



Essential Energy Services Provides a Business Update and Reduces the 2020 Capital Forecast

CALGARY, Alberta, April 16, 2020 (GLOBE NEWSWIRE) -- Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") provides a business update and reduces its 2020 capital spending forecast.

The combined effects of the reduction in worldwide demand for oil due to the COVID-19 global health pandemic and the increase in global oil supply has resulted in a sharp decline in the price of oil. This is negatively affecting current and forecasted drilling and production levels in Canada and the United States and is decreasing the demand for oilfield services by exploration and production companies.

In response to the anticipated reduced demand for Essential's services, the Company is focused on cost cutting efforts. The following actions are being taken:

- | A 50% reduction in Board of Director compensation;
- | A 50% reduction in the salary of the President & Chief Executive Officer;
- | Salary and wage reductions through most levels of the organization, with senior level staff taking more significant reductions than junior roles;
- | Bonus programs and most incentive and activity-based compensation will be suspended;
- | Reduction of certain employee benefit plans; and
- | Other cost saving initiatives throughout the organization.

From an operational perspective, Essential Coil Well Service ("ECWS") will reduce its active fleet count from 16 coil tubing and pumping packages to 8 packages. Unfortunately, this will result in a number of employee layoffs. The inactive equipment will be parked and available to re-enter service as market demand dictates. The smaller active fleet allows ECWS to focus maintenance activities on a smaller group of assets and, as a result, the Company has reduced its 2020 capital spending forecast from \$5 million to \$2 million. Capital will continue to be focused primarily on critical maintenance activities.

The safety of Essential's employees and customers and their families is of paramount importance. Essential has been working with customers and has taken the necessary precautions to ensure social distancing at worksites.

In this challenging environment, Essential is fortunate to have low debt. On April 16, 2020, long-term debt, net of cash, was \$5 million.

Essential plans to release its first quarter financial results on Wednesday, May 13, 2020.

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: global oil supply and demand, the COVID-19 health pandemic and their implications on the demand for oilfield services; Essential's 2020 anticipated capital spending forecast; Essential's cost cutting measures; actions taken to ensure social distancing; and anticipated timing of Q1/20 financial results.

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; global supply and demand for oil; the duration and extent of low global oil prices, and the impact on the oil and natural gas exploration, development and production in the Western Canadian Sedimentary Basin; the implications of the COVID-19 health pandemic on the Company's business, operations and personnel; a significant expansion in COVID-19 further restricting or prohibiting the operation of Essential's facilities or operations; 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; 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 publicly 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 decommissioning 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 has 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:

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