



NEWS RELEASE

ESSENTIAL ENERGY SERVICES CLOSES BOUGHT DEAL FINANCING

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Calgary, Alberta October 12, 2016 – Essential Energy Services Ltd. (TSX: ESN) (“Essential” or the “Company”) is pleased to announce that it has closed its previously announced bought deal financing with a syndicate of underwriters co-led by Raymond James Ltd. and Peters & Co. Limited and including TD Securities Inc., Cormark Securities Inc., Canaccord Genuity Corp., PI Financial Corp., Clarus Securities Inc. and HSBC Securities (Canada) Inc. (collectively, the “Underwriters”). A total of 16,019,883 common shares of Essential (“Shares”) have been issued at a price of \$0.65 per Share for gross proceeds of approximately \$10.4 million (the “Offering”), which included 635,268 Shares issued pursuant to the partial exercise by the Underwriters of their over-allotment option to purchase up to an additional 2,307,692 Shares (the “Over-Allotment Option”). The Underwriters have the option to purchase up to an additional 1,672,424 Shares of the Company pursuant to the remainder of the Over-Allotment Option, which can be exercised at any time within the next 30 days. In the event that the remainder of the Over-Allotment Option is exercised in whole or in part, the Company will announce the proceeds at that time.

The net proceeds from the Offering will be used to partially repay outstanding indebtedness, which may be redrawn and used to fund capital expenditures, acquisitions, organic growth initiatives, working capital and for general corporate purposes.

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under any state securities laws and may not be offered or sold in the United States absent registration or any applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements and 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 pertaining to, among other things, the expected use of proceeds from the Offering and the exercise of the Over-Allotment Option.

These forward-looking statements and information are based on certain key expectations and assumptions made by Essential regarding the anticipated use of proceeds from the Offering. Although Essential 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 Essential 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, market conditions, commodity price volatility, government regulation pertaining to the oilfield services industry, fluctuations in the demand for well servicing and other oilfield services and Essential's ability to raise capital and access credit on commercially reasonable terms. Accordingly, readers should not place undue reliance on the forward-looking statements and information. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Essential or its financial results are included in the Company's securities filings with applicable securities regulatory authorities and may be accessed under Essential's profile on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this news release are made as of the date hereof and Essential 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. The forward-looking statements and information contained in this news release are expressly qualified by this cautionary statement.

ABOUT ESSENTIAL

Essential Energy Services Ltd. provides oilfield services to oil and natural gas producers, primarily in western Canada. Essential offers completion, production and abandonment services to a diverse customer base. Services are offered with masted coil tubing, fluid and nitrogen pumping, services rigs and the sale and rental of downhole tools and equipment. Essential offers the largest masted coil tubing fleet in Canada. Further information can be found at www.essentialenergy.ca.

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