



NEWS RELEASE

ESSENTIAL ENERGY SERVICES STATEMENT REGARDING PATENT INFRINGEMENT LAWSUIT

Calgary, Alberta January 5, 2016 – Essential Energy Services Ltd. (TSX: ESN) (“Essential” or the “Company”) issues a statement regarding the patent infringement lawsuit filed by Packers Plus Energy Services Inc. (“Packers”).

A statement of claim was filed on October 23, 2013 by Packers against Essential in the Canadian Federal Court, alleging that certain products and methods associated with the Tryton MSFS® infringe a patent issued to Packers. Essential believes that the lawsuit is without merit and is not only defending the infringement allegations but also seeking a declaration that the Packers patent is invalid. The trial date has been set for February, 2017.

Since mid-2013, Packers has filed patent infringement lawsuits in respect of the same patent against a number of other Canadian and U.S. energy service companies. The first of these lawsuits was filed against a private Canadian company by the name of Canuck Completions (“Canuck”) that in October 2014 sold all of its assets related to the business in question to another entity. Packers and Canuck have recently settled the litigation between them. Although Canuck, as part of this settlement, consented to a judgment being entered against it, this judgment does not appear to be based on a review of the merits of Packers’ action or evidence tendered by the parties. Unlike the consent judgment that was issued in that case, Essential remains of the view that once the Federal Court has the benefit of hearing evidence and argument in a contested proceeding, it will conclude that Packers’ patent is not being infringed by Essential and, in any event, is invalid. Accordingly, this consent judgment has no bearing on the action against Essential. Essential continues to believe that the lawsuit against the Company is without merit and will continue to defend the allegations and prosecute its invalidity counterclaim.

The lawsuit against Essential targets only the Tryton MSFS® ball & seat system, which Essential commenced using in 2009. It does not target past or future operations of Essential’s conventional tools, other Tryton MSFS® tools or the rentals business.

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 masted coil tubing fleet in Canada and has a fleet of service rigs. Essential also sells, rents and services downhole tools and equipment including the 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 certain “forward-looking statements” or “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 Essential. 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”, “projects”, “potential” 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: the Company’s belief that the lawsuit is without merit; the Company’s belief that the Federal Court will conclude that Packers’ patent is not being infringed by Essential and is invalid; the consent judgment has no bearing on the action against Essential; and the Company’s plans to defend the allegations and prosecute its invalidity counterclaim.

Although Essential 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 were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. Essential’s actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. Statements including forward-looking statements are made as of the date they are given and except as required by applicable securities laws, Essential disclaims any intention or obligation to publically update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Garnet K. Amundson
President and CEO
Phone: (403) 513-7272

service@essentialenergy.ca

Karen Perasalo
Investor Relations
Phone: (403) 513-7272

service@essentialenergy.ca

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