NEWS RELEASE

ESSENTIAL ENERGY SERVICES ANNOUNCES FIRST QUARTER FINANCIAL RESULTS

Calgary, Alberta, May 7, 2019 – Essential Energy Services Ltd. (TSX: ESN) ("Essential" or the "Company") announces first quarter results.

SELECTED INFORMATION

(in thousands of dollars except per share, percentages, hours and fleet data)	For the three months ended March 31, 2019	2018
Revenue	**$ 47,446**	$ 60,134
Gross margin(i)	**10,559**	12,470
Gross margin %	**22%**	21%
EBITDAS(1)(i)	**7,544**	9,145
Net income(i)	**1,407**	5,053
Per share – basic and diluted	**0.01**	0.04
Operating hours		
Coil tubing rigs	**13,418**	16,170
Pumpers	**16,082**	20,439
	As at March 31, **2019**	2018
Working capital	**$ 53,808**	$ 69,959
Total assets	**207,704**	241,472
Long-term debt	**12,827**	31,943
Equipment fleet(ii)		
Coil tubing rigs	**29**	30
Pumpers	**27**	26

(i) Effective January 1, 2019, Essential adopted the IFRS 16 – Leases standard ("IFRS 16"). Comparative information has not been restated and therefore may not be comparable. This change in accounting policy increased gross margin, EBITDAS(1), and net income for the three months ended March 31, 2019 by $0.9 million, $1.2 million and $0.1 million, respectively, compared to the prior year period. For further information see the section titled "Change in Accounting Policy – IFRS 16 - Leases".

(ii) Fleet data represents the number of units at the end of the period.

[1] Refer to "Non-IFRS Measures" section for further information.

INDUSTRY OVERVIEW

First quarter 2019 activity in the Canadian oil and natural gas industry was significantly below the first quarter 2018. Political, regulatory and market access issues resulted in reduced capital spending by Canadian exploration and production ("E&P") companies during the first quarter. Well completions, a key indicator of industry activity in the Western Canadian Sedimentary Basin ("WCSB") declined 24% compared to the first three months of 2018.

A temporary production curtailment was put in place by the Alberta government on January 1, 2019, requiring the largest oil producers in the province to reduce production. While it was successful in increasing Canadian crude oil prices, the program has done little to restore investor confidence in the Canadian oil and natural gas industry or increase E&P spending during the quarter.

HIGHLIGHTS

Revenue for the three months ended March 31, 2019 was $47.4 million, a 21% decrease from the first quarter 2018, due to lower activity. In particular, March 2019 was slower than March 2018 as spring break-up conditions materialized earlier and certain customers reduced capital spending in the latter part of the quarter. EBITDAS(1) was $7.5 million, $1.6 million lower compared to the same prior year period due primarily to lower revenue, partially offset by cost savings realized as a result of proactive cost management during the quarter and the impact of IFRS 16.

Key operating highlights included:

- Essential Coil Well Service ("ECWS") revenue was $26.1 million, 20% lower than the first quarter 2018. Despite a reduction in activity, gross margin as a percentage of revenue increased to 25% due to proactive cost management during the quarter.
- Tryton revenue was $21.4 million, 22% lower than the first quarter 2018. Tryton's Canadian downhole tool operations were negatively impacted by deferred or reduced customer spending on completion, production and decommissioning activities during the first quarter of 2019. Tryton gross margin as a percentage of revenue was 21% for the quarter.

At March 31, 2019, Essential was financially well-positioned with long-term debt of $12.8 million and funded debt(1) to bank EBITDA(1) of 0.7x. Long-term debt decreased $8.6 million from December 31, 2018. Working capital(1) was $53.8 million on March 31, 2019, exceeding long-term debt by $41.0 million. On May 7, 2019, Essential had $10.1 million of long-term debt outstanding.

CHANGE IN ACCOUNTING POLICY – IFRS 16 - LEASES

On January 1, 2019, Essential adopted the IFRS 16 – Leases standard ("IFRS 16"). Comparative information, including non-GAAP measures, has not been restated and therefore may not be comparable. Where the impact was material, the amounts have been quantified for comparative analysis purposes in the respective sections of this document. The implications for the first quarter 2019 were:

- On January 1, 2019, Essential recognized a right-of-use asset of $14.1 million, and a lease liability of $18.4 million for its office and shop premises. Leases are capitalized at the commencement of each lease at the present value of the future lease payments;
- Lease payments, which were previously expensed as either an operating or general and administrative expense, are no longer expensed. There is now a depreciation charge for the right-of-use asset on a straight-line basis over the lease term; and
- As lease payments are made, the lease liability is reduced by the discounted value of each lease payment, with the difference between the amount of the lease payment and the discounted value of the lease payment recognized as a finance cost over the term of the lease.

This change in accounting policy increased gross margin, EBITDAS(1) and net income for the three months ended March 31, 2019 by $0.9 million, $1.2 million and $0.1 million, respectively, compared to the prior year period. Depreciation expense and finance costs related to the right-of-use asset and lease liability increased by $0.8 million and $0.3 million, respectively, compared to the prior year.

RESULTS OF OPERATIONS

SEGMENT RESULTS – *ESSENTIAL COIL WELL SERVICE*

(in thousands of dollars, except percentages, hours and fleet data)	For the three months ended March 31, 2019	2018
Revenue	**$ 26,069**	$ 32,574
Operating expenses(i)	**19,557**	26,351
Gross margin	**$ 6,512**	$ 6,223
Gross margin %	**25%**	19%
Operating hours		
Coil tubing rigs	**13,418**	16,170
Pumpers	**16,082**	20,439
Equipment fleet(ii)		
Coil tubing rigs	**29**	30
Fluid pumpers	**19**	19
Nitrogen pumpers	**8**	7

(i) Effective January 1, 2019, Essential adopted IFRS 16. Comparative information has not been restated and therefore may not be comparable. This change in accounting policy increased ECWS gross margin for the three months ended March 31, 2019 by $0.5 million compared to the prior year. For further information see the section titled "Change in Accounting Policy – IFRS 16 - Leases".

(ii) Fleet data represents the number of units at the end of the period.

ECWS first quarter 2019 revenue was $26.1 million, 20% lower than the same prior year period, consistent with the decrease in industry well completions. The majority of ECWS's revenue decline was driven by reduced activity for Essential's shallower coil tubing rigs and low rate pumpers. Customer demand for Essential's deeper Generation III and IV coil tubing rigs and high rate fluid pumpers was consistent with the first quarter 2018. This equipment worked for a number of different customers, primarily in the Montney and Duvernay regions of the WCSB. Pricing for coil tubing rigs and pumpers was relatively consistent compared to the same prior year period.

ECWS's gross margin percentage improved significantly compared to the same prior year period. The year-over-year improvement is due primarily to proactive cost management, including effective control of variable operating costs and wage reductions during the quarter.

SEGMENT RESULTS – *TRYTON*

(in thousands of dollars, except percentages)	For the three months ended March 31, 2019	2018
Revenue	**$ 21,377**	$ 27,560
Operating expenses(i)	**16,929**	20,713
Gross margin	**$ 4,448**	$ 6,847
Gross margin %	**21%**	25%
Tryton revenue – % of revenue		
Tryton MSFS®	**40%**	47%
Conventional Tools & Rentals	**60%**	53%

(i) Effective January 1, 2019, Essential adopted IFRS 16. Comparative information has not been restated and therefore may not be comparable. This change in accounting policy increased Tryton gross margin for the three months ended March 31, 2019 by $0.4 million compared to the prior year. For further information see the section titled "Change in Accounting Policy – IFRS 16 - Leases".

First quarter 2019 Tryton revenue was $21.4 million, a 22% decrease compared to the first quarter 2018 similar to the decrease in industry activity. Tryton's Canadian downhole tool operations were negatively impacted by deferred or reduced customer spending on completion, production and decommissioning activities. Lower demand resulted in decreased revenue for both Tryton MSFS® and conventional tools in the first quarter 2019 in comparison to the same prior year period. The percentage of revenue from MSFS® tools was lower than the first quarter 2018. The revenue split from MSFS® and conventional tools varies from quarter to quarter due to changes in key customer spending.

Tryton U.S. revenue increased slightly during the first three months of 2019 compared to the same prior year period, as Tryton experienced an increase in activity, particularly in the Permian Basin.

Pricing continued to be very competitive throughout the first quarter of 2019 for Tryton's Canadian and U.S. operations.

Gross margin was 21% for the three months ended March 31, 2019 due to lower activity, competitive pricing pressure and fixed costs comprising a greater portion of revenue than the same prior year period.

EQUIPMENT EXPENDITURES

(in thousands of dollars)	For the three months ended March 31, 2019	2018
ECWS	**$ 314**	$ 3,624
Tryton	**1,267**	657
Corporate	**84**	181
Total equipment expenditures	**1,665**	4,462
Less proceeds on disposal of property and equipment	**(957)**	(1,816)
Net equipment expenditures(1)	**$ 708**	$ 2,646

Essential classifies its equipment expenditures as growth capital[(1)] and maintenance capital[(1)]:

(in thousands of dollars)	For the three months ended March 31, **2019**	2018
Growth capital[(1)]	$ **630**	$ 1,929
Maintenance capital[(1)]	**1,035**	2,533
Total equipment expenditures	$ **1,665**	$ 4,462

First quarter 2019 growth capital included the purchase of Tryton rental pipe and costs to finish upgrading the Generation IV coil tubing reel trailer. Essential's 2019 capital budget remains at $6 million, primarily for maintenance capital.

PATENT LITIGATION

As announced on April 25, 2019, the Federal Court of Appeal (the "Appeal Court") released its decision (the "Appeal Decision"), dismissing the appeal by Packers Plus Energy Services Inc. ("Packers Plus") of the trial decision that was released on December 6, 2017 (the "Trial Decision").

In both the Trial Decision and the Appeal Decision, Essential was awarded costs related to this litigation. Over the past five and a half years, Essential has incurred approximately $5.0 million in costs. In calculating the cost awards, the Federal Court of Canada (the "Trial Court") and the Appeal Court will separately consider costs incurred by Essential related to the 2017 trial ("Trial Costs"), post-trial costs and appeal costs.

In setting Essential's cost awards, the two courts will consider the nature and quantum of the costs incurred for each aspect of the litigation over which they presided. The successful party is generally awarded a portion of the actual legal fees and disbursements that it incurred rather than obtaining full cost recovery.

On May 10, 2019, the Trial Court will hold a hearing on Essential's submission related to its Trial Costs. The timing of the release of the Trial Court's decision with respect to Essential's Trial Costs is unknown. Cost recovery submissions related to the other two aspects of Essential's litigation costs will be prepared and submitted once the Trial Court has released its decision.

Based on the strength of both the Trial Decision and the Appeal Decision, Essential continues to believe this litigation is without merit.

OUTLOOK

The Canadian oil and natural gas industry continues to be challenged by political, regulatory and market access issues. These issues, along with the Alberta government's mandated production curtailments and commodity price uncertainty, resulted in lower E&P capital spending plans for 2019, compared to 2018. The first quarter 2019 showed evidence of that with Canadian drilling activity and well completions tracking below the prior year quarter. Canadian oil prices have improved compared to the latter part of 2018, however it remains to be seen if E&P companies will translate stronger cash flow to increased capital spending budgets. Canadian natural gas prices continue to be volatile and low.

Due to spring break-up, activity in April was slow. Similar to the first quarter, in April, Essential experienced reduced activity compared to the prior year period. Activity for the remainder of the second quarter is also expected to be below the prior year period. At this point, although Canadian oil prices have improved, activity and demand for the second half of 2019 remains uncertain.

Essential continues to be focused on what it can control in this environment: cost management, capital discipline, ensuring its service offerings meet customer demand and allocating free cash flow to reduce debt.

On April 25, 2019, the Appeal Court released its Appeal Decision dismissing the Packers Plus appeal. This was a significant win for Essential.

Essential continues to have low debt with long-term debt outstanding at May 7, 2019 of $10.1 million. At March 31, 2019, funded debt[(1)] to bank EBITDA[(1)] was 0.7x. Essential believes it is financially well-positioned to meet its working capital and capital spending requirements.

The Management's Discussion and Analysis ("MD&A") and Financial Statements for the quarter ended March 31, 2019 are available on Essential's website at www.essentialenergy.ca and on SEDAR at www.sedar.com.

[(1)]Non-IFRS Measures

Throughout this press release, certain terms that are not specifically defined in IFRS are used to analyze Essential's operations. In addition to the primary measures of net income and net income per share in accordance with IFRS, Essential believes that certain measures not recognized under IFRS assist both Essential and the reader in assessing performance and understanding Essential's results. Each of these measures provides the reader with additional insight into Essential's ability to fund principal debt repayments and capital programs. As a result, the method of calculation may not be comparable with other companies. These measures should not be considered alternatives to net income and net income per share as calculated in accordance with IFRS.

Bank EBITDA – Bank EBITDA is generally defined in Essential's Credit Facility as EBITDAS, including the equity cure, excluding onerous lease contract expense and severance costs and excluding the impact of IFRS 16.

EBITDAS (Earnings before finance costs, income taxes, depreciation, amortization, transaction costs, losses or gains on disposal, write-down of assets, impairment loss, foreign exchange gains or losses, and share-based compensation, which includes both equity-settled and cash-settled transactions) – These adjustments are relevant as they provide another measure which is considered an indicator of Essential's results from its principal business activities.

Funded debt – Funded debt is generally defined in Essential's Credit Facility as long-term debt, including current portion of long-term debt plus deferred financing costs and bank indebtedness, net of cash. It does not include the lease liability related to IFRS 16.

Growth capital – Growth capital is capital spending which is intended to result in incremental revenue. Growth capital is considered to be a key measure as it represents the total expenditures on equipment expected to add incremental revenue to Essential.

Maintenance capital – Equipment additions that are incurred in order to refurbish, replace or extend the life of previously acquired equipment. Such additions do not provide incremental revenue.

Net equipment expenditures – This measure is equipment expenditures less proceeds on the disposal of equipment. Essential uses net equipment expenditures to describe net cash outflows related to the cost of Essential's capital program.

Working capital – Working capital is calculated as current assets less current liabilities.

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(in thousands of dollars)		**As at March 31, 2019**		As at December 31, 2018
Assets				
Current				
Cash	**$**	**988**	$	410
Trade and other accounts receivable		**34,739**		35,775
Inventories		**37,170**		40,255
Prepayments and deposits		**1,596**		2,174
		74,493		78,614
Non-current				
Property and equipment		**115,795**		118,249
Right-of-use lease assets		**13,268**		-
Intangible assets		**480**		662
Goodwill		**3,668**		3,745
		133,211		122,656
Total assets	**$**	**207,704**	$	201,270
Liabilities				
Current				
Trade and other accounts payable	**$**	**16,081**	$	16,092
Share-based compensation		**495**		657
Income taxes payable		**36**		-
Current portion of lease liability		**4,073**		-
Current portion of onerous lease contracts		**-**		1,017
		20,685		17,766
Non-current				
Long-term lease liability		**13,328**		-
Long-term onerous lease contracts		**-**		2,816
Share-based compensation		**1,868**		2,093
Long-term debt		**12,827**		21,388
Deferred tax liability		**5,478**		5,025
		33,501		31,322
Total liabilities		**54,186**		49,088
Equity				
Share capital		**272,732**		272,732
Deficit		**(125,437)**		(126,734)
Other reserves		**6,223**		6,184
Total equity		**153,518**		152,182
Total liabilities and equity	**$**	**207,704**	$	201,270

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED INTERIM STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
(Unaudited)

(in thousands of dollars, except per share amounts)	For the three months ended March 31, **2019**	2018
Revenue	**$ 47,446**	$ 60,134
Operating expenses	**36,887**	47,664
Gross margin	**10,559**	12,470
General and administrative expenses	**3,015**	3,325
Depreciation and amortization	**4,302**	3,852
Share-based compensation expense (recovery)	**446**	(848)
Other expense (income)	**388**	(938)
Operating income	**2,408**	7,079
Finance costs	**496**	281
Income before taxes	**1,912**	6,798
Current income tax expense	**32**	8
Deferred income tax expense	**473**	1,737
Income tax expense	**505**	1,745
Net income	**1,407**	5,053
Unrealized foreign exchange gain (loss)	**33**	(41)
Comprehensive income	**$ 1,440**	$ 5,012
Net income per share		
Basic and diluted	**$ 0.01**	$ 0.04
Comprehensive income per share		
Basic and diluted	**$ 0.01**	$ 0.04

ESSENTIAL ENERGY SERVICES LTD.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three months ended March 31,	
(in thousands of dollars)	**2019**	2018
Operating activities:		
Net income	**$ 1,407**	$ 5,053
Non-cash adjustments to reconcile net income to operating cash flow:		
Depreciation and amortization	**4,302**	3,852
Deferred income tax expense	**473**	1,737
Share-based compensation	**6**	78
Provision for impairment of trade accounts receivable	**100**	100
Finance costs	**496**	281
Gain on disposal of assets	**(145)**	(565)
Operating cash flow before changes in non-cash operating working capital	**6,639**	10,536
Changes in non-cash operating working capital:		
Trade and other accounts receivable before provision	**1,044**	(19,279)
Inventories	**3,085**	(3,878)
Income taxes payable	**36**	9
Prepayments and deposits	**578**	280
Trade and other accounts payable	**1,844**	3,117
Onerous lease contract	**-**	(264)
Share-based compensation	**(387)**	(1,755)
Net cash provided by operating activities	**12,839**	(11,234)
Investing activities:		
Purchase of property, equipment and intangible assets	**(1,665)**	(4,462)
Non-cash investing working capital in trade and other accounts payable	**(1,523)**	120
Proceeds on disposal of equipment	**957**	1,816
Net cash used in investing activities	**(2,231)**	(2,526)
Financing activities:		
(Decrease) increase in long-term debt	**(8,593)**	13,950
Net finance costs paid	**(199)**	(249)
Payments of lease liability	**(1,246)**	-
Net cash provided by financing activities	**(10,038)**	13,701
Foreign exchange gain on cash held in a foreign currency	**8**	13
Net increase (decrease) in cash	**578**	(46)
Cash, beginning of period	**410**	46
Cash, end of period	**$ 988**	$ -
Supplemental cash flow information		
Cash taxes received	**$ 6**	$ -
Cash interest and standby fees paid	**$ 195**	$ 240

FORWARD-LOOKING STATEMENTS AND INFORMATION

This press 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, forecasts, estimates, 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 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”, “continues”, “projects”, “forecasts”, “potential”, “budget” and similar expressions, or are events or conditions that “will”, “would”, “may”, “likely”, “could”, “should”, “can”, “typically” or “tends to” occur or be achieved. This press release contains forward-looking statements, pertaining to, among other things, the following: Essential’s belief that Packers Plus’ claims are without merit and the cost recovery process in connection therewith; Essential’s capital budget; oil and natural gas industry activity and outlook; political and regulatory uncertainty; Essential’s activity levels; Essential’s operational focus, outlook and the demand for Essential’s services; Essential’s focus on what it can control and each of those elements; and Essential’s financial position and ability to meet its working capital and capital spending requirements.

Although the Company 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 the Company 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 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, including demand, pricing and terms for oilfield services; current and expected oil and natural gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety, market 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, incentive programs and environmental regulations; stock market volatility and the inability to access sufficient capital from external and internal sources; the ability of the Company’s subsidiaries to enforce legal rights in foreign jurisdictions; general economic, market or business conditions; global economic events; 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, contained in this press release are made as of the date they are given and the Company 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 press release are expressly qualified by this cautionary statement.

Additional information on these and other factors that could affect the Company’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.sedar.com.

2019 FIRST QUARTER FINANCIAL RESULTS CONFERENCE CALL AND WEBCAST DETAILS

Essential has scheduled a conference call and webcast at 10:00 am MT (12:00 pm ET) on May 8, 2019.

The conference call dial in numbers are 416-340-2217 or 800-806-5484, passcode 4382511.

An archived recording of the conference call will be available approximately one hour after completion of the call until May 22, 2019 by dialing 905-694-9451 or 800-408-3053, passcode 6170530.

A live webcast of the conference call will be accessible on Essential's website at www.essentialenergy.ca by selecting "Investors" and "Events and Presentations". Shortly after the live webcast, an archived version will be available for approximately 30 days.

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.

MSFS® is a registered trademark of Essential Energy Services Ltd.

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

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