



Essential Energy Services Announces Its 2019 Capital Budget and Provides a Patent Litigation Update

CALGARY, Alberta, Jan. 08, 2019 (GLOBE NEWSWIRE) -- Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces its 2019 capital budget of \$6 million and provides an update with regard to the patent litigation.

2019 Capital Budget

Given the uncertain outlook for oil and natural gas activity in the Western Canadian Sedimentary Basin for 2019, Essential has set its capital budget at \$6 million, primarily for maintenance capital. The budget includes the cost to finish upgrading an existing coil tubing reel trailer so it can work with a Generation II coil tubing rig and achieve the same depth capacity as a Generation IV rig (up to 7,200 meters if the coil reel is transported on the reel trailer and 9,400 meters if the reel is transported separately).

Essential has reduced its active coil tubing rig count from 21 rigs to 16 rigs by reclassifying five Generation II rigs from active to inactive. Maintaining a smaller active fleet results in a lower maintenance capital budget. The number of rigs working on a given day varies with customer demand.

Patent Litigation Update

As previously disclosed, on January 5, 2018, Packers Plus Energy Services Inc. filed an appeal (the "Appeal") of the November 3, 2017 Federal Court of Canada (the "Court") decision that the asserted patent was not valid and that Essential did not infringe the patent (the "Decision"). The Federal Court of Appeal ("Appeal Court") has now scheduled a four hour appeal hearing for February 6, 2019. The timing of release of a decision by the Appeal Court is unknown.

Based on the findings made by the trial judge and the strength of the written judgment in support of the Decision, Essential continues to believe the Appeal is without merit.

As part of the Decision, the Court awarded costs in favor of Essential. Over the past five years, Essential incurred significant defence costs with respect to this litigation. A hearing date for cost recovery has been scheduled for May 10, 2019. The timing of release of a decision with regard to cost recovery is unknown.

FORWARD LOOKING STATEMENTS AND INFORMATION

This news release contains certain "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. This news release contains forward-looking statements, pertaining to, among other things, the following: Essential's 2019 anticipated capital spending, Essential's belief that the Appeal is without merit, timing for the Appeal and cost recovery processes.

Although Essential believes that the material factors, expectations and assumptions informing such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results and such statements are not guarantees of future performance. Essential's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements.

Actual performance and results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: known and unknown risks, including those set forth in the Company's Annual Information Form (a copy of which can be found under Essential's profile on SEDAR at www.sedar.com); the risks associated with the oilfield services sector; stock market volatility and the inability to access sufficient capital from external and internal sources; general economic, market or business conditions; 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 uncertainty related to distribution and pipeline constraints; the potential impact on the Company's business of an adverse decision on Appeal and laws applicable to the Decision and to Essential generally and other unforeseen conditions which could impact the use of services supplied by the Company. Accordingly, readers should not place undue importance or reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive.

Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, Essential disclaims any intention or obligation to publically update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

ABOUT ESSENTIAL

Essential provides oilfield services to oil and natural gas producers, primarily in western Canada. Essential offers completion, production and abandonment services to a diverse customer base. Services are offered with coil tubing, fluid and nitrogen pumping and the sale and

rental of downhole tools and equipment. Essential offers one of the largest coil tubing fleets in Canada. Further information can be found at www.essentialenergy.ca.

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

Garnet K. Amundson
President and CEO
Phone: (403) 513-7272
service@essentialenergy.ca

Karen Perasalo
Investor Relations
Phone: (403) 513-7272
service@essentialenergy.ca