# ESSENTIAL ENERGY SERVICES TRUST REPORTS THIRD QUARTER 2008 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 news release.*

*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" near the end of this news release.*

CALGARY, ALBERTA November 13, 2008 - Essential Energy Services Trust (TSX: ESN.UN) ("Essential" or the "Trust") is pleased to announce its third quarter results. In the second and third quarters of 2008 Essential completed two significant transactions. On April 4, 2008 Essential completed a strategic combination with Builders Energy Services Trust ("Builders"). On July 2, 2008 the Trust completed the sale of the assets of its Transport division for proceeds of $135 million and applied the proceeds from this transaction against long-term debt. To better understand the combined continuing operations of Essential and its performance over the past nine months, readers are referred to the following section entitled "Selected Combined Financial Information".

## SELECTED COMBINED FINANCIAL INFORMATION
### Essential and Builders Combined as of January 1, 2008, excluding the Transport Assets

In accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), the reporting in the Management's Discussion and Analysis and the Financial Statements represents Essential's stand-alone activities (not including Builders' operating or financial results) for January 1, 2008 to April 3, 2008 and the combined operations of Essential and Builders from April 4, 2008 to September 30, 2008. In addition, GAAP requires the results from the Transport division for the current and comparative periods to be segregated on the Statement of Operations as discontinued operations.

The financial results for Essential are unaudited but have been reviewed by the Trust's auditors, which is consistent with the preceding quarterly reports. The financial results for Builders for January 1, 2008 to April 3, 2008 are unaudited and have not been reviewed by the Trust's auditors.

To assist the reader in understanding the current operations of Essential, management has provided the combined results for Essential's continuing operations assuming the combination of Builders and Essential had occurred on January 1, 2008. Results from the disposed Transport division are not included in these numbers.

## Essential and Builders Continuing Operations Combined As Of January 1, 2008

| ($ Thousands) | Three months ended March 31, 2008 | Three months ended June 30, 2008 | Three months ended September 30, 2008 | Nine months ended September 30, 2008 |
|---|---|---|---|---|
| Revenue | 56,190 | 25,145 | 43,891 | 125,226 |
| Gross margin[1] | 18,694 | 1,513 | 11,236 | 31,443 |
| Gross margin as a percentage of revenue[1] | 33% | 6% | 26% | 25% |
| General and administrative expense | 4,957 | 3,170 | 2,612 | 10,739 |
| General and administrative expense as a percentage of revenue | 9% | 13% | 6% | 9% |
| EBITDAS[1] | 13,737 | (1,657) | 8,624 | 20,704 |
| EBITDAS as a percentage of revenue[1] | 24% | (7%) | 20% | 16% |

To assist the reader, management has provided the following reconciliation between the results from the table above to the financial results for Essential for nine months ended September 30, 2008.

| ($ Thousands) | Revenue | EBITDAS |
|---|---|---|
| Combined results per table above | $ 125,226 | $ 20,704 |
| Less: Results from Builders for the period January 1 to April 3, 2008 | (41,144) | (10,122) |
| Results per Essential Consolidated Financial Statements | $ 84,082 | $ 10,582 |

## BASIS OF PRESENTATION

The following financial information and the consolidated financial statements as at and for the three and nine months ended September 30, 2008 have been prepared in accordance with GAAP. The completion of the two transactions noted above has resulted in various changes to the presentation of financial information for the current year and comparative periods:

- The financial results of the merger with Builders have been included in the consolidated financial statements of the Trust since April 4, 2008.

- The financial results of the Transport division (which include the historical transport activities of the Trust plus the transport activities acquired as part of the Builders acquisition) have been segregated on the Balance Sheets, Statements of Operations and the Statements of Cash Flow. The assets and liabilities associated with the Transport division have been reclassified on the Balance Sheets under the captions of Assets Held for Sale and Liabilities Held for Sale, respectively. Operating results and cash flows for the Transport division have been reclassified on the Statements of Operations and Statements of Cash Flows under the captions of Earnings (loss) from discontinued operations and Cash flows from (used in) discontinued operations, respectively.

## SELECTED FINANCIAL INFORMATION

| | Three months ended September 30, | | | | Nine months ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| ($ Thousands, except per unit amounts) | | 2008 | | 2007 | | 2008 | | 2007 |
| | | | | (restated) | | (restated) | | (restated) |
| Revenue | | 43,891 | | 12,992 | | 84,082 | | 38,267 |
| Gross margin [1] | | 11,236 | | 4,544 | | 17,706 | | 12,401 |
| EBITDAS[1] from continuing operations | | 8,624 | | 3,690 | | 10,582 | | 8,467 |
| Earnings (loss) from continuing operations | | 456 | | 591 | | (8,758) | | (1,499) |
| Per unit – basic and diluted | $ | 0.01 | $ | 0.02 | $ | (0.17) | $ | (0.04) |
| Earnings from discontinued operations | | 7,944 | | 1,176 | | 5,447 | | 3,774 |
| Per unit – basic and diluted | $ | 0.13 | $ | 0.03 | $ | 0.10 | $ | 0.11 |
| Net earnings (loss) | | 8,400 | | 1,767 | | (3,311) | | 2,275 |
| Per unit – basic and diluted | $ | 0.14 | $ | 0.05 | $ | (0.07) | $ | 0.07 |
| Funds flow from operations [1] | | 8,125 | | 5,759 | | 9,873 | | 16,210 |
| Per unit – basic and diluted | $ | 0.13 | $ | 0.16 | $ | 0.18 | $ | 0.50 |
| Distributions to Unitholders | | 2,712 | | 8,782 | | 14,952 | | 23,626 |
| Per unit – diluted | $ | 0.05 | $ | 0.25 | $ | 0.29 | $ | 0.73 |
| Total assets | | 215,556 | | 234,874 | | 215,556 | | 234,874 |
| Total long term debt | | 22,063 | | 56,337 | | 22,063 | | 56,337 |
| Unitholders' equity | | 173,540 | | 159,506 | | 173,540 | | 159,506 |

## OVERVIEW OF SECTOR ACTIVITY

As expected, the third quarter was significantly more active than the second quarter which is always hampered by spring break-up conditions. In addition, the third quarter of 2008 was busier than the third quarter of 2007. Drilling rig utilization rates in the Western Canadian Sedimentary Basin ("WCSB") averaged 46% for the third quarter of 2008 compared to 19% in the second quarter of 2008 and 38% in the third quarter of 2007. Drilling rig utilization rates act as a barometer for oilfield service activity. Industry wide service rig utilization per Canadian Association of Oilfield Drilling Contractors ("CAODC") was 53% in the third quarter of 2008, slightly ahead of service rig utilization of 50% in the third quarter of 2007.

Oil peaked at the beginning of July at US$145 per barrel and natural gas at US$13.58 per mcf. As a result of the global credit crisis and recessionary concerns, the price of both commodities dropped swiftly and significantly throughout the quarter. By the end of the third quarter, the price of oil had dropped 31% and the price of natural gas had dropped 45%.

## OVERVIEW OF THIRD QUARTER RESULTS

The results from the three and nine month periods ended September 30, 2008 are generally not comparable to the results for the same periods in 2007 due to the increased size, scope and geographical reach of the operations acquired in the Builders merger. Additionally, all variances are impacted by the exclusion of the Builders results for the period January 1, 2008 to April 3, 2008.

Utilization rates for Essential improved during the third quarter of 2008 following the wet weather conditions and extended spring break-up experienced in the second quarter of 2008. Increased activity translated into both higher revenues and positive earnings within each business segment for the third quarter of 2008. Compared to the third quarter of 2007, the financial performance of the Trust from continuing operations showed significant growth due primarily to the completion of the Builders merger. However, this revenue growth is only included in the operations of the Trust during the second and third quarters, as the operating results related to the Builders acquisition are only reflected in the financial results of Essential from April 4, 2008 to September 30, 2008.

- Revenue from continuing operations for the three and nine month periods ended September 30, 2008 was $43.9 million and $84.1 million, respectively, compared to $13.0 million and $38.3 million for the same periods ended September 30, 2007.
- Gross margin(1) from continuing operations for the three and nine month periods ended September 30, 2008 was $11.2 million and $17.7 million, respectively, compared to $4.5 million and $12.4 million for the same periods ended September 30, 2007.
- Earnings (loss) from continuing operations for the three and nine month periods ended September 30, 2008 was $0.5 million and $(8.8) million, compared to $0.6 million and $(1.5) million for the same periods ended September 30, 2007.
- Funds flow from operations(1) for the three and nine month periods ended September 30, 2008 was $8.1 million and $9.9 million, respectively, compared to $5.8 million and $16.2 million for the same periods ended September 30, 2007.

## RESULTS OF OPERATIONS

| (Thousands, except per unit amounts) | Three months ended September 30, 2008 | 2007 (restated) | Nine months ended September 30, 2008 (restated) | 2007 (restated) |
|---|---|---|---|---|
| Revenue | $ 43,891 | $ 12,992 | $ 84,082 | $ 38,267 |
| Operating expenses | 32,655 | 8,448 | 66,376 | 25,866 |
| Gross margin[(1)] | 11,236 | 4,544 | 17,706 | 12,401 |
| Gross margin as a percentage of revenue[(1)] | 26% | 35% | 21% | 32% |
| General and administrative expenses | 2,612 | 854 | 7,124 | 3,934 |
| EBITDAS[(1)] | 8,624 | 3,690 | 10,582 | 8,467 |
| EBITDAS as a percentage of revenue[(1)] | 20% | 28% | 13% | 22% |
| Unit-based compensation | 511 | 436 | 1,228 | 1,232 |
| Depreciation and amortization | 5,116 | 2,036 | 12,585 | 6,417 |
| Interest on long-term debt | 499 | 691 | 2,572 | 2,312 |
| Other | 194 | (37) | 197 | 5 |
| Earnings (loss) from continuing operations before income taxes | 2,304 | 564 | (6,000) | (1,499) |
| Future income tax expense (recovery) | 1,848 | (27) | 2,758 | - |
| Earnings (loss) from continuing operations | 456 | 591 | (8,758) | (1,499) |
| Earnings from discontinued operations | 7,944 | 1,176 | 5,447 | 3,774 |
| Net earnings (loss) | $ 8,400 | $ 1,767 | $ (3,311) | $ 2,275 |
| Net earnings (loss) per unit – basic and diluted | $ 0.14 | $ 0.05 | $ (0.07) | $ 0.07 |

### Revenue

| (Thousands) | Three months ended September 30, 2008 | 2007 | Nine months ended September 30, 2008 | 2007 |
|---|---|---|---|---|
| Revenue | | | | |
| Well Servicing | $ 31,221 | $ 12,992 | $ 64,836 | $ 38,267 |
| Wireline & Rentals | 12,670 | - | 19,246 | - |
| | $ 43,891 | $ 12,992 | $ 84,082 | $ 38,267 |

Revenue from continuing operations for the three and nine month periods ended September 30, 2008 was $43.9 million and $84.1 million, respectively, compared to $13.0 million and $38.3 million for the same periods ended September 30, 2007.

The period over period increase from 2007 to 2008 is due to the completion of the Builders transaction and the resultant increased size and geographic reach of the Trust's equipment fleet and the addition of the downhole tool and rental operations. Comparative fleet information as at September 30, 2008 and 2007 is as follows:

| | 2008 | 2007 |
|---|---|---|
| Well Servicing Equipment: | | |
| Service Rigs | 55 | 15 |
| Flush-by/ Rod/ Swabbing Rigs | 26 | 22 |
| Coil Tubing/Nitrogen Units | 39 | 23 |
| Wireline Equipment | | |
| E-line Units | 13 | - |
| Slickline Units | 7 | - |

Note: The Trust reduced the size of its service rig fleet to 54 units, as a result of the sale of one service rig in October 2008.

**Well Servicing**

Essential provides well completion and production/ workover services across western Canada through its fleet of service rigs, coil tubing units, nitrogen units, rod/ flushby rigs and swabbing units.

Well Servicing generated revenue of $31.2 million and $64.8 million for the three and nine month periods ending September 30, 2008, respectively, compared to $13.0 million and $38.3 million for the same periods ended September 30, 2007.

Overall, activity levels showed signs of continued improvement throughout the quarter. The seasonal decrease in activity levels associated with the winter access work sites in northwestern Alberta and northeastern British Columbia was offset by continued growth of the Trust's operations in southern Saskatchewan. Traditionally, the Trust serviced client demand for service rig and coil tubing services in southwestern Saskatchewan from its business units in Brooks and Medicine Hat, Alberta. During the third quarter 2008, the Trust also experienced increased demand for service rig and coil tubing services in southeastern Saskatchewan. In response to this increased demand, the Trust has established a base of operations in the area of the Bakken resource play and redeployed two of its intermediate coil tubing units into the area.

Service rig utilization for the three month period ended September 30, 2008 was 52% in comparison to the overall industry utilization per CAODC of 53%.

***Wireline & Rentals***

Essential offers both e-line and slickline wireline services in addition to its downhole tool and equipment rental operations, through the Wireline & Rentals business segment.

Wireline & Rentals generated revenue of $12.7 million and $19.2 million for the three and nine month periods ending September 30, 2008, respectively. Prior to the completion of the Builders transaction, the Trust did not operate a Wireline & Rentals segment.

Despite lower than forecasted drilling rig utilization rates, customer demand within the Wireline & Rentals segment remained strong throughout the quarter. This is particularly true within the Trust's downhole tool and rental businesses where the type and nature of the drilling programs undertaken by customers resulted in increased demand for these service offerings.

**Operating Expenses**

| (Thousands) | Three months ended September 30, 2008 | 2007 | Nine months ended September 30, 2008 | 2007 |
|---|---|---|---|---|
| Operating expenses | $ 32,655 | $ 8,448 | $ 66,376 | $ 25,866 |

Operating expenses from continuing operations for the three and nine month periods ending September 30, 2008 were $32.7 million and $66.4 million, respectively, compared to $8.4 million and $25.9 million for the same periods ended September 30, 2007. Due to the completion of the Builders transaction and the resultant increased size and nature of the Trust's operations, the results from 2008 and 2007 are not comparable.

During the quarter, and on a year to date basis, the Trust's operations continue to be impacted by escalating costs, particularly in the area of rising labour and fuel costs. Management continues to proactively manage its cost profile, including introducing modest rate increases to offset deterioration in operating margins.

Since the closing of the Builders transaction, management has focused on integrating the business operations of the two entities. Through this process, the Trust's operations have been reviewed and evaluated in an effort to optimize business performance and realize operational synergies related to the merger. This process identified several areas of cost savings, and has allowed the Trust to further streamline its operations. Annualized savings of approximately $2 million are expected in 2009.

**General and Administrative Expenses**

| (Thousands) | Three months ended September 30, 2008 | 2007 | Nine months ended September 30, 2008 | 2007 |
|---|---|---|---|---|
| General and administrative expenses | $ 2,612 | $ 854 | $ 7,124 | $ 3,934 |
| As a % of revenue | 6% | 7% | 8% | 10% |

General and administrative expenses from continuing operations for the three and nine month periods ending September 30, 2008 were $2.6 million and $7.1 million, respectively, compared to $0.9 million and $3.9 million for the same periods ended September 30, 2007. General and administrative expenses as a percentage of revenue(1) were 6% and 8% for the three and nine month periods ended September 30, 2008, respectively and 7% and 10% for the same periods in 2007, respectively.

The period over period increase from 2007 to 2008 is due to the completion of the Builders transaction and the addition of businesses to the pre-existing operations of the Trust (excluding business operations of both entities associated with the discontinued operations) and the incremental general and administrative costs related thereto. Management has completed several integration initiatives intended to realize the synergies resulting from the Builders transaction through reduced general and administrative expenditures. The streamlined cost structure and operational efficiencies realized particularly with respect to the elimination of executive positions from the combined operations of Essential and Builders, reduced public company and insurance costs and other benefits of integrating the two publically traded Trusts, are anticipated to generate annualized savings of approximately $6 million in fiscal 2009.

During the quarter, a judgement in favour of the Trust was received in relation to successful litigation against a former general manager of the Trust, regarding the non-competition clause of a management agreement. The courts awarded the Trust reimbursement of all costs associated with the litigation.

**Income Taxes**

| (Thousands) | Three months ended September 30, 2008 | 2007 | Nine months ended September 30, 2008 | 2007 |
|---|---|---|---|---|
| Future income tax expense (recovery) | $ 1,848 | $ (27) | $ 2,758 | $ - |

In June 2007, the Government of Canada enacted legislation imposing additional income taxes on trusts for taxation years commencing January 1, 2011. During the three and nine months ended September 30, 2008, the Trust recognized $1.8 million and $2.8 million, respectively, in future tax expense from continuing operations. The future tax expense results from reduced tax deductions associated with lower distributions announced in the second quarter and reduced values in the Trust's tax pools associated with the disposition of the Transport division.

In July 2008, the Government of Canada released draft legislation to permit a trust to convert to a corporation. The draft legislation proposes to reduce the administration and compliance associated with a conversion and to allow for the tax deferred conversion of a trust to a corporation. The legislation is expected to be finalized and enacted before the end of 2008.

**Equipment Expenditures**

| (Thousands) | Three months ended September 30, 2008 | 2007 | Nine months ended September 30, 2008 | 2007 |
|---|---|---|---|---|
| Equipment expenditures | | | | |
| Well Servicing | $ 2,622 | $ 684 | $ 3,682 | $ 3,133 |
| Wireline & Rentals | 1,319 | - | 2,069 | - |
| Corporate | 202 | 152 | 472 | 236 |
| | 4,143 | 836 | 6,223 | 3,369 |
| Less proceeds on disposal of property and equipment | (134) | (413) | (366) | (520) |
| Net equipment expenditures | $ 4,009 | $ 423 | $ 5,857 | $ 2,849 |

Net equipment expenditures(1) for the three and nine month periods ended September 30, 2008 were $4.0 million and $5.9 million compared to $0.4 million and $2.8 million for the same periods in 2007. The current year-to-date net equipment expenditures(1) is comprised of $2.9 million in growth capital(1), $2.6 million in net maintenance capital(1) and $0.4 million for information systems, operational facilities and leasehold improvements.

Due to the uncertainty of sector activity levels, management has reviewed the existing capital program and approximately $3.8 million of equipment expenditures previously planned in the latter half of 2008 have been deferred into 2009.

## NORMAL COURSE ISSUER BID

On October 29, 2008, the Trust announced that it received approval from the Toronto Stock Exchange (the "TSX") to implement a normal course issuer bid ("NCIB") for Essential trust units ("Units"). Any Unit purchases pursuant to the NCIB will be for cancellation. Under the NCIB, Essential may purchase up to 5,900,715 of its issued and outstanding Units on the open market through the facilities of the TSX, representing 10 percent of the public float.

The NCIB commenced on October 31, 2008, and will terminate on October 30, 2009, or at such earlier date as the NCIB is completed or terminated at the option of Essential.

**OUTLOOK**

The decisive steps taken by Essential in 2008, including the merger with Builders and the disposition of the Transport division, has positioned the Trust well to deal with a potential downturn in activity. The proceeds from the sale of the Transport Division were used to repay debt when the deal closed on July 2, 2008. On November 13, 2008, debt outstanding was $19.7 million, and net of working capital was $nil. With the uncertainty in the sector, management will continue to manage debt and spending prudently.

Approximately fifty percent of Essential's services are focused on production-related activities. Even if there is a slowdown in drilling activity, these services are still required to support the over 200,000 producing wells in the WCSB. While production work is not immune to a slow-down in activity, as there is still significant competition for services, it does provide a level of more predictable revenue.

The slowdown in the U.S. economy and global financial issues are expected to negatively impact the demand for oil and natural gas, as reflected in the current level of these commodity prices. The decline in commodity prices and limited access to capital is anticipated to have a constraining effect on the level of spending by some exploration and production companies. A reduction in such spending translates into a reduction in the demand for some of Essential's services. Conversely, the recent decline in the Canadian dollar relative to the U.S. dollar is positive for the Canadian oil and natural gas industry as a significant portion of revenues for the producers in the WCSB are denominated in U.S. dollars while the expenses are primarily in Canadian dollars.

While drilling activity was relatively flat in Alberta in the third quarter of 2008 compared to the third quarter of 2007, drilling activity continued to be active in northeast British Columbia and Saskatchewan with increases in the weekly active rig count of 85% and 51% respectively in the third quarter of 2008 relative to the third quarter of 2007. This activity is expected to continue into 2009, as there are some significant resource plays in these regions. Essential has service rigs and coil tubing units deployed in the Fort St John region and north to Fort Nelson, British Columbia. In addition, Essential is becoming more active in Saskatchewan with equipment working in the southeast region of the province and plans to deploy more assets to this region in the near term.

Management continues to believe in the long-term fundamentals for natural gas and oil drilling and the demand for oilfield services in the WCSB. Over the longer term, the fundamentals still point to an increasing demand for natural gas. The high production decline rates in the WCSB will require more drilling to maintain current production levels.

**ESSENTIAL ENERGY SERVICES TRUST**
**CONSOLIDATED BALANCE SHEETS**
*(unaudited)*

| *(Thousands)* | As at September 30, 2008 | As at December 31, 2007 |
|---|---|---|
| | | *(restated)* |
| **Assets** | | |
| Current assets | | |
| Accounts receivable | $ 41,917 | $ 22,206 |
| Inventory | 7,856 | 1,558 |
| Prepaid expenses and deposits | 1,590 | 683 |
| Assets held for sale | - | 92,261 |
| | 51,363 | 116,708 |
| Property and equipment | 140,708 | 57,861 |
| Intangible assets | 5,583 | 4,233 |
| Goodwill | 17,902 | 17,902 |
| | $ 215,556 | $ 196,704 |
| **Liabilities** | | |
| Current liabilities | | |
| Bank indebtedness | $ 1,609 | $ 1,092 |
| Operating line of credit | - | 13,316 |
| Accounts payable and accrued liabilities | 13,002 | 7,175 |
| Distributions payable | 904 | 1,763 |
| Current portion of long-term debt | 2,549 | 11,084 |
| Liabilities held for sale | - | 187 |
| | 18,064 | 34,617 |
| Long-term debt | 19,514 | 45,917 |
| Future income tax liability | 4,438 | 990 |
| | 42,016 | 81,524 |
| **Unitholders' Equity** | | |
| Unitholders' capital | 267,436 | 192,041 |
| Contributed surplus | 3,708 | 2,480 |
| Accumulated deficit | (97,604) | (79,341) |
| | 173,540 | 115,180 |
| | $ 215,556 | $ 196,704 |

**ESSENTIAL ENERGY SERVICES TRUST**
**CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE EARNINGS (LOSS) AND ACCUMULATED DEFICIT**
*(unaudited)*

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| *(Thousands, except per unit amounts)* | 2008 | 2007 | 2008 | 2007 |
| | | *(restated)* | *(restated)* | *(restated)* |
| Revenue | $ 43,891 | $ 12,992 | $ 84,082 | $ 38,267 |
| Operating expenses | 32,655 | 8,448 | 66,376 | 25,866 |
| | 11,236 | 4,544 | 17,706 | 12,401 |
| Expenses | | | | |
| General and administrative | 2,612 | 854 | 7,124 | 3,934 |
| Unit-based compensation | 511 | 436 | 1,228 | 1,232 |
| Depreciation and amortization | 5,116 | 2,036 | 12,585 | 6,417 |
| Interest on long-term debt | 499 | 691 | 2,572 | 2,312 |
| Other | 194 | (37) | 197 | 5 |
| Earnings (loss) from continuing operations before income taxes | 2,304 | 564 | (6,000) | (1,499) |
| Income tax expense (recovery) | | | | |
| Future | 1,848 | (27) | 2,758 | - |
| Earnings (loss) from continuing operations | 456 | 591 | (8,758) | (1,499) |
| Earnings (loss) from discontinued operations (net of tax) | - | 1,176 | (2,497) | 3,774 |
| Gain on sale of discontinued operations (net of tax) | 7,944 | - | 7,944 | - |
| Earnings from discontinued operations | 7,944 | 1,176 | 5,447 | 3,774 |
| Net earnings (loss) and comprehensive earnings (loss) for the period | 8,400 | 1,767 | (3,311) | 2,275 |
| Accumulated deficit, beginning of period | (103,292) | (27,394) | (79,341) | (13,058) |
| Distributions to unitholders | (2,712) | (8,782) | (14,952) | (23,626) |
| Accumulated deficit, end of period | $ (97,604) | $ (34,409) | $ (97,604) | $ (34,409) |
| Earnings (loss) per unit from continuing operations | | | | |
| Basic and diluted | $ 0.01 | $ 0.02 | $ (0.17) | $ (0.04) |
| Earnings per unit from discontinued operations | | | | |
| Basic and diluted | $ 0.13 | $ 0.03 | $ 0.10 | $ 0.11 |
| Net earnings (loss) per unit | | | | |
| Basic and diluted | $ 0.14 | $ 0.05 | $ (0.07) | $ 0.07 |

**ESSENTIAL ENERGY SERVICES TRUST**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
*(unaudited)*

| *(Thousands)* | Three months ended September 30, 2008 | Three months ended September 30, 2007 | Nine months ended September 30, 2008 | Nine months ended September 30, 2007 |
|---|---|---|---|---|
| | | *(restated)* | *(restated)* | *(restated)* |
| Operating activities: | | | | |
| Earnings (loss) from continuing operations | $ 456 | $ 591 | $ (8,758) | $ (1,499) |
| Items not affecting cash: | | | | |
| Depreciation and amortization | 5,116 | 2,036 | 12,585 | 6,417 |
| Future income tax expense (recovery) | 1,848 | (27) | 2,758 | - |
| Unit-based compensation | 511 | 436 | 1,228 | 1,232 |
| Loss on disposal of equipment | 194 | (37) | 197 | 5 |
| Cash flows from continuing operations | 8,125 | 2,999 | 8,010 | 6,155 |
| Cash flows from discontinued operations | - | 2,760 | 1,863 | 10,055 |
| | 8,125 | 5,759 | 9,873 | 16,210 |
| Changes in non-cash working capital | (1,723) | (4,433) | 15,759 | 1,076 |
| | 6,402 | 1,326 | 25,632 | 17,286 |
| Financing activities: | | | | |
| Issue of Trust units, net of issue costs | - | - | - | 32,618 |
| Distributions paid | (2,712) | (8,781) | (15,811) | (22,999) |
| Increase (repayment) of operating line of credit | 346 | 10,600 | (12,799) | 160 |
| Increase in long-term debt | - | 141 | 14,442 | 641 |
| Repayment of long-term debt | (128,643) | (293) | (129,047) | (716) |
| Repayments of capital lease obligations | - | (28) | - | (94) |
| | (131,009) | 1,639 | (143,215) | 9,610 |
| Investing activities: | | | | |
| Property and equipment | (4,143) | (836) | (6,223) | (3,369) |
| Business acquisitions | (736) | (11,932) | (8,004) | (16,382) |
| Proceeds on disposal of equipment | 134 | 339 | 475 | 446 |
| Proceeds on disposal of discontinued operations | 132,352 | - | 132,352 | - |
| (Increase) decrease in assets held for sale | - | (196) | 1,983 | (8,431) |
| Changes in non-cash working capital | (3,000) | 250 | (3,000) | 650 |
| | 124,607 | (12,375) | 117,583 | (27,086) |
| Decrease in cash | - | (9,410) | - | (190) |
| Cash, beginning of period | - | (10,330) | - | 1,110 |
| Cash, end of period | $ - | $ 920 | $ - | $ 920 |
| Supplementary cash flow information: | | | | |
| Interest paid | $ 499 | $ 1,142 | $ 2,819 | $ 3,454 |

## [1] Non-GAAP Measures

Throughout this press release, certain terms that are not specifically defined in Canadian Generally Accepted Accounting Principles ("GAAP") are used to analyze the operations. In addition to the primary measures of net earnings and net earnings per unit in accordance with GAAP, the Trust believes that certain measures not recognized under GAAP assist both the Trust and the reader in assessing performance and understanding the Trust's results. Each of these measures provides the reader with additional insight into the Trust's ability to fund future distributions, principal debt repayments and capital programs. These non-GAAP measures are not recognized measures under GAAP. As a result, the method of calculation may not be comparable with other companies or Trusts. These measures should not be considered alternatives to net earnings and net earnings per unit as calculated in accordance with GAAP.

Gross margin – This measure is considered a primary indicator of operating performance as calculated by revenue less operating expenses.

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

EBITDAS (Earnings before interest, income taxes, depreciation, amortization, non-controlling interest earnings, losses or gains on disposal of equipment, results of discontinued operations, impairment of goodwill and unit based compensation) – This measure is considered an indicator of the Trust's ability to generate funds flow in order to meet distributions, fund required working capital, service debt, pay current income taxes and fund capital programs.

EBITDAS as a percentage of revenue – This measure is considered an indicator of the Trust's ability to generate funds flow as calculated by EBITDAS divided by revenue.

Funds flow or funds flow from (used in) operations – This measure is an indicator of the Trust's ability to generate funds flow in order to fund distributions, 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 the Trust'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 the Trust 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 the Trust.

Net 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. Net maintenance capital is a key component in understanding the sustainability of the Trust's business as cash resources retained within the Trust must be sufficient to meet net 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. The Trust uses net equipment expenditures to assess net cash flows related to the financing of our oilfield services equipment.

## ABOUT ESSENTIAL

Essential Energy Services Trust provides a range of 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 the Trust's ability to access credit from its lenders, expectations regarding the expected synergies and savings from the merger with Builders, expectations with respect to the demand for and price of oil and natural gas, expectations regarding the implementation of legislation, expectations regarding capital spending, the sources of capital and uses of such capital, expectations regarding the level of drilling and production activity in the Western Canadian Sedimentary Basin and expectations regarding the business, operations and revenues of the Trust in addition to general economic conditions. 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. 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.*