Essential” or the “Trust”) announces 2008 first quarter results.

*This news release contains “forward-looking information and statements”. For a full discussion of the forward-looking information and statements and the inherent risks and uncertainties, see “Reader Advisory” near the end of this report.*

*This news release contains Non-GAAP measures throughout the report. These measures have been noted and an explanation of their purpose and usefulness can be found under “Non-GAAP Measures” later in this report.*

### MERGER WITH BUILDERS ENERGY SERVICES TRUST

On April 4, 2008 Essential completed a strategic combination with Builders Energy Services Trust (“Builders”) pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the “Transaction”). Pursuant to the Transaction, the previous unitholders of Builders received, for each outstanding trust unit of Builders held by them, 1.25 trust units of Essential.

**Although the two trusts have been operating as one entity since April 4, 2008, in accordance with Generally Accepted Accounting Principles (“GAAP”), the first quarter reporting in the Financial Statements and Management’s Discussion and Analysis represents Essential’s stand-alone activities. The results do not include Builders’ operating or financial results. For the purposes of this press release, combined results for Builders and Essential have been included in the section below to assist the reader in understanding the new entity on a combined basis. The financial results for Essential are unaudited but have been reviewed by the Trust’s auditors, which is consistent with preceding quarterly reports. The financial results for Builders are unaudited and have not been reviewed by Builders’ auditors.**

### FINANCIAL HIGHLIGHTS - Essential and Builders Combined

(\$ thousands, except per unit amounts, margins and ratios)	For the three months ended March 31, 2008			For the three months ended March 31, 2007		
	Essential	Builders	Combined	Essential	Builders	Combined
Revenue	35,866	53,487	<b>89,353</b>	35,901	62,013	<b>97,914</b>
Gross margin <sup>1</sup>	13,812	16,145	<b>29,957</b>	15,093	21,180	<b>36,273</b>
Gross margin as a percentage of revenue <sup>1</sup>	39%	30%	<b>34%</b>	42%	34%	<b>37%</b>
EBITDAC <sup>1</sup>	8,747	12,880	<b>21,627</b>	10,750	17,042	<b>27,792</b>
EBITDAC as a percentage of revenue <sup>1</sup>	24%	24%	<b>24%</b>	30%	27%	<b>28%</b>
Net income	2,713	5,267	<b>7,980</b>	4,948	9,068	<b>14,016</b>
Funds from operations <sup>1</sup>	7,109	11,827	<b>18,936</b>	9,454	15,996	<b>25,450</b>

<sup>1</sup> Refer to Non-GAAP Measures.

## FINANCIAL HIGHLIGHTS - Essential and Builders Combined (continued)

(\$ thousands)	As at		
	March 31, 2008		
	Essential	Builders	Combined
Long-term debt	74,167	80,041	154,208

The merger results in a much larger and more efficient entity that will enjoy the advantages of critical mass in key business lines, annual cost reductions anticipated to be approximately \$6.0 million per year, improved market relevance and the operational strength to pursue new markets and opportunities.

**In accordance with GAAP, the numbers presented in the remainder of this press release represent Essential on a stand-alone basis, without the inclusion of Builders' operating and financial results.**

## FINANCIAL HIGHLIGHTS – Essential (excluding Builders Energy Services Trust)

(\$ thousands, except per unit amounts, margins and ratios)	For the three months ended March 31,	
	2008	2007
<b>Financial Results</b>		
Revenue	35,866	35,901
EBITDAC <sup>1</sup>	8,747	10,750
EBITDAC margin (%) <sup>1</sup>	24%	30%
Funds from operations <sup>1</sup>	7,109	9,454
Net income	2,713	4,948
Distributions to unitholders	5,308	6,917
<b>Unit Information (Diluted)</b>		
Weighted average number of units outstanding – diluted	35,392	30,118
EBITDAC per unit - diluted <sup>1</sup>	0.25	0.36
Funds from operations per unit - diluted <sup>1</sup>	0.20	0.31
Net income per unit - diluted	0.08	0.16

<sup>1</sup> Refer to Non-GAAP measures.

## SECTOR ACTIVITY

The first quarter of 2008 started off slowly for the western Canadian oilfield service sector. As the quarter progressed, activity increased somewhat, but did not reach the levels seen in the first quarter of 2007. According to the Canadian Association of Oilwell Drilling Contractors, a total of 4,986 wells were drilled and completed in western Canada in the first quarter of 2008, which is 24% lower than the first quarter of 2007. Wells drilled generally act as a barometer for oilfield service activity.

Drilling activity continued to be negatively impacted by the high Canadian dollar relative to the U.S. dollar. While oil and natural gas prices are referenced in U.S. dollars, a significant portion of producers' Canadian operations are denominated in Canadian dollars. The strength of the Canadian dollar has a negative impact on Essential's customers' netbacks, thus reducing the economics of their exploration and development programs. While the Canadian dollar decreased from the record highs reached in the

fourth quarter of 2007, the dollar remained very strong relative to the first quarter of 2007.

Later in the quarter, some optimism arose for the sector, as colder weather in certain parts of the U.S. and a reduction in liquefied natural gas imports into North America decreased U.S. natural gas storage levels. Storage levels finished the quarter just slightly below the five-year average. This had a positive impact on the price of natural gas, which increased through the quarter. While the increase in natural gas prices did not, and would not be expected to, have an immediate effect on natural gas drilling, the sustained higher price creates optimism for the latter part of 2008.

## DISCUSSION OF FINANCIAL RESULTS

### Overview

Equipment utilization increased over fourth quarter 2007 levels, however utilization remained below the levels seen in the first quarter of 2007, while operating and general and administrative expenses increased due to growth of the equipment fleet which was caused by the acquisition of the assets of four private companies in the second quarter of 2007 and the acquisition of one private company in the current quarter. Additionally, for much of the quarter, operating costs increased over the comparative quarter due to higher fuel costs.

The first quarter is typically the strongest quarter for oilfield service companies due to cold weather and high levels of activity. However, due to spring thawing at the end of the quarter there is often an inability to move heavy equipment into the oil and gas fields. This year, spring break-up occurred in early March for our southern operations and late March for our northern operations.

Throughout the quarter, the Trust maintained its monthly distribution to unitholders at \$0.05 per unit, or \$5.3 million for the quarter.

### Revenue

(\$ thousands)	For the three months ended March 31,	
	2008	2007
Revenue by segment:		
Rigs	15,046	15,936
Transport	20,820	19,965
Total revenue	35,866	35,901

Revenue for the quarter was \$35.9 million, consistent with the \$35.9 million in Q1 2007. The Rigs division generated 42% (Q1 2007 – 44%) and the Transport division generated 58% (Q1 2007 – 56%) of the Q1 2008 revenue.

Revenue from the Rigs division decreased by \$0.9 million to \$15.0 million compared to \$15.9 million in Q1 2007. This decrease reflects the net result of a decline in the revenue of our coil tubing operations of \$0.9 million; a decline in the revenue of our service rig operations of \$0.7 million; and an increase in the revenue of the rod rig division of \$0.7 million. While the coil tubing fleet increased by 4 units in July 2007 from the asset acquisition of Canadian Coil Tubing Inc., coil tubing revenue decreased as utilization levels of this type of equipment has declined over the past 12 months. The decrease in revenue of the service rig operations is a result of lower demand for service rigs primarily due to the impact of commodity prices and the Alberta royalty review. The increase in rod rig revenue is due to the acquisition of 4 units in June 2007 from the asset acquisition of Redneck Flushbys Ltd.

Revenue from the Transport division increased by \$0.8 million to \$20.8 million compared to \$20.0 million in Q1 2007 primarily reflecting the 15% increase in the fleet size from 202 units to 233 units as a result of the addition of 8 hot oilers from the asset acquisition of Anderson Well Servicing (1986) Ltd. in June 2007, the addition of 13 vacuum trucks and 3 scrubber units from the asset acquisition of Blue-Vac Vacuum Truck Service in July 2007 and the addition of 3 hot oilers, 3 pressure trucks plus a heating unit from the asset acquisition of A & B Hot Oil Services (1993) Ltd. in March of 2008.

Essential noticed a significant drop in utilization levels immediately after the September 18, 2007 announcement of the Alberta Royalty Tax Review which recommended significant increases in the Alberta royalties being paid by our customers. This announcement created uncertainty for our customers, which resulted in their decision to slow down activity levels throughout the fourth quarter of 2007 and the first quarter of 2008.

## Operating Expenses

(\$ thousands)	For the three months ended March 31,	
	2008	2007
Operating expense by segment:		
Rigs	9,214	8,976
Transport	12,840	11,832
Total operating expenses	22,054	20,808

Operating expenses for the quarter were \$22.1 million, an increase of \$1.2 million from \$20.8 million in Q1 2007.

Operating expenses for the Rigs division of \$9.2 million for the quarter is slightly higher when compared with the expenses in Q1 2007. This consistency was achieved despite the fact that the assets and business of 2 private companies were added into the Rigs division since Q1 2007. The additional operating costs of the 2 acquisitions were partially offset by cost control measures put in place since Q1 2007 including the restructuring of the coil tubing operations in Q4 2007.

The increase in operating expenses for the Transport division of \$1.0 million, is due primarily to increased fuel costs, and additional equipment as a result of the 3 private company acquisitions completed since the end of Q1 2007.

## General and Administrative Expenses

(\$ thousands)	For the three months ended March 31,	
	2008	2007
General and administrative	5,065	4,343

General and administrative ("G&A") expenses for the quarter were \$5.1 million, an increase of \$0.7 million from \$4.3 million in Q1 2007.

The increase in G&A expenses is due to increased rent on premises leases of \$0.2 million, increased wages and benefits of \$0.4 million (primarily relating to the management and administrative staff of the 5 acquisitions that have been completed since the end of Q1 2007), and increased professional fees of \$0.1 million.

## OUTLOOK

The second quarter of 2008 began with a sense of optimism that has been absent in the Canadian oilfield services sector since mid-2006. This optimism is a result of the reduction in U.S. natural gas storage to a level below the five-year average, and the recent increase in the forward strip price for natural gas. On May 13, 2008, the near-month price for natural gas was approximately U.S.\$11.40/mmbtu and the forward strip for natural gas reflects prices at or above U.S.\$10.00/mmbtu for the ensuing twelve months.

While the price of crude oil has been very strong for a longer time period, it is the recent increase in the price of natural gas that is fueling optimism in the sector, as conventional drilling in the Western Canadian Sedimentary Basin is weighted toward natural gas drilling.

In April 2008, the Petroleum Services Association of Canada increased its forecast for wells drilled in 2008 from 14,500 wells to 16,500 wells. While this is below the 2007 level of 18,557 wells, it suggests that the sector may be emerging from the downturn that began in mid-2006.

While optimism is evident, a sustained period of high commodity prices is required for producers to adjust their spending activity, and a recovery is not anticipated until the latter part of 2008. In addition, the second quarter is always the weakest quarter of the year in the western Canadian oilfield services sector for operating and financial results due to spring break-up.

On April 4, 2008, the merger of Essential and Builders was completed. Management has been integrating the two companies and continues to expect annualized synergies of \$6 million, with \$4 million expected to be realized in 2008. In addition to the realization of synergies, the combination is expected to provide critical mass to further maximize the value of the underlying assets and increase the trading liquidity of the Trust's units. Essential is now better-positioned for growth and further consolidation of the industry.

Management is encouraged by the recent optimism in the sector and continues to remain confident in the long-term fundamentals for Canadian natural gas drilling and Canadian-based oilfield services. Management continues to expect that high production decline rates combined with anticipated rising natural gas demand will work in tandem to encourage an increase in Canadian natural gas drilling and increased activity levels for Canadian-based oilfield services.

**Essential Energy Services Trust**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited)

(\$ thousands)	As at March 31, 2008	As at December 31, 2007
<b>ASSETS</b>		
<b>Current</b>		
Accounts receivable and prepaid expenses	28,927	22,889
Materials and supplies	2,237	1,970
	31,164	24,859
<b>Property and equipment</b>	94,649	97,806
<b>Goodwill</b>	60,080	60,080
<b>Intangibles</b>	13,456	13,959
	199,349	196,704
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
<b>Current</b>		
Bank indebtedness	1,087	14,408
Accounts payable and accrued liabilities	7,300	7,175
Distributions payable	1,782	1,763
Current portion of long-term debt	334	11,559
	10,503	34,905
<b>Long-term debt</b>	73,833	46,088
<b>Future income tax liabilities</b>	531	531
	84,867	81,524
<b>Unitholders' equity</b>		
Unitholders' capital	193,366	192,041
Contributed surplus	3,052	2,480
Accumulated deficit	(81,936)	(79,341)
	114,482	115,180
	199,349	196,704

**Essential Energy Services Trust****CONSOLIDATED STATEMENTS OF  
OPERATIONS, COMPREHENSIVE INCOME AND ACCUMULATED DEFICIT****(unaudited)**

	<b>For the three months ended March 31,</b>	
<b>(\$ thousands)</b>	<b>2008</b>	<b>2007</b>
<b>REVENUE</b>		
Energy services	35,866	35,901
<b>EXPENSES</b>		
Operating	22,054	20,808
General and administrative	5,065	4,343
Unit-based compensation	572	330
Interest on short-term debt and bank fees	320	331
Interest on long-term debt	945	968
Depreciation and amortization	4,197	4,173
	33,153	30,953
Income before income taxes	2,713	4,948
Income taxes		
Future income taxes	-	-
Net income and comprehensive income for the period	2,713	4,948
Accumulated deficit, beginning of period	(79,341)	(13,058)
Distributions to unitholders	(5,308)	(6,917)
Accumulated deficit, end of period	(81,936)	(15,027)
Net income per unit		
Basic	0.08	0.18
Diluted	0.08	0.16

**Essential Energy Services Trust**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

For the three months ended March 31,

(\$ thousands)	2008	2007
<b>OPERATING ACTIVITIES</b>		
Net income for the period	2,713	4,948
Add non-cash items:		
Depreciation and amortization	4,197	4,173
Unit-based compensation	572	330
Loss (gain) on sale of property and equipment	(373)	3
	7,109	9,454
Change in non-cash working capital	(6,097)	(563)
Cash provided by operating activities	1,012	8,891
<b>FINANCING ACTIVITIES</b>		
Distributions to unitholders	(5,289)	(6,909)
Increase (decrease) in bank indebtedness	(13,321)	3,060
Repayments of capital lease obligations	(3)	(37)
Increase in long-term debt	16,649	500
Repayments of long-term debt	(129)	(217)
Change in non-cash working capital	19	-
Cash provided by financing activities	(2,074)	(3,603)
<b>INVESTING ACTIVITIES</b>		
Purchase of energy service business	(50)	-
Purchase of property and equipment	(1,652)	(2,835)
Sale of property and equipment	2,846	158
Change in non-cash working capital	(82)	-
Cash used in investing activities	1,062	(2,677)
<b>Increase in cash during the period</b>	-	2,611
Cash, beginning of period	-	1,110
<b>Cash, end of period</b>	-	3,721
<b>Cash interest paid</b>	1,195	881

## **Non-GAAP Measures**

This press release makes reference to certain non-GAAP financial measures to assist users in assessing the Trust's performance. Management believes that these measures are useful supplemental measures to analyze operating performance as they demonstrate the Trust's ability to generate the funds necessary to, among other things, fund future distributions, principal debt repayment and capital investments. The Trust's method of calculating these measures may differ from other issuers, and accordingly, they may not be comparable to measures used by other issuers. Investors should be cautioned that these non-GAAP measures should not be construed as alternatives to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

**Gross margin and gross margin as a percentage of revenue** – Gross margin is a non-GAAP measure that is considered a primary indicator of operating performance as calculated by revenue less operating expenses. This non-GAAP measure can also be expressed as a percentage of revenue.

**EBITDAC, EBITDAC as a percentage of revenue and EBITDAC per unit** – EBITDAC is defined as earnings before non-controlling interest, interest, taxes, depreciation, amortization and unit-based compensation. This non-GAAP measure is considered an indicator of the Trust's ability to generate cash flow in order to meet distributions, fund required working capital, service debt, pay current income taxes and fund equipment programs. This non-GAAP measure can also be expressed as a percentage of revenue or on a fully diluted basis.

**Funds from operations and funds from operations per unit** – Funds from operations is defined as cash provided by operating activities plus change in non-cash operating working capital. This non-GAAP measure is considered an indicator of the Trust's ability to generate cash flow in order to meet distributions, fund required working capital, service debt and fund equipment programs. This non-GAAP measure can also be expressed on a fully diluted basis.

## **About Essential**

Essential Energy Services Trust provides a range of essential oilfield services to oil and gas producers in western Canada related to the ongoing servicing of producing wells and new drilling activity.

## **Reader Advisory**

*This press 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 press release contains forward-looking statements including expectations of future cash flow and earnings, expectations regarding improved liquidity and cost reductions from the combination of the Trust with Builders, expectations with respect to the price of oil and natural gas and expectations regarding the level of drilling activity in the Western Canadian Sedimentary Basin. Although the Trust believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Trust can give no assurance that they 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 gas prices; exploration and development costs and delays; reserves discovery 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 and environmental regulations. There are risks also inherent in the nature of the combination with Builders, including failure to realize anticipated synergies or cost savings, risks regarding the integration of the two entities and incorrect assessments of the values of the other entity. 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 Trust'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). The forward-looking statements and information contained in this press release are made as of the date hereof and the Trust 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.*

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*The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.*