**ESSENTIAL ENERGY SERVICES TRUST REPORTS SECOND QUARTER 2008 RESULTS AND A $14 MILLION INCREASE IN CAPITAL SPENDING**

*This news release contains "forward-looking information and statements". For a full discussion of the forward-looking information and statements and the inherent risks and uncertainties, see "Reader Advisory" near the end of this news release.*

*This news release contains Non-GAAP measures throughout the report. These measures have been noted and an explanation of their purpose and usefulness can be found under "Non-GAAP Measures" near the end of this news release.*

CALGARY, ALBERTA August 14, 2008 - Essential Energy Services Trust (TSX: ESN.UN) ("Essential" or the "Trust") is pleased to announce its second quarter results. Essential has recently completed two significant transactions which have added significant complexity to the presentation of the financial results. On April 4, 2008 Essential completed a strategic combination with Builders Energy Services Trust ("Builders") under which the previous unitholders of Builders received, for each outstanding trust unit of Builders held by them, 1.25 trust units of Essential. On July 2, 2008 the Trust completed the sale of substantially all of the assets of its Transport division for proceeds of $135 million and applied the proceeds from this transaction against long-term debt. As a result, to better understand the combined, continuing Essential operations and its performance over the past six months, readers are referred to the section below entitled "Selected Combined Financial Information".

Essential is also pleased to announce a $14 million increase to its capital spending. This program will be executed by an increase of $11 million being spent in 2008 and the remaining $3 million being spent in early 2009. "With our strong balance sheet and in anticipation of improving industry conditions, we are now able to enhance and grow our equipment fleet", said Garnet Amundson, President and CEO of Essential. "These capital expenditures create growth opportunities for Essential in markets where our customers plan to be active in the upcoming years."

## SELECTED COMBINED FINANCIAL INFORMATION
### Essential and Builders Combined as of January 1, 2008

In accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), the reporting in the Financial Statements and Management's Discussion and Analysis represents Essential's stand-alone activities for January 1, 2008 to April 3, 2008. The results do not include Builders' operating or financial results for this period. Management has provided combined results for Builders and Essential assuming the combination occurred as of January 1, 2008 in the section below to assist the reader in understanding the new entity on a combined basis. The financial results of the Transport segment (which include the historical transport operations of the Trust plus the transport operations acquired as part of the Builders transaction) have been segregated in aggregate under the line titled "Loss from discontinued operations before income taxes" below. The financial results for Essential are unaudited but have been reviewed by the Trust's auditors, which is consistent with preceding quarterly reports. The financial results for Builders for January 1, 2008 to April 3, 2008 are unaudited and have not been reviewed by the Trust's auditors.

**Essential and Builders Combined As Of January 1, 2008**

| ($Thousands) | Six months ended June 30, 2008 |
|---|---|
| Revenue | 81,335 |
| Gross margin[1] | 20,207 |
| Gross margin as a percentage of revenue[1] | 25% |
| General and administrative expense | 8,127 |
| General and administrative expense as a percentage of revenue | 10% |
| EBITDAS[1] | 12,080 |
| EBITDAS as a percentage of revenue[1] | 15% |
| Loss from continuing operations before income taxes | (2,667) |
| Loss from discontinued operations before income taxes | (2,687) |
| Loss before income taxes | (5,354) |

## BASIS OF PRESENTATION

The following financial information and the consolidated financial statements as at and for the three and six months ended June 30, 2008 has been prepared in accordance with GAAP. The completion of the two transactions noted above has resulted in significant changes to how the financial information for the current year and comparative periods are presented:

- The financial results of the merger with Builders have been included in the consolidated financial statements of the Trust since April 4, 2008.

- The financial results of the Transport division (which include the historical transport operations of the Trust plus the transport operations acquired as part of the Builders transaction) have been segregated on the Balance Sheets, Statements of Operations and the Statements of Cash Flows. The assets and liabilities associated with the Transport division have been reclassified on the Balance Sheets under the captions of Assets Held For Sale and Liabilities Held For Sale, respectively. Operating results and cash flows for the Transport segment have been reclassified on the Statements of Operations and Statements of Cash Flows under the captions of Earnings (loss) from Discontinued Operations and Funds from (used in) Discontinued Operations, respectively.

## SELECTED FINANCIAL INFORMATION

| ($ Thousands, except per unit amounts) | Three months ended June 30, 2008 | 2007 | Six months ended June 30, 2008 | 2007 |
|---|---|---|---|---|
| | | (restated) | (restated) | (restated) |
| Revenue | 25,145 | 9,339 | 40,191 | 25,274 |
| Gross margin[1] | 1,513 | 1,856 | 6,468 | 7,855 |
| EBITDAS[1] | (1,657) | (319) | 1,955 | 4,481 |
| Loss from continuing operations | (9,247) | (3,810) | (9,214) | (2,170) |
| Per unit – basic | $ (0.15) | $ (0.13) | $ (0.20) | $ (0.07) |
| Per unit – diluted | $ (0.15) | $ (0.13) | $ (0.20) | $ (0.07) |
| Earnings (loss) from discontinued operations | (5,177) | (630) | (2,497) | 2,678 |
| Per unit – basic | $ (0.09) | $ (0.02) | $ (0.05) | $ 0.09 |
| Per unit – diluted | $ (0.09) | $ (0.02) | $ (0.05) | $ 0.09 |
| Net earnings (loss) | (14,424) | (4,440) | (11,711) | 508 |
| Per unit – basic | $ (0.24) | $ (0.15) | $ (0.25) | $ 0.02 |
| Per unit – diluted | $ (0.24) | $ (0.15) | $ (0.25) | $ 0.02 |
| Funds flow from (used in) operations | (5,734) | 996 | 1,375 | 10,450 |
| Per unit – basic | $ (0.10) | $ 0.03 | $ 0.03 | $ 0.36 |
| Per unit – diluted | $ (0.10) | $ 0.03 | $ 0.03 | $ 0.34 |
| Cash distributions to unitholders | 6,932 | 7,927 | 12,240 | 14,844 |
| Per unit – diluted | $ 0.12 | $ 0.25 | $ 0.26 | $ 0.50 |
| Total assets | 339,592 | 232,224 | 339,592 | 232,224 |
| Total long term debt | 150,706 | 56,489 | 150,706 | 56,489 |
| Unitholders' equity | 167,340 | 166,085 | 167,340 | 166,085 |

## OVERVIEW OF SECTOR ACTIVITY

The outlook for the Canadian oilfield services industry continued to show signs of improvement throughout the second quarter. Industry fundamentals including commodity prices, U.S. gas storage levels and a reduction in liquefied natural gas ("LNG") imports during the quarter all combined to improve confidence in the oil and gas industry in western Canada and provides a renewed sense of optimism with respect to activity levels in future periods.

Activity levels during the second quarter reflect drilling programs that were largely established in late 2007 and early 2008 when oil and gas producers were dealing with ongoing uncertainty with respect to the Alberta royalty structure and industry fundamentals were not as positive as they are today. Combined with reduced access to job sites due to spring break-up conditions and continued wet weather throughout most of the quarter, drilling rig utilization rates in the Western Canadian Sedimentary Basin ("WCSB") averaged 19% for the second quarter, only marginally better than the 17% recorded during the second quarter of 2007. Drilling rig utilization rates act as a barometer for oilfield service activity.

Despite the numerous producers that have recently announced expansions to their 2008 capital programs, activity levels in the WCSB were 13% lower in 2008 during the first half of the year relative to 2007, reflecting significantly lower activity levels in the first quarter of 2008 relative to the first quarter of 2007.

## OVERVIEW OF SECOND QUARTER RESULTS

Although industry fundamentals continued to improve throughout the quarter, the extended spring break-up and ongoing wet weather conditions experienced during much of the quarter contributed to seasonally lower utilization rates for Essential. Compared to the second quarter of 2007, the financial performance of the Trust from continuing operations showed significant revenue growth during the quarter due to the completion of the Builders merger on April 4, 2008. However, this revenue growth is only included in the operations of the Trust during the second quarter, as the operating results related to the merger are only reflected in the financial results of Essential from April 4, 2008 to June 30, 2008. As such, the financial results do not reflect the first quarter 2008 financial performance of Builders, which by the nature and location of the acquired businesses is significantly stronger than demonstrated during the second quarter.

- Revenue from continuing operations for the three and six month periods ended June 30, 2008 was $25.1 million and $40.2 million, respectively, compared to $9.3 million and $25.3 million for the same periods ended June 30, 2007.
- Gross margin[1] from continuing operations for the three and six month periods ended June 30, 2008 was $1.5 million and $6.5 million, respectively, compared to $1.9 million and $7.9 million for the same periods ended June 30, 2007.
- Loss from continuing operations for the three and six month periods ended June 30, 2008 was $9.2 million for both periods, compared to $3.8 million and $2.2 million for the same periods ended June 30, 2007.
- Funds flow from (used in) operations[1] for the three and six month periods ended June 30, 2008 was $(5.7) million and $1.4 million, respectively, compared to $1.0 million and $10.5 million for the same periods ended June 30, 2007.

## RESULTS OF OPERATIONS

| (Thousands, except per unit amounts) | Three months ended June 30, 2008 | Three months ended June 30, 2007 | Six months ended June 30, 2008 | Six months ended June 30, 2007 |
|---|---|---|---|---|
| | | *(restated)* | *(restated)* | *(restated)* |
| Revenue | $ 25,145 | $ 9,339 | $ 40,191 | $ 25,274 |
| Operating expenses | 23,632 | 7,483 | 33,723 | 17,419 |
| Gross margin[1] | 1,513 | 1,856 | 6,468 | 7,855 |
| Gross margin as a percentage of revenue[1] | 6% | 20% | 16% | 31% |
| General and administrative expenses | 3,170 | 2,175 | 4,513 | 3,374 |
| EBITDAS[1] | (1,657) | (319) | 1,955 | 4,481 |
| EBITDAS as a percentage of revenue[1] | (7%) | (3%) | 5% | 18% |
| Unit-based compensation | 144 | 466 | 716 | 796 |
| Depreciation and amortization | 5,146 | 2,236 | 7,470 | 4,380 |
| Interest on long-term debt | 1,390 | 762 | 2,073 | 1,448 |
| Loss from continuing operations before income taxes | (8,337) | (3,783) | (8,304) | (2,143) |
| Future income tax expense | 910 | 27 | 910 | 27 |
| Earnings (loss) from continuing operations | (9,247) | (3,810) | (9,214) | (2,170) |
| Earnings (loss) from discontinued operations | (5,177) | (630) | (2,497) | 2,678 |
| Net earnings (loss) | $ (14,424) | $ (4,440) | $ (11,711) | $ 508 |
| Net earnings (loss) per unit – basic | $ (0.24) | $ (0.15) | $ (0.25) | $ 0.02 |
| Net earnings (loss) per unit – diluted | $ (0.24) | $ (0.15) | $ (0.25) | $ 0.02 |

**Revenue**

| (Thousands) | Three months ended June 30, 2008 | 2007 | Six months ended June 30, 2008 | 2007 |
|---|---|---|---|---|
| Revenue | | | | |
| Well Servicing | $ 18,569 | $ 9,339 | $ 33,615 | $ 25,274 |
| Wireline & Rentals | 6,576 | - | 6,576 | - |
| | $ 25,145 | $ 9,339 | $ 40,191 | $ 25,274 |

Revenue from continuing operations for the three and six month periods ended June 30, 2008 was $25.1 million and $40.2 million, respectively, compared to $9.3 million and $25.3 million for the same periods ended June 30, 2007. The period over period increase from 2007 to 2008 is due to the completion of the Builders transaction.

***Well Servicing***

Well Servicing generated revenue of $18.6 million and $33.6 million for the three and six month periods ending June 30, 2008, respectively, compared to $9.3 million and $25.3 million for the same periods ended June 30, 2007.

The period over period increase from 2007 to 2008 is due to the completion of the Builders transaction and the resultant increased size and geographic reach of the Trust's equipment fleet. Comparative fleet information as at June 30, 2008 and 2007 is as follows:

| | 2008 | 2007 |
|---|---|---|
| Equipment Fleet | | |
| Service Rigs | 55 | 15 |
| Flush-by/ Rod/ Swabbing Rigs | 26 | 24 |
| Coil Tubing Units | 32 | 21 |
| Nitrogen Units | 7 | - |

***Wireline & Rentals***

Wireline & Rentals generated revenue of $6.6 million for the three and six month periods ending June 30, 2008, respectively, compared to $nil for the same periods ended June 30, 2007. Prior to the completion of the Builders transaction, the Trust did not operate a Wireline & Rentals segment.

**Operating Expenses**

| (Thousands) | Three months ended June 30, 2008 | 2007 | Six months ended June 30, 2008 | 2007 |
|---|---|---|---|---|
| Operating expenses | $ 23,632 | $ 7,483 | $ 33,723 | $ 17,419 |
| As a percentage of revenue | 94% | 80% | 84% | 69% |

Operating expenses from continuing operations for the three and six month periods ending June 30, 2008 were $23.6 million and $33.7 million, respectively, compared to $7.5 million and $17.4 million for the same periods ended June 30, 2007. The period over period increase from 2007 to 2008 is due to the completion of the Builders transaction and the resultant increased size and nature of the Trust's operations. As a percentage of revenue, operating expenses have increased during the three and six month periods ended June 30, 2008 in comparison to the same periods in 2007. This increase is due to an increase in direct input costs, such as labour and fuel costs, in addition to the indirect impact of lower utilization rates on a year to date basis compared to 2007. In comparison, the reduction of utilization rates and operating margins that the industry experienced over the past twelve months did not significantly impact activity levels until after the end of the first quarter of 2007. As a result, the performance of the Trust during the first six months of 2007 was positively impacted by higher activity levels and operating margins in the first quarter of 2007 in comparison to 2008.

Throughout all of its field operations, Essential maintains a scaleable cost structure wherever possible. However, costs associated with retaining key field personnel, qualified equipment operators, maintaining service locations and insurance are relatively fixed in nature. Costs of this nature change incrementally in relation to a longer term industry outlook. Periods of decreased activity, such as the reduced activity levels experienced in the first and second quarters of 2008, results in operating expenses as a percentage of revenue being higher.

**Income Taxes**

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (Thousands) | 2008 | 2007 | 2008 | 2007 |
| Future income tax expense | $ 910 | $ 27 | $ 910 | $ 27 |

In June 2007, the Government of Canada enacted legislation imposing additional income taxes on trusts for taxation years commencing January 1, 2011. During the three and six months ended June 30, 2008, the Trust recognized $0.9 million in future tax expense from continuing operations. The future tax expense results from reduced tax deductions associated with lower distributions announced in the quarter.

In June 2008, the Government of Canada released draft legislation to permit a trust to convert to a corporation. The draft legislation proposes to reduce the administration and compliance associated with a conversion and to allow for the tax deferred conversion of a trust to a corporation. The legislation is expected to be finalized and enacted before the end of 2008.

**Equipment Expenditures**

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (Thousands) | 2008 | 2007 | 2008 | 2007 |
| Equipment expenditures | | | | |
| Well Servicing | $ 565 | $ 550 | $ 1,060 | $ 2,449 |
| Wireline & Rentals | 750 | - | 750 | - |
| Corporate | (600) | 84 | 270 | 84 |
| | 715 | 634 | 2,080 | 2,533 |
| Less proceeds on disposal of property and equipment | (230) | (66) | (232) | (107) |
| Net equipment expenditures[(1)] | $ 485 | $ 568 | $ 1,848 | $ 2,426 |

Net equipment expenditures[(1)] for the three and six month periods ended June 30, 2008 were $0.5 million and $1.8 million compared to $0.6 million and $2.4 million for the same periods in 2007. The current year-to-date net equipment expenditures[(1)] is comprised of $0.5 million in growth capital[(1)], $1.0 million in net maintenance capital[(1)] and $0.3 million for information systems, operational facilities and leasehold improvements.

## CAPITAL SPENDING INCREASE

In preparation for the anticipated increase in customer activity, Essential has announced a $14 million increase in capital spending. The program will be executed by an increase of $11 million being spent in 2008 and the remaining $3 million being spent in 2009 to complete the projects. This will increase the capital spending budget for 2008 from $9 million to $20 million. The incremental spending will include $8 million for growth capital[(1)] and $3 million for net maintenance capital[(1)]. The growth capital[(1)] will be utilized to build two new heavy single service rigs, acquire one deep coil tubing unit, one sour service electric wireline unit and accompanying equipment, one slickline unit and additional pipe for the rentals business.

The two new service rigs will increase Essential's fleet to 57 service rigs. Essential is building heavy single rigs that can be deployed throughout the WCSB, depending on demand. Currently, Essential's utilization is highest in southeast Alberta for customers involved primarily in shallow natural gas activity in that region.

The deep coil tubing unit will be based in Grande Prairie and will be deployed in northeast British Columbia where deep unconventional gas requires coil tubing units with depth capability of 3,000 to 4,500 meters. This deep unit will expand the capabilities of Essential's current fleet of intermediate and shallow units.

In addition to the sour service electric wireline unit, capital will be used to acquire a fishing unit, logging tools and a deep log swabbing unit. These will enhance Essential's capability to become a full service wireline company.

The capital spending increase will be funded with operating cash flow and the existing credit facility.

## OUTLOOK

Essential enters the second half of 2008 as a fundamentally improved entity. Completion of the merger with Builders on April 4, 2008, closing of the disposition of the assets of the Transport division on July 2, 2008 and enhanced financial flexibility by reducing both the long term debt and distribution level were all significant events. Completion of these events has positioned Essential to take advantage of a stronger Canadian drilling and well servicing market as there has been meaningful improvement in the outlook indicators for the remainder of 2008 and 2009. As a result of integration and cost-cutting measures, Essential exits the second quarter of 2008 with a streamlined cost structure that will be beneficial in the coming quarters.

The outlook for Canadian drilling-related businesses and well servicing has improved compared to the beginning of 2008. The long term forward outlooks for crude oil and natural gas commodity prices have significantly improved since that time. Natural gas storage levels in the United States are at the five year average and below the same period in the prior year. This change in storage level is due in large part to lower imports of LNG over the past several months, and to a lesser extent, reduced Canadian natural gas imports to the United States as a result of lower Canadian production. Largely in response to improved commodity prices, some Canadian producers have recently responded by announcing increases to their 2008 capital programs. Both the Petroleum Services Association of Canada and the Canadian Association of Oilwell Drilling Contractors have increased their well count estimates for the WCSB for 2008, relative to their original forecasts.

As a result of the Transport disposition, Essential has tightened its operational focus to emphasize the higher margin services of well servicing, wireline, downhole tools and rentals. With 55 service rigs, Essential has the sixth largest fleet in western Canada with rigs located in the active hubs of Fort St. John, Brooks, Grande Prairie, Slave Lake, Drayton Valley and Medicine Hat. Essential has a significant fleet of coil tubing and nitrogen operations that are well positioned in central and southern Alberta to take advantage of the anticipated increase in natural gas drilling and production activity by our customers in those regions. In addition, the newly merged Essential operates rod rigs, wireline, downhole tool and rentals businesses, each with an established market presence and history of profitability, all of which will benefit from the anticipated increase in natural gas drilling, completions and well servicing activities by our customers in later 2008 and 2009.

In preparation for the anticipated increase in customer activity, Essential has announced a $14 million increase in capital spending in 2008 and early 2009. This increase is in response to strategic opportunities in geographic areas where Essential is experiencing high utilization and to expand the breadth of current service offerings.

On August 14, 2008, Essential had $25 million drawn on its $140 million credit facility, of which a maximum of $105 million was available to the Trust at June 30, 2008. This provides the Trust with significant financial flexibility for future growth opportunities.

With the steps taken to focus operations, expand geographically and strengthen the balance sheet, Essential is in a favorable position to take advantage of the optimism surrounding the oil and gas services sector in western Canada during the latter half of 2008 and into the future.

**ESSENTIAL ENERGY SERVICES TRUST**
**CONSOLIDATED BALANCE SHEETS**
*(unaudited)*

| *(Thousands)* | As at June 30, 2008 | As at December 31, 2007 |
|---|---|---|
| | | *(restated)* |
| **Assets** | | |
| Current assets | | |
| Accounts receivable | $ 40,669 | $ 22,206 |
| Inventory | 8,822 | 1,970 |
| Prepaid expenses and deposits | 3,300 | 683 |
| Assets held for sale | 122,544 | 91,849 |
| | 175,335 | 116,708 |
| Property and equipment | 141,310 | 57,861 |
| Intangible assets | 5,045 | 4,233 |
| Goodwill | 17,902 | 17,902 |
| | $ 339,592 | $ 196,704 |
| **Liabilities** | | |
| Current liabilities | | |
| Bank indebtedness | $ 1,262 | $ 1,092 |
| Operating line of credit | - | 13,316 |
| Accounts payable and accrued liabilities | 16,633 | 7,175 |
| Distributions payable | 904 | 1,763 |
| Current portion of long-term debt | 131,566 | 11,084 |
| Liabilities held for sale | 847 | 187 |
| | 151,212 | 34,617 |
| Long-term debt | 19,140 | 45,917 |
| Future income tax liability | 1,900 | 990 |
| | 172,252 | 81,524 |
| Commitments | | |
| **Unitholders' Equity** | | |
| Unitholders' capital | 267,436 | 192,041 |
| Contributed surplus | 3,196 | 2,480 |
| Accumulated deficit | (103,292) | (79,341) |
| | 167,340 | 115,180 |
| | $ 339,592 | $ 196,704 |

**ESSENTIAL ENERGY SERVICES TRUST**
**CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED DEFICIT**
*(unaudited)*

| *(Thousands, except per unit amounts)* | Three months ended June 30, 2008 | 2007 | Six months ended June 30, 2008 | 2007 |
|---|---|---|---|---|
| | | *(restated)* | *(restated)* | *(restated)* |
| Revenue | $ 25,145 | $ 9,339 | $ 40,191 | $ 25,274 |
| Operating expenses | 23,632 | 7,483 | 33,723 | 17,419 |
| | 1,513 | 1,856 | 6,468 | 7,855 |
| Expenses | | | | |
| General and administrative | 3,170 | 2,175 | 4,513 | 3,374 |
| Unit-based compensation | 144 | 466 | 716 | 796 |
| Depreciation and amortization | 5,146 | 2,236 | 7,470 | 4,380 |
| Interest on long-term debt | 1,390 | 762 | 2,073 | 1,448 |
| Loss from continuing operations before income taxes | (8,337) | (3,783) | (8,304) | (2,143) |
| ` | | | | |
| Income tax expense | | | | |
| Future | 910 | 27 | 910 | 27 |
| Loss from continuing operations | (9,247) | (3,810) | (9,214) | (2,170) |
| Earnings (loss) from discontinued operations | (5,177) | (630) | (2,497) | 2,678 |
| Net earnings (loss) and comprehensive earnings (loss) for the period | (14,424) | (4,440) | (11,711) | 508 |
| Accumulated deficit, beginning of period | (81,936) | (15,027) | (79,341) | (13,058) |
| Distributions to unitholders | (6,932) | (7,927) | (12,240) | (14,844) |
| Accumulated deficit, end of period | $ (103,292) | $ (27,394) | $ (103,292) | $ (27,394) |
| Loss per unit from continuing operations | | | | |
| Basic | $ (0.15) | $ (0.13) | $ (0.20) | $ (0.07) |
| Diluted | $ (0.15) | $ (0.13) | $ (0.20) | $ (0.07) |
| Earnings (loss) per unit from discontinued operations | | | | |
| Basic | $ (0.09) | $ (0.02) | $ (0.05) | $ 0.09 |
| Diluted | $ (0.09) | $ (0.02) | $ (0.05) | $ 0.09 |
| Net earnings (loss) per unit | | | | |
| Basic | $ (0.24) | $ (0.15) | $ (0.25) | $ 0.02 |
| Diluted | $ (0.24) | $ (0.15) | $ (0.25) | $ 0.02 |

**ESSENTIAL ENERGY SERVICES TRUST**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
*(unaudited)*

| *(Thousands)* | Three months ended June 30, 2008 | Three months ended June 30, 2007 | Six months ended June 30, 2008 | Six months ended June 30, 2007 |
|---|---|---|---|---|
| | | *(restated)* | *(restated)* | *(restated)* |
| Operating activities: | | | | |
| Loss from continuing operations | $ (9,247) | $ (3,810) | $ (9,214) | $ (2,170) |
| Items not affecting cash: | | | | |
| Depreciation and amortization | 5,146 | 2,236 | 7,470 | 4,380 |
| Future income tax expense | 910 | 27 | 910 | 27 |
| Unit-based compensation | 144 | 466 | 716 | 796 |
| Loss on disposal of equipment | 3 | 39 | 3 | 42 |
| Funds from (used in) continuing operations | (3,044) | (1,042) | (115) | 3,075 |
| Funds from (used in) discontinued operations | (2,690) | 2,038 | 1,490 | 7,375 |
| | (5,734) | 996 | 1,375 | 10,450 |
| Changes in non-cash operating working capital | 23,659 | 6,073 | 17,562 | 5,510 |
| | 17,925 | 7,069 | 18,937 | 15,960 |
| Financing activities: | | | | |
| Issue of Trust units, net of issue costs | - | 32,618 | - | 32,618 |
| Distributions paid | (7,810) | (7,307) | (13,099) | (14,218) |
| Increase (repayment) of operating line of credit | 174 | (13,500) | (13,147) | (10,440) |
| Increase in long-term debt | - | - | 14,442 | 500 |
| Repayment of long-term debt | (2,075) | (206) | - | (423) |
| Repayments of capital lease obligations | - | (29) | - | (66) |
| Changes in non-cash financing working capital | (19) | - | - | - |
| | (9,730) | 11,576 | (11,804) | 7,971 |
| Investing activities: | | | | |
| Property and equipment | (715) | (634) | (2,080) | (2,533) |
| Business acquisitions | (7,268) | (4,450) | (7,268) | (4,450) |
| Proceeds on disposal of equipment | 230 | 66 | 232 | 107 |
| (Increase) decrease in assets held for sale | (524) | (7,418) | 1,983 | (8,235) |
| Changes in non-cash investing working capital | 82 | 400 | - | 400 |
| | (8,195) | (12,036) | (7,133) | (14,711) |
| Increase in cash | - | 6,609 | - | 9,220 |
| Cash, beginning of period | - | 3,721 | - | 1,110 |
| Cash, end of period | $ - | $ 10,330 | $ - | $ 10,330 |
| Supplementary cash flow information: | | | | |
| Interest paid | $ 1,125 | $ 1,144 | $ 2,320 | $ 2,312 |

## [1]NON-GAAP MEASURES

Throughout this news release, certain terms that are not specifically defined in Canadian Generally Accepted Accounting Principles ("GAAP") are used to analyze the operations. In addition to the primary measures of net earnings and net earnings per unit in accordance with GAAP, the Trust believes that certain measures not recognized under GAAP assist both the Trust and the reader in assessing performance and understanding the Trust's results. Each of these measures provides the reader with additional insight into the Trust's ability to fund future distributions, principal debt repayments and capital programs. These non-GAAP measures are not recognized measures under GAAP. As a result, the method of calculation may not be comparable with other companies or Trusts. These measures should not be considered alternatives to net earnings and net earnings per unit as calculated in accordance with GAAP.

**Gross margin** – This measure is considered a primary indicator of operating performance as calculated by revenue less operating expenses.

**Gross margin as a percentage of revenue** – This measure is considered a primary indicator of operating performance as calculated by gross margin divided by revenue.

**EBITDAS** (Earnings before interest, income taxes, depreciation, amortization, non-controlling interest earnings, losses or gains on disposal of equipment, impairment of goodwill and unit-based compensation) – This measure is considered an indicator of the Trust's ability to generate funds flow in order to meet distributions, fund required working capital, service debt, pay current income taxes and fund capital programs.

**EBITDAS as a percentage of revenue** – This measure is considered an indicator of the Trust's ability to generate funds flow as calculated by EBITDAS divided by revenue.

**Funds flow or funds flow from (used in) operations** – This measure is an indicator of the Trust's ability to generate funds flow in order to fund distributions, 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 the Trust'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 the Trust 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 the Trust.

**Net 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. Net maintenance capital is a key component in understanding the sustainability of the Trust's business as cash resources retained within the Trust must be sufficient to meet net 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. The Trust uses net equipment expenditures to assess net cash flows related to financing of its oilfield services equipment.

## ABOUT ESSENTIAL

Essential Energy Services Trust provides a range of oilfield services to oil and gas producers in western Canada related to the ongoing servicing of producing wells and new drilling activity.

## READER ADVISORY

*This press 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 press release contains forward-looking statements including expectations of future cash flow and earnings, expectations with respect to the price of oil and natural gas, expectations regarding the implementation of legislation, expectations regarding capital spending, the sources of capital and uses of such capital and expectations regarding the level of drilling and production activity in the Western Canadian Sedimentary Basin. 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 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 and environmental regulations. 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 results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this press 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.*