



## Essential Energy Services Files Circular For Special Meeting of Shareholders to Approve Acquisition by Element Technical Services

CALGARY, Alberta, Oct. 05, 2023 (GLOBE NEWSWIRE) -- Essential Energy Services Ltd. (TSX: ESN) ("Essential") announces that it has filed a management information circular along with the related meeting and proxy materials (the "Meeting Materials") for the special meeting (the "Meeting") of the shareholders of Essential ("Shareholders") to be held on November 7, 2023 at the Calgary Petroleum Club, Viking Room, 319 – 5th Avenue SW, Calgary, Alberta, at 10:30 a.m. (Calgary time). Shareholders of record as of the close of business on September 18, 2023 are entitled to receive notice of and vote at the Meeting. Details on how to vote and participate in the Meeting are available in the Meeting Materials. The Meeting Materials are currently being mailed to Shareholders and can be downloaded from Essential's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The Meeting Materials are also available at Essential's website, [www.essentialenergy.ca](http://www.essentialenergy.ca).

The purpose of the Meeting is to seek shareholder approval of the previously announced definitive amalgamation agreement (the "Amalgamation Agreement") with Element Technical Services Inc. ("Element") under which Element, through a wholly-owned subsidiary, will acquire all of the issued and outstanding common shares of Essential (each, an "Essential Share") by way of a statutory amalgamation (the "Amalgamation") and each Essential Shareholder will be entitled to receive \$0.40 in cash per Essential Share held immediately prior to the Amalgamation. The Meeting Materials contain a detailed description of the Amalgamation.

The price of \$0.40 per Essential Share represents a 12% premium to the 20-day volume weighted average trading price of Essential Shares on the Toronto Stock Exchange (the "TSX") for the period ended September 14, 2023 and a 10% premium to the closing price on the TSX on September 14, 2023, the last trading day prior to execution of the Amalgamation Agreement.

The Amalgamation requires the approval of:

- a) 66⅔% of the votes cast by the Shareholders present in person or by proxy at the Meeting; and
- b) a majority of the votes cast by Shareholders in person or represented by proxy at the Meeting, after excluding the votes cast by those Shareholders whose votes are required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as more particularly described in the Meeting Materials.

In addition to the Shareholder approvals described above, the completion of the Amalgamation is subject to satisfaction or waiver of other usual and customary conditions contained in the Amalgamation Agreement. If all the necessary conditions to the Amalgamation under the Amalgamation Agreement are satisfied or waived, Essential expects that the Amalgamation will become effective on or about November 9, 2023.

### Recommendation of Essential's Board of Directors

Essential's board of directors has unanimously determined: (i) that the transactions contemplated by the Amalgamation Agreement are in the best interests of Essential; and (ii) to recommend that Shareholders **VOTE IN FAVOR** of the Amalgamation. The Meeting Materials contain a detailed description of the background to, and reasons for, the Amalgamation.

### Shareholder Questions and Assistance

Odyssey Trust Company has been retained as Proxy Solicitation and Information Agent. If you have any questions or require more information, please contact Odyssey Trust Company, by telephone at 1 (587) 885-0960, or toll-free at 1 (888) 290-1175 or by email at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com).

### FORWARD-LOOKING ADVISORY

This news release contains "forward-looking statements" and "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, expectations and objectives for future operations that are subject to a number of material factors, assumptions, risks and uncertainties, many of which are beyond the control of Essential.

Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the word "expects" and similar expressions or are events or conditions that "will" occur or be achieved. This news release contains forward-looking statements pertaining to, among other things, the following: the Amalgamation and the timing thereof; and the Meeting and the timing thereof.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Essential including, without limitation: the ability of the parties to receive, in a timely manner, the necessary regulatory, securityholder, stock exchange and other third-party approvals; the ability of Essential and Element to satisfy, in a timely manner, the other conditions to the closing of the Amalgamation; the ability to complete the Amalgamation on the terms contemplated by the Amalgamation Agreement, or at all; that Essential will continue to conduct its operations in a manner consistent with past operations; and the general continuance of current or, where applicable, assumed industry conditions.

Although Essential believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements are made, undue reliance should not be placed on the forward-

looking statements because Essential can give no assurances that such statements and information will prove to be correct and such statements are not guarantees of future performance. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

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: the completion and the timing of the Amalgamation; the ability of Essential and Element to receive, in a timely manner, the necessary regulatory, securityholder, stock exchange and other third-party approvals; the ability of Essential and Element to satisfy, in a timely manner, the other conditions to the closing of the Amalgamation; interloper risk; the ability to complete the Amalgamation on the terms contemplated by the Amalgamation Agreement, or at all; the consequences of not completing the Amalgamation, including the volatility of the share price of Essential, negative reactions from the investment community and the required payment of certain costs related to the Amalgamation; actions taken by government entities or others seeking to prevent or alter the terms of the Amalgamation; potential undisclosed liabilities unidentified during the due diligence process; the focus of management's time and attention on the Amalgamation and other disruptions arising from the Amalgamation; general economic, market or business conditions including those in the event of an epidemic, natural disaster or other event; global economic events; changes to Essential's financial position and cash flow and the uncertainty related to the estimates and judgements made in the preparation of financial statements; potential industry developments; and other unforeseen conditions which could impact the use of services supplied by Essential. 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 and should refer to the "Risk Factors" section set out in Essential's most recent annual information form (a copy of which can be found under Essential's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)).

Statements, including forward-looking statements, contained in this news release are made as of the date they are given and 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, unless so required by applicable securities laws. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Additional information on these and other factors that could affect Essential's operations and financial results are included in reports on file with applicable securities regulatory authorities and may be accessed under Essential's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **ABOUT ESSENTIAL**

Essential provides oilfield services to oil and natural gas producers, primarily in western Canada. Essential offers completion, production and wellsite restoration services to a diverse customer base. Services are offered with coiled tubing, fluid and nitrogen pumping and the sale and rental of downhole tools and equipment. Essential offers one of the largest active coiled tubing fleets in Canada. Further information can be found at [www.essentialenergy.ca](http://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](mailto:service@essentialenergy.ca)

Odyssey Trust Company  
Proxy Solicitation and Information Agent  
Phone: 1 (587) 885-0960  
Toll-free: 1 (888) 290-1175  
[proxy@odysseytrust.com](mailto:proxy@odysseytrust.com)