



## **NEW RELEASE**

### **ESSENTIAL ENERGY SERVICES TRUST PROVIDES CONVERSION TO CORPORATION DETAILS**

CALGARY, ALBERTA March 15, 2010 - Essential Energy Services Trust (TSX: ESN.UN) ("Essential" or the "Trust") provides information related to the previously announced intention to convert to a growth-oriented corporation (the "Conversion"). The new corporation has been named Essential Energy Services Ltd. (the "Corporation").

#### **Benefits of Conversion**

On October 31, 2006, the Minister of Finance announced the Specified Investment Flow Through Trust ("SIFT") income and distribution tax which effectively eliminated public income trusts. Additional income taxes will be imposed on trusts for taxation years commencing January 1, 2011. Legislation provides for conversion on a tax-free basis, as long as conversion occurs prior to 2013.

Management and the Board of Directors believe the Conversion provides a number of strategic benefits, including the expectation that the Conversion:

- Removes the uncertainty that exists in the income trust market today.
- Improves access to capital as access to capital for income trusts may become limited as January 2011 nears.
- Removes the restriction on the level of ownership by non-residents.
- Can occur on a tax-free basis.
- Removes the growth threshold imposed by SIFT legislation.
- May allow for more direct comparison of the Trust's financial performance relative to corporate peers.

#### **Required Approvals**

The proposed Conversion will be pursuant to a plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement") involving the Trust, the Corporation and unitholders of the Trust ("Unitholders"). The Arrangement is subject to court approval, approval by the Unitholders and other regulatory approvals. On March 15, 2010 the Court of Queen's Bench of Alberta approved the Interim Order and the Final Order will be requested on April 29, 2010 with an effective date of closing of April 30, 2010.

Unitholders are being asked to vote on the Arrangement at the April 28, 2010 annual general and special meeting which is scheduled for April 28, 2010 at 10:00 a.m. (Calgary time) at Livingston Place (South Tower) in the Livingston Club Conference Centre, Plus 15, 222 - 3rd Avenue SW, Calgary, Alberta. The record date is March 15, 2010 and only Unitholders of record as of that date are entitled to vote. Unitholders will also be voting on regular business items of the Trust.

The Toronto Stock Exchange ("TSX") has conditionally approved the listing of the common shares to be issued pursuant to the Arrangement, subject to the Corporation satisfying certain conditions for listing on the TSX. The trading symbol of the Corporation will be ESN.

## **The Arrangement and its Effect on Unitholders and Distributions**

The Arrangement will result in the reorganization and restructuring of Essential's trust structure into a publicly listed corporation. Pursuant to the Arrangement, Unitholders will receive, for each trust unit of Essential held, one (1) common share of the Corporation, as of the effective date of the Arrangement, expected to be April 30, 2010.

The Arrangement will not result in any benefits for, or change of control, termination or other payments being made to any officers, directors or employees of the Trust.

The Trust eliminated payment of distributions effective November 10, 2009. The Corporation does not intend to pay a dividend in the foreseeable future.

## **The Corporation**

If approved, the Arrangement will result in the Corporation carrying on the business presently carried out by the Trust. Following the completion of the Arrangement, the board of directors and senior management of the Corporation will be comprised of all of the members of the board of directors and all of the senior management of Essential Energy Services Operating Corp. ("Essential Operating Corp."), the manager for the Trust, except for Verne G. Johnson, who will not be a director of the Corporation and will not stand for re-election for the board of directors of Essential Operating Corp. Mr. Johnson will be replaced by a new director, William T. Lynch.

## **Recommendation of the Board**

The Board of Directors of Essential Operating Corp., based upon its own investigations, unanimously determined that the Arrangement is fair to Unitholders, is in the best interests of the Trust and the Unitholders, and recommends that Unitholders vote in favour of the Arrangement. The officers and directors of Essential Operating Corp. have indicated that they intend to vote their trust units in favour of the Arrangement.

## **Further Information**

Additional information can be found in the Information Circular and Proxy Statement that will be filed on SEDAR on March 16, 2010 and will be accessible on March 17, 2010. The documents will be mailed to Unitholders prior to March 31, 2010.

## **ABOUT ESSENTIAL**

Essential Energy Services Trust provides oilfield services to oil and gas producers in western Canada related to the ongoing servicing of producing wells and new drilling activity. Further information about Essential can be found at [www.essentialenergy.ca](http://www.essentialenergy.ca).

## **READER ADVISORY**

*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 as to the benefits and anticipated timing of the Conversion, plans of the Trust on completion of the Conversion and the effect and timing thereof, expectations regarding the implementation of legislation, expectations regarding the timing and receipt of court approval for the Conversion and the meeting of Unitholders to approve same, expectations regarding the items of business to be voted on at the annual general and special meeting, the expected trading symbol of the Corporation, expectations regarding any change of control payments to directors, officers and employees of the Trust, expectations regarding the payment of dividends by the Corporation, expectations regarding the composition of management and the board of directors of the Corporation and expectations regarding the mailing of the Information Circular. 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 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 the Conversion, acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulation, risks associated with the potential inability to obtain required consents for the Conversion, including unit holder approval and court approval, failure to realize the benefits of the Conversion, stock market volatility and the inability to access sufficient capital from external and internal sources, and the inability to pay dividends. 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 and operating results are included in the Trust's securities filings with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). The forward-looking statements and information contained in this news 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.*