ENSIGN ENERGY SERVICES INC.
2024 ANNUAL REPORT



TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS 1
MANAGEMENT'S REPORT 25
INDEPENDENT AUDITOR'S REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 31
SHARE TRADING SUMMARY 59
10 YEAR FINANCIAL INFORMATION 60
CORPORATE INFORMATION 62

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("**MD&A**") for Ensign Energy Services Inc. and all of its subsidiaries and affiliates ("**Ensign**" or the "**Company**") should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024, which are available on SEDAR+ at www.sedarplus.ca.

This MD&A and the audited consolidated financial statements and comparative information have been prepared and approved by the Board of Directors in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All financial measures presented in this MD&A are expressed in Canadian dollars unless otherwise indicated and are stated in thousands, except for: per share amounts, number of drilling rigs, number of well servicing rigs, operating days and well servicing hours. This MD&A is dated March 6, 2025. Additional information, including the Company's Annual Information Form for the year ended December 31, 2024, is available on SEDAR+ at www.sedarplus.ca.

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements generally can be identified by the words "believe", "anticipate", "expect", "plan", "estimate", "target", "continue", "could", "intend", "may", "potential", "predict", "should", "will", "objective", "project", "forecast", "goal", "guidance", "outlook", "effort", "seeks", "schedule", "contemplates" or other expressions of a similar nature suggesting future outcome or statements regarding an outlook. All statements other than statements of historical fact may be forward-looking statements.

Disclosure related to expected future commodity pricing or trends, revenue rates, equipment utilization or operating activity levels, operating costs, capital expenditures and other prospective guidance provided throughout this MD&A including, but not limited to, information provided in the "Funds Flow from Operations and Working Capital" section regarding the Company's expectation that funds generated by operations combined with current and future credit facilities will support current operating and capital requirements, information provided in the "Financial Instruments" section regarding Venezuela and information provided in the "Outlook" section regarding the general outlook for 2025 and beyond, are examples of forward-looking statements.

Forward-looking statements are not representations or guarantees of future performance and are subject to certain risks and unforeseen results. The reader should not place undue reliance on forward-looking statements as there can be no assurance that the plans, initiatives, projections, anticipations or expectations upon which they are based will occur. The forward-looking statements are based on current assumptions, expectations, estimates and projections about the Company and the industries and environments in which the Company operates, which speak only as of the date such statements were made or as of the date of the report or document in which they are contained. These assumptions include, among other things: the fluctuation in commodity prices which may pressure customers to modify their capital programs; the status of current negotiations with the Company's customers and vendors; customer focus on safety performance; royalty regimes and effects of regulation by government agencies; existing term contracts that may not be renewed or are terminated prematurely; the Company's ability to provide services on a timely basis and successfully bid on new contracts; successful integration of acquisitions; future operating costs; the general stability of the economic and political environments in the jurisdictions where we operate; tariffs, economic sanctions, inflation, interest rate and exchange rate expectations; pandemics; and impacts of geopolitical events such as the hostilities in the Middle East and between Ukraine and the Russian Federation, and the global community responses thereto; that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company's conduct and results of operations will be consistent with its expectations; and other matters.

The forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements. Such risk factors include, among others: general economic and business conditions which will, among other things, impact demand for and market prices of the Company's services and the ability of the Company's customers to pay accounts receivable balances; volatility of and assumptions regarding commodity prices; foreign exchange exposure; fluctuations in currency and interest rates; inflation; economic conditions in the countries and regions in which the Company conducts business; political uncertainty and civil unrest; the Company's ability to implement its business strategy; impact of competition and industry conditions; risks associated with long-term contracts; force majeure events; artificial intelligence development and implementation; cyber-attacks; determinations the by Organization of Petroleum Exporting Countries ("**OPEC**")

and other countries (OPEC and various other countries are referred to as "**OPEC+**") regarding production levels; loss of key customers; litigation risks, including the Company's defence of lawsuits; risks associated with contingent liabilities and potential unknown liabilities; availability and cost of labour and other equipment, supplies and services; business interruption and casualty losses; the Company's ability to complete its capital programs; operating hazards and other difficulties inherent in the operation of the Company's oilfield services equipment; availability and cost of financing and insurance; access to credit facilities and debt capital markets; availability of sufficient cash flow to service and repay its debts; impairment of capital assets; the Company's ability to amend or comply with covenants under the credit facility and other debt instruments; actions by governmental authorities; impact of and changes to laws and regulations impacting the Company and the Company's customers, and the expenditures required to comply with them (including safety and environmental laws and regulations and the impact of climate change initiatives on capital and operating costs); safety performance; environmental contamination; shifting interest to alternative energy sources; environmental activism; the adequacy of the Company's provision for taxes; tax challenges; the impact of, and the Company's response to future pandemics; workforce and reliance on key management; technology; cybersecurity risks; seasonality and weather risks; risks associated with acquisitions and ability to successfully integrate acquisitions; risks associated with internal controls over financial reporting; the impact of the ongoing hostilities in the Middle East and between Ukraine and the Russian Federation and the global community responses thereto; the economic and tariff policies pursued by the new United States administration, including the impact of recent United States Government pronouncements regarding curtailment of our customer's license to operate in Venezuela, which may suspend our operations in the area, along with any retaliatory policies by other governments and other risks and uncertainties affecting the Company's business, revenues and expenses. In addition, the Company's operations and levels of demand for its services have been, and at times in the future may be, affected by political risks and developments, such as tariffs, economic sanctions, expropriation, nationalization, or regime change, and by national, regional and local laws and regulations such as changes in taxes, royalties and other amounts payable to governments or governmental agencies, environmental protection regulations, pandemics, pandemic mitigation strategies and the impact thereof upon the Company, its customers and its business, ongoing hostilities in the Middle East and between Ukraine and the Russian Federation, including recent developments in discussions regarding cessation of hostilities in Ukraine and pursuit of a resolution of the dispute, related potential future impact on the supply of oil and natural gas to Europe by Russia and the impact of global community responses to the ongoing conflicts, including the impact of shipping through the Red Sea and governmental energy policies, laws, rules or regulations that limit, restrict or impede exploration, development, production, transportation or consumption of hydrocarbons and/or incentivize development, production, transportation or consumption of alternative fuel or energy sources.

Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results from operations may vary in material respects from those expressed or implied by the forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are interdependent upon other factors, and the Company's course of action would depend upon its assessment of the future considering all information then available. Unpredictable or unknown factors not discussed in this MD&A could also have material adverse effects on forward-looking statements.

For additional information refer to the "Risks and Uncertainties" section of this MD&A and the "Risk Factors" section of the Company's most recent annual information form available on SEDAR+ at www.sedarplus.ca. Readers are cautioned that the lists of important factors and risks contained herein are not exhaustive.

The forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained herein are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by law.

NON-GAAP MEASURES

This MD&A contains references to Adjusted EBITDA, Adjusted EBITDA per common share, working capital and Consolidated EBITDA. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and accordingly, may not be comparable to similar measures used by other companies. The non-GAAP measures included in this MD&A should not be considered as an alternative to, or more meaningful than, the IFRS measures from which they are derived or to which they are compared. The definition and method of calculation of the non-GAAP measures included in this MD&A are included in the "Overview and Selected Annual Information" section.

OVERVIEW AND SELECTED ANNUAL INFORMATION

($ thousands, except per share data and operating information)

			2024 compared to 2023			2023 compared to 2022	
	2024	2023	Change	% change	2022	Change	% change
Revenue	**1,684,231**	1,791,767	(107,536)	(6)	1,577,329	214,438	14
Adjusted EBITDA [1]	**450,118**	490,233	(40,115)	(8)	373,618	116,615	31
Adjusted EBITDA per common share [1]							
Basic	**$ 2.45**	$ 2.67	$ (0.22)	(8)	$ 2.13	$ 0.54	25
Diluted	**$ 2.44**	$ 2.65	$ (0.21)	(8)	$ 2.12	$ 0.53	25
Net (loss) income attributable to common shareholders	**(20,754)**	41,236	(61,990)	nm	8,128	33,108	nm
Net (loss) income attributable to common shareholders per common share							
Basic	**$ (0.11)**	$ 0.22	$ (0.33)	nm	$ 0.05	$ 0.17	nm
Diluted	**$ (0.11)**	$ 0.22	$ (0.33)	nm	$ 0.05	$ 0.17	nm
Cash provided by operating activities	**471,793**	492,517	(20,724)	(4)	319,962	172,555	54
Funds flow from operations	**436,176**	464,882	(28,706)	(6)	371,956	92,926	25
Funds flow from operations per common share							
Basic	**$ 2.37**	$ 2.53	$ (0.16)	(6)	$ 2.12	$ 0.41	19
Diluted	**$ 2.36**	$ 2.51	$ (0.15)	(6)	$ 2.11	$ 0.40	19
Total assets	**2,910,490**	2,947,986	(37,496)	(1)	3,183,904	(235,918)	(7)
Total debt, net of cash	**1,023,498**	1,189,848	(166,350)	(14)	1,389,695	(199,847)	(14)

nm - calculation not meaningful

[1] Adjusted EBITDA and Adjusted EBITDA per common share are used by management and investors to analyze the Company's profitability based on the Company's principal business activities prior to how these activities are financed, how assets are depreciated, amortized, and impaired and how the results are taxed in various jurisdictions. Additionally, in order to focus on the core business alone, amounts are removed related to foreign exchange, share-based compensation expense, the sale of assets and fair value adjustments on financial assets and liabilities, as the Company does not deem these items to relate to its core drilling and well servicing business. Adjusted EBITDA is not intended to represent net (loss) income as calculated in accordance with IFRS.

FINANCIAL POSITION AND CAPITAL EXPENDITURES HIGHLIGHTS

As at December 31, ($ thousands)	**2024**	2023	2022
Working capital (deficit) [1]	**(100,906)**	15,780	(707,800)
Cash	**28,113**	20,501	49,880
Total debt, net of cash	**1,023,498**	1,189,848	1,389,695
Total assets	**2,910,490**	2,947,986	3,183,904
Total debt to total debt plus shareholder's equity ratio	**0.43**	0.48	0.53

[1] See non-GAAP Measures section.

($ thousands)	**2024**	2023	Change	% change	2022	Change	% change
Capital expenditures							
Upgrade/growth	**18,705**	16,103	2,602	16	68,763	(52,660)	(77)
Maintenance	**159,962**	159,738	224	—	105,630	54,108	51
Proceeds from disposals of property and equipment	**(31,036)**	(15,132)	(15,904)	nm	(47,544)	32,412	(68)
Net capital expenditures	**147,631**	160,709	(13,078)	(8)	126,849	33,860	27

nm - calculation not meaningful

Adjusted EBITDA is calculated as follows:

($ thousands)	**2024**	2023	2022
(Loss) income before income taxes	**(25,587)**	47,699	(6,373)
Add-back/(deduct)			
Interest expense	**97,530**	126,683	119,277
Accretion of deferred financing charges	**1,668**	8,872	8,800
Depreciation	**355,824**	307,343	281,137
Share-based compensation	**11,755**	2,344	19,711
Gain on asset sale	**(10,523)**	(6,476)	(29,347)
Foreign exchange and other	**19,451**	3,768	(19,587)
Adjusted EBITDA	**450,118**	490,233	373,618

Consolidated EBITDA

Consolidated EBITDA, as defined in the Company's Credit Facility agreement, is used in determining the Company's compliance with its covenants. The Consolidated EBITDA is substantially similar to Adjusted EBITDA.

Working Capital

Working capital is defined as current assets less current liabilities as reported on the consolidated statements of financial position.

NATURE OF OPERATIONS

The Company is in the business of providing oilfield services to the oil and natural gas industry in Canada, the United States and internationally. Oilfield services provided by the Company include drilling and well servicing, oil sands coring, directional drilling, underbalanced and managed pressure drilling, equipment rentals and transportation.

The Company’s Canadian operations span the four western provinces of British Columbia, Alberta, Saskatchewan and Manitoba and include the Northwest Territories and the Yukon. In the United States, the Company operates predominantly in the Rocky Mountain and southern regions, as well as the states of California, New Mexico, Nevada, North Dakota, Oregon, South Dakota and Utah. Internationally, the Company operates in Australia, Argentina, Bahrain, Kuwait, Oman, United Arab Emirates, and Venezuela. In addition to these international locations, the Company has operated in several other countries in the past and may relocate equipment to other regions in the future depending on bidding opportunities and anticipated levels of future demand.

2024 COMPARED WITH 2023

Revenue for the year ended December 31, 2024, was $1,684.2 million, a decrease of six percent from 2023 revenue of $1,791.8 million. Adjusted EBITDA for 2024 totaled $450.1 million ($2.45 per common share), eight percent lower than Adjusted EBITDA of $490.2 million ($2.67 per common share) for the year ended December 31, 2023.

Net loss attributed to common shareholders for the year ended December 31, 2024, was $20.8 million ($0.11 per common share) compared with a net income attributed to common shareholders of $41.2 million ($0.22 per common share) for the year ended December 31, 2023.

The Company's operating days were lower in 2024, as compared with 2023, as a result of volatile commodity prices, customer capital discipline and the acquisition and merger activity ("**M&A**") between oil and natural gas producers in both Canada and the United States. The completion of the Trans Mountain Pipeline expansion has resulted in increased activity in Canada, while depressed natural gas commodity prices for much of the year hampered activity in the United States.

Oilfield services continued to be generally constructive despite the year-over-year decline in activity in certain operating regions. During 2024 global inflationary pressures began easing, followed by central banks relaxing monetary policies, though economic uncertainty remained leading up to and following the United States election. Geopolitical tensions impacted global commodity prices along with reinforced producer and contractor capital discipline. Furthermore, OPEC+ nations continued to moderate supply in response to market conditions.

Over the near term, there remains uncertainty regarding several factors that may impact the oil and natural gas industry which will impact the demand for oilfield services. The factors include, but are not limited to, the outcome and policies adopted by the new United States administration, implications of the new United States administration on global trade, the impacts of ongoing hostilities in Ukraine on the global economy, the impact of current and potential future geopolitical developments in the Middle East on global crude oil and natural gas markets, overall global economic health and recessionary pressures in certain environments.

The Company exited 2024 with a working capital deficit of $100.9 million, compared with a working capital surplus of $15.8 million as of December 31, 2023. The Company’s available liquidity consisting of cash and available borrowings under its Credit Facility totaled $31.9 million as of December 31, 2024, compared to $74.6 million at December 31, 2023. The available liquidity decreased by $42.7 million primarily due to the reduction in the available credit limit of the Company's Credit Facility.

2023 COMPARED WITH 2022

Oilfield services continued to be constructive despite volatility in global crude oil and natural gas commodity prices and uncertain global economic and geopolitical conditions. Global inflationary pressures, economic uncertainty, and geopolitical tensions impacted global commodity prices, reinforced producer and contractor capital discipline, and added uncertainty in the back half of 2023. However, despite these short-term headwinds, global demand for crude oil continued to increase year-over-year and OPEC+ nations continued to moderate supply in response to market conditions.

REVENUE AND OILFIELD SERVICES EXPENSE

($ thousands)	**2024**	2023	Change	% change
Revenue				
Canada	**496,521**	446,393	50,128	11
United States	**839,928**	1,040,764	(200,836)	(19)
International	**347,782**	304,610	43,172	14
Total revenue	**1,684,231**	1,791,767	(107,536)	(6)
Oilfield services expense	**1,176,666**	1,243,558	(66,892)	(5)

Revenue for the year ended December 31, 2024, totaled $1,684.2 million, a six percent decrease from the year ended December 31, 2023 revenue of $1,791.8 million. The decrease in total revenue during the year ended December 31, 2024, was primarily due to reduced demand for oilfield services following recent M&A activity in the oil and natural gas sector in Canada and the United States markets, impacting drilling activity, along with reinforced customer discipline with regards to their capital programs. Moreover, depressed natural gas commodity prices also contributed to reduced drilling activity.

Offsetting the decrease in the United States was improved activity in the Company's Canada and international markets. A positive foreign exchange translation impact further contributed to the increase in revenue reported in Canadian currency.

CANADIAN OILFIELD SERVICES

	2024	2023	Change	% change
Revenue *($ thousands)*	**$ 496,521**	$ 446,393	$ 50,128	11
Marketed drilling rigs [1]				
Opening balance	**117**	123		
Transfers, net	**—**	3		
Placed into reserve	**(23)**	(9)		
Ending balance	**94**	117	(23)	(20)
Drilling operating days [1,2]	**13,558**	12,373	1,185	10
Drilling rig utilization (%) [1]	**39.4**	29.5	9.9	34
Well servicing rigs				
Opening balance	**45**	47		
Decommissions	**(4)**	(2)		
Ending balance	**41**	45	(4)	(9)
Well servicing operating hours	**48,710**	46,523	2,187	5
Well servicing utilization (%)	**29.6**	27.1	2.5	9

[1] Excludes coring rig fleet.
[2] Defined as contract drilling days, between spud to rig release.

The Company recorded revenue of $496.5 million in Canada for the year ended December 31, 2024, an increase of 11 percent from $446.4 million recorded for the year ended December 31, 2023. For the year ended December 31, 2024, total revenue generated from the Company's Canadian operations was 29 percent of the Company's total revenue (2023: 25 percent).

For the year ended December 31, 2024, the Company recorded 13,558 drilling operating days in Canada, an increase of 10 percent as compared with 12,373 drilling operating days for the year ended December 31, 2023. Well servicing hours increased by five percent to 48,710 operating hours compared with 46,523 operating hours for the year ended December 31, 2023.

The operating and financial results for the Company's Canadian operations during 2024 improved largely as a result of the May 2024 completion of the Trans Mountain Pipeline expansion.

During 2024, the Company moved 23 under-utilized drilling rigs into its Canadian reserve fleet and decommissioned 21 non-marketed drilling rigs and four well servicing rigs, respectively. Furthermore, Canada and the United States exchanged certain customer required specification rigs.

UNITED STATES OILFIELD SERVICES

	2024	2023	Change	% change
Revenue *($ thousands)*	**$ 839,928**	$ 1,040,764	$ (200,836)	(19)
Marketed drilling rigs				
Opening balance	**83**	89		
Transfers, net	**—**	(3)		
Placed into reserve	**(6)**	(3)		
Ending balance	**77**	83	(6)	(7)
Drilling operating days [1]	**12,103**	15,759	(3,656)	(23)
Drilling rig utilization (%)	**42.9**	50.5	(7.6)	(15)
Well servicing rigs				
Opening balance	**47**	47		
Ending balance	**47**	47	—	—
Well servicing operating hours	**124,056**	121,147	2,909	2
Well servicing utilization (%)	**72.1**	70.6	2	3

[1] *Defined as contract drilling days, between spud to rig release.*

For the year ended December 31, 2024, revenue of $839.9 million was recorded in the United States, a decrease of 19 percent from the $1,040.8 million recorded in the prior year. The Company's United States operations accounted for 50 percent of the Company's total revenue in the 2024 fiscal year (2023 - 58 percent) and were the largest contributor to the Company's total revenue in 2024, consistent with the prior year.

In the United States, drilling operating days decreased by 23 percent to 12,103 drilling operating days in 2024 from 15,759 operating days in 2023. For the year ended December 31, 2024, well servicing activity increased two percent to 124,056 operating hours, from 121,147 operating hours in 2023.

Operating and financial results for the Company’s United States operations in 2024 were adversely impacted by recent customer M&A activity, customer capital discipline and depressed natural gas commodity prices. Offsetting the decline was the impact of the positive currency translation, as the USD strengthened relative to the Canadian dollar for the year ended December 31, 2024.

During 2024, the Company transferred six under-utilized drilling rigs into its United States reserve fleet and decommissioned 11 non-marketed drilling rigs. Furthermore, the United States and Canada exchanged certain customer required specification rigs.

INTERNATIONAL OILFIELD SERVICES

	2024	2023	Change	% change
Revenue *($ thousands)*	**$ 347,782**	$ 304,610	$ 43,172	14
Marketed drilling and workover rigs				
Opening balance	**32**	34		
Placed into reserve	**(1)**	(2)		
Ending balance	**31**	32	(1)	(3)
Drilling operating days [1]	**4,996**	4,946	50	1
Drilling rig utilization (%)	**31.5**	42.3	(10.8)	(26)

[1] *Defined as contract drilling days, between spud to rig release.*

The Company's international revenues for the year ended December 31, 2024, increased 14 percent to $347.8 million from $304.6 million recorded in the year ended December 31, 2023. The Company's international operations accounted for 21 percent of the Company's total revenue in 2024 (2023 - 17 percent).

International drilling operating days totaled 4,996 in 2024 compared with 4,946 drilling operating days for the prior year, a one percent increase.

Operating and financial results from the international operations reflect generally supportive industry conditions. The financial results from the Company's international operations were further positively impacted by currency translation as the USD strengthened relative to the Canadian dollar for the year ended December 31, 2024.

During 2024, the Company transferred one under-utilized drilling rig into its international operations reserve fleet and decommissioned six non-marketed drilling rigs.

DEPRECIATION

($ thousands)	2024	2023	Change	% change
Depreciation	**355,824**	307,343	48,481	16

Depreciation expense for the year increased by 16 percent to $355.8 million compared with $307.3 million for the year ended 2023. The increase in depreciation is primarily the result of drilling rigs moving into the reserve fleet at the beginning of the year, which are depreciated on an accelerated basis and the negative exchange translation on converting USD denominated depreciation expense.

GENERAL AND ADMINISTRATIVE

($ thousands)	2024	2023	Change	% change
General and administrative	**57,447**	57,976	(529)	(1)
% of revenue	**3.4**	3.2		

For the year ended December 31, 2024, general and administrative expense totaled $57.4 million (3.4 percent of revenue) compared with $58.0 million (3.2 percent of revenue) for the year ended December 31, 2023, a decrease of one percent. General and administrative expense remained relatively flat year-over-year, despite annual salary increases and the negative exchange translation on USD denominated expenses.

FOREIGN EXCHANGE AND OTHER

($ thousands)	**2024**	2023	Change	% change
Foreign exchange and other	**19,451**	3,768	15,683	nm

nm - calculation not meaningful

Included in this amount is the impact of foreign currency fluctuations in the Company's subsidiaries that have functional currencies other than the Canadian dollar.

INTEREST EXPENSE

($ thousands)	**2024**	2023	Change	% change
Interest expense	**97,530**	126,683	(29,153)	(23)

Interest expenses were incurred on the Company's Credit and Term Facilities, capital lease and other obligations.

Interest expense decreased by 23 percent for the year ended December 31, 2024, compared with the same period in 2023. The decrease in expense compared to 2023 is the result of lower debt levels and reduced effective interest rates. Offsetting the decrease was the negative exchange translation on USD denominated debt. The Company remains committed to disciplined capital allocation and debt repayment.

INCOME TAX (RECOVERY) EXPENSE

($ thousands)	**2024**	2023	Change	% change
Current income tax	**3,027**	4,909	(1,882)	(38)
Deferred income tax (recovery) expense	**(8,346)**	1,090	(9,436)	nm
Total income tax (recovery) expense	**(5,319)**	5,999	(11,318)	nm
Effective income tax rate (%)	**20.8**	12.6		

nm - calculation not meaningful

The effective income tax rate for the year ended December 31, 2024, was 20.8 percent compared with 12.6 percent for the year ended December 31, 2023. The effective tax rate was impacted by US state taxes, valuation allowances, recognition of historical audit settlements and operating earnings in foreign jurisdictions.

FUNDS FLOW FROM OPERATIONS AND WORKING CAPITAL

($ thousands, except per share data)	**2024**	2023	Change	*% change*
Cash provided by operating activities	**471,793**	492,517	(20,724)	(4)
Funds flow from operations	**436,176**	464,882	(28,706)	(6)
Funds flow from operations per common share	**$2.37**	$2.53	(0.16)	(6)
Working capital	**(100,906)**	15,780	(116,686)	nm

nm - calculation not meaningful

For the year ended December 31, 2024, the Company generated funds flow from operations of $436.2 million ($2.37 per common share) a decrease of six percent from $464.9 million ($2.53 per common share) for the year ended December 31, 2023. The decrease in funds flow from operations in 2024 compared with 2023 is largely due to decreases in net income and operating activity compared to the prior year. The significant factors that may impact the Company's ability to generate funds flow from operations in future periods are outlined in the "Risks and Uncertainties" section of this MD&A.

As of December 31, 2024, the Company's working capital was a deficit of $100.9 million, compared with a working capital surplus of $15.8 million as of December 31, 2023. The Company's Credit Facility provides for total borrowings of $775.0 million of which $3.8 million was undrawn and available at December 31, 2024.

INVESTING ACTIVITIES

($ thousands)	**2024**	2023	Change	% change
Purchase of property and equipment	**(178,667)**	(175,841)	(2,826)	2
Proceeds from disposals of property and equipment	**31,036**	15,132	15,904	nm
Distribution to non-controlling interest	**(500)**	—	(500)	nm
Net change in non-cash working capital	**17,343**	8,081	9,262	nm
Cash used in investing activities	**(130,788)**	(152,628)	21,840	(14)

nm - calculation not meaningful

Net purchases of property and equipment during the fiscal year ending 2024 totaled $147.6 million (2023 - $160.7 million). The purchase of property and equipment relates primarily to $160.0 million in maintenance capital and $18.7 million in upgrade capital (2023 - $159.7 million and $16.1 million, respectively).

FINANCING ACTIVITIES

($ thousands)	**2024**	2023	Change	% change
Proceeds from long-term debt	**95,902**	611,686	(515,784)	(84)
Repayments of long-term debt	**(340,578)**	(829,308)	488,730	(59)
Proceeds from the issuance of the Convertible Debentures	**25,000**	—	25,000	nm
Lease obligation principal repayments	**(14,062)**	(14,506)	444	(3)
Interest paid	**(99,036)**	(132,221)	33,185	(25)
Purchase of common shares held in trust	**(2,173)**	(1,931)	(242)	13
Issuance of common shares under the share option plan	**279**	—	279	nm
Cash used in financing activities	**(334,668)**	(366,280)	31,612	(9)

nm - calculation not meaningful

As at December 31, 2024, the amount of available borrowings under the Credit Facility was $3.8 million.

On October 13, 2023, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provides a revolving Credit Facility and a three-year $369.0 million Term Facility. The amendments include an extension to the maturity date of the now $775.0 million Credit Facility to the earlier of (i) the date that is six months prior to the earliest maturity of any future Senior Notes, and (ii) October 13, 2026. The Credit Facility includes a reduction of the facility of $75.0 million by the end of the second quarter of 2025. The final size of the Credit Facility will then be $700.0 million.

The Term Facility requires repayments of at least $27.7 million each quarter beginning in the first quarter of 2024 to the fourth quarter 2025; and then repayments of at least $36.9 million each quarter from the first quarter 2026 to the fourth quarter 2026.

On June 26, 2024, the Company amended and restated its existing credit agreement with its syndicate of lenders to include a US $50.0 million secured Letter of Credit Facility and various updates regarding the replacement of the Canadian Dollar Offered Rate ("CDOR") with the Canadian Overnight Repo Rate Average ("CORRA"). Furthermore, the Company finalized a US $25.0 million unsecured Letter of Credit Facility in the third quarter of 2024. As at December 31, 2024, the amount of available was US $21.8 million under the Letter of Credit Facilities.

On December 31, 2024, the Company issued a non-brokered private placement of an unsecured, subordinated convertible debentures (**"Convertible Debentures"**) for aggregate gross proceeds of $25.0 million. The Convertible Debentures bear interest from the date of closing at 7.5% per annum, payable semi-annually in arrears, on April 1 and October 1 each year. The Convertible Debentures will mature on January 31, 2029, and have a conversion price of $3.50 per common share.

If, on and after March 31, 2028, the closing price of the Company's common shares on the Toronto Stock Exchange exceeds 125% of the Conversion Price for at least 30 consecutive trading days, the Convertible Debentures may be redeemed by the Company for cash on a pro rata basis, in whole or in part from time to time, on not more than 90 days and not less than 60 days prior notice, at a redemption price equal to the outstanding principal amount of the

Convertible Debentures plus accrued and unpaid interest thereon (if any), up to, but excluding, the date of redemption.

The liability component of the Convertible Debentures was recognized initially at the fair value and revalued quarterly using a similar liability that does not have an equity conversion option, which was calculated based on an estimated market interest rate of 7.6%.

There was no material difference between the principal amount of the Convertible Debentures and the fair value of the liability component.

The Convertible Debentures include $20.8 million issued to management and directors of the Company.

The current capital structure of the Company consisting of the Credit Facility, the Term Facility and the Convertible Debentures, allows the Company to utilize funds flow generated to reduce debt in the near term with greater flexibility than a more non-callable weighted capital structure.

Covenants

The following is a list of the Company's currently applicable covenants pursuant to the Credit Facility and the covenant calculations as at December 31, 2024:

	Covenant	December 31, 2024
The Credit Facility		
Consolidated Net Debt to Consolidated EBITDA[1]	≤ 4.00	2.32
Consolidated EBITDA to Consolidated Interest Expense[1,2]	≥ 2.50	4.71
Consolidated Net Senior Debt to Consolidated EBITDA[1,3]	≤ 2.50	2.22

[1] *Consolidated Net Debt* is defined as consolidated total debt, less cash and cash equivalent. Consolidated EBITDA, as defined in the Company's Credit Facility agreement, is used in determining the Company's compliance with its covenants. The Consolidated EBITDA is substantially similar to Adjusted EBITDA.
[2] *Consolidated Interest Expense is defined as all interest expense calculated on twelve month rolling consolidated basis.*
[3] *Consolidated Net Senior Debt is defined as Consolidated Total Debt minus subordinated debt, cash and cash equivalent.*

As at December 31, 2024 the Company was in compliance with all covenants related to the Credit Facility.

The Credit Facility

The amended and restated credit agreement, a copy of which is available on SEDAR+, provides the Company with its Credit Facility and includes requirements that the Company comply with certain covenants including a Consolidated Net Debt to Consolidated EBITDA ratio, a Consolidated EBITDA to Consolidated Interest Expense ratio and a Consolidated Net Senior Debt to Consolidated EBITDA ratio.

CONTRACTUAL OBLIGATIONS

In the normal course of business, the Company enters into various commitments that will have an impact on future operations. These commitments relate primarily to the Credit Facility, the Term Facility, Convertible Debentures and lease obligations.

A summary of the Company's total contractual obligations, including interest as of December 31, 2024, is as follows:

($ thousands)	< 1 Year[2]	1-3 Years[2]	4-5 Years	Total
Term Facility [1]	$ 127,677	$ 154,805	$ —	282,482
Credit Facility [1]	126,367	736,342	—	862,709
Convertible Debentures	1,875	5,625	25,159	32,659
Lease obligations	16,238	11,796	—	28,034
	272,157	908,568	25,159	1,205,884

[1] *Interest on the bank credit facilities is calculated based on the amount drawn at December 31, 2024 and the applicable bankers' acceptance, SOFR or CORRA interest rates outstanding as at December 31, 2024. USD denominated balances are converted using the foreign exchange rate as of December 31, 2024.*
[2] *Includes interest of $68.3 million for the less than one year and $52.9 million for the 1-3 year terms respectively (2023 - $98.9 million and $150.5 million respectively).*

FINANCIAL INSTRUMENTS

As at December 31, 2024, the Company's financial instruments include cash, accounts receivables, investments, accounts payable and accruals, operating lines of credit, lease obligations and long-term debt. The Company classifies and measures cash and accounts receivable as financial assets at amortized cost, and classifies and measures accounts payable and accruals, operating lines of credit and long-term debt as financial liabilities at amortized cost. The fair values of these financial instruments (other than long-term debt) approximate their carrying amount due to the short-term maturity of these instruments. Long-term debt approximates their fair values due to the variable interest rates applied, which approximate market interest rates. The Company classifies and measures investments at fair value through profit or loss.

In regards to the Company's outstanding Convertible Debentures, the liability component of the Convertible Debentures was recognized initially at the fair value and is revalued quarterly using a similar liability that does not have an equity conversion option, which was calculated based on an estimated market interest rate of 7.6%. The difference between the principal amount of the Convertible Debentures and the fair value of the liability component was recognized in shareholders' equity.

The Company's financial instruments are associated with various risks, some of which are described below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's accounts receivable balances owing from customers operating primarily in the oil and natural gas industry in Canada, the United States and internationally. The carrying amount of accounts receivable represents the maximum credit exposure as at December 31, 2024.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2024, or December 31, 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the receivables.

On that basis, the loss allowance as at December 31, 2024 and December 31, 2023 was determined as follows for trade receivables:

As at December 31, 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	2.0 %	3.3 %	11.4 %	26.8 %	
Gross carrying amount [1]	144,760	88,048	17,451	33,625	283,884
Loss allowances	2,895	2,906	1,989	9,007	16,797

As at December 31, 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	2.0 %	3.0 %	11.0 %	26.9 %	
Gross carrying amount [1]	138,045	81,353	22,414	29,915	271,727
Loss allowances	2,761	2,441	2,466	8,053	15,721

[1] Gross carrying amount excludes unbilled revenue and other receivables of $43.4 million for year ended December 31, 2024 (2023 - $48.5 million).

As part of the Company's international operations, it provides oilfield services in Venezuela pursuant to contractual agreements which have recently restarted. As at December 31, 2024, the Company had accounts receivable of approximately $8.7 million for work performed pursuant to these contracts in Venezuela. Though the Company has a history of collecting accounts receivable in Venezuela, due to the continuing political unrest in that country as well as government-imposed sanctions that restrict the Company's activities in and related to Venezuela, there can be no assurance that the Company will be successful in collecting all of such accounts receivable outstanding.

The loss allowance for trade receivables as at December 31, 2024 reconciles to the opening loss allowances as follows:

($ thousands)	**2024**	2023
Opening balance - January 1	**15,721**	15,460
Increase in loss allowance recognized in profit or loss	**—**	543
Effect of movement in exchange rates	**974**	(282)
Closing balance - December 31	**16,797**	15,721

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Company, and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company manages liquidity by forecasting cash flows on an annual basis and secures sufficient credit facilities to meet financing requirements that exceed anticipated internally generated funds.

On October 13, 2023, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provided a revolving Credit Facility and a three-year $369.0 million Term Facility. The amendments include an extension to the maturity date of the now $775.0 million Credit Facility to the earlier of (i) the date that is six months prior to the earliest maturity of any future Senior Notes, and (ii) October 13, 2026. The Credit Facility includes a reduction of the facility of $75.0 million at the end of the second quarter of 2025. The final size of the Credit Facility will then be $700.0 million.

The Term Facility requires repayments of $27.7 million each quarter beginning in the first quarter of 2024 to the fourth quarter 2025; and then repayments of $36.9 million each quarter from the first quarter 2026 to the third quarter 2026.

On December 31, 2024, the Company issued Convertible Debentures for aggregate gross proceeds of $25.0 million. The Convertible Debentures bear interest from the date of closing at 7.6% per annum, payable semi-annually in arrears, on April 1 and October 1 each year. The Convertible Debentures will mature on January 31, 2029, and have a conversion price of $3.50 per common share.

Market risk

Market risk is the risk that any changes in market rates and prices, such as interest rates and foreign exchange rates, will affect the Company's net income or the value of its financial instruments.

Interest rate risk

The Company is exposed to interest rate risk with respect to its bank credit facilities which bear interest at floating market rates. For the year ended December 31, 2024, if interest rates applicable to its bank credit facilities had been 0.25 percent higher or lower, with all other variables held constant, income before income taxes would have been $1.9 million lower or higher.

Foreign currency exchange rate risk

Foreign currency exchange rate risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company has largely hedged its exposure to foreign exchange risk through the Credit Facility which is largely denominated in USD. Translation related risks are therefore not included in the assessment of the Company's exposure to currency risks.

Translation exposures arise from financial and non-financial items held by an entity (for example, a subsidiary) with a functional currency different from the Company's presentation currency. However, foreign currency denominated

inter-company receivables and payables which do not form part of a net investment in a foreign operation would be included in the sensitivity analysis for foreign currency risks, because even though the balances eliminate in the consolidated balance sheet, the effect on profit or loss of their revaluation under IAS 21 is not fully eliminated.

At December 31, 2024, had the Canadian dollar weakened or strengthened by $0.01 against the United States dollar, with all other variables held constant, the Company's loss before income taxes would have been $4.9 million higher or lower.

SUMMARY QUARTERLY RESULTS

($ thousands, except per share data)	**Q4-2024**	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023
Revenue	**426,515**	434,617	391,792	431,307	430,540	444,405	432,770	484,052
Adjusted EBITDA[1]	**113,391**	119,049	100,222	117,456	128,998	117,295	116,616	127,324
Adjusted EBITDA per common share[1]								
Basic	**$0.62**	$0.65	$0.54	$0.64	$0.71	$0.63	$0.64	$0.69
Diluted	**$0.62**	$0.64	$0.54	$0.64	$0.70	$0.63	$0.63	$0.69
Net (loss) income attributable to common shareholders	**(20,216)**	5,217	(4,538)	(1,217)	31,922	(5,229)	10,302	4,241
Net (loss) income attributable to common shareholders per common share								
Basic	**$(0.11)**	$0.03	$(0.02)	$(0.01)	$0.17	$(0.03)	$0.06	$0.02
Diluted	**$(0.11)**	$0.03	$(0.02)	$(0.01)	$0.17	$(0.03)	$0.06	$0.02
Cash provided by operating activities	**148,312**	103,201	126,402	93,878	115,606	105,566	166,771	104,574
Funds flow from operations	**112,574**	116,914	98,250	108,438	110,231	119,596	116,764	118,291
Funds flow from operations per common share								
Basic	**$0.61**	$0.64	$0.53	$0.59	$0.60	$0.65	$0.64	$0.64
Diluted	**$0.61**	$0.63	$0.53	$0.59	$0.59	$0.65	$0.63	$0.64
Total debt, net of cash	**1,023,498**	1,066,356	1,119,127	1,176,226	1,189,848	1,246,041	1,277,197	1,360,639

[1] *See definition of "Non-GAAP Measures" in the "Overview and Selected Annual Information" section of this MD&A.*

Variability in the Company’s quarterly results is driven primarily by the seasonal operating environment in Canada and fluctuations in oil and natural gas commodity prices. Financial and operating results for the Company’s Canadian oilfield services division are generally strongest during the first and fourth quarters, when the Company’s customers conduct the majority of their drilling programs. Utilization rates typically decline during the second quarter as spring break-up weather conditions hinder mobility of the Company’s equipment in Canada. Oil and natural gas commodity prices ultimately drive the level of exploration and development activities carried out by the Company’s customers and the resulting demand for the oilfield services provided by the Company.

FOURTH QUARTER ANALYSIS

($ thousands, except per share data and operating information)	Three months ended December 31			
	2024	2023	Change	% change
Revenue	**426,515**	430,540	(4,025)	(1)
Adjusted EBITDA [1]	**113,391**	128,998	(15,607)	(12)
Adjusted EBITDA per common share [1]				
Basic	**$0.62**	$0.71	$(0.09)	(13)
Diluted	**$0.62**	$0.70	$(0.08)	(11)
Net (loss) income attributable to common shareholders	**(20,216)**	31,900	(52,116)	nm
Net (loss) income attributable to common shareholders per common share				
Basic	**$(0.11)**	$0.17	$(0.28)	nm
Diluted	**$(0.11)**	$0.17	$(0.28)	nm
Cash provided by operating activities	**148,312**	115,606	32,706	28
Funds flow from operations	**112,574**	110,231	2,343	2
Funds flow from operations per common share				
Basic	**$0.61**	$0.60	$0.01	2
Diluted	**$0.61**	$0.59	$0.02	3
Weighted average common shares - basic *(000s)*	**183,609**	183,612	(3)	—
Weighted average common shares - diluted *(000s)*	**184,455**	184,541	(86)	—
Drilling	**2024**	2023	Change	% change
Operating days [2]				
Canada [3]	**3,494**	3,180	314	10
United States	**2,992**	3,259	(267)	(8)
International [4]	**1,153**	1,330	(177)	(13)
Total	**7,639**	7,769	(130)	(2)
Drilling rig utilization (%)				
Canada [3]	**40.4**	30.1	10.3	34
United States	**42.2**	41.7	0.5	1
International [4]	**40.4**	45.2	(4.8)	(11)
Well Servicing	**2024**	2023	Change	% change
Operating hours				
Canada	**12,596**	10,319	2,277	22
United States	**26,975**	30,186	(3,211)	(11)
Total	**39,571**	40,505	(934)	(2)
Well servicing rig utilization rate (%)				
Canada	**30.4**	23.9	6.5	27
United States	**62.4**	69.8	(7.4)	(11)

nm - calculation not meaningful

[1] See definition of "Non-GAAP Measures" in the "Overview and Selected Annual Information" section of this MD&A.

[2] Defined as contract drilling days, between spud to rig release.

[3] Excludes coring rigs.

[4] Includes workover rigs.

REVENUE AND OILFIELD SERVICES EXPENSE

($ thousands), three months ended December 31	**2024**	2023	Change	*% change*
Revenue				
Canada	**133,661**	117,400	16,261	14
United States	**206,743**	231,683	(24,940)	(11)
International	**86,111**	81,457	4,654	6
Total revenue	**426,515**	430,540	(4,025)	(1)
Oilfield services expense	**300,038**	286,629	13,409	5

The Company recorded revenue of $426.5 million for the three months ended December 31, 2024, a one percent decrease from the $430.5 million recorded in the three months ended December 31, 2023. Drilling operating days for the fourth quarter of 2024 totaled 7,639 days, a two percent decrease from the same quarter in the prior year of 7,769 drilling operating days. The decrease in total revenue during the three months ended December 31, 2024, was primarily due to decrease in operating activity. Offsetting the decline in operating activity, is the positive foreign currency translation.

Depreciation expense totaled $94.0 million for the fourth quarter of 2024 compared with $77.7 million for the fourth quarter of 2023.

General and administrative expense decreased 12 percent to $13.1 million (3.1 percent of revenue) for the fourth quarter of 2024 compared with $14.9 million (3.5 percent of revenue) for the fourth quarter of 2023. The decrease in general and administrative expense in the fourth quarter of 2024 compared with the prior year was offset by the annual salary increase and the negative foreign exchange translation on converting USD denominated general and administrative expense.

OUTSTANDING SHARE DATA

The following common shares and stock options were outstanding as of March 6, 2025:

	Number		Amount ($)
Common shares	184,135,975	$	269,594

	Outstanding	Exercisable
Stock options (exercisable into common shares)	5,230,050	2,315,275

OUTLOOK

Industry Overview

The outlook for oilfield services continues to be generally constructive and supports steady demand for services. Currently, the crude oil over-supply imbalance is reinforcing producer customer discipline. However, crude oil demand remains resilient and relatively low crude oil inventory levels are expected to somewhat offset the oil supply imbalance over the near term. Furthermore, OPEC+ nations continue to monitor the market and moderate supply.

Ongoing conflicts in Ukraine, recent sanctions on Russia and recent developments regarding potential suspension and resolution of the ongoing hostilities in Ukraine, the impact of current and potential future geopolitical developments in the Middle East, and the impact of the new United States administration and resulting global trade implications continue to add uncertainty to the economic outlook and have impacted oil and natural commodity prices over the short-term. As a result, global crude prices have increased in volatility, having declined in the fourth quarter of 2024 but improved early in the first quarter of 2025 with the benchmark price of West Texas Intermediate (“**WTI**”) averaging US $70/bbl in November and December 2024, $76/bbl in January 2025, and $71/bbl in February 2025.

Over the short-term, producers have continued to show capital discipline keeping drilling programs steady in the Company’s United States operating region. Canadian activity showed strength as a result of the completion of the Trans Mountain Pipeline expansion project in May of 2024. Furthermore, the pending activation of the Coastal GasLink Pipeline and several liquefied natural gas (“**LNG**”) projects, including LNG Canada, are expected to support

increased activity in Canada over the medium-to-long term. However, current and potential future trade tariffs between Canada and the United States, including tariffs on crude oil, may impact Canadian activity over the near term.

In the current environment, the Company remains committed to disciplined capital allocation, driving free cash flow generation, and debt repayment. The Company has targeted approximately $200.0 million in debt reduction for 2025. In addition, from the period beginning 2023 to the end of 2025, the Company reaffirms its previously announced targeted debt reduction of approximately $600.0 million. If industry conditions change, these targets may be increased or decreased.

The Company has budgeted maintenance capital expenditures for 2025 of approximately $164.0 million and selective growth and customer funded capital of $8.0 million. The Company continues to consider rig relocation, upgrade, or growth projects in response to customer demand and under appropriate contract terms, which may impact capital expenditures.

Canadian Activity

Canadian activity, representing 29 percent of total revenue in 2024, declined modestly in the fourth quarter of 2024 compared to the third quarter of 2024 as operations encountered the seasonal holiday pause in activity combined with budget exhaustion in December. In the first quarter of 2025, activity in Canada is expected to increase due to positive market conditions over the winter drilling months. However, recent and future trade tariffs imposed between Canada and the United States, including tariffs on crude oil, may impact Canadian activity over the near term.

As March 6, 2025, of our 94 marketed Canadian drilling rigs, approximately 60 percent were engaged under term contracts of various durations. Approximately 50 percent of our contracted rigs have a remaining term of six months or longer, although they may be subject to early termination.

United States Activity

United States activity, representing 50 percent of total revenue in 2024, remained relatively steady in the fourth quarter of 2024 compared to the third quarter of 2024. Activity in the United States is expected to remain steady in the first quarter of 2025 as producers continue to exercise capital discipline.

As of March 6, 2025, of our 77 marketed United States drilling rigs, approximately 51 percent were engaged under term contracts of various durations. Approximately eight percent of our contracted rigs have a remaining term of six months or longer, although they may be subject to early termination.

International Activity

International activity, representing 21 percent of total revenue in 2024, declined in the fourth quarter of 2024 compared to the third quarter of 2024 as one additional rig in Oman went on standby and activity in Australia decreased by three rigs. Partially offsetting the declines was one rig addition in Venezuela. Activity in the Company’s international segment is expected to increase in the first quarter of 2025 as the two rigs in Oman on standby in the fourth quarter of 2024 have recommenced operations.

Activity in the Company's Middle East segment declined by one additional rig going on standby in Oman in the fourth quarter of 2024 compared to the third quarter of 2024. Activity in Oman increased in the first quarter of 2025 as the two rigs, previously on standby, recommenced operations. Currently, the Company has three active rigs in Oman, two rigs active in Bahrain, and two rigs active in Kuwait. Activity in the Company’s Middle East regions is expected to remain steady in 2025.

Activity in Australia declined by three rigs in the fourth quarter of 2024 and is expected to decline in the first quarter of 2025 by one rig to three active rigs. Activity is expected to rebound in the second quarter of 2025 to six active rigs.

Operations in Argentina remain steady at two rigs active in the fourth quarter of 2024. Activity in Argentina is expected to remain steady in the first quarter of 2025. Operations in Venezuela improved in the fourth quarter as the second rig commenced operations. Currently, the Company has two active rigs in Venezuela; however, recently announced changes by the United States administration regarding sanction waivers may negatively impact operations.

As of March 6, 2025, of our 31 marketed international drilling rigs, approximately 45 percent were engaged under term contracts of various durations. Approximately 57 percent of our contracted rigs have a remaining term of six months or longer, although they may be subject to early termination.

CRITICAL ACCOUNTING ESTIMATES

Management is required to make judgments, assumptions and estimates in applying its accounting policies and practices, which have a significant impact on the financial results of the Company. These significant accounting policies involve critical accounting estimates due to complex judgments and assumptions. These estimates, judgments and assumptions are based on the circumstances that exist at the reporting date and may affect the reported amounts of income and expenses during the reporting periods and the carrying amounts of assets, liabilities, accruals, provisions, contingent liabilities, other financial obligations, as well as the determination of fair values.

The critical accounting estimates identified and used by the Company are set out below. Each of the below estimates may have an impact on all of the Company's segments and on various line items in the Company's financial statements. Such estimates can have flow through effects on the Company's financial position and performance as set out in the Company's financial statements. Readers are cautioned that the following list of critical accounting estimates is not exhaustive, and other items may also be affected by estimates and judgments.

Property and Equipment

The estimated useful life, residual value and depreciation methods selected are the Company's best estimate of such and are based on industry practice, historical experience and other applicable factors. These assumptions and estimates are subject to change as more experience is obtained or as general market conditions change, both of which could impact the operations of the Company's property and equipment.

Impairment

For impairment testing, the assessment of facts and circumstances is a subjective process that often involves a number of estimates and is subject to interpretation. An impairment is recognized if the carrying value exceeds the recoverable amount for an asset or cash generating unit ("**CGU**"). Property and equipment are aggregated into CGUs based on their ability to generate separately identifiable and largely independent cash flows. The testing of assets or CGUs for impairment, as well as the assessment of potential impairment reversals, requires that the Company estimate an asset's or CGU's recoverable amount. The estimate of a recoverable amount requires a number of assumptions and estimates, including expected market prices, market supply and demand, margins and discount rates. These assumptions and estimates are subject to change as new information becomes available and changes in any of the assumptions could result in an impairment of an asset's or CGU's carrying value.

Share-based Compensation

Measurement inputs include share price on measurement date, exercise price, expected volatility, expected life, expected dividends and the risk-free interest rate. Significant estimates and assumptions are used in determining the expected volatility based on weighted average historic volatility adjusted for changes expected due to publicly available information, weighted average expected life and expected forfeitures, based on historical experience and general option holder behavior. Changes to the input assumptions could have a significant impact on the share-based compensation liability and expense.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recorded for the effect of any temporary difference between the accounting and income tax basis of an asset or liability, using the substantively enacted income tax rates. Current income taxes for the current and prior periods are measured at the amount expected to be recoverable from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period. The deferred income tax assets and liabilities are adjusted to reflect changes in enacted or substantively enacted income tax rates that are expected to apply, with the corresponding adjustment recognized in net income or in shareholders' equity depending on the item to which the adjustment relates.

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change. As such, income taxes are subject to measurement uncertainty and the interpretations can impact net income through the income tax expense arising from the changes in deferred income tax assets or liabilities.

Allowance for Doubtful Accounts

The Company is subject to credit risk on accounts receivable balances and assesses the recoverability of accounts receivable balances on an ongoing basis. The Company establishes an allowance for estimated losses for uncollectible accounts as circumstances warrant. The allowance is determined based on customer credit risk characteristics and the days past due. Assessing accounts receivable balances for recoverability involves significant judgment and uncertainty, including estimates of future events. Changes in circumstances underlying these estimates may result in adjustments to the allowance for doubtful accounts in future periods.

Functional Currency

The Company determines functional currency based on the primary economic environment in which the entity operates. This includes a number of factors that must be considered by the Company in using its judgment to determine the appropriate functional currency for each entity.

CHANGE IN ACCOUNTING POLICY

IAS 1 Non-current liabilities with covenants

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period.

There has been no material impact to the Company's consolidated financial statements as a result of these amendments.

RECENT ACCOUNTING PRONOUNCEMENTS

There are new accounting standards, amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2025, and have not been applied in preparing the Consolidated Financial Statements for the year ended December 31, 2024. These standards and interpretations did not have a material impact on the Company’s Consolidated Financial Statements or the Company's business.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the preparation of the Company's Consolidated Financial Statements, as well as the general reasonableness of the Company's financial reporting. The Board of Directors is responsible for overseeing management's performance of its financial reporting and internal control responsibilities. The Board of Directors exercises this responsibility with the assistance of the Audit Committee of the Board of Directors.

MANAGEMENT’S REPORT AND DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

The Company's disclosure controls and procedures (**"DC&P"**) have been designed to provide reasonable assurance that all relevant information is identified and communicated to the President & Chief Operating Officer (COO), Chief Financial Officer (CFO), and Board of Directors in order for appropriate and timely decisions regarding public disclosure to be made.

For the year ended December 31, 2024, management conducted an evaluation of the Company's Disclosure Controls and Procedures under the supervision of the President & COO and the CFO. Based on this evaluation, the President & COO and CFO concluded that our DC&P, as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), was effective in ensuring that the information required by Canadian Securities regulatory authorities was recorded, processed, and reported within the prescribed timelines.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management, under the supervision and participation of the Company's President & COO and CFO, is responsible for establishing and maintaining a system of internal controls over financial reporting to provide reasonable assurance that assets are safeguarded, and that reliable financial information is produced for preparation of financial statements in accordance with International Financial Reporting Standards. The assessment has been based on criteria established in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Internal control over financial reporting may not prevent or detect misstatements on a timely manner due to inherent limitations. Furthermore, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become ineffective due to changes in conditions, or that compliance with the policies or procedures may deteriorate.

Management evaluated the Company's ICFR under the supervision of the President & COO and the CFO. Based on this evaluation, the President & COO and CFO concluded that our ICFR, as defined in NI 52-109, was effective as of December 31, 2024. There were no changes in our ICFR during the year ended December 31, 2024, that have materially affected, or are reasonably likely to affect, our ICFR.

RISKS AND UNCERTAINTIES

The Company is subject to several risk factors including, but not limited to, those discussed below. A more comprehensive discussion of risks and uncertainties applicable to the Company is contained in the Company's Annual Information Form for the year ended December 31, 2024 ("**AIF**") as filed and available on SEDAR+ at www.sedarplus.ca. Additional risks and uncertainties not presently known by the Company, or that the Company does not currently anticipate or deem material, may also impair the Company's business operations or financial results. If any of the events described in the following risks actually occur, overall business, operating results and the financial condition of the Company could be materially adversely affected.

Oil and Natural Gas Prices

The most significant factors affecting the overall business of the Company continue to be oil and natural gas commodity prices. Market events and conditions, including global excess of crude oil and natural gas supply, influences commodity prices alongside changes in global demand. The result is volatility in commodity and petroleum product prices and corresponding reductions in industry capital and operating budgets. More recently, while commodity prices had risen based on geopolitical tension and speculation of potential oil supply disruptions, concerns of a global economic recession and steps taken by governments to combat high inflation have put a corresponding downward pressure on oil consumption and commodity prices, resulting in volatility. It is likely that prices will remain volatile in the current geopolitical environment. The overall result could lead to a prolonged period of depressed prices for crude oil and natural gas. Commodity price levels affect the capital expenditure programs of energy exploration and production companies, as the price they receive for the oil and natural gas they produce has a direct impact on the cash flow available to them and the subsequent demand for oilfield services provided by the Company. These market conditions have resulted in, and may continue to result in, a reduction in the demand for, and prices of, oil and natural gas, and an increase in the risk that storage for crude oil and refined petroleum products could reach capacity in certain geographic locations in which the Company operates. A prolonged period of decreased demand for, and prices of, oil and natural gas, and any applicable storage constraints, could result in a decrease in the demand for oilfield services provided by the Company, which could adversely impact the Company's business, financial condition and results of operations. Further to crude oil and natural gas supply/demand fundamentals, weather conditions, government regulations, political and economic environments, pipeline capacity, storage levels and other factors outside of the Company's control continue to influence commodity prices. Demand for the Company's services in the future will continue to be influenced by oil and natural gas commodity prices and the resultant impact on the cash flow of its customers and may not be reflective of historical activity levels.

Additionally, the availability and pricing of alternative sources of energy, a potential shift to lower carbon intensive energy sources or a shift to a lower carbon economy, and technological advances may also depress the overall level of oil and natural gas exploration and production activity, similarly impacting the demand for the Company's services.

Competition and Industry Conditions

The oilfield services industry is, and will continue to be, highly competitive. Contract drilling companies compete primarily on a regional basis and competition may vary significantly from region to region at any particular time. Most drilling and workover contracts are awarded on the basis of competitive bids, which results in price competition. Many drilling, workover and well servicing rigs can be moved from one region to another in response to changes in levels of activity, which can result in an oversupply of rigs in an area. In many markets in which the Company operates, the supply of rigs exceeds the demand for rigs, resulting in further price competition. Certain competitors are present in more than one of the regions in which the Company operates, although no one competitor operates in all of these areas. In Canada, the Company competes with several firms of varying size. In the United States there are many competitors with national, regional or local rig operations. Internationally, there are several competitors in each country where the Company operates and some of those international competitors may be better positioned in certain markets, allowing them to compete more effectively. There is no assurance that the Company will be able to continue to compete successfully or that the level of competition and pressure on pricing will not affect the Company's margins.

The Company's business results and the strength of its financial position are affected by its ability to strategically manage its capital expenditure program in a manner consistent with industry cycles and fluctuations in the demand for its services. If the Company does not effectively manage its capital expenditures or respond to market signals relating to the supply or demand for contract drilling and oilfield services, it could have a material adverse effect on the Company's revenue, operations and financial condition.

Access to Credit Facilities and Debt Capital Markets

The Company and its customers require reasonable access to credit facilities and debt capital markets as an important source of liquidity. Disruptions and volatility in global capital markets as well as other global economic events outside the control of the Company or its customers, may restrict or reduce access to credit facilities and debt capital markets. Tightening credit markets may reduce the funds available to the Company's customers for paying accounts receivable balances and may also result in reduced levels of demand for the Company's services. Additionally, the Company relies on access to credit facilities and debt, along with its reserves of cash and cash flow from operating activities, to meet its obligations and finance operating activities. Both the Company and its customers may be exposed to interest rate risk as fluctuating inflation rates in North America have provided and may continue to provide incentive to implement monetary policy raising interest rates, potentially decreasing access to credit or increasing the cost of credit. At this time, the Company continues to believe it has adequate bank credit facilities to provide liquidity for its operations.

Laws and Regulations

The Company and its customers are subject to numerous laws and regulations governing their operations and the exploration, development and production of oil and natural gas, including environmental regulations. Recent oil and natural gas price volatility and migration to alternative energy sources have had a negative impact on the valuation of oil and natural gas companies and caused a general decrease in confidence in the oil and natural gas industry. These difficulties have been exacerbated in Canada and parts of the United States by political and other actions resulting in uncertainty surrounding regulatory, tax, tariffs, royalty changes and environmental regulation. Existing and expected environmental legislation and regulations may increase the costs associated with providing oilfield services, as the Company may be required to incur additional operating costs or capital expenditures in order to comply with any new requirements. The costs of complying with increased environmental and other regulatory changes in the future, such as royalty regime changes, changes to taxation regimes and changes to international trade agreements (including the implementation of tariffs or other economic sanctions), could have a significant impact on the crude oil and natural gas business in Canada, the United States and other international jurisdictions where we maintain or pursue operations. These factors could lead to a decline in the demand for our services, resulting in a material adverse effect on our revenues, cash flows and earnings. In addition, pipeline and transportation constraints have negatively impacted and may in the future negatively impact profitability of energy producers in Canada and in the United States, as a result of pipeline projects facing governmental and societal resistance, which may have a corresponding impact on demand for the Company's services.

Existing and future environmental and climate change concerns and impacts, including physical impacts to infrastructure, and related laws, regulations, treaties, protocols, policies and other actions, including by investors and activists, could shift demand to relatively lower carbon intensity fossil fuels and energy sources, reduce demand for hydrocarbons and hydrocarbon-based products, increase costs for compliance and maintenance, and have a material impact on the nature of oil and natural gas operations of the Company's customers, which may in turn impact the Company, its operations and financial condition. In addition, concerns about climate change have resulted in a

number of environmental activists and members of the public opposing the continued exploitation and development of fossil fuels.

The overall impact of current market conditions, including potential changes to laws and regulations applicable to the energy industry, potential tariffs or other economic sanctions imposed, and current and future environmental and climate change concerns and impacts, could materially and adversely affect the Company's business, prospects, financial condition, results of operations and cash flows. These risks could also have an adverse effect on the Company's financing costs, access to liquidity and capital, and insurance coverage, and may result in supply chain disruptions.

Foreign Operations

We conduct a portion of our business outside North America, in areas including the Middle East, Australia and South America. We are subject to risks inherent in conducting foreign operations, including, but not limited to, the following unstable governmental regimes; risks of pandemics or other outbreaks of illness, disease or virus; civil and/or labor unrest and strikes; terrorist acts or threats; regulatory uncertainty; loss of revenue; expropriation and nationalization; restrictions on repatriation of income or capital; currency exchange restrictions; contract deprivation; negotiation and/or renegotiation of contracts with government entities; force majeure events; and the potential for trade and economic sanctions or other restrictions to be imposed by the Canadian government or other governments or organizations. To mitigate these risks, the Company seeks to negotiate long-term service contracts for drilling services that ideally include early termination provisions and other clauses for the Company's protection however, there is, and there can be, no assurance that the Company will be effective in mitigating foreign operation risks and such risks could have material adverse impacts on the Company's financial condition and operating results.

If there is a dispute relating to the Company's international operations, it may be subject to the exclusive jurisdiction of foreign courts or arbitration proceedings. In addition, the Company may not be able to file suits against foreign persons or subject them to the jurisdiction of a court in Canada or the United States or be able to enforce judgement or arbitrated awards.

The Company is subject to compliance with certain corrupt practices legislation, which generally prohibit companies from making improper payments to foreign government officials for the purpose of obtaining business. While the Company has developed policies and procedures designed to achieve compliance with applicable international laws, it could be exposed to potential claims, economic sanctions or other restrictions for alleged or actual violations of international laws related to the Company's international operations, including anti-corruption and anti-bribery legislation, trade laws and trade sanctions. Governmental authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for such violations, including injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs, among other things. While the Company cannot accurately predict the impact of any of these factors, if any of those risks materialize, it could have a material adverse effect on the Company's reputation, business, financial condition, results of operations and cash flow.

Foreign Exchange Exposure

The Company's consolidated financial statements are presented in Canadian dollars. Operations in countries outside of Canada result in foreign exchange risk to the Company. The principle foreign exchange risk relates to the conversion of United States dollar-denominated activity to Canadian dollars. The United States/Canadian dollar exchange rate for the year ended December 31, 2024, was approximately 1.37, as compared with 1.35 for the year ended December 31, 2023 and 1.27 for the year ended December 31, 2022. Exchange rates are influenced by several factors, including but not limited to, general economic conditions, governmental policies and economic sanctions or tariffs. In the event that economic sanctions or tariffs are imposed as between Canada and the United States, this may negatively impact the overall economic environment as well as cause significant fluctuations in exchange rates. Fluctuations in future period exchange rates will impact the Canadian dollar equivalent of the results reported by foreign subsidiaries.

Reliance on Key Management and Workforce

The success and growth of the Company is dependent upon its key management personnel. The loss of services of such persons could have a material adverse effect on the business and operations of the Company. While the Company strives to retain employees by providing a high quality working environment, no assurance can be provided that the Company will be able to retain or attract key management members. The unexpected loss of key personnel

or the inability to retain or recruit skilled personnel could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. No assurance can be provided that the Company will be able to retain or attract key management members.

The Company’s operations are also dependent on attracting, developing and maintaining a skilled workforce. During periods of improvements in and/or peak activity levels, or as a result of other economic factors, the Company may be faced with a lack of personnel to operate its equipment. The Company is also faced with the challenge of retaining its most experienced employees during periods of low utilization, while maintaining a cost structure that varies with activity levels. To mitigate these risks, the Company has developed an employee recruitment and training program and continues to focus on creating a work environment that is safe for its employees.

Operating Risks and Insurance

The Company’s operations are subject to risks inherent in the oilfield services industry. These risks include, among others, equipment defects, malfunction and failures, vehicle accidents, equipment shortages, human error, safety incidents, bodily harm, suspension of operations, natural disasters and other catastrophic events, damage to facilities, damage to, or destruction of property, equipment and the environment, among others. These risks could expose the Company to substantial legal liability. The frequency and severity of such incidents will affect the Company's operating costs, insurability and relationships with investors, customers, employees, government regulators and the general public. Where available and cost-effective, the Company carries insurance to cover the risk to its equipment and people, and each year the Company reviews the level of insurance for adequacy. Although the Company believes its level of insurance coverage to be adequate, there can be no assurance that the level of insurance carried by the Company will be sufficient to cover all potential liabilities.

Safety Performance

Our customers place an emphasis on safe operations. Additionally, as a service provider, we are subject to customer safety policies, procedures and requirements, accepted industry safety practices, and health and safety legislation. As a result, we have implemented policies, procedures and systems to promote the safety of our people and operations and foster compliance with these requirements. However, these systems do not guarantee that there will be no safety incidents. If we were to suffer from poor safety performance or a material safety incident was to occur, it may result in liability, increase our costs, reduce the demand for our services, cause reputational damage and have a material adverse effect on our financial condition.

Technology and Cybersecurity

As a result of growing technical demands of resource-related operations, the Company’s ability to meet customer demands is dependent on continuous improvement to the performance and efficiency of existing oilfield services equipment. Competitors may achieve technological advantages over the Company, which could diminish the Company's competitive position and negatively impact the Company's operations and financial results. The successful operation of the Company’s business relies on a wide variety of hardware, software, information systems and network services to function at greater levels of efficiency. As such, there are risks that loss of these services, whether due to cybersecurity attacks or failure of the underlying infrastructure, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. In the event of a cybersecurity incident, the Company's information technology systems could be compromised and, in such event, it could experience disruption of operations, a compromise of safety procedures and business processes, loss or damage to information, and/or unauthorized disclosure of personal information, any of which could have a material adverse effect on the Company's reputation and financial condition, diminish the Company's competitive position and result in legal or regulatory action against the Company.

Seasonality and Weather

The Company’s Canadian oilfield services operations are impacted by weather conditions that hinder the Company’s ability to move heavy equipment. The timing and duration of “spring break-up”, during which time the Company is prohibited from moving heavy equipment on secondary roads, restricts movement of equipment in and out of certain areas, thereby negatively impacting equipment utilization levels. Further, the Company’s activities in certain areas in northern Canada are restricted to winter months when the ground is frozen solid enough to support the Company’s equipment. This seasonality is reflected in the Company’s operating results, as rig utilization is normally at its lowest

during the second and third quarters of the year. The Company continues to mitigate the impact of Canadian weather conditions through expansion into markets not subject to the same seasonality and by working with customers in planning the timing of their drilling programs. In addition, volatility and unpredictability in the weather across all areas of the Company's operations can create additional risk and unpredictability in equipment utilization rates and operating results. The Company's operations and its customer's operations in all jurisdictions may be negatively affected by unpredictable and uncontrollable weather patterns and natural disasters, which could result in increased operating costs (such as insurance), delays or cancellation of operations, any of which could have a material adverse effect on the Company's business and operating results.

Cost Escalation/Suppliers

The Company sources certain key rig components, raw materials, equipment and component parts from a variety of suppliers in Canada, the United States and internationally. The Company's operating costs could increase and become uncompetitive due to inflationary pressures, equipment limitations or other input cost escalations, including as a result of tariffs or economic sanctions that have been threatened to be imposed on Canada and the United States. In addition, supply chain restrictions and disruptions could have a negative impact on the Company's ability to conduct operations and/or increase the cost of its inputs. The Company's inability to control these costs and inputs may impact its operations and profitability and could have an adverse effect the Company's operating results and cash flows.

Impacts of Industry Merger and Acquisition Activity

Merger and acquisition activity in the oil and natural gas exploration and production sector may impact demand for the Company's services as customers focus on reorganizing their business prior to committing funds to exploration and development projects. Further, the acquiring company may have preferred supplier relationships with oilfield service providers other than the Company. The Company itself may engage in merger and acquisition activity which may impact its relationships with its customers, employees and vendors. The actions of a customer following a merger or acquisition of or by that customer, and the Company's inability to retain existing customers or employees of an entity acquired by it, could have a material adverse impact on the Corporation's business, financial condition, results of operations and cash flows.

Litigation, Contingent Liabilities and Potential Unknown Liabilities

From time to time, the Company is subject to the costs and other effects of legal and administrative proceedings, settlements, reviews, claims and actions. The Company may in the future be involved in disputes with other parties which could result in litigation or other actions, proceedings or related matters. Further, there may be unknown liabilities assumed by the Company in relation to prior or future acquisitions or dispositions as well as environmental or tax exposures. The discovery of any material liabilities could have an adverse effect on the Company's financial condition.

The results of litigation or any other proceedings or related matters are difficult to predict. The Company's assessment of the likely outcome of these matters is based on its judgment of a number of factors including past history, precedents, relevant financial and other evidence and facts specific to the matter as known at the time of the assessment. If the results of any material litigation or other proceedings prove to be negative for the Company, they could have an adverse effect on the Company's reputation, operations and financial condition.

The Impacts of Force Majeure Events on the Company's Business

Force majeure events, such as natural disasters, pandemics, terrorism, and political instability, can disrupt the Company's operations, supply chains, and market conditions. These unforeseen events may increase costs, cause delays, result in business interruptions and revenue losses. While demand has normalized and restrictions lifted following the COVID-19 pandemic, possible future pandemics will continue to be a risk. Responses to future pandemics or other force majeure events could negatively impact demand for commodities and commodity prices and negatively impact the Company's business, results of operations and financial condition.

MANAGEMENT'S REPORT

The consolidated financial statements and other information contained in the annual report are the responsibility of the management of the Company. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and are consistently applied, using management's best estimates and judgments, where appropriate.

Preparation of financial statements is an integral part of management's broader responsibilities for the ongoing operations of the Company. Management maintains a system of internal accounting controls to ensure that properly approved transactions are accurately recorded on a timely basis and result in reliable financial statements. The Company's external auditors are appointed by the shareholders. They independently perform the necessary tests of the Company's accounting records and procedures to enable them to express an opinion as to the fairness of the consolidated financial statements, in conformity with International Financial Reporting Standards.

The Audit Committee, which is comprised of independent directors, meets with management and the Company's external auditors to review the consolidated financial statements and reports on them to the Board of Directors. The consolidated financial statements have been approved by the Board of Directors.

"Signed"
Robert H. Geddes
President and Chief Operating Officer

"Signed"
Michael Gray
Chief Financial Officer

March 6, 2025

Independent auditor's report

To the Shareholders of Ensign Energy Services Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Ensign Energy Services Inc. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of (loss) income for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators on property and equipment (valuation) *Refer to note 3 – Material accounting policy information and note 5 – Property and equipment to the consolidated financial statements.* The Company's property and equipment as at December 31, 2024 amounted to $2.3 billion. Property and equipment is reviewed for impairment indicators when events or changes in circumstances indicate that its carrying value may not be recoverable. Management makes judgments to determine if an event has occurred that indicates possible impairment which incorporates an assessment of internal and external factors for each of the Company's cash generating units. Those internal and external factors include earnings before interest, taxes, depreciation and amortization (EBITDA) forecasts, commodity prices, expected industry activity levels and changes in market capitalization. As at December 31, 2024, no indicators of impairment were identified. We considered this a key audit matter due to (1) the significance of the property and equipment balance and (ii) the judgment by management in assessing any indicator of impairment, which led to a high degree of auditor's judgment and subjectivity in performing procedures to evaluate management's assessment.	Our approach to addressing the matter included the following procedures, among others: • Evaluated management's assessment of indicators of impairment, which included the following: – Assessed changes in market capitalization from the prior year, which may indicate a decline in value of the Company's property and equipment. – Assessed management's EBITDA forecasts, commodity prices and expected industry activity levels by considering current and past performance of the Company, external market data and evidence obtained in other areas of the audit, as applicable. – Assessed the completeness of external and internal factors that could be considered as indicators of impairment of the Company's property and equipment, by considering evidence obtained in other areas of the audit.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Asghar.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
March 6, 2025

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	December 31 2024	December 31 2023
(in thousands of Canadian dollars)		
Assets		
Current Assets		
Cash	**$ 28,113**	$ 20,501
Accounts receivable *(Note 19)*	**310,453**	304,544
Inventories, prepaid, investments and other	**50,473**	56,809
Total current assets	**389,039**	381,854
Property and equipment *(Note 5)*	**2,305,985**	2,356,487
Deferred income taxes *(Note 10)*	**215,466**	209,645
Total assets	**$ 2,910,490**	$ 2,947,986
Liabilities		
Current Liabilities		
Accounts payable and accruals *(Note 6)*	**$ 280,627**	$ 231,838
Share-based compensation *(Note 7)*	**8,730**	11,014
Income taxes payable *(Note 10)*	**5,811**	4,176
Current portion of lease obligations (Note 8)	**12,848**	8,346
Current portion of long-term debt *(Note 9)*	**181,929**	110,700
Total current liabilities	**489,945**	366,074
Lease obligations *(Note 8)*	**11,469**	11,589
Long-term debt *(Note 9)*	**869,682**	1,099,649
Share-based compensation *(Note 7)*	**7,952**	6,606
Income tax payable *(Note 10)*	**5,738**	8,809
Deferred income taxes *(Note 10)*	**156,165**	146,497
Total liabilities	**1,540,951**	1,639,224
Shareholders' Equity		
Shareholders' capital *(Note 11)*	**267,987**	267,482
Contributed surplus	**23,354**	23,750
Accumulated other comprehensive income	**336,187**	254,765
Retained earnings	**742,011**	762,765
Total shareholders' equity	**1,369,539**	1,308,762
Total liabilities and shareholders' equity	**$ 2,910,490**	$ 2,947,986

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors:

"Signed"	**"Signed"**
Darlene Haslam	Barth E. Whitham
Chairman of the Audit Committee and Director	Director

CONSOLIDATED STATEMENTS OF (LOSS) INCOME

For the years ended December 31	2024	2023
(in thousands of Canadian dollars, except per share data)		
Revenue *(Note 13)*	**$ 1,684,231**	$ 1,791,767
Expenses		
Oilfield services	**1,176,666**	1,243,558
Depreciation *(Note 5)*	**355,824**	307,343
General and administrative	**57,447**	57,976
Share-based compensation *(Note 7)*	**11,755**	2,344
Foreign exchange and other	**19,451**	3,768
Total expenses	**1,621,143**	1,614,989
Income before interest expense, accretion of deferred financing charges, other gains and income taxes	**63,088**	176,778
Gain on asset sale	**(10,523)**	(6,476)
Interest expense	**97,530**	126,683
Accretion of deferred financing charges	**1,668**	8,872
(Loss) income before income taxes	**(25,587)**	47,699
Income tax expense (recovery) *(Note 10)*		
Current income tax	**3,027**	4,909
Deferred income tax (recovery) expense	**(8,346)**	1,090
Total income tax (recovery) expense	**(5,319)**	5,999
Net (loss) income	**(20,268)**	41,700
Net (loss) income attributable to:		
Common shareholders	**(20,754)**	41,236
Non-controlling interests	**486**	464
	$ (20,268)	$ 41,700
Net (loss) income attributed to common shareholders per common share *(Note 12)*		
Basic	**$ (0.11)**	$ 0.22
Diluted	**$ (0.11)**	$ 0.22

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31		**2024**		2023
(in thousands of Canadian dollars)				
Net (loss) income	**$**	**(20,268)**	$	41,700
Other comprehensive income (loss)				
Item that may be subsequently reclassified to profit or loss				
Foreign currency translation adjustment		**81,422**		(21,288)
Comprehensive income	**$**	**61,154**	$	20,412
Other comprehensive income (loss) attributable to:				
Common shareholders	**$**	**81,422**	$	(21,288)
	$	**81,422**	$	(21,288)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of Canadian dollars)	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
Balance, January 1, 2024	$ 267,482	$ 23,750	$ 254,765	$ 762,765	1,308,762
Net loss attributed to common shareholders	—	—	—	(20,754)	(20,754)
Other comprehensive income	—	—	81,422	—	81,422
Total comprehensive income	—	—	81,422	(20,754)	60,668
Common shares issued under share option plan	838	(559)	—	—	279
Share-based compensation *(Note 7)*	—	2,003	—	—	2,003
Common shares vested previously held in trust *(Note 11)*	1,840	(1,840)	—	—	—
Purchase of common shares held in trust *(Note 11)*	(2,173)	—	—	—	(2,173)
Balance, December 31, 2024	**$ 267,987**	**$ 23,354**	**$ 336,187**	**$ 742,011**	**$ 1,369,539**
Balance, January 1, 2023	267,790	23,398	276,053	721,529	1,288,770
Net income attributed to common shareholders	—	—	—	41,236	41,236
Other comprehensive loss	—	—	(21,288)	—	(21,288)
Total comprehensive income	—	—	(21,288)	41,236	19,948
Common shares issued under share option plan	162	(95)	—	—	67
Share-based compensation *(Note 7)*	—	1,908	—	—	1,908
Common shares vested previously held in trust *(Note 11)*	1,461	(1,461)	—	—	—
Purchase of common shares held in trust *(Note 11)*	(1,931)	—	—	—	(1,931)
Balance, December 31, 2023	$ 267,482	$ 23,750	$ 254,765	$ 762,765	$ 1,308,762

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31	2024	2023
(in thousands of Canadian dollars)		
Cash provided by (used in)		
Operating activities		
Net (loss) income	**$ (20,268)**	$ 41,700
Items not affecting cash		
Depreciation *(Note 5)*	**355,824**	307,343
Share-based compensation, net of cash settlements	**1,325**	(8,136)
Gain on asset sale	**(10,523)**	(6,476)
Unrealized foreign exchange and other	**18,966**	(6,194)
Accretion of deferred financing charges *(Note 9)*	**1,668**	8,872
Interest expense	**97,530**	126,683
Deferred income tax recovery *(Note 10)*	**(8,346)**	1,090
Funds flow from operations	**436,176**	464,882
Net change in non-cash working capital *(Note 17)*	**35,617**	27,635
Cash provided by operating activities	**471,793**	492,517
Investing activities		
Purchase of property and equipment *(Note 5)*	**(178,667)**	(175,841)
Proceeds from disposals of property and equipment	**31,036**	15,132
Distribution to non-controlling interest	**(500)**	—
Net change in non-cash working capital *(Note 17)*	**17,343**	8,081
Cash used in investing activities	**(130,788)**	(152,628)
Financing activities		
Proceeds from long-term debt *(Note 9)*	**95,902**	611,686
Repayments of long-term debt *(Note 9)*	**(340,578)**	(829,308)
Proceeds from the issuance of the Convertible Debentures *(Note 9)*	**25,000**	—
Lease obligation principal repayments *(Note 8)*	**(14,062)**	(14,506)
Interest paid	**(99,036)**	(132,221)
Purchase of common shares held in trust	**(2,173)**	(1,931)
Issuance of common shares under the share option plan	**279**	—
Cash used in financing activities	**(334,668)**	(366,280)
Net increase (decrease) in cash	**6,337**	(26,391)
Effects of foreign exchange on cash	**1,275**	(2,988)
Cash		
Beginning of year	**20,501**	49,880
End of year	**$ 28,113**	$ 20,501

See accompanying notes to the consolidated financial statements.

1. NATURE OF BUSINESS

Ensign Energy Services Inc. is incorporated under the laws of the Province of Alberta, Canada. The address of its registered and head office is 400 – 5th Avenue S.W., Suite 1000, Calgary, Alberta, Canada, T2P 0L6. Ensign Energy Services Inc. and its subsidiaries and partnerships (the "**Company**") provide oilfield services to the oil and natural gas industry in Canada, the United States and internationally.

2. BASIS OF PRESENTATION

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These consolidated financial statements were approved by the Company's Board of Directors on March 6, 2025, after review by the Company's Audit Committee.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Measurement basis

These consolidated financial statements have been prepared on an historical cost basis, except as discussed in the material accounting policy information below.

(b) Basis of consolidation

These consolidated financial statements include the accounts of Ensign Energy Services Inc. and its subsidiaries and partnerships, substantially all of which are wholly owned and controlled. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Intercompany balances and transactions, including unrealized gains or losses between subsidiaries and partnerships are eliminated on consolidation.

(c) Non-controlling interest

Non-controlling interests are investments in which the Company holds less than a 100 percent interest. These investments are initially measured at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable assets. The investment is increased or decreased by the non-controlling interest's share of subsequent changes in net income (loss) and comprehensive income (loss), as well as dividends or cash disbursements paid to the investors. A change in the ownership interests that does not result in a loss of control is accounted for as an adjustment to equity, unless the investment is required to be classified as a liability.

For non-wholly owned subsidiaries, interests held by external parties that the Company consolidates are shown as non-controlling interest and are included in total net income (loss) and total other comprehensive income (loss). These interests are classified as a liability on the statement of financial position as the non-wholly owned subsidiary's shares are required to be redeemed for cash on a fixed or determinable date.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash and cash equivalents with maturities of three months or less or convertible to cash on demand without penalty.

(e) Inventories

Inventories, comprised of spare equipment parts and consumables, are recorded at the lower of cost and net realizable value. Cost is determined on a specific item basis.

(f) Property and equipment

Property and equipment is initially recorded at cost. Costs associated with equipment upgrades that result in increased capabilities or performance enhancements of property and equipment are capitalized. Costs incurred to repair or maintain property and equipment are expensed as incurred. Property and equipment is subsequently carried at cost less accumulated depreciation and write-downs and is derecognized on disposal or when there is no future economic benefit expected from its use or disposal. Gains or losses on derecognition of property and equipment are recognized in net income.

Depreciation is based on the estimated useful lives of the assets as follows:

Asset Class	Expected Life	Method	Residual
Oilfield services equipment			
Drawworks, mast and substructure	up to 25 years	Straight-line	10 %
Building and electrical	up to 15 years	Straight-line	10 %
Mud pumps and mud systems	up to 15 years	Straight-line	10 %
Blow out preventer and boilers	up to 15 years	Straight-line	10 %
Top drives	up to 15 years	Straight-line	10 %
Drill pipe	up to 6 years	Straight-line	10 %
Recertification	up to 5 years	Straight-line	— %
Service rig equipment	up to 25 years	Straight-line	10 %
Heavy oilfield service equipment	3 - 15 years	Straight-line	10 %
Drilling rig spare equipment	up to 10 years	Straight-line	— %
Buildings	up to 20 years	Straight-line	— %
Automotive equipment	up to 3 years	Straight-line	10 %
Office furniture	5 - 10 years	Straight-line	— %

The calculation of depreciation includes assumptions related to useful lives and residual values. The assumptions are based on experience with similar assets and are subject to change as new information becomes available.

Property and equipment is reviewed for impairment indicators when events or changes in circumstances indicate that its carrying value may not be recoverable. The Company's operations and business environment are routinely monitored, and judgment and assessments are made to determine if an event has occurred that indicates possible impairment.

If indicators of impairment exist, the recoverable amount of the asset or cash-generating unit ("**CGU**") is estimated. If the carrying value of the asset or CGU exceeds the recoverable amount, the asset or CGU is written down to its recoverable amount. The recoverable amount of an asset or CGU is the greater of its fair value less costs to dispose and value-in-use. Value-in-use is determined as the amount of estimated risk-adjusted discounted future cash flows.

(g) Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries and businesses by the Company at the date control of the business is obtained. The cost of the business combination is measured as the aggregate of the fair value at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date.

(h) Revenue recognition

Revenue from oilfield services is generally earned based upon service orders or contracts with a customer that include fixed or determinable prices based upon daily, hourly or job rates. Revenue is recognized when services are performed and have been accepted by the customer, and collectability is reasonably assured. The consideration for services rendered is measured at the fair value of the consideration received and allocated based on their standalone selling prices. The standalone selling prices are determined based on the agreed upon list prices at which the Company sells its services in separate transactions. Payment terms with customers vary by country and contract. Standard payment terms are 30 days from invoice date. Customer contract terms do not include provisions for significant post-service delivery obligations.

The Company does not expect to have any revenue contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. The Company does not incur material costs to obtain contracts with customers and consequently, does not recognize any contract assets. The Company does not have any contract liabilities associated with its customer contracts.

(i) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars which is the Company's functional currency. Financial statements of the Company's United States and international subsidiaries have a functional currency different from Canadian dollars and are translated to Canadian dollars using the exchange rate in effect at the year-end date for all assets and liabilities, and at average rates of exchange during the year for revenues and expenses. All changes resulting from these translation adjustments are recognized in other comprehensive income (loss).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of income (loss).

(j) Borrowing costs

Interest and borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. Qualifying assets are those which take a substantial period of time to prepare for their intended use. Capitalization ceases when substantially all activities necessary to prepare the qualifying asset for its intended use are complete. All other interest is recognized in the consolidated statements of Income (loss) in the period in which it is incurred.

(k) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively

enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(l) Leases

The Company leases various offices and vehicles. Rental contracts are typically made for fixed periods of 12 months to 3 years but may have extension options as described below.

Contracts for leases or real estate may contain both lease and non-lease components. For such leases the Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. The Company does not have leases that contain variable payment terms.

At inception, the Company assesses whether a contract contains a lease. This assessment involves the exercise of judgement about whether it depends on a specific asset, whether the Company obtains substantially all the economic benefits from the use of asset, and whether the Company has the right to direct the use of the asset.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the group under residual value guarantees,
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined the Company's incremental borrowing rate is used which is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The recognized right-of-use assets relate to the following types of assets and is included in the property and equipment amount. Information regarding the right-of-use assets is included in Note 8.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are typically recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets is comprised of IT equipment.

Extension and termination options are included in some property leases across the Company.

(m) Share-based compensation

The Company has an employee share option plan or equivalent that provides all option holders the right to elect to receive either common shares or a direct cash payment in exchange for the options exercised.

The Company has other cash-settled share-based compensation plans. Cash-settled share-based compensation plans are recognized as compensation expense over the vesting period using fair values with a corresponding increase or decrease in liabilities. The liability is remeasured at each reporting date and at the settlement date. Any changes in the fair value of the liability are recognized as share-based compensation expense in the statement of income. The fair value is determined using the Black-Scholes option pricing model.

The Company has established a Performance Share Units ("**PSU**") incentive plan measured at the fair value when granted using the volume weighted average of the Company's stock price for the ten day period preceding the reporting date, as well as certain performance factors assessed by management and subject to a two percent cap based on certain financial performance metrics. The fair value is re-measured at each reporting date.

The Company has a share savings plan for certain Canadian based employees, as well as a program whereby a portion of the retainer paid to Directors is in the form of common shares of the Company. In all cases, any common shares acquired for such plans are purchased in the open market and administered through trusts until the shares are vested. The share purchase price is considered the fair value.

(n) Financial instruments

(i) Classification

The Company classifies its financial assets in the following measurement categories:
i. Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
ii. Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the rights to

receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its financial assets:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other gains and losses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains or losses and impairment expenses are presented as separate line item in profit or loss.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains or losses in the period in which it arises.

(o) Government subsidies

The Company receives or is eligible for government subsidies. Government subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to the subsidy and the subsidy will be received. Government subsidies related to current expenses are recorded as a reduction of the related expenses.

(p) Critical judgments and accounting estimates

Preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the most critical estimates and assumptions used in determining the value of assets and liabilities:

Allowance for doubtful accounts

The Company establishes an allowance for estimated losses for uncollectible accounts. The allowance is determined based on customer credit-worthiness, current economic trends and past experience. Information regarding the allowance for doubtful accounts is included in Note 19.

Property and equipment

The calculation of depreciation includes assumptions related to useful lives and residual values. Assumptions are based on experience with similar assets and is subject to change as new information becomes available. In addition, assessing for impairment requires estimates and assumptions.

Assets are grouped into CGUs based on separately identifiable and largely independent cash inflows and are used for impairment testing. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of market prices, market supply and demand, margins, and discount rates. Information regarding property and equipment is included in Note 5.

Share-based compensation

Measurement inputs include share price on measurement date, exercise price, expected volatility, weighted average expected life, expected dividends, and risk-free interest rate. Significant estimates and assumptions are used in determining the expected volatility based on weighted average historic volatility adjusted for changes expected due to publicly available information, weighted average expected life and expected forfeitures, based on historical experience and general option-holder behavior. Changes to input assumptions will impact share-based compensation liability and expense. Information regarding share-based compensation is included in Note 7.

Income taxes

The Company is subject to income taxes in a number of tax jurisdictions. The amount expected to be settled and the actual outcome and tax rates can change over time, depending on the facts and circumstances. Changes to these assumptions will impact income tax and the deferred tax provision. Information regarding income taxes is included in Note 10.

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Functional currency

The Company determines functional currency based on the primary economic environment in which the entity operates. This includes a number of factors that must be considered by the Company in using its judgment to determine the appropriate functional currency for each entity. These factors include currency of revenue contracts and currency that mainly influences operating, financing and investing activities. Information regarding the specific functional currencies by Subsidiaries and Partnerships is included in Note 19.

Impairments

Assessing for indicators of possible impairment requires judgment in the assessment of facts and circumstances and is a subjective process that often involves a number of estimates. Consideration is given to internal and external factors, such as, earnings before interest, taxes depreciation and amortization forecasts, commodity prices, expected industry activity levels and changes in market capitalization. Information regarding management's impairment indicator assessment is included in Note 5.

Deferred income tax assets

The recognition of deferred tax assets is based on judgments about future taxable profits.

(q) Changes in accounting policies and new standards and interpretations not yet adopted

Changes in accounting policies

IAS 1 Non-current liabilities with covenants

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period.

There have been no material impact to the Company's consolidated financial statements as a result of these amendments.

New standards and interpretations not yet adopted.

IFRS 18 Presentation and Disclosure in Financial Statements

On April 9, 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements, which aims to improve how companies communicate their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is effective January 1, 2027. The Company is in the process of assessing the impact that the standard will have on its financial statements.

4. FOREIGN OPERATIONS

The Company provides oilfield services throughout much of North America and internationally in a number of onshore drilling areas. The Company’s foreign operations, with the general exception of operations in the United States and Australia, are subject to a number of risks and uncertainties such as unstable government regimes, civil and/or labor unrest, strikes, terrorist threats, regulatory uncertainty and complex commercial arrangements.

The Company’s operations in Venezuela and Argentina are subject to certain restrictions with respect to the transfer of funds into or out of such countries; however, such restrictions are not considered significant to the Company at this time due to the relatively small size of the operations and certain contractual provisions that have been put in place designed to protect the Company. As such the Company is exposed to insignificant foreign exchange risks.

5. PROPERTY AND EQUIPMENT

	Rig and related equipment	Automotive and other equipment	Land and buildings	Total
Cost:				
Balance at December 31, 2022	$ 5,806,545	$ 135,762	$ 103,473	$ 6,045,780
Additions	170,780	4,679	382	175,841
Additions of leased assets	—	19,061	—	19,061
Disposals	(30,077)	(5,683)	(4,653)	(40,413)
Asset decommissioning [1]	(285,440)	(325)	—	(285,765)
Effects of foreign exchange	(91,659)	(3,612)	(1,076)	(96,347)
Balance at December 31, 2023	5,570,149	149,882	98,126	5,818,157
Additions	176,734	1,933	—	178,667
Additions of leased assets	5,865	10,306	661	16,832
Disposals	(137,209)	(8,163)	(17,413)	(162,785)
Asset decommissioning [1]	(226,796)	(4,983)	—	(231,779)
Effects of foreign exchange	302,427	8,255	3,956	314,638
Balance at December 31, 2024	**$ 5,691,170**	**$ 157,230**	**$ 85,330**	**$ 5,933,730**
Accumulated depreciation				
Balance at December 31, 2022	(3,370,363)	(121,210)	(37,284)	$ (3,528,857)
Depreciation	(301,786)	(2,556)	(3,001)	(307,343)
Disposals	27,531	2,699	1,527	31,757
Asset decommissioning [1]	285,440	325	—	285,765
Effects of foreign exchange	53,911	2,657	440	57,008
Balance at December 31, 2023	(3,305,267)	(118,085)	(38,318)	(3,461,670)
Depreciation	(337,948)	(15,075)	(2,801)	(355,824)
Disposals	128,441	6,670	7,161	142,272
Asset decommissioning [1]	226,796	4,983	—	231,779
Effects of foreign exchange	(176,346)	(5,750)	(2,206)	(184,302)
Balance at December 31, 2024	**$ (3,464,324)**	**$ (127,257)**	**$ (36,164)**	**$ (3,627,745)**
Net book value:				
At December 31, 2023	$ 2,264,882	$ 31,797	$ 59,808	$ 2,356,487
At December 31, 2024	**$ 2,226,846**	**$ 29,973**	**$ 49,166**	**$ 2,305,985**

[1] Relates to end of life equipment that has been fully depreciated.

Property and equipment include equipment under construction of $33,910 (2023 - $31,070) that has not yet been subject to depreciation.

For year ended December 31, 2024, leased asset depreciation was $6,329 (2023 - $5,978) which is included with total depreciation of $355,824 (2023 - $307,343).

Asset decommissioning

During 2024, the Company's Canadian operations moved 23 under-utilized drilling rigs into the reserve fleet, and decommissioned 21 non-marketed drilling rigs and four well servicing rigs respectively. In the Company's United States operations, six under-utilized drilling rigs were moved into the reserve fleet, and 11 non-marketed drilling rigs were decommissioned. In the Company's international operations one under-utilized drilling rigs was moved into the reserve fleet and six non-marketed drilling rigs were decommissioned. All decommissioned drilling and well servicing rigs were fully depreciated.

Impairment

As at December 31, 2024, management performed an impairment indicator analysis, incorporating an assessment of internal and external factors for each of the Company's CGUs. From the assessment performed, management did not identify any indicators of impairment.

6. ACCOUNTS PAYABLE AND ACCRUALS

	December 31 2024	December 31 2023
Trade payables	**$ 165,395**	$ 114,574
Accrued liabilities	**39,552**	43,215
Accrued payroll	**56,840**	49,414
Interest payable	**2,877**	4,315
Deferred revenue	**12,943**	16,291
Other liabilities	**3,020**	4,029
	$ 280,627	$ 231,838

7. SHARE-BASED COMPENSATION

Share option plan

The Company has an employee share option plan that provides all option holders the right to elect to receive either common shares or a direct cash payment in exchange for the options exercised. The Company may grant options to its employees exercisable for up to 14,452,435 common shares (2023 - 14,780,785). The options' exercise price equals the market price of the common shares on the date of grant. Share options that are granted vest evenly over a period of five years.

The total intrinsic value of the liability for vested benefits at December 31, 2024 was $3,902 (2023 - $3,121).

A summary of the Company's share option plan as of December 31, 2024 and 2023 and the changes during the years then ended, is presented below:

	2024		2023	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding – January 1	4,722,460	$ 2.54	4,287,410	$ 2.57
Granted	1,568,500	2.43	1,626,000	3.94
Exercised for common shares	(328,350)	0.85	(52,600)	1.28
Exercised for cash	(541,310)	0.75	(102,070)	1.20
Forfeited	(90,700)	2.97	(283,405)	3.37
Expired	(73,150)	0.54	(752,875)	5.69
Outstanding - December 31	**5,257,450**	**$ 2.82**	4,722,460	$ 2.54
Exercisable - December 31	**2,342,695**	**$ 2.71**	2,017,495	$ 1.97

The weighted average share price at the date of exercise of options in 2024 was $2.90 per common share (2023 - $3.09).

The following table lists the options outstanding at December 31, 2024:

Exercise Price	Options Outstanding	Average vesting remaining (in years)	Weighted average exercise price	Options exercisable	Weighted average exercise price
$1.56 to $2.00	875,225	1.00	$ 1.56	642,320	$ 1.56
$2.01 to $3.00	2,860,725	3.08	2.60	1,091,775	2.70
$3.01 to $3.94	1,521,500	3.00	3.94	608,600	3.94
	5,257,450	2.70	$ 2.82	2,342,695	$ 2.71

The assumptions used to estimate the fair value of employee share options as at December 31, 2024 were:

	December 31 2024	December 31 2023
Remaining expected life (years)	**2.6**	2.6
Volatility (percent)	**40.0**	40.0
Forfeiture rate (percent)	**7.3**	7.5
Risk-free interest rate (percent)	**2.9**	3.7

The expected volatility is determined based on the weighted average historical prices for the Company's common shares. The forfeiture rate is estimated based on historical experience and general option holder behavior.

Share Appreciation Rights (SARs)

The Company has granted share appreciation rights ("**SARs**") to certain employees that entitle the employee to a cash payment. The amount of the cash payment is determined based on the increase in the common share price of the Company between grant date and exercise date. Grants under the plan vest evenly over a period of five years.

A summary of the Company's SARs plan as of December 31, 2024 and 2023 and the changes during the years ended, is presented below:

	2024		2023	
	Number of SARs	Weighted average exercise price	Number of SARs	Weighted average exercise price
Outstanding – January 1	489,775	$ 2.42	448,215	$ 2.47
Granted	171,500	2.43	153,000	3.94
Exercised	(77,100)	0.92	(25,725)	1.34
Forfeited	—	—	(500)	2.80
Expired	(29,830)	0.54	(85,215)	5.69
Outstanding - December 31	**554,345**	**$ 2.74**	489,775	$ 2.42
Exercisable - December 31	**244,865**	**$ 2.60**	209,957	$ 1.86

The following table lists the SARs outstanding at December 31, 2024:

Exercise Price	Outstanding SARs	Average vesting remaining (in years)	Weighted average exercise price	SARs exercisable	Weighted average exercise price
$1.56 to $2.00	118,345	1.00	$ 1.56	86,065	$ 1.56
$2.01 to $3.00	283,000	3.20	2.58	97,600	2.68
$3.01 to $3.94	153,000	3.00	3.94	61,200	3.94
	554,345	2.67	$ 2.74	244,865	$ 2.60

Performance Share Units (PSUs)

The Company grants Performance Share Units (PSUs) to certain officers and employees of the Company to participate in the growth and development of the Company and to promote further alignment of interests between employees and the shareholders. PSUs are subject to the Company's performance metrics assessed by management with a three year performance period. Each PSU granted permits the holder to receive a cash payment equal to the fair market value of a share as of the maturity date, adjusted by a certain performance factor.

A summary of the activity under this incentive plan is presented below:

	2024	2023
Outstanding – January 1	**6,837,703**	7,256,905
Granted	**1,916,476**	1,530,738
Vested and paid	**(3,661,121)**	(1,949,940)
Outstanding - December 31	**5,093,058**	6,837,703

Included in net earnings for the year ended December 31, 2024, is an expense of $5,534 (2023 - $3,734). This was calculated using the trailing ten day volume weighted average share price of the Company's common shares, as the PSUs have no exercise price, adjusted for performance factors. Any aggregate payout amounts with respect to PSUs following maturity is subject to a cap of the Adjusted EBITDA in the final year of the term of applicable PSU award.

Deferred Share Units (DSUs)

The Company awards units annually to members of the Board of Directors who elect DSUs. DSUs represent cash settled rights to common shares. The valuation on the DSUs is based on the volume weighted average trading price of the common share for the five business days immediately prior to the date the DSUs are credited. DSUs vest and are paid upon the retirement of the Director.

A summary of the activity under this incentive plan is presented below:

	2024	2023
Outstanding – January 1	**1,393,669**	1,308,327
Granted	**169,375**	183,815
Released	**(291,656)**	(98,473)
Outstanding - December 31	**1,271,388**	1,393,669

8. LEASE OBLIGATIONS

The Consolidated Statements of Financial Position shows the following amounts relating to leases:

	December 31 2024	December 31 2023
Right-of-use assets		
Properties	**$ 6,716**	$ 7,415
Vehicles and equipment	**33,191**	25,785
	$ 39,907	$ 33,200
Lease liabilities		
Current	**$ 12,848**	$ 8,346
Non-current (expire from time to time up to 2029)	**11,469**	11,589
	$ 24,317	$ 19,935

The following table sets out a movement of lease obligations for the periods presented:

	2024	2023
Opening balance	**$ 19,935**	$ 17,272
Additions	**16,832**	19,061
Lease obligation principal repayments	**(14,062)**	(14,506)
Foreign exchange adjustments	**1,612**	(1,892)
Closing balance	**24,317**	19,935
Less: current portion	**12,848**	8,346
Closing balance - non-current portion	**$ 11,469**	$ 11,589

9. LONG-TERM DEBT

	December 31 2024	December 31 2023
Drawings on the Credit Facility	**$ 771,229**	$ 845,935
Term Facility	**258,300**	369,000
Subordinated convertible debentures, due January 31, 2029, 7,50%	**25,000**	—
Unamortized deferred financing costs	**(2,918)**	(4,586)
Total debt	**1,051,611**	1,210,349
Less: current portion	**(181,929)**	(110,700)
Total long-term debt	**$ 869,682**	$ 1,099,649

The Credit Facility and Term Facility

As at December 31, 2024, the Company's Credit Facility (the "**Credit Facility**") consists of a revolving secured facility and a Term Credit Facility ("**Term Facility**"). The Credit Facility may be drawn in Canadian or United States dollars, up to the equivalent value of $775,000 Canadian dollars (2023 - $900,000). The Term Facility provides the Company with an amortized three-year $258,300 loan (2023 - $369,000).

The interest rate on the US dollar borrowings from the Credit Facility, at the option of the Company, either a margin over a US base rate or a margin over SOFR. The interest rate on Canadian dollar borrowings from the Credit Facility at the option of the Company, either a margin over a Canadian prime rate or a margin over a Canadian Overnight Repo Rate Average ("**CORRA**") rate. Interest is incurred on the Term Facility based on a margin over the CORRA rate.

On October 13, 2023, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provides a revolving Credit Facility and $369,000 Term Facility. The amendments include an extension to the maturity date of the now $775,000 Credit Facility to the earlier of (i) the date that is six months prior to the earliest maturity of any future Senior Notes, and (ii) October 13, 2026. The amended and restated Credit Facility includes a reduction of the facility of $75,000 by the end of the second quarter of 2025. The final size of the amended and restated Credit Facility will then be $700,000.

The Term Facility requires repayments of at least $27,675 each quarter beginning in the first quarter of 2024 to the fourth quarter 2025; and then repayments of at least $36,900 each quarter from the first quarter 2026 to the fourth quarter 2026.

The amended and restated Credit Facility provides the Company with continued access to revolver capacity in a dynamic industry environment.

The Credit Facility has the following financial covenant requirements, whereby Consolidated EBITDA and Interest expense are determined on a trailing twelve-month basis:

- A Consolidated Net Debt (defined below) to Consolidated EBITDA ratio as at the end of each fiscal quarter shall not exceed 4.00:1.00, provided that in any fiscal quarter in which material acquisition is completed, the Consolidated Net Debt to Consolidated EBITDA ratio as at the end of such fiscal quarter and the next fiscal quarter shall not exceed 4.50:1.00 and 4.00:1.00 for each fiscal quarter thereafter.
- The Consolidated EBITDA to Consolidated Interest expense as at the end of each fiscal quarter shall not be less than 2.50:1.00.
- The Consolidated Net Senior Debt (defined below) to Consolidated EBITDA ratio shall not exceed 2.50:1.00, provided that in any fiscal quarter in which a material acquisition is completed, the Consolidated Net Senior Debt to Consolidated EBITDA ratio as at the end of such fiscal quarter and the next fiscal quarter shall not exceed 3.00:1.00 and 2.50:1.00 for each fiscal quarter thereafter.

Consolidated Net Debt is defined as consolidated total debt, less cash and cash equivalent. Consolidated Net Senior Debt is defined as total debt less subordinated debt, cash and cash equivalent.

As at December 31, 2024, the Company was in compliance with all covenants related to the Credit Facility.

Subordinate Convertible Debentures

On December 31, 2024, the Company issued a non-brokered private placement of an unsecured, subordinated convertible debentures (**"Convertible Debentures"**) for aggregate gross proceeds of $25,000. The Convertible Debentures bear interest from the date of closing at 7.5% per annum, payable semi-annually in arrears, on April 1 and October 1 each year. The Convertible Debentures will mature on January 31, 2029 and have a conversion price of $3.50 per common share.

If, on and after March 31, 2028, the closing price of the Company's common shares on the Toronto Stock Exchange exceeds 125% of the Conversion Price for at least 30 consecutive trading days, the Convertible Debentures may be redeemed by the Company for cash on a pro rata basis, in whole or in part from time to time, on not more than 90 days and not less than 60 days prior notice, at a redemption price equal to the outstanding principal amount of the Convertible Debentures plus accrued and unpaid interest thereon (if any), up to, but excluding, the date of redemption.

The liability component of the Convertible Debentures was recognized initially at the fair value and revalued quarterly using a similar liability that does not have an equity conversion option, which was calculated based on an estimated market interest rate of 7.6%.

There was no material difference between the principal amount of the Convertible Debentures and the fair value of the liability component.

Letter of Credit Facilities

On June 26, 2024, the Company amended and restated its existing credit agreement with its syndicate of lenders to include a US $50,000 secured Letter of Credit Facility. Furthermore, the Company finalized a US $25,000 unsecured Letter of Credit Facility in the third quarter of 2024. As of December 31, 2024, the available amount under the Letter of Credit Facilities was US $21,817.

Long-term debt continuity

The following table sets out an analysis of long-term debts and the movements in the long-term debt for the periods presented:

		2024		2023
Opening balance	**$**	**1,210,349**	$	1,439,575
Proceeds from long-term debt		**95,902**		611,686
Repayments of long-term debt		**(340,578)**		(829,308)
Convertible debentures issuance		**25,000**		—
Deferred financing on amended debt facilities		**—**		(5,003)
Accretion of deferred financing charges		**1,668**		8,872
Foreign exchange adjustments		**59,270**		(15,473)
Ending balance		**1,051,611**		1,210,349
Less: current portion		**(181,929)**		(110,700)
Closing balance - non-current portion	**$**	**869,682**	$	1,099,649

10. INCOME TAXES

Analysis of deferred tax asset:

		December 31 2024		December 31 2023
Property and equipment	**$**	**(307,435)**	$	(358,009)
Share-based compensation		**5,156**		3,964
Non-capital losses (expire from 2034 to 2042)		**336,540**		407,748
Other including restricted interest and financing expense		**25,040**		9,445
Net deferred tax asset	**$**	**59,301**	$	63,148

Movement of deferred tax asset:

		December 31 2024		December 31 2023
Opening deferred tax asset	**$**	**63,148**	$	61,513
Deferred tax recovery (expense)		**8,346**		(1,090)
Foreign exchange impact		**(12,193)**		2,725
Net deferred tax asset	**$**	**59,301**	$	63,148

The provision for income taxes is different from the expected provision for income taxes using combined Canadian federal and provincial income tax rates for the following reasons:

For the years ended	December 31 2024	December 31 2023
(Loss) income before income taxes	**$ (25,587)**	$ 47,699
Income tax rate	**23.8 %**	23.9 %
Expected income tax (recovery) expense	**(6,090)**	11,400
Increase (decrease) from:		
Effective tax rate on foreign operations	**(2,032)**	(7,262)
Non-deductible expenses	**5,513**	771
Withholding taxes and other	**1,674**	5,216
Functional currency translation adjustment and true up	**(4,384)**	(4,103)
Rate change impact on deferred taxes	**—**	(23)
Income tax (recovery) expense	**$ (5,319)**	$ 5,999

The Company is within the scope of the Organization and Economic Co-operation and Development (“the **OECD**") Pillar Two model rules.

Canada formally enacted the Global Minimum Tax ACT (**"GMTA"**) on June 20, 2024 to include a Domestic Minimum Top-up Tax (**"DMTT"**) and Income Inclusion Rule (**"IRR"**). Draft legislation regarding the implementation of the Undertaxed Profits Rule (**"UTPR"**) was released on August 12, 2024 for public consultation but no further announcements have been made.

The DMTT and IIR come into effect for the years commencing January 1, 2024. Under the new rules the Company is liable to pay a top-up tax for the difference between their Global Anti-Base Erosion Proposal (“**GloBE**”) effective tax rate per jurisdiction and the 15% minimum rate.

We have conducted a review of all entities within the Company structure and determined that all entities have an effective tax rate that exceeds 15% or alternatively meet one of the permanent or transitional safe harbour rules.

11. SHAREHOLDERS' CAPITAL

(a) Authorized

Unlimited common shares, no par value
Unlimited preferred shares, no par value, issuable in series

(b) Issued, fully paid and outstanding

	2024		2023	
	Number of common shares	Amount	Number of common shares	Amount
Opening balance – January 1	183,426,577	$ 267,482	183,459,123	$ 267,790
Shares issued under employee stock option plan	328,350	838	52,600	162
Changes in unvested shares held in trust	(266,832)	(332)	(85,146)	(470)
Closing balance - December 31	**183,488,095**	**$ 267,987**	**183,426,577**	**$ 267,482**

The total number of unvested shares held in trust for share-based compensation plans as at December 31, 2024 was 1,206,985 (December 31, 2023 – 940,153).

12. NET (LOSS) INCOME PER COMMON SHARE

Basic net (loss) income per common share is calculated by dividing net (loss) income by the weighted average number of common shares outstanding during the period.

Diluted net (loss) income per common share is calculated by dividing net (loss) income by the weighted average number of common shares outstanding during the period adjusted for the conversion of all potentially dilutive common shares. Diluted net (loss) income is calculated using the treasury share method, which assumes that all outstanding share options are exercised, if dilutive, and the assumed proceeds are used to purchase the common shares at the average market price during the period.

	December 31 2024	December 31 2023
Net (loss) income attributable to common shareholders:		
Basic and diluted	**$ (20,754)**	$ 41,236
Weighted average number of common shares outstanding:		
Basic	**183,969,265**	183,878,295
Potentially dilutive share-based compensation plans	**654,948**	1,170,562
Diluted	**184,624,213**	185,048,857

Share options of 4,382,225 (2023 – 2,908,625) were excluded from the calculation of diluted weighted average number of common shares outstanding as they were anti-dilutive.

13. SEGMENTED INFORMATION

The Company determines its operating segments based on internal information regularly reviewed by management to allocate resources and assess performance. Oilfield services are provided in Canada, the United States and internationally. The amounts related to each geographic area are as follows:

As at and for the year ended December 31, 2024	Canada	United States	International	Total
Revenue	496,521	839,928	347,782	1,684,231
Depreciation	84,352	216,298	55,174	355,824
Income before interest expense, accretion of deferred financing charges, other gains and income taxes	43,991	4,680	14,417	63,088
Total assets	878,036	1,442,632	589,822	2,910,490
Total liabilities	882,273	596,713	61,965	1,540,951
Purchase of property & equipment, net of proceeds	37,395	79,694	30,542	147,631

As at and for the year ended December 31, 2023	Canada	United States	International	Total
Revenue	446,393	1,040,764	304,610	1,791,767
Depreciation	74,321	187,919	45,103	307,343
Income before interest expense, accretion of deferred financing charges, other gains and income taxes	54,489	99,417	22,872	176,778
Total assets	909,755	1,432,389	605,842	2,947,986
Total liabilities	1,021,304	550,836	67,084	1,639,224
Purchase of property & equipment, net of proceeds	32,411	103,961	24,337	160,709

For the years ended December 31	2024	2023
Rig rental revenue	**$ 1,257,250**	$ 1,393,439
Service revenue	**426,981**	398,328
Total revenue	**$ 1,684,231**	$ 1,791,767

There are no material differences in the basis of accounting or the measurement of loss in assets and liabilities between the Company and reported segment information, except that certain inter-company liabilities and equity are offset with the assets of the appropriate related segment. Revenues and expenses are attributed to geographical areas based on the location in which the services are rendered. The segment presentation of assets and liabilities is based on the geographical location of the assets.

During the year ended December 31, 2024, the Company had one customer that represented 10 percent or more of the Company's revenue (2023: no customers).

14. EXPENSES BY NATURE

	December 31 2024	December 31 2023
Salaries, wages and benefits	**$ 925,820**	$ 983,305
Share-based compensation	**11,755**	2,344
Total employee costs	**937,575**	985,649
Depreciation	**355,824**	307,343
Purchased materials, supplies and services	**308,293**	318,229
Foreign exchange and other gain (loss)	**19,451**	3,768
Total expenses before interest expense, accretion of deferred financing charges, other gains and income taxes	**$ 1,621,143**	$ 1,614,989

15. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS

Key management personnel comprise of the Company’s directors and named executive officers. Compensation for key management personnel consists of the following:

	December 31 2024	December 31 2023
Short-term compensation	**$ 7,425**	$ 6,554
Share-based compensation	**580**	603
Total management compensation	**$ 8,005**	$ 7,157

The Convertible Debenture issued on December 31, 2024, included $20.8 million issued to management and directors of the Company.

16. SIGNIFICANT SUBSIDIARIES

The following table lists the Company's principal operating subsidiaries, the functional currency, the jurisdiction of formation, incorporation or continuance of such partnerships and subsidiaries and the percentage of shares owned, directly or indirectly, by the Company as of December 31, 2024:

Name of subsidiary	Functional currency	Jurisdiction of formation incorporation or continuance	Percentage ownership of shares beneficially owned or controlled directly or indirectly by the company	
			2024	2023
Ensign Drilling Inc.	CAD	Canada	100	100
Ensign Argentina S.A.	USD	Argentina	100	100
Ensign de Venezuela C.A.	USD	Venezuela	100	100
Ensign Australia Pty Limited	AUD	Australia	100	100
Ensign International Energy Services LLC	USD	Oman	70	70
Ensign (Barbados) Holdings Inc.	USD	Barbados	100	100
Ensign United States Drilling Inc.	USD	United States	100	100
Ensign United States Drilling (California) Inc.	USD	United States	100	100
Ensign US Southern Drilling LLC	USD	United States	100	100
Ensign Bahrain Drilling WLL	USD	Bahrain	100	100
TDL Kuwait For Oil Rigs and Natural Gas	USD	Kuwait	100	100
OFS Global Inc.	USD	United States	100	100

17. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Non-cash working capital

	December 31 2024	December 31 2023
Net change in non-cash working capital		
Accounts receivable	**$ 9,334**	$ 62,784
Inventories, prepaid, investments and other	**10,412**	2,122
Accounts payable and accruals	**35,654**	(18,886)
Income taxes payable	**(2,440)**	(10,304)
	$ 52,960	$ 35,716
Relating to:		
Operating activities	**$ 35,617**	$ 27,635
Investing activities	**17,343**	8,081
	$ 52,960	$ 35,716

18. CAPITAL MANAGEMENT STRATEGY

The Company's objectives when managing capital are to exercise financial discipline and to deliver positive returns to its shareholders. The Company continues to be cognizant of the challenges associated with operating in a cyclical and commodity-based industry and may make future adjustments to its capital management strategy in light of changing economic conditions.

The Company considers its capital structure to include shareholders' equity, the Credit and Term Facilities and the Convertible Debentures. In order to maintain or adjust its capital structure, the Company may from time to time adjust its capital spending or dividend policy to manage the level of its borrowings or may revise the terms of its bank credit facilities to support future growth initiatives. The Company may consider additional long-term

borrowings or equity financing if deemed necessary. As at December 31, 2024, the Credit Facility's drawings totaled $771,229 (2023 - $845,935), Term Facility totaled $258,300 (2023 - $369,000), Convertible Debentures totaled $25,000 (2023 - $nil) and shareholders' equity totaled $1,369,539 (2023 - $1,308,762).

The Company is subject to externally imposed capital requirements associated with its Credit Facility, including financial covenants that incorporate shareholders' equity, earnings, consolidated interest expense and level of indebtedness. The Company monitors its compliance with these requirements on an ongoing basis and projects future operating cash flows, capital expenditure levels and dividend payments to assess how these activities may impact compliance in future periods.

19. FINANCIAL INSTRUMENTS

Categories of financial instruments

The classification and measurement of financial instruments is presented below:

Cash, accounts receivable, investments and income tax receivable are classified as financial assets at amortized cost.

Accounts payable and accruals, income tax payable, lease obligation and long-term debt are classified as financial liabilities at amortized cost.

Fair values

The fair value of cash, accounts receivable, investments income tax receivable and payable, accounts payable and accruals approximates their carrying value due to the short-term maturity of these financial instruments. The fair value of the drawings on the bank credit facilities and lease obligations approximates its carrying value.

Financial assets and liabilities recorded or disclosed at fair value in the Consolidated Statements of Financial Position are categorized using a three-level hierarchy that reflects the level of judgment associated with the inputs used to measure their fair value. The fair values of financial assets and liabilities included in Level 1 are determined by reference to unadjusted quoted prices in active markets for identical assets and liabilities. Fair values of financial assets and liabilities in Level 2 are based on inputs other than Level 1 quoted prices that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices). The fair values in Level 3 financial assets and liabilities are not based on observable market data.

The estimated fair value of the investment was based on the closing market price on the date of valuation. The investment is a level 1 in the fair value hierarchy.

The following table summarizes the carrying value of the certain Company's financial assets and liabilities as compared with their respective fair values:

As at	**December 31 2024**		December 31 2023	
(in thousands of Canadian dollars)	**Fair value**	**Carrying value**	Fair Value	Carrying value
Financial assets at fair value through profit or loss:				
Investments	**3,242**	**3,242**	4,913	4,913
Financial liabilities recorded at amortized cost:				
Convertible Debentures	**25,000**	**25,000**	—	—
Lease obligations	**24,317**	**24,317**	19,935	19,935

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's accounts receivable balances owing from customers operating primarily in the oil and natural gas industry in Canada, the United States and internationally. The carrying amount of accounts receivable represents the maximum credit exposure as at December 31, 2024.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowances for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2024, or December 31, 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the receivables.

On that basis, the loss allowance as at December 31, 2024 and December 31, 2023 was determined as follows for trade receivables:

As at December 31, 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	2.0 %	3.3 %	11.4 %	26.8 %	
Gross carrying amount [1]	144,760	88,048	17,451	33,625	283,884
Loss allowances	2,895	2,906	1,989	9,007	16,797

As at December 31, 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	2.0 %	3.0 %	11.0 %	26.9 %	
Gross carrying amount [1]	138,045	81,353	22,414	29,915	271,727
Loss allowances	2,761	2,441	2,466	8,053	15,721

[1] Gross carrying amount excludes unbilled revenue and other receivables of $43,366 for year ended December 31, 2024 (2023 - $48,538)

As part of the Company's international operations, it provides oilfield services in Venezuela pursuant to contractual agreements which have recently restarted. As at December 31, 2024, the Company had accounts receivable of approximately $8,679 for work performed pursuant to these contracts in Venezuela. Though the Company has a history of collecting accounts receivable in Venezuela, due to the continuing political unrest in that country as well as government-imposed sanctions that restrict the Company's activities in and related to Venezuela, there can be no assurance that the Company will be successful in collecting all of such accounts receivable outstanding.

The loss allowance for trade receivables as at December 31, 2024 reconcile to the opening loss allowances as follows:

		2024		2023
Opening balance - January 1	**$**	**15,721**	$	15,460
Increase in loss allowance recognized in profit or loss		**—**		543
Receivables written off as uncollectible		**102**		—
Effect of movement in exchange rates		**974**		(282)
Closing balance - December 31		**16,797**	$	15,721

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of debtor to engage in a repayment plan with the Company, and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company manages liquidity by forecasting cash flows on an annual basis and secures sufficient credit facilities to meet financing requirements that exceed anticipated internally generated funds.

On October 13, 2023, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provided a revolving Credit Facility and a three-year $369,000 Term Facility. The amendments include an extension to the maturity date of the now $775,000 Credit Facility to the earlier of (i) the date that is six months prior to the earliest maturity of any future Senior Notes, and (ii) October 13, 2026. The Credit Facility includes a reduction of the facility of $75,000 at the end of the second quarter of 2025. The final size of the Credit Facility will then be $700,000.

The Term Facility requires repayments of at least $27,675 each quarter beginning in the first quarter of 2024 to the fourth quarter 2025; and then repayments of at least $36,900 each quarter from the first quarter 2026 to the third quarter 2026.

On December 31, 2024, the Company issued Convertible Debentures for aggregate gross proceeds of $25,000. The Convertible Debentures bear interest from the date of closing at 7.5% per annum, payable semi-annually in arrears, on April 1 and October 1 each year. The Convertible Debentures will mature on January 31, 2029, and have a conversion price of $3.50 per common share.

The amended and restated Credit Facility provides the Company with continued access to revolver capacity in a dynamic industry environment.

Maturity information regarding the principal and interest on the Company's long-term debt are as follows:

As at December 31, 2024	< 1 Year [2]	1-3 Years [2]	4-5 Years	Total
Term Facility [1]	$ 127,677	$ 154,805	$ —	$ 282,482
Credit Facility[1]	126,367	736,342	—	862,709
Convertible Debentures	1,875	5,625	25,159	32,659
Lease obligations	16,238	11,796	—	28,034
Total	$ 272,157	$ 908,568	$ 25,159	$ 1,205,884

As at December 31, 2023	< 1 Year [2]	1-3 Years [2]	4-5 Years	Total
Term Facility [1]	$ 141,608	$ 288,247	$ —	$ 429,855
Credit Facility [1]	67,300	965,782	—	1,033,082
Lease obligations	9,057	12,028	278	21,363
Total	$ 217,965	$ 1,266,057	$ 278	$ 1,484,300

[1] Interest on the bank credit facilities is calculated based on the amount drawn at December 31, 2024 and the applicable bankers' acceptance, SOFR or CORRA interest rates outstanding as at December 31, 2024. USD denominated balances are converted using the foreign exchange rate as of December 31, 2024.

[2] Includes interest of $68,301 for the less than one year and $52,878 for the 1-3 year terms respectively (2023 - $98,920 and $150,473 respectively).

Market risk

Market risk is the risk that changes in market rates and prices, such as interest rates and foreign exchange rates, will affect the Company's net income or the value of its financial instruments.

Interest rate risk

The Company is exposed to interest rate risk with respect to its bank credit facilities which bear interest at floating market rates. For the year ended December 31, 2024, if interest rates applicable to its bank credit facilities had been 0.25 percent higher or lower, with all other variables held constant, income before income taxes would have been $1,928 lower or higher.

Foreign currency exchange rate risk

Foreign currency exchange rate risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company has largely hedged its exposure to foreign exchange risk through the Credit Facility which is largely denominated in USD. Translation related risks are therefore not included in the assessment of the Company's exposure to currency risks.

Translation exposures arise from financial and non-financial items held by an entity (for example, a subsidiary) with a functional currency different from the Company's presentation currency. However, foreign currency denominated inter-company receivables and payables which do not form part of a net investment in a foreign operation would be included in the sensitivity analysis for foreign currency risks, because even though the balances eliminate in the consolidated balance sheet, the effect on profit or loss of their revaluation under IAS 21 is not fully eliminated.

At December 31, 2024, had the Canadian dollar weakened or strengthened by $0.01 against the United States dollar, with all other variables held constant, the Company's loss before income taxes would have been $4,900 higher or lower.

Share Trading Summary

For the three months ended (Unaudited)	High ($)	Low ($)	Close ($)	Volume	Value ($)
2024					
March 31	**2.80**	**2.01**	**2.59**	**15,252,361**	**34,855,159**
June 30	**2.80**	**2.10**	**2.28**	**13,554,450**	**32,348,147**
September 30	**2.71**	**2.18**	**2.65**	**14,815,731**	**36,217,975**
December 31	**3.19**	**2.48**	**2.98**	**15,627,559**	**44,818,520**
Total				**59,250,101**	**148,239,801**

For the three months ended (Unaudited)	High ($)	Low ($)	Close ($)	Volume	Value ($)
2023					
March 31	4.10	2.87	3.04	26,306,265	**91,764,194**
June 30	3.30	1.77	1.89	22,488,278	**51,270,816**
September 30	3.78	1.85	3.26	30,225,153	**90,279,497**
December 31	3.27	1.94	2.17	26,316,144	**63,361,237**
Total				105,335,840	296,675,744

10 Year Financial information

(Unaudited - $ thousands, except per share data)	2024	2023	2022	2021	2020
Revenue	1,684,231	1,791,767	1,577,329	995,594	936,818
Gross margin	507,565	548,209	422,246	251,399	278,617
Gross margin % of revenue	30.1 %	30.6 %	26.8 %	25.3 %	29.7 %
Adjusted EBITDA	450,118	490,233	373,618	213,173	241,525
Depreciation	355,824	307,343	281,137	288,188	374,705
Net (loss) income attributable to common shareholders	(20,754)	41,236	8,128	(159,475)	(79,329)
Net (loss) income per common share					
Basic	$(0.11)	$0.22	$0.05	$(0.98)	$(0.49)
Diluted	$(0.11)	$0.22	$0.05	$(0.98)	$(0.49)
Funds from operations	436,176	464,882	371,956	190,695	210,265
Funds from operations per common share					
Basic	$2.37	$2.53	$2.12	$1.17	$1.30
Diluted	$2.36	$2.51	$2.11	$1.17	$1.30
Net capital expenditures, excluding acquisitions	147,631	160,709	126,849	175,952	18,413
Acquisitions	—	—	—	—	31,885
Working capital (deficit)	(100,906)	15,780	(707,800)	104,228	103,036
Total debt	1,051,611	1,210,349	1,439,575	1,453,884	1,384,605
Shareholders' equity	1,369,539	1,308,762	1,288,770	1,192,662	1,365,024
Return on average shareholders' equity	(1.5)%	3.2 %	0.6 %	(13.4)%	(5.8)%
Total debt to equity	0.77:1	0.92:1	1.12:1	1.22:1	1.01:1
Weighted avg. common shares outstanding - basic	183,969,265	183,878,295	175,578,024	162,541,464	161,667,010
Closing share price - December 31	$2.98	$2.17	$3.41	$1.67	$0.91

10 Year Financial information

(Unaudited - $ thousands, except per share data)	2019	2018	2017	2016	2015
Revenue	1,591,338	1,156,283	1,000,650	859,702	1,390,978
Gross margin	457,010	301,007	240,950	237,676	395,953
Gross margin % of revenue	28.7 %	26.0 %	24.1 %	27.6 %	28.5 %
Adjusted EBITDA	412,468	256,828	201,784	185,173	329,010
Depreciation	363,144	415,036	325,811	349,947	335,513
Net (loss) income attributed to common shareholders	(162,905)	58,302	(37,644)	(150,522)	(104,049)
Net (loss) income per common share					
Basic	$(1.02)	$0.37	$(0.24)	$(0.99)	$(0.68)
Diluted	$(1.02)	$0.37	$(0.24)	$(0.98)	$(0.68)
Funds from operations	372,234	277,624	141,438	170,651	296,273
Funds from operations per common share					
Basic	$2.33	$1.77	$0.90	$1.12	$1.94
Diluted	$2.33	$1.77	$0.90	$1.11	$1.94
Net capital expenditures, excluding acquisitions	96,009	73,296	117,712	29,120	159,033
Acquisitions	—	320,341	—	—	—
Working capital (deficit)	131,107	(156,223)	(342,199)	(11,153)	144,239
Total debt	1,581,529	1,716,964	739,933	717,459	794,109
Shareholders' equity	1,462,022	1,790,683	1,689,376	1,832,489	2,086,596
Return on average shareholders' equity	(11.1)%	3.3 %	(2.2)%	(8.2)%	(5.0)%
Total debt to equity	1.08:1	0.96:1	0.44:1	0.39:1	0.38:1
Weighted avg. common shares outstanding - basic	159,598,788	156,862,920	156,545,624	152,759,973	152,476,615
Closing share price - December 31	$2.85	$4.79	$6.47	$9.38	$7.38

CORPORATE INFORMATION

BOARD OF DIRECTORS

N. MURRAY EDWARDS
Corporate Director and Investor

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Ensign Energy Services Inc.

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Senior Vice President, MNP Ltd.

GARY CASSWELL [2, 4]
Independent Businessperson

DARLENE HASLAM [1, 4]
Independent Businessperson

JAMES B. HOWE [1, 3]
President, Bragg Creek Financial Consultants Ltd.

LEN O. KANGAS [2, 4]
Independent Businessperson

CARY A. MOOMJIAN, JR [2, 3]
President, CAM OilServ Advisors LLC

KARL A. RUUD [2, 4]
Independent Businessperson

BARTH WHITHAM [1, 3]
President and CEO,
Enduring Resources LLC

CORPORATE MANAGEMENT

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President and Chief Operating Officer

MICHAEL GRAY
Chief Financial Officer

MICHAEL NUSS
Executive Vice President, US

ELDON CULSHAW
Vice President, Canada

BRENT CONWAY
Executive Vice President, International

AHMED IQBAL
Vice President, Corporate Controller

TREVOR RUSSELL
Vice President, Finance

JONATHAN BASKEYFIELD
Vice President, Tax

PATRICK KEARLEY
Vice President, Global HSE & Field Training

CATHY ROBINSON
Vice President, Global Human

RICK PINGEL
Vice President, Global Supply Chain

JAKE HAMDAN
Vice President, Engineering

RON TOLTON
Vice President, IT

JUSTIN LOUIE
Corporate Secretary and General Counsel

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Bank of Montreal

STOCK EXCHANGE LISTING

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AUDITORS

PricewaterhouseCoopers LLP

TRANSFER AGENT

Computershare Trust Company of Canada

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