ESSENTIAL ENERGY SERVICES

NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES RECORD FIRST QUARTER EBITDA AND DECLARES QUARTERLY DIVIDEND

Calgary, Alberta May 7, 2013 – Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces first quarter EBITDA(1) of $33.4 million compared to $32.8 million in the first quarter of 2012. "These results validate Essential's business model with our focus on horizontal completions and oil production work. Well servicing and downhole tools both had a very strong winter," said Garnet Amundson, President and CEO. "Our 2013 first quarter EBITDA record was especially rewarding considering that general oilfield service conditions were slower than last year and our current results exclude the benefit of our former drilling division which historically had strong EBITDA performance in the first quarter."

SELECTED INFORMATION

(Thousands of dollars, except per share amounts and percentages)	For the three months ended March 31, 2013	2012*
Revenue	$ **120,519**	$ 118,182
Gross margin	$ **37,832**	$ 36,740
Gross margin %	**31%**	31%
EBITDA(1) from continuing operations	$ **33,426**	$ 32,755
EBITDA % (1)	**28%**	28%
Funds flow from continuing operations (1)	$ **29,278**	$ 29,060
Per share – basic (1)	$ **0.24**	$ 0.24
Per share – diluted (1)	$ **0.23**	$ 0.23
Total assets	$ **436,301**	$ 430,674
Total long-term debt	$ **35,603**	$ 57,238
Utilization		
Deep coil tubing rigs	**110%**	102%
Service rigs	**69%**	68%
Equipment fleet **		
Deep coil tubing rigs	**25**	25
Service rigs	**56**	58

* Certain comparative amounts have been reclassified to conform to the current period's presentation.

** Fleet data represents the number of units at the end of a period.

*** Essential committed to a plan to divest of its Colombian operations. This resulted in various changes to the presentation of financial information for the current 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 for the current and all comparative periods.

1 Refer to "Non-IFRS Measures" section for further information.

Q1 2013 HIGHLIGHTS – ESSENTIAL

- Coil Well Service – Essential's coil well service business experienced strong demand for deep coil tubing and pumping services relative to the prior year. The significant growth in revenue was attributable to increased demand for Essential's coil well services working on the Bakken and Montney plays. Deep coil tubing utilization of 110% increased 8 percentage points quarter-over-quarter from the prior year, outperforming industry completion statistics which showed flat well completion activity quarter-over-quarter.
- Service Rigs – Service rig utilization remained strong at 69% which was consistent with 2012 performance. Demand for services remained high, particularly for Essential's three service rigs operating 24 hours a day on steam-assisted gravity drainage ("SAGD") wells.
- Downhole Tools & Rentals – The downhole tools & rentals segment had a very strong first quarter as the Tryton multi-stage fracturing system ("Tryton MSFS") benefited from continued growth quarter-over-quarter from the new tools introduced in the latter part of 2012.
- Capital – Equipment fabricators made significant progress during the quarter in building the equipment planned for 2013 delivery. In March 2013, Essential commissioned one mobile free standing, all-period double service rig purpose-built to work on SAGD wells. Essential took delivery of two nitrogen pumpers in the earlier part of the second quarter.

INDUSTRY OVERVIEW

During the first quarter of 2013, activity in the Canadian oil and gas industry was below the first quarter of 2012, but improved sequentially from the fourth quarter of 2012 as a result of the seasonally busy winter drilling period. Well completion count and drilling rig utilization, both indicators of overall oilfield service activity levels in the Western Canadian Sedimentary Basin ("WCSB"), were down year-over-year. Well completion counts were relatively flat with a 1 percentage point decline compared to 2012 and drilling rig utilization was 61% compared to 68% in 2012. Much of the uncertainty surrounding macroeconomic factors which impacted the latter part of 2012 still existed in the first quarter of 2013 as fundamentals were largely unchanged. The price differential between the Western Canadian Select ("WCS") crude oil and West Texas Intermediate ("WTI") benchmark remained high for the current quarter. 2013 activity in the first quarter benefited from a longer winter operating season due to colder weather extending beyond mid-March and sustained crude oil prices averaging above US$90/bbl.

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.

SEGMENT RESULTS - *WELL SERVICING*

(Thousands of dollars, except percentages)	Three months ended March 31, 2013	2012
Revenue		
Coil Well Service*	**$ 49,621**	$ 42,414
Service Rigs **	**33,556**	33,311
Other ***	**-**	7,206
Total revenue	**83,177**	82,931
Operating expenses	**56,042**	56,437
Gross margin	**$ 27,135**	$ 26,494
Gross margin %	**33%**	32%
Utilization ****		
Deep Coil Tubing Rigs		
Utilization	**110%**	102%
Operating hours	**24,765**	23,236
Service Rigs		
Utilization	**69%**	68%
Operating hours	**34,364**	35,188

* Includes revenue from coil tubing rigs, nitrogen and fluid pumpers and other ancillary equipment.

** Includes revenue from service rigs and rod rigs. Comparative amounts have been reclassified to conform to current period's presentation.

*** Other revenue included revenue from Essential's hybrid drilling operation until it was disposed of in November 2012.

**** Utilization is calculated using a 10 hour day.

Coil well service revenue experienced improved operating performance during the first quarter of 2013 as compared to the same period in the prior year as the demand for services was particularly strong in the Bakken oil play in Saskatchewan and Manitoba and in the Montney play in northern Alberta and British Columbia. Masted coil tubing revenue increased quarter-over-quarter as a result of the deep coil tubing reel trailer commissioned in the latter part of 2012 and an increase in coil tubing cycle charges and ancillary charges. Deep conventional coil tubing revenue increased as customers took advantage of the prolonged cold weather and continued service work in northern Alberta and British Columbia. Coil well service pumper revenue also increased from the addition of six new pumpers since the first quarter in 2012 and the training and recruiting initiatives undertaken in the latter part of 2012 which enabled Essential to crew additional pumpers. Revenue per hour for coil well service equipment increased due to the mix of services provided.

Service rigs maintained strong utilization during the first quarter of 2013 consistent with the same period in the prior year as demand for services remained high, particularly for Essential's three service rigs operating 24 hours a day on SAGD wells and service rigs operating in northern Alberta. Revenue per hour in the first quarter of 2013 increased due to the mix of services provided including the increase in SAGD work and associated rentals.

<u>SEGMENT RESULTS - *DOWNHOLE TOOLS & RENTALS*</u>

(Thousands of dollars, except percentages)	Three months ended March 31, 2013	2012
Revenue		
Downhole Tools & Rentals	**$ 37,342**	$ 33,570
Other*	-	1,681
Total revenue	**37,342**	35,251
Operating expenses	**24,374**	23,738
Gross margin	**$ 12,968**	$ 11,513
Gross margin %	**35%**	33%
Downhole Tools & Rentals Revenue – % of total		
Tryton MSFS	**60%**	47%
Conventional Tools & Rentals	**40%**	53%

* Other revenue includes Essential's wireline business which was disposed of in February 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.

Downhole tools & rentals revenue increased during the first quarter as compared to the same period in the prior year due to the continued growth of the Tryton MSFS business and strong customer acceptance of the new MSFS tools introduced in the last half of 2012. The new tools provide an innovative, cost effective alternative to customers completing long reach horizontal wells.

Gross margin increased on a quarter-over-quarter basis due to improved tool procurement efficiencies and the disposal of the wireline business, which historically generated lower margins compared to the ongoing operations of the segment.

<u>GENERAL AND ADMINISTRATIVE</u>

(Thousands of dollars, except percentages)	Three months ended March 31, 2013	2012
General and administrative expenses	**$ 4,406**	$ 3,985
As a % of revenue	**4%**	3%

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 first quarter of 2013 due to increased staffing costs, professional fees and infrastructure costs compared to the first quarter of 2012.

COLOMBIA OPERATIONS

In March 2013 Essential announced it is in the process of disposing of its Colombian operations. Essential continues to seek buyers for the assets. Two rod rigs will continue to operate until their contracts expire in the second quarter 2013.

FINANCIAL RESOURCES AND LIQUIDITY

WORKING CAPITAL[1]

(Thousands of dollars, except ratios)		**As at March 31 2013**		As at December 31 2012
Current assets	**$**	**125,931**	$	95,840
Current liabilities, excluding current portion of long-term debt		**(49,221)**		(37,594)
Working capital	**$**	**76,710**	$	58,246
Working capital ratio		**2.6:1**		2.5:1

EQUIPMENT EXPENDITURES AND FLEET

(Thousands of dollars)		Three months ended March 31, **2013**		2012
Well Servicing	**$**	**6,142**	$	8,903
Downhole Tools & Rentals		**444**		823
Corporate		**238**		464
Total equipment expenditures		**6,824**		10,190
Less proceeds on disposal of property and equipment		**(540)**		(7,318)
Net equipment expenditures[1]	**$**	**6,284**	$	2,872

During the first quarter of 2013, Essential's equipment expenditures of $6.8 million were primarily directed towards progress payments for the 2013 capital builds and maintenance capital expenditures. During the first quarter of 2013, Essential commissioned one mobile free standing, all-period double service rig purpose-built to work on SAGD wells.

(Thousands of dollars)		Three months ended March 31, **2013**		2012
Growth capital[1]	**$**	**4,766**	$	6,088
Maintenance capital[1]		**2,048**		4,102
Total equipment expenditures	**$**	**6,824**	$	10,190

Essential's 2013 capital spending budget of $45 million is comprised of $32 million of growth [1] capital and $13 million of maintenance [1] capital.

The following table shows the expected in-service dates of the major equipment being built over the remainder of 2013:

	Quantity	Expected In-Service Date 2013
Deep masted coil tubing rigs	4	Q3(2),Q4(2)
Deep coil tubing rig converted from intermediate	1	Q2
Nitrogen pumpers	2	Q2 (2)
Double rod rig	1	Q4
Double service rigs – mobile free standing, all-period (two of these are purpose-built for SAGD wells)	3	Q2(1), Q4(2)

Compared to the capital budget announced in December 2012, Essential has cancelled one double service rig and will build one double rod rig.

During the first quarter, Essential removed two masted coil tubing rigs from service. These two rigs, the last rigs of their kind in Essential's fleet, were among the first masted coil tubing rigs built for use in the WCSB. These rigs have nominal net book value and/or sales proceeds, and Essential expects to dismantle this equipment. The remainder of the deep coil tubing fleet is relatively new and, as of March 31, 2013, the average age of the deep coil tubing fleet is 4 years from construction or most recent recertification date.

OUTLOOK

After spring break-up, Essential expects that oilfield service activity will be similar to 2012. Global economic concerns are still prevalent, impacting the stability of oil prices, and while there has been some recent improvement in the oil price differential, longer-term infrastructure solutions are still required. A colder winter has reduced natural gas storage levels and the NYMEX price for natural gas has recently risen above US $4/mmbtu. There is longer-term optimism with certain foreign investment focused on the Montney and Horn River natural gas basins to develop the reserves to provide gas to the proposed liquefied natural gas ("LNG") export facilities in British Columbia. Such development would increase the demand for oilfield services to complete these wells.

Essential's $45 million capital spending budget is focused on building deep masted coil tubing rigs and double service rigs capable of SAGD operations to meet customer demand. Essential has four deep masted coil tubing rigs under construction, expected to be delivered in 2013. These rigs will have an increased reel capacity for longer and larger diameter coil. Two of these are classified as Generation III and two are Generation IV rigs. While Essential's current masted rigs can reach up to 5,500 meters with 2" coil, the Generation III rigs are designed to reach 5,700 meters with 2 3/8" coil and the Generation IV rigs will reach 6,400 meters with 2 5/8" coil. Essential's deep coil tubing reel trailer is a non-masted prototype of the Generation IV rig and has been successfully operating on deeper wells since the end of 2012. These state-of-the-art rigs are being built to meet the growing demand for oilfield service equipment to complete and produce longer, deeper and more complex wells.

While Essential remains focused on the WCSB, it has recently started exploring prospects to organically expand operations into the United States with downhole tools. The United States offers the opportunity for continued growth with services that Essential has a unique expertise and strong reputation with customers for completing and producing horizontal wells.

Essential has a very strong balance sheet with $36 million of debt outstanding on May 7, 2013 and debt to EBITDA of 0.5x. Management remains focused 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 April 1, 2013 to June 30, 2013 has been set at $0.025 per share. The dividend will be paid on July 15, 2013 to shareholders of record on June 28, 2013. The ex-dividend date is June 26, 2013.

The first 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 of dollars, except per share amounts and percentages)	**Mar 31, 2013**	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	**Mar 31, 2012**	Dec 31, 2011	Sep 30, 2011	June 30, 2011
Well Servicing:								
Coil Well Service	**49,621**	41,228	33,857	18,697	**42,414**	43,945	36,349	9,871
Service Rigs	**33,556**	26,012	20,552	15,564	**33,311**	28,118	23,939	11,835
Other*	**-**	786	2,762	1,069	**7,206**	4,677	4,178	1,297
Total well servicing	**83,177**	68,026	57,171	35,330	**82,931**	76,740	64,466	23,003
Downhole Tools & Rentals**	**37,342**	27,989	26,342	15,540	**35,251**	32,115	33,316	17,115
Total revenue	**120,519**	96,015	83,513	50,870	**118,182**	108,855	97,782	40,118
Gross margin	**37,832**	27,039	23,012	3,904	**36,740**	35,498	31,203	3,334
Gross margin %	**31%**	28%	28%	8%	**31%**	33%	32%	8%
EBITDA[(1)]	**33,426**	22,368	19,261	(42)	**32,755**	31,733	27,570	449
EBITDA %[(1)]	**28%**	23%	23%	0%	**28%**	29%	28%	1%
Continuing operations								
Net income (loss)	**19,205**	8,050	8,343	(5,453)	**19,823**	17,082	14,020	(5,388)
Per share – basic and diluted	**$0.15**	$0.06	$0.07	$(0.04)	**$0.16**	$0.14	$0.11	$(0.06)
Net income (loss) attributable to shareholders of Essential	**18,627**	678	8,660	(5,923)	**18,893**	17,559	13,678	(6,364)
Per share – basic and diluted	**$0.15**	$0.01	$0.07	$(0.05)	**$0.15**	$0.14	$0.11	$(0.07)
Total assets	**436,301**	406,853	415,653	393,377	**430,674**	421,500	411,204	371,017
Total long-term debt	**35,603**	35,563	50,474	41,198	**57,238**	63,486	79,230	63,459
Utilization ***								
Coil tubing rigs – deep	**110%**	95%	79%	32%	**102%**	111%	104%	37%
Coil tubing rigs – other	**15%**	16%	15%	7%	**25%**	30%	25%	18%
Pumpers	**73%**	57%	50%	33%	**69%**	71%	50%	23%
Service rigs	**69%**	54%	45%	34%	**68%**	59%	54%	27%
Operating Hours								
Coil tubing rigs – deep	**24,765**	22,777	18,301	7,262	**23,236**	23,524	21,938	3,638
Coil tubing rigs – other	**2,511**	2,757	2,819	1,596	**5,494**	6,778	5,813	3,805
Pumpers	**20,481**	15,328	11,919	7,504	**13,865**	13,008	9,594	2,978
Service rigs	**34,364**	27,310	22,632	16,183	**35,188**	31,005	28,201	13,229
Downhole Tools & Rentals - revenue % of total								
Tryton MSFS	**60%**	51%	52%	40%	**47%**	47%	54%	45%
Conventional Tools & Rentals	**40%**	49%	48%	60%	**53%**	53%	46%	55%
Equipment fleet ****								
Canada								
Coil tubing rigs - deep	**25**	27	26	25	**25**	25	23	23
Coil tubing rigs - other	**19**	19	19	20	**24**	24	25	25
Service rigs	**56**	55	55	53	**58**	57	57	58
Nitrogen pumpers	**13**	13	10	10	**10**	10	9	8
Fluid pumpers	**18**	18	16	16	**15**	15	12	6
Rod rigs	**14**	14	14	14	**14**	14	14	14

* Other revenue included revenue from Essential's hybrid drilling operation until it was disposed of in November 2012.

** Revenue for Downhole Tools & Rentals included revenue from Essential's wireline business which was disposed of in February 2012.

*** Utilization is calculated using a 10 hour day.

**** Fleet data represents the number of units at the end of the period.

Over the past two years, Essential has improved its fleet through the acquisition of Technicoil, the purchase of new equipment, the disposal of under-utilized equipment and ongoing maintenance of its existing fleet. Spending has focused primarily on expanding the depth capacity and service capabilities of the well servicing operations.

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(Thousands)		**As at March 31 2013**		As at December 31 2012
Assets				
Current				
Trade and other accounts receivable	**$**	**101,822**	$	71,835
Inventories		**21,461**		20,699
Prepayments		**2,648**		3,306
		125,931		95,840
Non-current				
Property and equipment		**212,215**		211,304
Intangible assets		**34,990**		36,555
Goodwill		**55,014**		55,014
		302,219		302,873
Assets held for sale		**8,151**		8,140
Total assets	**$**	**436,301**	$	406,853
Liabilities				
Current				
Bank indebtedness	**$**	**4,403**	$	1,835
Trade and other payables		**39,616**		32,354
Dividends payable		**3,102**		3,100
Income taxes payable		**2,100**		305
		49,221		37,594
Non-current				
Long-term debt		**35,603**		35,563
Deferred tax liabilities		**31,726**		29,560
		67,329		65,123
Liabilities held for sale		**1,458**		1,731
Total liabilities		**118,008**		104,448
Equity				
Share capital		**258,886**		258,772
Retained earnings		**53,801**		38,276
Other reserves		**5,642**		5,363
Equity attributable to shareholders of Essential		**318,329**		302,411
Non-controlling interest		**(36)**		(6)
Total equity		**318,293**		302,405
Total liabilities and equity	**$**	**436,301**	$	406,853

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

(Thousands, except per share amounts)	For the three months ended March 31 **2013**	2012
Revenue	**$ 120,519**	$ 118,182
Operating expenses	**82,687**	81,442
Gross margin	**37,832**	36,740
General and administrative expenses	**4,406**	3,985
	33,426	32,755
Depreciation and amortization	**7,044**	7,079
Share-based compensation	**343**	491
Other income	**(133)**	(1,243)
Operating profit from continuing operations	**26,172**	26,428
Finance costs	**376**	632
Net income before income tax from continuing operations	**25,796**	25,796
Current income tax expense	**4,425**	3,716
Deferred income tax expense	**2,166**	2,257
Total income tax expense	**6,591**	5,973
Net income from continuing operations	**19,205**	19,823
Net loss from discontinued operations, net of tax	**(607)**	(1,093)
Net income	**18,598**	18,730
Unrealized foreign exchange gain (loss) on discontinued operations	**(31)**	1,009
Other comprehensive income (loss) from discontinued operations	**(31)**	1,009
Comprehensive income	**18,567**	19,739
Net income (loss) attributable to:		
Shareholders of Essential	**$ 18,627**	$ 18,893
Non-controlling interest	**(29)**	(163)
	$ 18,598	$ 18,730
Comprehensive income (loss) attributable to:		
Shareholders of Essential	**$ 18,597**	$ 19,758
Non-controlling interest	**(30)**	(19)
	$ 18,567	$ 19,739
Net income per share from continuing operations		
Basic and diluted, attributable to shareholders of Essential	**$ 0.15**	$ 0.16
Net income per share		
Basic and diluted, attributable to shareholders of Essential	**$ 0.15**	$ 0.15
Comprehensive income per share		
Basic and diluted, attributable to shareholders of Essential	**$ 0.15**	$ 0.16

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands)	For the three months ended March 31 **2013**	2012
Operating activities:		
Net income from continuing operations	**$ 19,205**	$ 19,823
Non-cash adjustments to reconcile net income for the year to operating cash flow:		
Depreciation and amortization	**7,044**	7,079
Deferred income tax expense	**2,166**	2,257
Share-based compensation	**343**	491
Provision (recovery) for impairment of trade accounts receivable	**250**	(342)
Finance costs	**376**	632
Gain on disposal of assets	**(106)**	(880)
Operating cash flow before changes in working capital	**29,278**	29,060
Change in non-cash operating working capital:		
Trade and other accounts receivable before provision	**(31,159)**	(7,825)
Inventories	**(762)**	(2,200)
Prepayments	**658**	288
Trade and other accounts payable	**7,262**	(6,485)
Current taxes payable	**1,795**	(1,620)
Net cash provided by operating activities from continuing operations	**7,072**	11,218
Investing activities:		
Purchase of property and equipment & intangibles	**(6,824)**	(10,190)
Proceeds on disposal of equipment	**540**	7,318
Net cash used in investing activities from continuing operations	**(6,284)**	(2,872)
Financing activities:		
Increase (decrease) in long-term debt	**40**	(5,575)
Proceeds on exercise of share options	**88**	445
Common shares repurchase	**(8)**	-
Dividends paid	**(3,100)**	-
Finance costs	**(376)**	(632)
Net cash used in financing activities from continuing operations	**(3,356)**	(5,762)
Net increase (decrease) in cash	**(2,568)**	2,584
Net decrease in cash, discontinued operations	**-**	(987)
Cash, beginning balance, discontinued operations	**-**	1,268
Bank indebtedness, beginning of the period	**(1,835)**	(1,105)
Cash (bank indebtedness), end of the period	**$ (4,403)**	$ 1,760
Supplemental cash flow information		
Cash taxes paid	**$ 2,630**	$ 5,336

[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.

Working capital – Working capital is calculated as current assets less current liabilities.

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.

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 44 coil tubing rigs and a fleet of 56 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 oilfield service activity after spring break-up will be similar to 2012, expectations related to infrastructure uncertainties, expectations that development of possible LNG projects on the West Coast will increase the demand for oilfield services, expectations to operate Essential's rod rigs in Colombia until their current contracts expire, expectations of 2013 financial performance in Colombia, anticipated timing of the shut-down of Colombian operations, anticipated proceeds from asset sales in Colombia, anticipated shut-down and disposal costs of Colombian operations, expectations of the opportunity for growth through expansion into the United States and expectations for the payment of a dividend on July 15, 2013.

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.

FIRST QUARTER 2013 EARNINGS CONFERENCE CALL AND WEBCAST

Essential has scheduled a conference call and webcast to begin at 10:00 am MT (12:00 pm ET) on Wednesday, May 8, 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 May 22, 2013 by dialing 905-694-9451 or 800-408-3053, passcode 3011022.

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:

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