NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES FOURTH QUARTER AND YEAR END RESULTS, SALE PROCESS FOR ITS COLOMBIAN OPERATIONS AND QUARTERLY DIVIDEND

Calgary, Alberta March 6, 2013 – Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces fourth quarter EBITDA(1) of $22.4 million compared to $31.7 million in the fourth quarter of 2011. For 2012, EBITDA(1) was $74.3 million compared to $73.7 million for 2011. After a slower third quarter, activity and earnings improved in the fourth quarter primarily due to the performance of the Canadian well servicing operations. Long-term debt at December 31, 2012 was $35.6 million.

SELECTED FINANCIAL INFORMATION

(Thousands, except per share amounts)	Three months ended December 31, 2012	Three months ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2011
Revenue	**$ 96,015**	$ 108,855	**$ 348,580**	$ 313,171
Gross margin	**27,039**	35,498	**90,695**	87,143
Gross margin %	**28%**	33%	**26%**	28%
EBITDA(1) from continuing operations	**22,368**	31,733	**74,342**	73,694
EBITDA %(1)	**23%**	29%	**21%**	24%
Net income from continuing operations	**$ 8,050**	$ 17,082	**$ 30,764**	$ 32,349
Per share - basic	**$ 0.06**	$ 0.14	**$ 0.25**	$ 0.32
Per share - diluted	**$ 0.06**	$ 0.14	**$ 0.25**	$ 0.31
Net income (loss) from discontinued operations	**$ (7,626)**	$ 431	**$ (8,901)**	$ (1,574)
Net income attributable to shareholders of Essential	**$ 678**	$ 17,559	**$ 22,308**	$ 31,122
Per share - basic	**$ 0.01**	$ 0.14	**$ 0.18**	$ 0.31
Per share - diluted	**$ 0.01**	$ 0.14	**$ 0.18**	$ 0.30
Funds flow from operations (1)	**$ 19,859**	$ 28,729	**$ 68,198**	$ 65,202
Total assets	**$ 406,853**	$ 421,500	**$ 406,853**	$ 421,500
Total long-term debt	**$ 35,563**	$ 63,486	**$ 35,563**	$ 63,486
Equity attributed to shareholders of Essential	**$ 302,411**	$ 288,828	**$ 302,411**	$ 288,828

(1) Refer to Non-IFRS Measures

The acquisition of Technicoil Corporation ("Technicoil" or the "Technicoil Acquisition") on May 31, 2011 impacts the 2012 fiscal year comparison to the year ended December 31, 2011. The results for Technicoil are not included for January to May of 2011.

2012 HIGHLIGHTS – ESSENTIAL

Operating Highlights for Fourth Quarter 2012

- Coil Well Service – Essential broadened its service offering by increasing the size of its deep coil tubing and pumper fleet as part of its 2012 capital program. During the quarter, Essential added one conventional deep coil tubing rig and five pumpers to its fleet. Deep coil tubing utilization, although down year-over-year, remained strong and considerably higher than conventional well servicing.
- Service Rigs – Essential experienced continued strong demand for service rigs working on steam-assisted gravity drainage ("SAGD") wells which operate on a 24 hour basis and service rigs working in northern Alberta. Service rig utilization improved considerably over the third quarter of 2012.
- Downhole Tools & Rentals – The Tryton multi-stage fracturing system ("Tryton MSFS") achieved strong performance in the fourth quarter as experienced staff and the continued introduction of innovative technical solutions contributed to improved results.

Operating Highlights for 2012 Year

- Coil Well Service – Essential increased the breadth and depth of its coil well service fleet through the Technicoil Acquisition and execution of its capital program. The year-over-year increase in coil well service revenue was due to the timing of the Technicoil Acquisition in 2011.
- Service Rigs - Essential increased the size of its service rig fleet through the nine service rigs added with the Technicoil Acquisition and another three rigs as part of Essential's 2012 capital program. The year-over-year increase in service rig revenue was due to the timing of the Technicoil Acquisition and service rigs working on SAGD wells.
- Downhole Tools & Rentals – Experienced staff and the continued introduction of innovative technical solutions contributed to Essential's strong performance in both Tryton MSFS and conventional tools during the year.

Business Strategy Highlights

Management further refined the operating, geographical and financial focus of the Company by the following activities:

- In February 2012, Essential divested of its wireline operations for proceeds of $7.5 million.
- In March 2012, Essential implemented a quarterly dividend of $0.025 per share.
- In November 2012, Essential divested of five hybrid coil drilling rigs for proceeds of $16.8 million ($14.8 million received at closing and $2 million received in February 2013).
- Essential committed to a plan to divest of its Colombian operations. This decision was based on the inability to secure long-term service contracts, inconsistent utilization and poor financial performance of the operation since Essential commenced commercial operations in mid-2011.
- During 2012, long-term debt was reduced from $63.5 million to $35.6 million at December 31, 2012. Cash proceeds from the sale of the wireline and hybrid coil drilling rigs were used to reduce long term debt.

Capital Spending Highlights

2012 capital spending was focused on expanding the service capabilities and depth capacity of Essential's coil well service and service rig fleets. Total 2012 capital spending was $51.8 million (consisting of $38.2 million in growth capital and $13.6 million in maintenance capital). Essential experienced delivery delays with equipment manufacturers resulting in $11.2 million of planned 2012 capital spending being deferred to 2013. Essential continues to focus on investing in high demand assets in addition to maintaining and enhancing its existing fleet. During the fourth quarter, Essential commissioned one conventional deep coil tubing rig, two fluid pumpers and three nitrogen pumpers.

SALE PROCESS FOR COLOMBIAN OPERATIONS

Essential is seeking buyers for its Colombian operations. The decision comes after almost two years of operations in Colombia as inconsistent utilization has hindered financial performance. The two rod rigs and the rod rig accelerator are currently under contracts that expire in May 2013 and June 2013. Essential will continue to operate these assets until the contracts expire. Essential does not intend to operate any of the other equipment while it seeks a buyer.

For 2012, Essential reported a net loss related to Colombian operations of $8.9 million, including the revaluation of assets. This is detailed under "Discontinued Operations".

In late 2010, Essential sent to Colombia a small fleet of primarily shallow-focused well servicing equipment that was underutilized in Canada. In the second quarter of 2011, Essential commenced operations in the mid-Magdalena basin. The Company currently has two coil tubing rigs, two nitrogen pumpers, two service rigs, two rod rigs, one rod rig accelerator and support equipment in Colombia.

The operations in Colombia are immaterial to Essential's primary focus on well servicing in the Western Canadian Sedimentary Basin with coil tubing, service rigs and downhole tools and rentals.

The plan to sell the Colombia operations resulted in various changes to the presentation of financial information for the current year and comparative periods. The operating results and cash flows from continuing operations do not include the results of the Colombian operations. Operating results for the Colombian operations have been reclassified as discontinued operations and cash flows have been reclassified as net cash flows incurred by discontinued operations.

INDUSTRY OVERVIEW

During the year, the Canadian oil and gas industry faced uncertainty surrounding macroeconomic factors in the United States and Europe, volatile crude oil prices and increasing crude oil price differentials. During 2012, the price differential for Western Canadian Select ("WCS") crude oil compared to the West Texas Intermediate ("WTI") benchmark fluctuated between US$14/bbl at the beginning of the year to US$42/bbl in December, primarily due to distribution and pipeline constraints. These factors contributed to exploration and production ("E&P") companies deferring or curtailing 2012 capital spending programs which reduced activity in the WCSB.

Well service activity in the WCSB continues to be driven by horizontal drilling, completion and stimulation of oil and liquids-rich natural gas plays. The industry continues to focus on 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.

Drilling rig utilization during 2012, as reported by the Canadian Association of Oilwell Drilling Contractors ("CAODC"), was below the 3 year average utilization and well below 2011 utilization in the latter part of the year due to the industry slowdown. Average drilling rig utilization was down 28% quarter-over-quarter and 16% year-over-year compared to 2011. The CAODC also reported that 2012 well completion activity was down 20% quarter-over-quarter and 17% year-over-year compared to 2011. Drilling rig utilization and completion activity levels are indicators of overall oilfield activity levels in the WCSB.

SEGMENT RESULTS - *WELL SERVICING - CANADA*

	Three months ended December 31,		Year ended December 31,	
(Thousands)	**2012**	2011	**2012**	2011
Revenue				
Coil Well Service*	**$ 41,228**	$ 43,945	**$ 136,196**	$ 104,296
Service Rigs	**23,133**	25,060	**83,351**	79,508
Other **	**3,665**	7,735	**23,911**	20,615
Total revenue	**68,026**	76,740	**243,458**	204,419
Operating expenses	**48,564**	50,505	**182,655**	144,670
Gross margin	**$ 19,462**	$ 26,235	**$ 60,803**	$ 59,749
Gross margin %	**29%**	34%	**25%**	29%
Utilization ***				
Deep Coil Tubing Rigs				
Utilization	**95%**	111%	**77%**	99%
Operating hours	**22,777**	23,524	**71,576**	53,675
Service Rigs				
Utilization	**54%**	59%	**50%**	52%
Operating hours	**27,310**	31,005	**101,313**	101,145

* Includes revenue from coil tubing rigs, nitrogen and fluid pumpers and other ancillary equipment.
** Other revenue includes rod rigs and hybrid drilling rigs. Hybrid drilling rigs were disposed of on November 15, 2012.
*** Utilization is calculated on a 10 hour day.

Coil well service revenue decreased during the fourth quarter as compared to the same period in the prior year, however the decrease was significantly less than the quarter-over-quarter reduction in industry drilling and completion activity. Masted coil tubing revenue was approximately the same quarter-over-quarter but conventional coil tubing revenue was down particularly in southern Alberta. Coil well service revenue also included a quarter-over-quarter increase in pumper revenue as Essential operated an expanded pumper fleet during the quarter. Masted coil tubing is primarily focused on completion work, while conventional coil tubing is more evenly balanced between completion and production work. Revenue per hour for coil well service equipment was similar to the comparative quarter of the prior year.

During the fourth quarter of 2012 there was strong utilization for service rigs operating 24 hours on SAGD wells and service rigs working in northern Alberta. Overall service rig revenue was lower in the fourth quarter of 2012 compared to the same period in 2011, primarily due to reduced customer spending and lower activity in specific operating areas including Drayton Valley, Brooks and Fort St. John. Revenue per hour in the fourth quarter increased due to the mix of services provided, in particular the increase in SAGD work and associated rentals.

Other revenue was down quarter-over-quarter due to the drilling rig operation sold in November 2012.

Compared to the same period in the prior quarter and year, gross margin percentage was negatively impacted by lower utilization and higher operating costs. Delays in anticipated delivery of new deep coil tubing rigs and support equipment contributed to increased labour costs.

Well Servicing revenue increased in 2012 compared to the prior year due to the Technicoil Acquisition. Gross margin remained relatively unchanged year-over-year, but higher 2012 revenue was offset by increased labour costs in the second half of the year which led to a reduction in gross margin as a percentage of revenue. Delays in equipment deliveries meant that Essential absorbed the additional cost of hiring and training coil well service staff required to operate new equipment in 2012 without a corresponding increase in revenue. Labour costs were further impacted during the year by periods of volatile utilization as Essential chose to retain staff during these periods in preparation for the winter drilling season. In 2012, Essential also incurred the cost of completing the annual maintenance program for equipment acquired in the Technicoil Acquisition, whereas in 2011 this work was completed prior to closing the Technicoil Acquisition.

SEGMENT RESULTS - *DOWNHOLE TOOLS & RENTALS - CANADA*

	Three months ended December 31,		Year ended December 31,	
(Thousands)	**2012**	2011	**2012**	2011
Revenue				
Downhole Tools & Rentals	**$ 27,989**	$ 27,464	**$ 103,440**	$ 95,780
Other*	-	4,651	**1,682**	12,972
Total revenue	**27,989**	32,115	**105,122**	108,752
Operating expenses	**18,115**	21,478	**69,717**	76,335
Gross margin	**$ 9,874**	$ 10,637	**$ 35,405**	$ 32,417
Gross margin %	**35%**	33%	**34%**	30%
Downhole Tools & Rentals Revenue– revenue % of total				
Tryton MSFS	**51%**	47%	**48%**	48%
Conventional Tools & Rentals	**49%**	53%	**52%**	52%

* Other revenue includes wireline which was disposed of on February 2, 2012.

Essential's downhole tools & rentals business focuses on oil and liquids-rich natural gas plays by providing production and completion tools and rentals for horizontal and vertical wells. Operations for this segment are well placed geographically across many of the active oil plays in the WCSB.

During the fourth quarter, the Company successfully broadened its Tryton MSFS product line by offering innovative, lower cost technical solutions to customers looking to minimize horizontal well completion costs. The new Tryton MSFS tools are well suited to work in shallow, low pressure well conditions. Demand for the Tryton MSFS product line and sustained demand for conventional downhole tools & rentals, allowed Essential to increase revenue on a quarter-over-quarter basis despite a decrease in industry drilling and completion activity.

Through continued efforts to develop innovative technical solutions to meet customer needs, Essential was able to increase revenue in 2012 compared to 2011 despite a slowdown in industry activity.

Revenue growth was proportional across both the Tryton MSFS and conventional tool & rental operations. The reduction in other revenue compared to the prior quarter and year was due to the disposal of the wireline business in February 2012.

Gross margin as a percentage of revenue increased on both a quarterly and annual basis due to tool procurement efficiencies and the disposal of the wireline business which historically generated lower margins compared to the ongoing operations of the segment.

GENERAL AND ADMINISTRATIVE

(Thousands)	Three months ended December 31, 2012	Three months ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2011
General and administrative expenses	**$ 4,671**	$ 3,765	**$ 16,353**	$ 13,449
As a % of revenue	**5%**	3%	**5%**	4%

General and administrative expenses are comprised of wages, professional fees, office space and other administrative costs incurred at the corporate and operations level. General and administrative expenses were higher in the fourth quarter due to the increased number of staff, wage costs and increased infrastructure costs. Year-over-year general and administrative expenses were higher due to the increased size of the Company's operations and timing of the Technicoil Acquisition.

DISCONTINUED OPERATIONS

Essential has committed to a plan to seek buyers for its Colombian operations. This resulted in a reclassification of revenue and expenses, as well as the assets and liabilities, of the Colombian operations to "Discontinued Operations" and "Assets and Liabilities Held for Sale", respectively. Essential expects that the Colombian operations will be acquired by a buyer who intends to operate in Colombia. The Company estimates it will incur approximately $1.0 million to dispose of its Colombian operations, of which $0.3 million has been accrued at December 31, 2012.

Loss from discontinued operations related to the Colombian business is as follows:

(Thousands)	Three months ended December 31, 2012	Three months ended December 31, 2011	Year ended December 31, 2012	Year ended December 31, 2011
Revenue	**$ 1,032**	$ 2,047	**$ 5,275**	$ 4,043
Expenses	**2,475**	2,158	**8,148**	6,159
Disposal costs	**300**	-	**300**	-
Loss before income taxes	**(1,743)**	(111)	**(3,173)**	(2,116)
Deferred income tax expense (recovery)	**1,745**	(542)	**1,590**	(542)
Income (loss) from discontinued operations	**(3,488)**	431	**(4,763)**	(1,574)
Loss on revaluation of discontinued operations	**(4,138)**	-	**(4,138)**	-
Net income (loss) from discontinued operations	**$ (7,626)**	$ 431	**$ (8,901)**	$ (1,574)
Loss per share from discontinued operations				
Basic	**$ (0.06)**	$ 0.00	**$ (0.07)**	$ (0.02)
Diluted	**$ (0.06)**	$ 0.00	**$ (0.07)**	$ (0.02)

(Thousands)		Year ended December 31, 2012		2011
Net cash flows from (incurred by) discontinued operations:				
Operating	**$**	**412**	$	1,674
Investing		**(654)**		(1,597)
Financing		**(766)**		756
	$	**(1,008)**	$	833

Despite operating for a full twelve months in 2012, compared to only the last half of 2011, revenue was only moderately higher in 2012 due to poor utilization, largely related to the service rig operations. Operating costs were higher in 2012 as Essential continued to maintain its work force and equipment while it pursued additional work which did not materialize. The Company also wrote off $0.4 million of accounts receivable as a bad debt expense in 2012. The $4.8 million loss from discontinued operations also includes $1.6 million in deferred income tax expense relating to the derecognition of deferred tax assets.

During the fourth quarter of 2012, the loss from Colombian operations was higher than the same period in the prior year. Fourth quarter revenue in 2012 was lower than the prior year due to a decrease in service rig revenue which represented approximately half of the revenue generated in the fourth quarter 2011. Operating costs remained relatively similar to the fourth quarter 2011 as Essential continued to incur the cost of maintaining its operations as it pursued new contracts.

Essential plans to continue to operate a down-sized operation of two rod rigs until the business is sold or until its contractual obligations with customers expire during the second quarter of 2013.

The following table represents the balances that have been reclassified on the consolidated balance sheet as assets and liabilities held for sale:

(Thousands)		As at December 31, 2012
Assets held for sale:		
Cash	$	261
Trade and other receivables		868
Inventories		153
Prepayments		273
Property and equipment		6,585
	$	8,140

		As at December 31, 2012
Liabilities held for sale:		
Trade and other payables	$	1,731
	$	1,731

At December 31, 2012, the Colombian assets and liabilities have been classified as assets and liabilities held for sale, respectively, and treated as discontinued operations. Assets held for sale is comprised primarily of oilfield service equipment that Essential imported into Colombia in 2010. The equipment has been revalued to its estimated net realizable value which resulted in a $4.1 million loss on revaluation in 2012.

FINANCIAL RESOURCES AND LIQUIDITY

WORKING CAPITAL

(Thousands)		**December 31, 2012**		December 31, 2011
Current assets	**$**	**95,840**	$	105,925
Current liabilities, excluding current portion of long-term debt		**(37,594)**		(45,496)
Working capital	**$**	**58,246**	$	60,429
Working capital ratio		**2.5:1**		2.3:1

CREDIT FACILITY

Essential's Credit Facility with its banking syndicate is comprised of a $100 million revolving term loan facility with a $35 million accordion feature available on lender's consent. The revolving term loan facility matures on May 30, 2014, is renewable at the lender's consent and is secured by a general security agreement over the Company's assets. To the extent the revolving term loan facility is not renewed, debt payments would be required over a two year period based on a three year amortization schedule. At December 31, 2012, the maximum of $100 million was available to Essential.

As at December 31, 2012, all financial debt covenants were satisfied and all banking requirements were up to date. Essential does not anticipate any financial resource or liquidity issues to restrict its future operating, investing or financing activities. On March 6, 2013, Essential had long-term debt outstanding of $36.6 million.

EQUIPMENT EXPENDITURES

	Three months ended December 31,				Year ended December 31,			
(Thousands)		**2012**		2011		**2012**		2011
Well Servicing	**$**	**15,231**	$	9,786	**$**	**46,799**	$	37,953
Downhole Tools & Rentals		**2,690**		1,540		**4,071**		6,203
Corporate		**67**		426		**892**		1,097
Total equipment expenditures		**17,988**		11,752		**51,762**		45,253
Less proceeds on disposal of property and equipment		**(16,592)**		(3,139)		**(24,876)**		(6,068)
Net equipment expenditures(1)	**$**	**1,396**	$	8,613	**$**	**26,886**	$	39,185

In response to customer demand for larger, more technically advanced equipment, Essential is building deep masted coil tubing rigs capable of servicing long reach horizontal wells and double service rigs capable of SAGD operations with deep well, all-period ability.

During 2012, Essential added the following assets to its fleet:

- Three custom built, mobile free standing, all-period double service rigs. One of these service rigs was purpose-built to work on SAGD wells.

- One conventional deep coil tubing rig.
- One deep coil tubing reel trailer. The reel trailer is a stand-alone unit that can carry up to 6,000 meters of 2 7/8 inch diameter coil.
- One deep coil tubing rig converted from an intermediate coil tubing rig.
- Three 1,000 horse power quintiplex fluid pumpers.
- Three nitrogen pumpers.

The delivery time of certain equipment scheduled in 2012 suffered delays from equipment manufacturers. As a result $11.2 million of capital spending related to this equipment was deferred until 2013 when Essential expects it will take delivery of:

	Quantity	**Expected In-Service Date 2013**
Deep masted coil tubing rigs	4	Q3(2),Q4(2)
Deep coil tubing rig converted from intermediate	1	Q1
Nitrogen pumpers	2	Q1, Q4
Double service rigs – Custom built, mobile free standing, all-period (three of these are purpose-built for SAGD wells)	5	Q1(2), Q2, Q3(2)

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:

	Three months ended December 31,		Year ended December 31,	
(Thousands)	**2012**	2011	**2012**	2011
Growth capital[1]	**$ 16,251**	$ 9,496	**$ 38,169**	$ 30,478
Maintenance capital[1]	**1,372**	1,743	**12,195**	13,068
Infrastructure capital[1]	**365**	513	**1,398**	1,707
Total equipment expenditures	**$ 17,988**	$ 11,752	**$ 51,762**	$ 45,253

OUTLOOK

After the industry slowdown experienced in the latter half of 2012, activity in early 2013 has increased for the winter drilling season. Drilling rig utilization, which can be viewed as a barometer of well completion activity, increased from an average of 44% in the fourth quarter of 2012 to 66% in the first two months of 2013. Demand for Essential's services, those related to completion, as well as production, have increased, and to-date activity is stronger than the fourth quarter of 2012. That being said, as demonstrated by industry service rig and drilling rig utilization, activity is slower than it was a year ago. As always, the strength of the first quarter is also dependent on the timing of spring breakup as that will impact the duration of the busy winter drilling season.

Looking beyond spring break-up, it is difficult to assess oilfield service demand for the last half of 2013. The concerns that slowed E&P spending in the latter half of 2012 remain unresolved. Global economic concerns are still prevalent, impacting the stability of oil prices, and there is no short-term solution for the oil price differential. Infrastructure projects are underway that could narrow the differential towards the end of 2013 and into 2014. As this impacts the net cash flow of E&P producers, it impacts the demand for oilfield services. And, as has been the case for the past few years, natural gas storage remains high, pricing remains low and investment in natural gas production remains low.

Looking beyond 2013, there is growing optimism with the recent increase in foreign capital and joint venture activity in the WCSB to develop some of the more difficult and ultimately service intensive natural gas plays including the Duvernay, Horn River and Montney. In addition, if the recently announced liquefied natural gas ("LNG") projects on the west coast of Canada come to fruition, this should in turn increase the demand for oilfield services to supply natural gas to those facilities.

Essential's $45 million equipment expansion program for 2013 will add significant growth to Essential's core service offerings in high demand deep coil tubing and mobile double service rigs. Essential expects to add four new deep masted coil tubing rigs, two nitrogen pumpers and five service rigs. Three of the service rigs will be focused on SAGD operations, an area of recent growth for Essential. Although the outlook for the second half of 2013 is uncertain, Essential is optimistic that the years beyond will require industry fleet expansion to meet E&P spending growth. Essential will use 2013 to increase its fleet, establish and train crews, and prepare for this significant growth opportunity.

While the industry drilling and completion well count was down in 2012 relative to 2011, the number of completed horizontal wells increased. We expect 2013 activity to be similar to 2012, with an increase in the years thereafter including ongoing growth in horizontal well development. This drives the demand for masted coil tubing rigs and the Tryton MSFS, as both services are instrumental for completing horizontal wells. Looking forward, deep coil tubing and/or service rigs and downhole tools will be required to work-over these wells to offset rapid production declines.

Essential has a very strong balance sheet with $36.6 million of debt outstanding on March 6, 2013 and debt to 2012 EBITDA of 0.5x. The recent asset sales and planned sale of Colombian operations allows management to focus entirely on the core services of well servicing with coil tubing, service rigs and downhole tools and rentals.

QUARTERLY DIVIDEND

The cash dividend for the period January 1, 2013 to March 31, 2013 has been set at $0.025 per share. The dividend will be paid on April 15, 2013 to shareholders of record on March 28, 2013. The ex-dividend date is March 26, 2013.

The fourth quarter 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.

SUMMARY OF QUARTERLY DATA

($Thousands, except per share amounts)	**Dec 31, 2012**	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	June 30, 2011	Mar 31, 2011
Well Servicing:								
Coil Well Service	**41,228**	33,857	18,697	42,414	43,945	36,349	9,871	14,131
Service Rigs	**23,133**	17,465	12,815	29,938	25,060	20,969	9,606	23,873
Other*	**3,665**	5,849	3,818	10,579	7,735	7,148	3,526	2,206
Total well servicing	**68,026**	57,171	35,330	82,931	76,740	64,466	23,003	40,210
Downhole Tools & Rentals**	**27,989**	26,342	15,540	35,251	32,115	33,316	17,115	26,206
Total revenue	**96,015**	83,513	50,870	118,182	108,855	97,782	40,118	66,416
Gross margin	**27,039**	23,012	3,904	36,740	35,498	31,203	3,334	17,108
Gross margin %	**28%**	28%	8%	31%	33%	32%	8%	26%
EBITDA(1)	**22,368**	19,261	(42)	32,755	31,733	27,570	449	13,942
EBITDA %(1)	**23%**	23%	0%	28%	29%	28%	1%	21%
Continuing operations								
Net income (loss)	**8,050**	8,343	(5,453)	19,824	17,082	14,020	(5,388)	6,635
Per share – basic and diluted	**$0.06**	$0.07	$(0.04)	$0.16	$0.14	$0.11	$(0.06)	$0.09
Discontinued operations								
Net income (loss)	**(7,626)**	371	(553)	(1,093)	431	(402)	(1,063)	(540)
Net income (loss) attributable to shareholders of Essential	**678**	8,660	(5,923)	18,893	17,559	13,678	(6,364)	6,248
Per share – basic and diluted	**$0.01**	$0.07	$(0.05)	$0.15	$0.14	$0.11	$(0.07)	$0.09
Total assets	**406,853**	415,653	393,377	430,674	421,500	411,204	371,017	191,046
Total long-term debt	**35,563**	50,474	41,198	57,238	63,486	79,230	63,459	7,392
Equity attributable to shareholders of Essential	**302,411**	304,312	297,937	306,372	288,828	271,681	257,119	156,408
Utilization ***								
Coil tubing rigs – deep	**95%**	79%	32%	102%	111%	104%	37%	85%
Coil tubing rigs – other	**16%**	15%	7%	25%	30%	25%	18%	34%
Pumpers	**57%**	50%	33%	69%	71%	50%	23%	65%
Service rigs	**54%**	45%	34%	68%	59%	54%	27%	64%
Operating Hours								
Coil tubing rigs – deep	**22,777**	18,301	7,262	23,236	23,524	21,938	3,638	4,575
Coil tubing rigs – other	**2,757**	2,819	1,596	5,494	6,778	5,813	3,805	7,033
Pumpers	**15,328**	11,919	7,504	13,865	13,008	9,594	2,978	4,131
Service rigs	**27,310**	22,632	16,183	35,188	31,005	28,201	13,229	28,710
Downhole Tools & Rentals - revenue % of total								
Tryton MSFS	**51%**	52%	40%	47%	47%	54%	45%	42%
Conventional Tools & Rentals	**49%**	48%	60%	53%	53%	46%	55%	58%
Equipment fleet ****								
Canada								
Coil tubing rigs - deep	**27**	26	25	25	25	23	23	6
Coil tubing rigs - other	**19**	19	20	24	24	25	25	26
Service rigs	**55**	55	53	58	57	57	58	52
Nitrogen pumpers	**13**	10	10	10	10	9	8	8
Fluid pumpers	**18**	16	16	15	15	12	6	-
Rod rigs	**14**	14	14	14	14	14	14	20

* Other revenue included revenue from Essential's hybrid drilling operation from the date it was acquired as part of the Technicoil Acquisition until it was disposed of on November 15, 2012.

** Revenue for Downhole Tools & Rentals included revenue from Essential's wireline fleet until it was disposed of on February 2, 2012.

*** Utilization is calculated using a 10 hour day for the entire fleet except for hybrid drilling rigs which is calculated using a 24 hour day.

**** 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,
(Thousands)	**2012**	2011
Assets		
Current		
Cash	**$ -**	$ 164
Trade and other accounts receivable	**71,835**	85,013
Inventories	**20,699**	17,819
Prepayments	**3,306**	2,929
	95,840	105,925
Non-current		
Property and equipment	**211,304**	211,764
Intangible assets	**36,555**	44,750
Goodwill	**55,014**	57,425
Deferred tax assets	**-**	1,636
	302,873	315,575
Assets held for sale	**8,140**	**-**
Total assets	**$ 406,853**	$ 421,500
Liabilities		
Current		
Bank indebtedness	**$ 1,835**	$ -
Trade and other payables	**32,354**	40,262
Dividends payable	**3,100**	**-**
Income taxes payable	**305**	5,234
Current portion of long-term debt	-	14,513
	37,594	60,009
Non-current		
Long-term debt	**35,563**	48,973
Deferred tax liabilities	**29,560**	23,615
	65,123	72,588
Liabilities held for sale	**1,731**	-
Total liabilities	**104,448**	132,597
Equity		
Share capital	**258,772**	257,775
Retained earnings	**38,276**	28,651
Other reserves	**5,363**	2,402
Equity attributable to shareholders of Essential	**302,411**	288,828
Non-controlling interest	**(6)**	75
Total equity	**302,405**	288,903
Total liabilities and equity	**$ 406,853**	$ 421,500

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

(Thousands, except per share amounts)	For the years ended December 31, 2012	2011
Revenue	**$ 348,580**	$ 313,171
Operating expenses	**257,885**	226,028
Gross margin	**90,695**	87,143
General and administrative expenses	**16,353**	13,449
	74,342	73,694
Depreciation and amortization	**26,325**	21,548
Share-based compensation	**1,902**	1,504
Other expense	**1,648**	1,178
Operating profit from continuing operations	**44,467**	49,464
Transaction costs	**-**	3,018
Finance costs	**2,177**	2,082
Net income before income tax from continuing operations	**42,290**	44,364
Current income tax expense	**6,567**	6,349
Deferred income tax expense	**4,959**	5,666
Total income tax expense	**11,526**	12,015
Net income from continuing operations	**30,764**	32,349
Loss from discontinued operations, net of tax	**(4,763)**	(1,574)
Loss on revaluation of discontinued operations	**(4,138)**	-
Loss from discontinued operations	**(8,901)**	(1,574)
Net income	**21,863**	30,775
Unrealized foreign exchange gain (loss) on discontinued operations	**1,431**	(166)
Other comprehensive income (loss) from discontinued operations	**1,431**	(166)
Comprehensive income	**23,294**	30,609
Net income (loss) attributable to:		
Shareholders of Essential	**$ 22,308**	$ 31,122
Non-controlling interest	**(445)**	(347)
	$ 21,863	$ 30,775
Comprehensive income (loss) attributable to:		
Shareholders of Essential	**$ 23,669**	$ 30,965
Non-controlling interest	**(375)**	(356)
	$ 23,294	$ 30,609

		For the years ended December 31,	
		2012	2011
Net income per share from continuing operations			
Basic, attributable to shareholders of Essential	**$**	**0.25**	$ 0.32
Diluted, attributable to shareholders of Essential	**$**	**0.25**	$ 0.31
Net income per share			
Basic, attributable to shareholders of Essential	**$**	**0.18**	$ 0.31
Diluted, attributable to shareholders of Essential	**$**	**0.18**	$ 0.30
Comprehensive income per share			
Basic and diluted, attributable to shareholders of Essential	**$**	**0.19**	$ 0.30

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands)	For the years ended December 31, **2012**	2011
Operating activities:		
Net income from continuing operations	$ **30,764**	$ 32,349
Non-cash adjustments to reconcile net income for the year to operating cash flow:		
Depreciation and amortization	**26,325**	21,548
Deferred income tax expense	**4,959**	5,666
Share-based compensation	**1,902**	1,504
Provision (recovery) for impairment of trade accounts receivable	**(87)**	473
Finance costs	**2,177**	2,082
Loss on disposal of assets	**2,158**	1,580
Operating cash flow before changes in working capital	**68,198**	65,202
Change in non-cash operating working capital:		
Trade and other accounts receivable before provision	**10,556**	(33,339)
Inventories	**(2,879)**	(4,933)
Prepayments	**(531)**	(769)
Trade and other accounts payable	**(6,420)**	443
Current taxes payable	**(4,822)**	5,706
Net cash provided by operating activities from continuing operations	**64,102**	32,310
Investing activities:		
Purchase of property and equipment & intangibles	**(51,762)**	(45,253)
Business acquisition	**-**	(56,582)
Proceeds on disposal of equipment	**24,876**	6,068
Net cash used in investing activities from continuing operations	**(26,886)**	(95,767)
Financing activities:		
Increase (decrease) in long-term debt	**(27,251)**	62,191
Proceeds on exercise of share options	**695**	292
Dividends paid	**(9,290)**	-
Finance costs	**(2,177)**	(2,082)
Net cash (used in) financing activities from continuing operations	**(38,023)**	60,401
Foreign exchange loss (gain) on cash held in a foreign currency	**77**	(5)
Net decrease in cash	**(730)**	(3,061)
Net increase in cash, discontinued operations	**-**	833
Cash, beginning balance, discontinued operations	**(1,269)**	-
Cash (bank indebtedness), beginning of the year	**164**	2,392
Cash (bank indebtedness), end of year	**$ (1,835)**	$ 164
Supplemental cash flow information		
Cash taxes paid	**11,506**	516
Cash interest and standby fees paid	**1,897**	1,777

[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 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.

EBITDA (Earnings before finance costs, income taxes, equity taxes, depreciation, amortization, transaction costs, non-controlling interest earnings, losses or gains on disposal of equipment, results of discontinued operations 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 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 46 coil tubing rigs and a fleet of 55 service rigs. Essential also sells, rents and services downhole tools and equipment including the Tryton Multi-Stage Fracturing System. Further information can be found at www.essentialenergy.ca.

FORWARD-LOOKING STATEMENTS 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, in-service timing of new equipment, demand for new equipment, expectations of future cash flow and earnings, expectations with respect to the demand for and price of oil and liquids-rich natural gas, expectations regarding the future areas of development in the WCSB, the level and type of drilling activity, completion activity, work-over activity, production activity and required oilfield services in the WCSB, expectations regarding the business, operations and revenues of the Company in addition to general economic conditions, expectations regarding Essential's ability to meet the changing needs of the WCSB market, expectations regarding the capital spending plans of E&P companies, expectations for Essential's positioning for the future, expectations that development of possible LNG projects on the west coast will increase the demand for oilfield services, expectations to sell the Colombian assets to a buyer that will operate in Colombia, plans to operate Essential's rod rigs in Colombia until their current contracts expire, expectations of the net realizable value of the Colombian assets, expectations of the disposal costs and expectations of the loss to be realized on the sale of the Colombian assets.

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, 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 other unforeseen conditions associated with the sale of the Colombian business; 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 in Colombia; 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 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 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.

FOURTH QUARTER AND YEAR END 2012 EARNINGS CONFERENCE CALL AND WEBCAST

Essential has scheduled a conference call and webcast to begin at 10:00 am MST (12:00 pm EST) on Thursday, March 7, 2013.

The conference call dial in numbers are 416-340-2217 or 866-696-5910, passcode 9707065.

An archived recording of the conference call will be available approximately one hour after the completion of the call until April 6, 2013 by dialing 905-694-9451 or 800-408-3053, passcode 9218036.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Garnet K. Amundson	Jeff B. Newman	Karen Perasalo
President and CEO	Chief Financial Officer	Investor Relations
Phone: (403) 513-7272	Phone: (403) 513-7272	Phone: (403) 513-7272
service@essentialenergy.ca	service@essentialenergy.ca	service@essentialenergy.ca

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