



Essential Energy Services Announces Patent Litigation Win and Its 2020 Capital Budget

CALGARY, Alberta, Dec. 19, 2019 (GLOBE NEWSWIRE) -- Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces its patent litigation win and its 2020 capital budget.

PATENT LITIGATION WIN

Supreme Court Ruling

On December 19, 2019, the Supreme Court of Canada (the "Supreme Court") ruled that it will not grant leave to hear an appeal by Packers Plus Energy Services Inc. ("Packers Plus") of the Federal Court's judgment in a patent infringement action against Essential. As a result, Packers Plus has no further avenues of recourse against Essential in respect of its patent. "This is fantastic news for Essential," commented Garnet Amundson, President and Chief Executive Officer. "We have spent over six years fighting this case and are delighted with the Supreme Court's ruling, allowing us to finally put this behind us. We have always believed that Packers Plus' case had no merit and so we aggressively defended our position from day one. We are very pleased that the court has agreed with us every step of the way. We would also like to thank our legal team at Blake, Cassels & Graydon LLP, namely Tony Prenol, Tony Turco and Santosh Chari."

Cost Recovery

As previously disclosed, Essential has incurred approximately \$5 million in costs since this litigation was commenced in 2013 and it will continue to pursue its recovery of a portion of these costs from Packers Plus. Essential will be seeking costs for the following stages of the litigation:

1. Trial Costs – costs incurred from October 2013 to the end of trial in March 2017.
2. Post-Trial Costs – costs incurred from March 2017 to December 2017 in relation to the quantification of Packers Plus' claim to damages (this part of the case terminated once the trial judge released his judgment, ruling that the patent was invalid and not infringed).
3. Appeal Costs – costs incurred from December 2017 to April 2019 when the Federal Court of Appeal issued its judgment, dismissing Packers Plus' appeal from the trial judgment.
4. Supreme Court Costs – costs incurred from June 2019 to December 2019.

On May 10, 2019, the Federal Court of Canada held a hearing on Essential's motion to quantify its Trial Costs. The decision has not yet been released and the timing of release is unknown. Essential will seek its costs for the other stages in the near future.

2020 CAPITAL BUDGET

Essential set its 2020 capital budget at \$5 million, with spending focused on maintenance capital. The budget is at an appropriate level to maintain the current fleet in good working order. Essential expects to fund the capital budget with cash flow from operations. The Board of Directors will review the budget at regular intervals throughout 2020, with the potential to increase it for additional investment or maintenance capital, should market demand dictate.

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: the cost recovery process, the 2020 capital budget and source of funding for the capital budget.

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.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: Essential pursuit of cost recovery and timing of the same, the timing for the release of the Federal Court of Canada's decision to quantify Trial Costs, Essential's 2020 capital budget and funding of the capital budget with cash flow from operations, Essential's ongoing review of its capital budget and certain other risks detailed from time to time in Essential's public disclosure documents including, without limitation, those risks identified in this news release, and in Essential's annual information form, copies of which are available on Essential's SEDAR profile at www.sedar.com. 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 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:

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