ESSENTIAL ENERGY SERVICES

NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES STRONG FIRST QUARTER RESULTS

CALGARY, ALBERTA May 10, 2011 - Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces strong first quarter results with EBITDA[(1)] of $13.4 million, an increase from $10.5 million in the first quarter of 2010. Essential benefited from strong activity during the winter drilling season as oil prices remained high. In addition, cold weather delayed spring break-up until after the end of the quarter.

Effective January 1, 2011, Essential began reporting its financial results in accordance with International Financial Reporting Standards ("IFRS"). Prior period comparative amounts have been restated to reflect results as if Essential had always prepared its financial statements using IFRS. Additional information can be found under the section titled International Financial Reporting Standards.

HIGHLIGHTS

Canadian Operations – First Quarter 2011 vs 2010

- Strong demand for the Tryton Multi-Stage Fracturing System ("Tryton MSFS") and an increase in the number jobs.
- An increase in conventional downhole tools activity.
- High utilization of Essential's deep coil tubing rigs.
- 64% service rig utilization in the quarter, up from 55% utilization in the first quarter of 2010.
- Third deep coil tubing rig was commissioned in March 2011.

Combination with Technicoil

On April 4, 2011, Essential and Technicoil Corporation ("Technicoil") announced plans to combine their businesses (the "Combination") by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement"). Under the Arrangement, Essential will acquire all of the outstanding shares of Technicoil for 0.7111 of a share of Essential and $0.80 of cash for each share of Technicoil. The Combination is subject to shareholder, court, regulatory and TSX approval. If approved, the Combination is expected to take effect on May 31, 2011.

The Combination will progress Essential's strategy to become a larger and more competitive oilfield services company. In particular, the Arrangement strengthens Essential's position as the largest coil tubing well service provider in Canada.

Capital Spending Plans

A $27 million capital spending budget for 2011 was announced in February, 2011. Spending in 2011 is focused on increasing the depth of the coil tubing fleet, upgrading service rig support equipment and increasing tubular rental stock. Essential will re-evaluate the capital program of the combined entity shortly after completing the Arrangement.

Debt

Essential had $7.4 million of long-term debt outstanding on March 31, 2011, a cash balance of $1.4 million and working capital of $46.2 million. On May 10, 2011, long-term debt was $0.3 million. The decrease is largely due to the seasonal collection of receivables.

SELECTED FINANCIAL INFORMATION

($ Thousands, except per share amounts)		Three months ended March 31, 2011		2010
Revenue		**66,416**		46,220
Gross margin		**16,652**		13,380
Gross margin %[1]		**25%**		29%
EBITDA[1]		**13,401**		10,450
EBITDA %[1]		**20%**		23%
Funds flow from operations [1]		**13,918**		10,542
Per share – basic and diluted [1]	**$**	**0.19**	$	0.17
Net income attributable to shareholders of Essential		**6,248**		5,675
Per share – basic and diluted	**$**	**0.09**	$	0.09
Total assets		**191,046**		158,449
Total long-term debt		**7,392**		-
Equity attributable to shareholders of Essential		**156,408**		143,384

[1] Refer to "Non-IFRS Measures".

INDUSTRY OVERVIEW

Canada

Activity in the Canadian energy services sector during the first quarter of 2011 continued to build on a strong 2010. Exploration and production companies remained focused on oil and liquids-rich natural gas plays and Canadian activity levels increased as Canada reinforced its position as a stable and reliable source for petroleum products. Additionally, as a result of an unusually long winter in the Western Canadian Sedimentary Basin ("WCSB"), exploration and production companies were able to continue their drilling programs to the end of the quarter. Service work related to conventional natural gas activity in the WCSB remained slow in the first quarter due to persistent low prices, high storage levels and continued development of shale-gas in the United States.

During the quarter, activity in the WCSB continued to be driven by horizontal wells which typically require more investment capital and increased rig time per well due to their depth and complexity compared to conventional vertical wells. This focus on horizontal wells continued to be a major contributor to improved utilization of deeper coil and multi-stage completion work.

Industry service rig utilization, which is an indicator of oilfield service activity in the WCSB, continued to improve over recent years and has returned to pre-2009 levels. The significant improvement in activity in the WCSB continues to create labour constraints and cost escalations throughout the energy services sector.

Colombia

Colombia is the third largest oil and gas producer in South America and its royalty structure supports further exploration and development activity. The Colombian government continues to target significant production increases over the next five years. These factors, combined with an improved security and business environment, make Colombia an attractive location for foreign investment. Currently, there are over 70 exploration and production companies, including 20 Canadian companies, operating in Colombia.

A significant portion of Colombia's anticipated production increase is expected to come from increasing production of current wells through extensive stimulation and workover programs. This is expected to increase the demand for oilfield services. Colombian producers, led by Colombia's national oil company Ecopetrol, are looking to generate operational efficiencies and cost savings through the use of improved technologies and oilfield service equipment that is currently in short supply.

OPERATING HIGHLIGHTS - ESSENTIAL

Canada

A resurgence of activity in the WCSB during the first quarter of 2011 resulted in Essential posting strong quarterly results. Essential's efforts to expand and deepen its coil tubing fleet during 2010 provided quarter over quarter growth compared to 2010. Additionally, the expansion of the Tryton MSFS continued to generate significant growth over prior periods. The Company's continued focus on oil and liquids-rich natural gas plays combined with the quality, location and versatility of its operations generated improved activity levels and operating results across both operating segments.

The Well Servicing segment continued to experience high activity levels, as high oil prices and an extended winter drilling season improved demand for Essential's services. The industry's focus on horizontal wells continued to increase activity, particularly with respect to the Company's deep and intermediate coil tubing fleet. Essential's service rig fleet also benefited from the extended winter drilling season as the cold temperatures in late March allowed the fleet to operate longer compared to recent years, before the onset of spring break-up.

The Downhole Services & Rentals segment continued to expand primarily due to the sustained growth of the Tryton downhole tools business. Downhole tool operations benefitted from increased horizontal well completion activity and increased demand for fracturing services, particularly with respect to the Tryton MSFS which continued its quarter over quarter growth. Additionally, demand for conventional downhole tools increased as activity in the Canadian energy services sector continued to improve.

Colombia

During the quarter, Essential shipped a second coil tubing rig and a second nitrogen pumper to Colombia. The equipment fleet in Colombia now includes one double service rig, two coil tubing rigs, two nitrogen pumpers, three rod rigs and two wireline trucks. The equipment was commissioned during the first quarter and is ready to commence operations. Essential incurred approximately $0.6 million in pre-operating costs during the first quarter, including commissioning costs and establishing operating facilities in Barrancabermeja.

Essential is in the process of negotiating two separate contracts with Ecopetrol S.A., the largest hydrocarbon producer in Colombia. The level of work generated under these contracts will be determined by the amount of work orders offered and accepted under the terms of the contracts. The scope and dollar value of work programs will be determined in upcoming months. Management expects to begin working in the second quarter. The extra time has been valuable to Essential as it completed the shop and yard facility in Barrancabermeja, established supplier relationships, completed fabrication and equipment testing and formalized health, safety and environmental programs and requirements.

With the recent activity increase in Canada, including high utilization of service rigs and strong demand for deep coil tubing rigs, Essential has decided to postpone shipping an additional single service rig and the new deep coil tubing rig to Colombia. As operations ramp up in Colombia, Essential will assess future equipment needs and possible fleet expansion.

Segment Results - *Well Servicing*

Essential provides well completion and production/workover services across western Canada through its fleet of service rigs and coil tubing rigs. In addition, Essential provides services through a fleet of rod rigs, nitrogen pumpers, a cement & acid unit and other ancillary well servicing equipment. Well Servicing generated revenue of $40.2 million for the three months ended March 31, 2011, compared to $30.6 million for the same period in 2010.

	Three months ended March 31,	
(Thousands)	**2011**	2010
Revenue		
Service rigs	**$ 23,873**	$ 19,336
Coil tubing rigs	**10,406**	5,680
Other	**5,931**	5,626
Total revenue	**40,210**	30,642
Operating expenses	**29,494**	20,902
Gross margin	**$ 10,716**	$ 9,740
Gross margin %(1)	**27%**	32%
Canada		
Service Rigs		
Number of rigs*	**52**	51
Number of operating hours	**28,710**	25,128
Utilization	**64%**	55%
Coil Tubing Rigs		
Number of rigs*	**32**	30
Number of operating hours	**11,607**	10,996
Utilization	**42%**	42%

*Fleet data represents the number of rigs at the end of the period in Essential's Canadian operations.

Activity during the quarter for service rigs and intermediate and deep coil tubing rigs increased due to continued demand to complete, service and maintain producing oil and liquids-rich natural gas wells. In addition, the number of operating days in the first quarter increased as prolonged cold temperatures allowed exploration and production companies to extend their winter drilling programs.

Service rig utilization was strong during the quarter as a result of the increase in oil-based and liquids-rich natural gas activity in the WCSB. The Company's operations in northern Alberta were particularly strong as an unusually cold winter drilling season enabled additional work in winter-only access areas and generated stronger demand for boilers and related ancillary equipment. The operations in southern Alberta were hampered by fluctuations in weather, which at times limited access to well sites. The higher cost of labour, fuel and supplies, combined with the reinstatement of compensation programs, resulted in reduced operating margins during the quarter. The Company will be re-evaluating its pricing to recover some of these higher costs prior to the commencement of the fall drilling season.

Revenue for the coil tubing operations significantly increased in the first quarter as a result of Essential's 2010 capital expenditure program which increased the size and depth capacity of its coil tubing fleet. During 2010, Essential added one deep coil tubing rig, two intermediate coil tubing rigs and three nitrogen pumpers and bulkers to its fleet through a combination of asset acquisitions, conversions of existing rigs and construction of new assets. The increased depth capacity of the coil tubing fleet expanded Essential's ability to meet the growing demand for intermediate and deep coil tubing rigs in the Bakken, Viking, Cardium and Alberta Montney resource plays. This work, in addition to Essential's continued use of two intermediate coil tubing rigs to perform nitrogen stimulation work on coalbed methane reservoirs in southern Alberta, has allowed Essential to substantially improve its average coil tubing pricing. In the first quarter of 2011, Essential converted a shallow coil tubing rig to intermediate depth and took delivery of a third deep coil rig in late March.

Segment Results - ***Downhole Services & Rentals***

Essential provides downhole tools and equipment rentals and wireline services through the Downhole Services & Rentals business segment. Downhole Services & Rentals generated revenue of $26.2 million for the three months ended March 31, 2011, compared to $15.6 million for the same period in 2010.

(Thousands)	Three months ended March 31, **2011**	2010
Revenue		
Conventional downhole tools & rentals	**$ 12,822**	$ 9,089
Tryton MSFS	**9,223**	2,361
Downhole tools & rentals	**22,045**	11,450
Wireline services	**4,161**	4,128
Total revenue	**26,206**	15,578
Operating expenses	**18,436**	10,612
Gross margin	**$ 7,770**	$ 4,966
Gross margin %[1]	**30%**	32%

The downhole tools and rentals operations were the primary contributor to the dramatic increase in operating results in this segment over the prior year. Essential's tubular and pipe rentals business, which primarily offers products related to conventional oil and gas drilling, benefited from the improved drilling activity during the quarter. The results from the Tryton MSFS business continued to exceed management's expectations as the market for servicing horizontal wells continues to grow. Additionally the conventional downhole tool business has improved as activity levels have increased. Essential continued to facilitate further expansion of this growing operation through increased inventory, improved supplier arrangements and hiring additional skilled personnel.

Revenue levels for wireline services remained consistent with the prior year. Essential sold its slickline assets at the end of the quarter.

General and Administrative

(Thousands)	Three months ended March 31, **2011**	2010
General and administrative expenses	**$ 3,251**	$ 2,930
As a % of revenue	**5%**	6%

General and administrative expenses were $3.3 million for the three months ended March 31, 2011, compared to $2.9 million for the same period in 2010. These costs are comprised of wages, professional fees, office space and other administrative costs incurred at the corporate and business unit level.

The increase in general and administrative costs in 2011 is due primarily to the reinstatement of certain compensation programs in the second half of 2010 which had been eliminated as part of the cost reduction measures taken in 2009. General and administrative costs continue to run at a consistent level as a percentage of revenue.

Equity Taxes

(Thousands)	Three months ended March 31, **2011**	2010
Equity tax expense	**$ 478**	$ -

Equity tax for the current quarter of $0.5 million represents a Colombian tax of 6.0% on the balance sheet equity recorded in Essential's Colombia branch at January 1, 2011. The equity tax is assessed every four years. The tax for the four-year period from 2011 to 2014 is payable in eight semi-annual installments over the four-year period but is expensed in the first quarter of 2011.

Equipment Expenditures

(Thousands)	Three months ended March 31, **2011**	2010
Canada		
Well Servicing	**$ 4,969**	$ 890
Downhole Services & Rentals	**1,668**	281
Corporate	**76**	167
	6,713	1,338
Colombia		
Well Servicing	**1,289**	-
	1,289	-
Total equipment expenditures	**8,002**	1,338
Less proceeds on disposal of property and equipment	**(947)**	(339)
Net equipment expenditures[(1)]	**$ 7,055**	$ 999

Net equipment expenditures[(1)] for the three months ended March 31, 2011 were $7.1 million compared to $1.0 million for the same period in 2010. During the quarter capital expenditures related primarily to the completion of the third deep coil tubing rig, equipment modification costs for the Colombian expansion and continued improvements to the existing fleet. The increase in equipment expenditures over 2010 was in response to the improved industry activity levels and the addition of equipment better suited to service deeper horizontal well activity.

Essential classifies its equipment expenditures as growth capital[(1)], maintenance capital[(1)], and infrastructure capital[(1)]; the latter category includes information systems, operational facilities and leasehold improvements. Comparative equipment expenditures are as follows:

(Thousands)	Three months ended March 31, **2011**	2010
Canada		
Growth capital[(1)]	**$ 3,226**	$ 671
Maintenance capital[(1)]	**3,157**	500
Infrastructure capital[(1)]	**330**	167
	6,713	1,338
Colombia		
Growth capital[(1)]	**822**	-
Maintenance capital[(1)]	**467**	-
	1,289	-
	$ 8,002	$ 1,338

Significant improvement in activity levels result in substantially higher maintenance capital[(1)] as maintenance capital[(1)] expenditures tend to fluctuate based on activity levels. Management expects that at current levels of activity, maintenance capital[(1)] should be between $8 million to $9 million on an annual basis.

Essential intends to continue its existing 2011 capital spending program until the Combination with Technicoil is completed and will consider additional new capital expenditure opportunities with the combined entity.

COMBINATION WITH TECHNICOIL CORPORATION

On April 4, 2011, the Boards of Directors of Essential and Technicoil approved a definitive arrangement agreement (the "Agreement") providing for the Combination. The Agreement will be effected by way of an Arrangement whereby Technicoil shareholders will receive, for each Technicoil common share held, 0.7111 of a common share of Essential and $0.80 cash. Under the Arrangement, Essential will acquire all of the outstanding shares of Technicoil. Upon completion of the Combination, the current shareholders of Essential will own approximately 58% and the shareholders of Technicoil will own approximately 42% of the shares of Essential.

The proposed Combination of Essential and Technicoil is subject to approval by 66 2/3% of the Technicoil shareholders and optionholders at Technicoil's annual and special meeting on May 30, 2011. The issuance of Essential shares required to complete the Combination is subject to approval by greater than 50% of the current shareholders of Essential at Essential's annual and special meeting on May 30, 2011.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Essential began reporting its financial results in accordance with IFRS on January 1, 2011, the changeover date set by the Canadian Accounting Standards Board (AcSB). IFRS compliant comparative financial information for one year from the changeover date is required including the conversion of the January 1, 2010 opening statement of financial position, the transition date for IFRS.

For the quarter ended March 31, 2010, Essential restated the operating results as if it had always prepared financial results in accordance with IFRS. As a result of componentization of the assets in accordance with IFRS, the resultant changes in depreciation policies and changes to the opening book value of property and equipment, depreciation expense for the first quarter of 2010 has decreased by $1.1 million over the amount previously reported. As a result of the reclassification of operating leases to finance leases, there were insignificant increases to depreciation and interest expense, offset by a reduction in operating expenses of $0.1 million. As a result of changes in the timing and valuation of share based compensation, there was a decrease of $0.1 million over the amount previously reported. These changes resulted in a reduction of deferred tax expense in the first quarter of 2011 of $0.8 million.

OUTLOOK

Essential anticipates 2011 activity in the WCSB will continue to be stronger than the prior year. With the expectation that oil prices will remain strong in 2011, the industry focus on oil and liquids-rich natural gas plays through horizontal well drilling, stimulation and completion technology is expected to continue.

Essential continues to be optimistic about its growth prospects in Colombia. Operations in Colombia have had a slower start than anticipated due to administrative delays in contract processing; however, Essential continues to anticipate completion of contracts and commencement of Colombia operations in the second quarter of 2011.

The recently announced Combination between Essential and Technicoil will make Essential a larger and more competitive oilfield services company. Management anticipates the Combination will:

- strengthen Essential's competitive position as the largest provider of coil tubing well services in Canada and the sixth largest fleet of conventional service rigs in Canada;
- position Essential as a critical service provider of completions and workovers of oil and liquids-rich natural gas resource plays in western Canada. With an increasing number of wells being developed with horizontal well and multi-stage fracturing technology, Essential's coil tubing, downhole tools and multi-stage fracturing service are expected to be in high demand in the Canadian market;
- expand Essential's customer base and offer additional services to existing clients;

- provide an exciting and respected oilfield services employment platform to attract and retain experienced personnel;
- position Essential to capitalize on organic growth opportunities, complementary acquisitions within western Canada, and explore expansion into growing international markets, such as Colombia; and
- realize operating and cost efficiencies through the consolidation of certain operating and administrative functions.

With complementary business lines, contiguous geographic operating regions and shared operating and safety philosophies, management expects efficient integration of the two businesses. The Arrangement is expected to close on May 31, 2011. Management and the Board of Directors believe the Combination is in the best interest of Essential's shareholders.

At a time of industry optimism and increasing resource development activity, Essential is strategically positioned to provide oilfield services that are expected be in high demand in 2011.

Essential's Management's Discussion & Analysis and Financial Statements will be available on SEDAR at www.sedar.com and on Essential's website at www.essentialenergy.ca.

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(unaudited)

(Thousands)	**As at March 31, 2011**	As at December 31, 2010	As at January 1, 2010
Assets			
Current			
Cash	**$ 1,403**	$ 2,392	$ 1,080
Trade and other receivables	**56,969**	40,160	22,899
Inventories	**11,657**	10,587	9,194
Prepayments	**2,732**	2,677	1,853
	72,761	55,816	35,026
Non-current			
Property and equipment	**112,884**	109,830	102,964
Intangible assets	**2,920**	3,122	3,853
Assets held for sale	**-**	-	1,215
Deferred tax assets	**2,481**	5,155	7,426
	118,285	118,107	115,458
Total assets	**$ 191,046**	$ 173,923	$ 150,484
Liabilities			
Current			
Trade and other payables	**$ 26,516**	$ 23,444	$ 9,425
Current portion of long-term debt	**2,187**	333	3,866
Current portion of equity taxes	**119**	-	-
	28,822	23,777	13,291
Non-current			
Long-term debt	**5,205**	63	13,735
Equity taxes	**358**	-	-
Liability for share-based compensation	**-**	-	794
	5,563	63	14,529
Total liabilities	**34,385**	23,840	27,820
Equity			
Share capital	**150,803**	150,798	-
Unitholders capital	**-**	-	136,623
Retained earnings (accumulated deficit)	**3,936**	(2,223)	(13,959)
Other reserves	**1,669**	1,205	-
Equity attributable to shareholders of Essential	**156,408**	149,780	122,664
Non-controlling interest	**253**	303	-
Total equity	**156,661**	150,083	122,664
Total liabilities and equity	**$ 191,046**	$ 173,923	$ 150,484

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

(Thousands, except per share amounts)	For the three months ended March 31, 2011	2010
Revenue	**$ 66,416**	$ 46,220
Operating expenses	**49,764**	32,840
Gross margin	**16,652**	13,380
General and administrative expenses	**3,251**	2,930
	13,401	10,450
Depreciation and amortization	**3,508**	3,256
Share-based compensation	**305**	309
Equity taxes	**478**	-
Other (income) expense	**379**	(130)
Operating profit	**8,731**	7,015
Finance costs	**120**	239
Net income before income tax	**8,611**	6,776
Deferred income tax expense	**2,516**	1,101
Net income for the period	**6,095**	5,675
Other comprehensive income:		
Unrealized foreign exchange gain on foreign operations	**265**	-
Deferred income tax on unrealized foreign exchange	**(90)**	-
Total comprehensive income for the period	**175**	-
Comprehensive income	**$ 6,270**	$ 5,675
Net income attributable to:		
Shareholders of Essential	**$ 6,248**	$ 5,675
Non-controlling interests	**(153)**	-
	$ 6,095	$ 5,675
Comprehensive income attributable to:		
Shareholders of Essential	**$ 6,409**	$ 5,675
Non-controlling interests	**(139)**	-
	$ 6,270	$ 5,675
Earnings per share		
Basic and diluted, attributable to shareholders of Essential	**$ 0.09**	$ 0.09

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

(Thousands)	For the three months ended March 31, 2011	2010
Operating activities:		
Net income for the period	**$ 6,095**	$ 5,675
Non-cash adjustments to reconcile net income for the period to net cash flow:		
Depreciation and amortization	**3,508**	3,256
Deferred income tax expense (recovery)	**2,516**	1,101
Share-based compensation	**305**	309
Provision for impairment of trade accounts receivable	**153**	153
Finance costs	**120**	239
(Gain) loss on disposal of assets	**743**	(131)
Operating cash flow before changes in working capital	**13,440**	10,602
Working capital adjustments:		
Increase in trade and other accounts receivable before provision	**(15,876)**	(13,317)
(Increase) decrease in inventories	**(1,070)**	767
(Increase) decrease in prepayments	**(55)**	334
Increase in trade and other accounts payable	**3,073**	4,302
Increase in equity taxes	**478**	-
Net cash flows from (used in) operating activities	**(10)**	2,688
Investing activities:		
Purchase of property and equipment	**(8,002)**	(1,338)
Proceeds on disposal of equipment	**947**	339
Change in non-cash working capital	**(800)**	**-**
Net cash flows from (used in) investing activities	**(7,855)**	(999)
Financing activities:		
Increase (decrease) in long-term debt	**6,996**	(16,518)
Issuance of share capital, net of costs	**3**	13,813
Finance costs	**(120)**	(239)
Change in non-cash working capital	-	175
Net cash flows from (used in) financing activities	**6,879**	(2,769)
Foreign exchange gain on cash held in a foreign currency	**(3)**	-
Change in cash	**(989)**	(1,080)
Cash, beginning of the period	**2,392**	1,080
Cash, end of period	**$ 1,403**	$ -

[1]Non-IFRS Measures

Throughout this news release, certain terms that are not specifically defined in IFRS are used to analyze the 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 and capital programs. As a result, the method of calculation may not be comparable with other companies. These measures should not be considered alternatives to net earnings and net earnings per share as calculated in accordance with IFRS.

Gross margin % – This measure is considered a primary indicator of operating performance as calculated by gross margin divided by revenue.

EBITDA (Earnings before interest, income taxes, equity taxes, depreciation, amortization, non-controlling interest earnings, losses or gains on disposal of equipment and share based compensation) – This measure is considered an indicator of Essential's ability to generate funds flow in order to fund required working capital, service debt and fund capital programs.

EBITDA % – This measure is considered an indicator of Essential's ability to generate funds flow as calculated by EBITDA divided by revenue.

Funds flow or funds flow from operations – This measure is an indicator of Essential's ability to generate funds flow in order to fund working capital, principal debt repayments and capital programs. 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 revenues and funds flow to Essential.

Maintenance capital – Equipment additions that are incurred in order to refurbish or replace previously acquired equipment less proceeds on the disposal of retired 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.

Infrastructure capital – Additions that are incurred in order to maintain the Company's business systems and operating facilities. Such additions do not provide incremental increases in revenue.

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 equipment.

ABOUT ESSENTIAL

Essential Energy Services Ltd. is a growth-oriented corporation that provides oilfield services to oil and gas producers in western Canada and Colombia for servicing producing wells and new drilling activity. Essential provides services through its Well Servicing and Downhole Services & Rentals divisions. With 53 service rigs, Essential is the 6th largest service rig provider in Canada. With 34 coil tubing rigs, Essential has the largest coil tubing well service fleet in Canada. Essential sells and services a full-range of downhole tools including the Tryton Multi-Stage Fracturing System and other rental equipment. Essential also provides perforating and logging services with 14 wireline trucks. Further information about Essential can be found at www.essentialenergy.ca.

FORWARD-LOOKING STATEMENT AND INFORMATION

This news 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 news release contains forward-looking statements including expectations regarding capital spending, expectations regarding the impact of recent equipment purchases, expectations regarding staffing, expectations regarding payment of income taxes, reporting under International Financial Reporting Standards, benefits from the proposed business Combination, including certain combined operational and financial information; the sources of capital and uses of such capital, the services offered by the Company and the relocation of some of these services to Colombia, expectations of the delivery of equipment to Colombia pursuant to the Company's joint venture in that jurisdiction, expectations regarding the customer demand for services and equipment in Colombia, expectations for the type of services to be provided in Colombia, expectations regarding the type and execution of contracts in Colombia, expectations regarding the timing of commencing operations in Colombia, expectations regarding the availability of skilled labour in Colombia, expectations of future cash flow and earnings, expectations regarding the Company's ability to access credit from its lenders, expectations with respect to the demand for and price of oil and natural gas including natural gas storage levels, expectations regarding the level and type of drilling and production activity in the Western Canadian Sedimentary Basin, expectations regarding production in Colombia and expectations regarding the business, operations and revenues of the Company in addition to general economic conditions.

Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that such statements and information 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 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 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; the availability of qualified personnel, management or other key inputs; currency exchange fluctuations; changes in political and security stability; the ability of Essential Colombia to obtain government permits; risks associated with government regulations and environmental health and safety matters and other unforeseen conditions which could impact the use of equipment and services supplied by Essential and Essential Colombia; and other unforeseen conditions which could impact the use of services supplied by the Company. 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 Company'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) for each of Essential Energy Services Trust and the Company. The forward-looking statements and information contained in this news release are made as of the date hereof and the Company 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 neither approved nor disapproved the contents of this news release.