NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES FOURTH QUARTER AND YEAR END RESULTS AND DECLARES QUARTERLY DIVIDEND

Calgary, Alberta March 4, 2015 – Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces fourth quarter and year end results.

"2014 was generally a strong year for Essential however, we saw a drop-off in activity in December", said Garnet Amundson, President and Chief Executive Officer. "EBITDAS(1) for the fourth quarter was $22.0 million, which is higher than the prior year quarter of $20.7 million. The increase reflects stronger demand for our masted coil tubing operations and our downhole tools and rentals business. For the year, EBITDAS(1) was $67.6 million, ahead of $66.1 million in 2013."

"Demand for our services in the first quarter of 2015 has fallen off, reflecting the impact that low commodity prices are having on the oilfield services sector. Industry-wide activity is widely anticipated to be much weaker in 2015 than in 2014. Our focus quickly turned to cost management and preservation of our balance sheet. We have taken a hard look at our costs and have implemented a number of cost cutting initiatives. In January we announced a significantly lower capital spending budget for 2015."

"Unfortunately, downturns are an inherent part of the oil and gas industry. They usually come as a surprise and are never easy to live through as difficult decisions and actions are required. The implications are felt by all of our stakeholders - our shareholders, our employees, our customers and our suppliers. Fortunately, we have a reasonably low level of debt going into this period. Our management team and Board successfully navigated through the last downturn and we are drawing on that experience as we go through this downturn", concluded Mr. Amundson.

Net income and earnings per share reflect an impairment charge in the fourth quarter 2014, consisting of $43.9 million on goodwill and $3.3 million on intangible assets in the well servicing segment. The impairment reflects the near-term impact that management expects the low oil price may have on Essential's activity. Management does not believe it is a statement on the quality of Essential as a business or Essential's long-term prospects.

QUARTERLY DIVIDEND

The cash dividend for the period January 1, 2015 to March 31, 2015 has been set at $0.03 per share. The dividend will be paid on April 15, 2015 to shareholders of record on March 31, 2015. The ex-dividend date is March 27, 2015. This dividend is an eligible dividend for Canadian income tax purposes.

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[1] Refer to Non-IFRS Measures

SELECTED INFORMATION

(in thousands of dollars, except per share, percentages and fleet data)

	Three months ended December 31,		Years ended December 31,		
	2014	2013	**2014**	2013	2012
Revenue	**$ 98,854**	$ 92,823	**$ 351,472**	$ 336,269	$ 348,580
Gross margin	**27,330**	25,332	**87,394**	83,268	90,695
Gross margin %	**28%**	27%	**25%**	25%	26%
EBITDAS(1) from continuing operations	**21,992**	20,705	**67,596**	66,092	74,342
EBITDAS %(1)	**22%**	22%	**19%**	20%	21%
Net income (loss)(2) attributable to					
shareholders of Essential	**(38,323)**	11,126	**(22,822)**	22,095	22,308
Per share – basic	**(0.30)**	0.09	**(0.18)**	0.18	0.18
Per share – diluted	**(0.30)**	0.09	**(0.18)**	0.17	0.18
Total assets	**397,351**	423,963	**397,351**	423,963	406,853
Total long-term debt	**55,253**	39,027	**55,253**	39,027	35,563
Utilization					
Masted coil tubing rigs	**104%**	107%	**89%**	97%	96%
Service rigs	**49%**	53%	**49%**	50%	50%
Equipment fleet – end of period					
Masted coil tubing rigs	**19**	15	**19**	15	16
Service rigs	**54**	55	**54**	55	55

2 The quarter and year ended December 31, 2014 includes an impairment loss on goodwill and intangible assets of $47.2 million.

HIGHLIGHTS

Highlights for the Fourth Quarter 2014

Revenue for the fourth quarter of 2014 was $98.9 million, $6.0 million or 6% higher than the fourth quarter of 2013. Activity was strong for the first two months of the quarter, but weaker in December as lower oil prices impacted customer activity.

- Coil Well Service – Coil well service revenue increased $5.3 million or 15% from the fourth quarter of 2013. The increase was due to incremental revenue from the new masted coil tubing rigs and higher utilization of the fluid and nitrogen pumper fleet.
- Service Rigs – Service rig revenue decreased $3.6 million or 14% from the fourth quarter of 2013 due to the sale of Essential's rod rig assets and lower activity in northern Alberta. Service rig utilization was 49% for the quarter compared to the Canadian Association of Oil Drilling Contractors ("CAODC") service rig industry utilization of 47%.
- Downhole Tools & Rentals – Essential's downhole tools & rentals revenue increased $4.4 million or 14% from the fourth quarter of 2013 due to increased rental revenue, demand for Tryton Multi-Stage Fracturing System ("MSFS®") products and growth in Essential's U.S. downhole tool revenue.

EBITDAS for the fourth quarter of 2014 was $22.0 million, an improvement of $1.3 million or 6% from the fourth quarter of 2013 due to the increase in revenue.

At December 31, 2014, Essential had $55.3 million of debt outstanding, a decrease of $9.7 million from September 30, 2014 primarily due to the proceeds from the sale of Essential's rod rig assets. At March 4, 2015, Essential had $44.0 million of debt outstanding.

<u>Highlights for the Year 2014</u>

For the year ended December 31, 2014, Essential focused on expanding:

- Its masted coil tubing fleet through the addition of two Generation III and two Generation IV rigs. These rigs have the capability to work on long-reach horizontal wells and are well suited to work in deep, high pressure basins; and
- Its downhole tools operation into the U.S. through organic growth and the complimentary acquisition of Sam's Packers & Supply on April 30, 2014 for U.S. $5.6 million.

Revenue for the year ended December 31, 2014 was $351.5 million, $15.2 million or 5% higher than 2013. EBITDAS for 2014 was $67.6 million or 2% higher than 2013. Well servicing revenue increased over 2013 as Essential realized incremental revenue from the deployment of the new masted coil tubing rigs and increased fluid and nitrogen pumper utilization. Operating costs as a percentage of revenue were higher in 2014 due to higher fuel expenses and logistics costs associated with the introduction of the new masted coil tubing rigs. Downhole tools & rentals revenue exceeded 2013 due to greater contributions from Essential's rental operation and higher revenue from Essential's U.S. downhole tool operation.

INDUSTRY OVERVIEW

Industry activity in 2014 was relatively consistent with the prior year as exploration and production ("E&P") companies had better access to capital markets and benefited from stronger commodity prices during the first half of the year. Oil prices started to decline mid-year and fell sharply following the November 27, 2014 announcement from the Organization of the Petroleum Exporting Countries that it was leaving its oil production level unchanged, impacting industry activity towards the end of the year.

During the fourth quarter of 2014, drilling rig utilization and the number of wells drilled were higher than the fourth quarter of 2013, while well completions were lower. Compared to the fourth quarter of 2013, drilling rig utilization increased 2 percentage points, the number of wells drilled increased 2%, while well completion count decreased by 2%.

For the year, drilling rig utilization increased 5 percentage points, the number of wells drilled increased 2%, and well completion counts were flat. Drilling rig utilization, wells drilled and completion activity are all indicators of overall oilfield activity in the Western Canadian Sedimentary Basin ("WCSB").

<u>SEGMENT RESULTS - *WELL SERVICING*</u>

(in thousands of dollars, except percentages, fleet, and hours)		Three months ended December 31, **2014**		2013		Years ended December 31, **2014**		2013
Revenue								
Coil well service [(i)]	**$**	**41,426**	$	36,150	**$**	**139,556**	$	128,241
Service rigs		**22,034**		25,593		**93,075**		97,751
Total revenue		**63,460**		61,743		**232,631**		225,992
Operating expenses		**45,929**		45,269		**179,888**		171,992
Gross margin	**$**	**17,531**	$	16,474	**$**	**52,743**	$	54,000
Gross margin %		**28%**		27%		**23%**		24%
Utilization [(ii)]								
Masted coil tubing rigs								
Utilization		**104%**		107%		**89%**		97%
Operating hours		**17,469**		14,699		**54,399**		50,580
Service rigs								
Utilization		**49%**		53%		**49%**		50%
Operating hours		**24,394**		26,557		**97,914**		100,239
Equipment fleet [(iii)]								
Masted coil tubing rigs		**19**		15		**19**		15
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 was $5.3 million or 15% higher than the fourth quarter of 2013. Masted coil tubing utilization was lower, but operating hours were 19% higher, reflecting the increased fleet size with the addition of the new masted coil tubing rigs. Revenue growth in the quarter was the result of operating a larger masted coil tubing fleet and increased revenue from Essential's fluid and nitrogen pumper fleet which supports masted coil operations.

Fourth quarter service rig revenue decreased $3.6 million or 14% compared to the fourth quarter of 2013 due to the sale of Essential's rod rig assets on October 8, 2014 and lower activity in northern Alberta. Service rig utilization for the fourth quarter was 49%, higher than the Canadian Association of Oilwell Drilling Contractors ("CAODC") utilization of 47%, but lower than Essential's service rig utilization of 53% in the fourth quarter of 2013. Total proceeds from the sale of the rod rig assets were $6.1 million.

Gross margin increased over the fourth quarter of 2013 due to higher revenue and reduced labour costs in coil well service. Compared to 2013, labour costs as a percentage of revenue were lower due to labour efficiencies realized from better crew management as the new masted coil tubing rigs were put into service. Revenue per hour in the fourth quarter for coil well service and service rigs was consistent with the prior year.

Year-over-year, well servicing revenue increased $6.6 million or 3% as Essential generated incremental revenue from the deployment of the new masted coil tubing rigs and increased fluid and nitrogen pumper utilization. Gross margin for the year ended December 31, 2014 was negatively impacted by higher fuel costs in the first half of the year and logistics costs associated with the introduction of the new masted coil tubing rigs. Revenue per hour for coil well service and service rigs was consistent with the prior year.

SEGMENT RESULTS - *DOWNHOLE TOOLS & RENTALS*

(in thousands of dollars, except percentages)		Three months ended December 31, 2014		2013		Years ended December 31, 2014		2013
Revenue	**$**	**35,921**	$	31,560	**$**	**120,989**	$	111,339
Operating expenses		**24,701**		20,907		**81,051**		75,446
Gross margin	**$**	**11,220**	$	10,653	**$**	**39,938**	$	35,893
Gross margin %		**31%**		34%		**33%**		32%
Downhole Tools & Rentals revenue – % of revenue								
Tryton MSFS®		**51%**		55%		**45%**		55%
Conventional Tools & Rentals		**49%**		45%		**55%**		45%

Downhole tools & rentals fourth quarter revenue increased $4.4 million or 14% from the same quarter of 2013. Tryton MSFS® revenue increased due to demand, primarily for the ball & seat products as well as the new MSFS® tools that were introduced earlier in the year. Conventional tools revenue increased due to growth in U.S. operations. Rental revenue increased largely from capital investments in specialty drill pipe targeted toward long-reach horizontal wells and pressure control equipment.

Gross margin as a percentage of revenue in the fourth quarter decreased to 31% compared to 34% for the fourth quarter of 2013 due to year-end inventory adjustments. The adjustments reflect a second half transition to new inventory processes and systems. As a percentage of revenue, gross margin for U.S. operations improved over the same quarter in prior year, as 2013 margins were impacted by initial start-up costs. Rentals gross margin as a percentage of revenue was consistent compared to the same quarter in the prior year.

For 2014, downhole tools & rentals revenue and gross margin exceeded prior year due to increased activity from Essential's higher margin rentals business and improved performance from U.S. operations. On April 30, 2014, Essential acquired all of the issued and outstanding shares of Sam's Packer & Supply LLC for U.S. $5.6 million.

GENERAL AND ADMINISTRATIVE

(in thousands of dollars, except percentages)		Three months ended December 31, 2014		2013		Years ended December 31, 2014		2013
General and administrative expenses	**$**	**5,338**	$	4,627	**$**	**19,798**	$	17,176
As a % of revenue		**5%**		5%		**6%**		5%

General and administrative expenses are comprised of wages, professional fees, office space and other administrative costs incurred at corporate and operational levels. General and administrative expense for the fourth quarter and year ended December 31, 2014 increased due to employee costs, facility costs, litigation and professional fees.

OTHER EXPENSE

(in thousands of dollars)	Three months ended December 31, 2014	2013	Years ended December 31, 2014	2013
Loss (gain) on disposal of assets	**$ (55)**	$ 1,008	**$ 831**	$ 1,322
Write-down of assets	**1,958**	-	**2,755**	-
Foreign exchange gain	**(370)**	(154)	**(1,123)**	(176)
Forfeited deposits	**-**	-	**-**	3,567
Other loss (gain)	**55**	(15)	**123**	(328)
Other expense	**$ 1,588**	$ 839	**$ 2,586**	$ 4,385

Write-down of assets in the fourth quarter of 2014 included $2.0 million to reduce the carrying value of Essential's conventional coil tubing equipment to its estimated net realizable value. Forfeited deposits in the prior year related to deposits on two coil tubing rigs as the supplier was placed into receivership in September 2013.

IMPAIRMENT LOSS

(in thousands of dollars)	Three months ended December 31, 2014	2013	Years ended December 31, 2014	2013
Impairment loss	**$ 47,164**	$ -	**$ 47,164**	$ -

International Financial Reporting Standards ("IFRS") require Essential to annually assess the carrying value of assets in the cash generating units ("CGUs") containing goodwill. As a direct result of the recent falling price of oil, which has reduced Essential's expectation of future activity and cash flow, the impairment assessment determined that a portion of Essential's goodwill and intangible assets no longer have an economic useful life. The Company recognized an impairment charge in the fourth quarter of 2014, consisting of $43.9 million on goodwill and $3.3 million on intangible assets in the well servicing segment.

FINANCIAL RESOURCES AND LIQUIDITY

FUNDS FLOW FROM OPERATIONS(1)

(in thousands of dollars, except per share amounts)	Three months ended December 31, 2014	2013	Years ended December 31, 2014	2013
Net cash provided by operating activities	**$ 24,602**	$ 15,759	**$ 44,842**	$ 47,276
Add:				
Changes in non-cash working capital	**(5,416)**	(975)	**15,228**	8,761
Funds flow provided by operations(1)	**$ 19,186**	$ 14,784	**$ 60,070**	$ 56,037
Per share – basic	**$ 0.15**	$ 0.12	**$ 0.48**	$ 0.45
Per share – diluted	**$ 0.15**	$ 0.12	**$ 0.48**	$ 0.44

WORKING CAPITAL

(in thousands of dollars, except ratios)	As at December 31, 2014	2013
Current assets	**$ 118,758**	$ 107,945
Current liabilities, excluding current portion of long-term debt	**(37,789)**	(45,419)
Working capital [(1)]	**$ 80,969**	$ 62,526
Working capital ratio	**3.1:1**	2.4:1

Working capital typically grows through the first, third and fourth quarters of the year when industry activity is stronger. 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

(in thousands of dollars)	Three months ended December 31, 2014	2013	Years ended December 31, 2014	2013
Well Servicing	**$ 10,248**	$ 13,539	**$ 32,034**	$ 41,227
Downhole Tools & Rentals	**5,278**	1,460	**12,289**	3,785
Corporate	**489**	643	**1,501**	1,588
Total equipment expenditures	**16,015**	15,642	**45,824**	46,600
Less proceeds on disposal of property and equipment	**(6,622)**	(1,056)	**(9,674)**	(2,657)
Net equipment expenditures[(1)]	**$ 9,393**	$ 14,586	**$ 36,150**	$ 43,943

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

(in thousands of dollars)	Three months ended December 31, 2014	2013	Years ended December 31, 2014	2013
Growth capital[(1)]	**$ 10,995**	$ 10,251	**$ 31,747**	$ 31,650
Maintenance capital[(1)]	**5,020**	5,391	**14,077**	14,950
Total equipment expenditures	**$ 16,015**	$ 15,642	**$ 45,824**	$ 46,600

2014 growth capital spending related primarily to progress payments on the masted coil tubing build program. The following equipment was added to the fleet during 2014:

- Two Generation III masted coil tubing rigs;
- Two Generation IV masted coil tubing rigs;
- One quintiplex fluid pumper; and
- Rental equipment, primarily specialty drill pipe.

In the fourth quarter, Essential retired twelve conventional coil tubing rigs, including five shallow, five intermediate and two deep rigs. These older rigs have shallower depth capacity and have historically operated at a much lower utilization than the masted coil tubing rigs. On October 8, 2014, Essential sold its rod rigs for proceeds of $6.1 million, which is included in the above table in “proceeds on disposal of property and equipment.”

Essential's 2015 capital budget of $21 million, announced on January 6, 2015, is comprised of $13 million growth capital and $8 million maintenance capital. Essential's 2015 growth capital consists primarily of four Generation IV masted coil tubing rigs, two of which are expected to be in service in 2015 and two in the first half of 2016.

Essential's long-term capital build program is aimed at increasing 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 reduced its expected spend on this program from $63 million to approximately $48 million by deferring the build of one Generation III and two Generation IV rigs in early 2015. Upon completion of the $48 million spending program in 2016, Essential will have three Generation III and six Generation IV masted coil tubing rigs. At December 31, 2014, Essential had spent approximately $37 million on this capital program. The Generation III and Generation IV rigs have the capability to work on long-reach horizontal wells and are well-suited to work in deep, high pressure basins including the Montney, Bakken, Duvernay and Horn River. With a coil diameter of 2 3/8", the Generation III rigs can reach 6,300 meters and the Generation IV rigs can reach 7,900 meters.

The following table shows the expected in-service dates of the major equipment as at March 4, 2015:

	Capital Build Program	Rigs In-Service	Expected In-Service Dates
Masted coil tubing rigs:			
Generation III	3	3	
Generation IV	6	2	Q3'15, Q4'15, 2016(2)

OUTLOOK

Sector activity continued to be strong in October and November as E&P customers completed their 2014 capital spending budgets. However, the impact of lower oil prices became apparent in the last month of 2014 and the start of 2015 as activity slowed considerably. The CAODC reported drilling rig and service rig utilization in January 2015 of 48% and 38% respectively. In January 2014, CAODC drilling rig utilization was 69% and service rig utilization was 54%. The low price of oil is widely anticipated to keep activity in the WCSB slower throughout the year. In January 2015 the Canadian Association of Petroleum Producers projected E&P spending in 2015 will be 33% lower, decreasing from $69 billion in 2014 to $46 billion in 2015. Since then, further capital spending cuts have been announced. Lower E&P spending decreases demand for oilfield services and puts pricing pressure on those services.

Given the circumstances, Essential is taking proactive steps to manage costs and spending. Compensation reductions have been implemented in March 2015, including a 20% cash compensation decrease for the Board of Directors and 20% salary rollback for executives. In addition, Essential has suspended various benefit and incentive programs. The compensation reductions will remain in place pending clarity on the duration and extent of the industry downturn. Discretionary spending is under review in all areas including consulting costs, advertising, promotion and administrative costs. Essential anticipates annualized fixed cost savings from these initiatives of approximately $10 million. Unfortunately, despite these cost reduction initiatives, the slowdown has necessitated the need for employee layoffs, which are expected to be completed prior to the end of the first quarter.

On January 6, 2015, Essential announced a $21 million capital spending budget, well below the $46 million spent in 2014. As detailed in January, Essential has deferred three of the masted coil tubing rigs that are part of the long-term capital build program. The delivery profile and deferral of the new masted coil tubing rigs is appropriate for the industry slowdown. These rigs have the capability to work on long-reach horizontal wells and are well-suited to work in deep, high pressure basins including the Montney, Bakken, Duvernay and Horn River and should see demand for their services if work continues in these regions.

The cost cutting efforts and conservative capital spending will help to preserve the strength of Essential's balance sheet. At March 4, 2015, Essential had $44 million of debt and reported Debt to EBITDAS of 0.8x at year-end.

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 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, non-controlling interest earnings, losses or gains on disposal of equipment, write-down of assets, impairment loss, foreign exchange gains or losses, results of discontinued operations 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 (used in) 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 assess net cash flows related to the financing of Essential's oilfield services capital program.

Working capital – Working capital is calculated as current assets less current liabilities, excluding the current portion of long-term debt.

SUMMARY OF QUARTERLY DATA

Essential operates primarily in western Canada, where activity levels of the Company are 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)	**Dec 31, 2014**	Sept 30, 2014	Jun 30, 2014	Mar 31, 2014	**Dec 31, 2013**	Sept 30, 2013	Jun 30, 2013	Mar 31, 2013
Well Servicing:								
Coil Well Service	**41,426**	39,233	17,398	41,499	**36,150**	33,037	9,433	49,621
Service Rigs	**22,034**	22,105	16,437	32,499	**25,593**	23,870	14,732	33,556
Total Well Servicing	**63,460**	61,338	33,835	73,998	**61,743**	56,907	24,165	83,177
Downhole Tools & Rentals	**35,921**	35,261	19,521	30,286	**31,560**	28,185	14,252	37,342
Inter-segment eliminations	**(527)**	(463)	(604)	(554)	**(480)**	(582)	-	-
Total revenue	**98,854**	96,136	52,752	103,730	**92,823**	84,510	38,417	120,519
Gross margin	**27,330**	27,515	5,222	27,327	**25,332**	21,414	(1,310)	37,832
Gross margin %	**28%**	29%	10%	26%	**27%**	25%	(3)%	31%
EBITDAS(1)	**21,992**	22,657	440	22,507	**20,705**	17,132	(5,171)	33,426
EBITDAS %(1)	**22%**	24%	1%	22%	**22%**	20%	(13)%	28%
Net income (loss) (i) attributable								
to shareholders of Essential	**(38,323)**	10,777	(5,425)	10,149	**11,126**	3,843	(11,501)	18,627
Per share – basic	**(0.30)**	0.09	(0.04)	0.08	**0.09**	0.03	(0.09)	0.15
Per share – diluted	**(0.30)**	0.08	(0.04)	0.08	**0.09**	0.03	(0.09)	0.15
Total assets	**397,351**	454,745	408,964	439,745	**423,963**	409,613	380,728	436,301
Long-term debt	**55,253**	65,043	38,433	50,821	**39,027**	40,484	14,592	35,603
Utilization (ii)								
Masted coil tubing rigs	**104%**	105%	42%	109%	**107%**	112%	19%	148%
Pumpers (iii)	**72%**	66%	34%	69%	**55%**	47%	14%	73%
Service rigs	**49%**	48%	34%	66%	**53%**	50%	28%	69%
Operating Hours								
Masted coil tubing rigs	**17,469**	15,524	6,094	15,312	**14,699**	14,738	2,477	18,666
Pumpers (iii)	**20,885**	19,397	9,861	19,995	**16,612**	14,418	4,241	20,481
Conventional coil tubing rigs	**3,951**	4,426	2,942	6,959	**6,612**	5,002	2,832	8,609
Service rigs	**24,394**	23,997	16,907	32,616	**26,557**	25,084	14,234	34,364
Downhole Tools & Rentals - % of revenue								
Tryton MSFS®	**51%**	53%	25%	39%	**55%**	55%	40%	60%
Conventional Tools & Rentals	**49%**	47%	75%	61%	**45%**	45%	60%	40%
Equipment fleet (iv)								
Masted coil tubing rigs	**19**	17	17	16	**15**	15	14	14
Fluid pumpers	**18**	18	18	18	**18**	18	18	18
Nitrogen pumpers	**14**	14	14	14	**14**	15	15	13
Conventional coil tubing rigs	**17**	29	30	30	**30**	30	30	30
Service rigs	**54**	54	55	55	**55**	54	56	56

(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) Pumpers include both fluid and nitrogen pumpers.
(iv) Fleet data represents the number of units at the end of the period.

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
(in thousands of dollars)		**2014**		2013
Assets				
Current				
Trade and other accounts receivable	**$**	**79,651**	$	76,640
Inventories		**35,991**		27,979
Prepayments		**3,116**		3,326
		118,758		107,945
Non-current				
Property and equipment		**239,696**		230,292
Intangible assets		**24,599**		30,712
Goodwill		**14,298**		55,014
		278,593		316,018
Total assets	**$**	**397,351**	$	423,963
Liabilities				
Current				
Bank indebtedness	**$**	**991**	$	2,112
Trade and other accounts payable		**32,822**		36,161
Dividends payable		**3,773**		3,765
Income taxes payable		**203**		3,381
Current portion of long-term debt		**-**		7,603
		37,789		53,022
Non-current				
Long-term debt		**55,253**		31,424
Deferred tax liabilities		**28,299**		26,360
		83,552		57,784
Total liabilities		**121,341**		110,806
Equity				
Share capital		**262,871**		262,177
Retained earnings		**8,706**		46,622
Other reserves		**4,433**		4,358
Total equity		**276,010**		313,157
Total liabilities and equity	**$**	**397,351**	$	423,963

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

(in thousands of dollars, except per share amounts)	For the years ended December 31, **2014**	2013
Revenue	**$ 351,472**	$ 336,269
Operating expenses	**264,078**	253,001
Gross margin	**87,394**	83,268
General and administrative expenses	**19,798**	17,176
	67,596	66,092
Depreciation and amortization	**27,042**	26,710
Share-based compensation	**1,589**	2,038
Impairment loss	**47,164**	-
Other expenses	**2,586**	4,385
Operating profit (loss) from continuing operations	**(10,785)**	32,959
Finance costs	**1,812**	1,634
Income (loss) before income taxes from continuing operations	**(12,597)**	31,325
Current income tax expense	**8,276**	10,508
Deferred income tax expense (recovery)	**1,949**	(3,200)
Total income tax expense	**10,225**	7,308
Net income (loss) from continuing operations	**$ (22,822)**	$ 24,017
Loss from discontinued operations, net of tax	**-**	(2,110)
Net income (loss)	**$ (22,822)**	$ 21,907
Unrealized foreign exchange gain (loss) from continuing operations	**61**	(54)
Unrealized foreign exchange loss from discontinued operations	**-**	(224)
Reclassification of foreign exchange from discontinued operations	**-**	(664)
Other comprehensive income (loss)	**61**	(942)
Comprehensive income (loss)	**$ (22,761)**	$ 20,965
Net income (loss) attributable to:		
Shareholders of Essential	**$ (22,822)**	$ 22,095
Non-controlling interest	**-**	(188)
	$ (22,822)	$ 21,907
Comprehensive income (loss) attributable to:		
Shareholders of Essential	**$ (22,761)**	$ 21,153
Non-controlling interest	**-**	(188)
	$ (22,761)	$ 20,965
Net income (loss) per share from continuing operations		
Basic and diluted, attributable to shareholders of Essential	**$ (0.18)**	$ 0.19
Net income (loss) per share		
Basic, attributable to shareholders of Essential	**$ (0.18)**	$ 0.18
Diluted, attributable to shareholders of Essential	**$ (0.18)**	$ 0.17
Comprehensive income (loss) per share		
Basic and diluted, attributable to shareholders of Essential	**$ (0.18)**	$ 0.17

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of dollars)	For the years ended December 31, **2014**	2013
Operating activities:		
Net income (loss) from continuing operations	**$ (22,822)**	$ 24,017
Non-cash adjustments to reconcile net income for the year to operating cash flow:		
Depreciation and amortization	**27,042**	26,710
Deferred income tax expense (recovery)	**1,949**	(3,200)
Share-based compensation	**789**	1,177
Provision for impairment of trade accounts receivable	**550**	810
Finance costs	**1,812**	1,634
Impairment loss	**47,164**	-
Loss on disposal of assets, write-down of assets and forfeited deposits	**3,586**	4,889
Operating cash flow before changes in non-cash working capital	**60,070**	56,037
Changes in non-cash operating working capital:		
Trade and other accounts receivable before provision	**(2,224)**	(6,708)
Inventories	**(7,464)**	(7,280)
Prepayments	**210**	(20)
Trade and other accounts payable	**(2,572)**	1,128
Current income taxes payable	**(3,178)**	4,119
Net cash provided by operating activities from continuing operations	**44,842**	47,276
Investing activities:		
Purchase of property, equipment and intangible assets	**(45,824)**	(46,600)
Business acquisition, net of cash acquired	**(6,043)**	-
Non-cash investing working capital in trade and other accounts payable	**(805)**	2,387
Proceeds on disposal of equipment	**9,674**	2,657
Proceeds on sale of assets held for sale	**-**	3,063
Net cash used in investing activities from continuing operations	**(42,998)**	(38,493)
Financing activities:		
Issuance of long-term debt	**16,226**	3,464
Proceeds from exercise of share options	**1,419**	3,389
Repurchase of shares	**(1,500)**	(1,226)
Dividends paid	**(15,085)**	(13,083)
Finance costs	**(1,812)**	(1,634)
Net cash used in financing activities from continuing operations	**(752)**	(9,090)
Foreign exchange gain on cash held in a foreign currency	**29**	30
Net increase (decrease) in cash	**1,121**	(277)
Bank indebtedness, beginning of year	**(2,112)**	(1,835)
Bank indebtedness, end of year	**$ (991)**	$ (2,112)
Supplemental cash flow information		
Cash taxes paid	**$ 11,465**	$ 6,370
Cash interest and standby fees paid	**$ 1,655**	$ 1,402

2014 FOURTH QUARTER AND YEAR END EARNINGS CONFERENCE CALL AND WEBCAST

Essential has scheduled a conference call and webcast at 10:00 am MT (12:00 pm ET) on March 5, 2015.

The conference call dial in numbers are 416-340-2217 or 866-696-5910, passcode 2698381.

An archived recording of the conference call will be available approximately one hour after completion of the call until March 23, 2015 by dialing 905-694-9451 or 800-408-3053, passcode 1020303.

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 coil tubing well service fleet in Canada with 36 coil tubing rigs and has a fleet of 54 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 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; cash flow and earnings; Essential's credit facility; the impact of Essential's financial resources or liquidity on its future operating, investing and financing activities; Essential's long-term build program and the addition of new masted coil rigs; the costs and timing associated with such program and the delivery of the equipment; the demand for the services of the rigs; the price of oil and its impact on activity and pricing in the WCSB and the implications to Essential's stakeholders; management's believe that the impairment is not a reflection of the quality of Essential as a business or Essential's long-term prospects; projected E&P spending in 2015; anticipated savings from cost reduction initiatives; duration compensation reductions will remain in place; the timing of employee layoffs; and the impact of cost cutting 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.