ENSIGN®

2025 Q1

FIRST QUARTER REPORT For the three months ended March 31, 2025

FINANCIAL AND OPERATING HIGHLIGHTS

(Unaudited in thousands of Canadian dollars, except per common share data and operating information)

Three months ended March 31	**2025**	2024	% change
Revenue	**436,511**	431,307	1
Adjusted EBITDA [1]	**102,383**	117,456	(13)
Adjusted EBITDA per common share [1]			
Basic	**$0.56**	$0.64	(13)
Diluted	**$0.55**	$0.64	(14)
Net income (loss) attributable to common shareholders	**3,685**	(1,217)	nm
Net income (loss) attributable to common shareholders per common share			
Basic	**$0.02**	$(0.01)	nm
Diluted	**$0.02**	$(0.01)	nm
Cash provided by operating activities	**54,291**	93,878	(42)
Funds flow from operations	**96,591**	108,438	(11)
Funds flow from operations per common share			
Basic	**$0.53**	$0.59	(10)
Diluted	**$0.52**	$0.59	(13)
Total debt, net of cash	**1,010,894**	1,176,226	(14)
Weighted average common shares - basic *(000s)*	**183,972**	183,794	—
Weighted average common shares - diluted *(000s)*	**184,667**	184,510	—

Drilling	**2025**	2024	% change
Number of marketed rigs			
Canada [2]	**89**	94	(5)
United States	**70**	77	(9)
International [3]	**27**	31	(13)
Total	**186**	202	(8)
Operating days [4]			
Canada [2]	**4,003**	3,752	7
United States	**2,772**	3,134	(12)
International [3]	**1,149**	1,319	(13)
Total	**7,924**	8,205	(3)

Well Servicing	**2025**	2024	% change
Number of rigs			
Canada	**41**	45	(9)
United States	**47**	47	—
Total	**88**	92	(4)
Operating hours			
Canada	**12,337**	11,926	3
United States	**24,182**	26,251	(8)
Total	**36,519**	38,177	(4)

nm - calculation not meaningful

[1] *Adjusted EBITDA, Adjusted EBITDA per common share are not measures that have any standardized meaning prescribed by IFRS Accounting Standards (**"IFRS"**) and accordingly, may not be comparable to similar measures used by other companies. Non-GAAP measures are defined in the Non-GAAP Measures section.*

[2] *Excludes coring rigs.*

[3] *Includes workover rigs.*

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

FINANCIAL POSITION AND CAPITAL EXPENDITURES HIGHLIGHTS

As at ($ thousands)	**March 31 2025**	March 31 2024	December 31 2024
Working capital (deficit) [1]	**(97,996)**	39,414	(100,906)
Cash	**16,666**	39,108	28,113
Total debt, net of cash	**1,010,894**	1,176,226	1,023,498
Total assets	**2,856,953**	2,982,714	2,910,490
Total debt to total debt plus equity ratio	**0.43**	0.48	0.43

[1] *See Non-GAAP Measures section.*

		Three months ended March 31	
($ thousands)	**2025**	2024	% change
Capital expenditures			
Upgrade/growth	**2,970**	1,770	68
Maintenance	**35,666**	52,999	(33)
Proceeds from disposals of property and equipment	**(1,773)**	(3,271)	(46)
Net capital expenditures	**36,863**	51,498	(28)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("**MD&A**") for Ensign Energy Services Inc. and all of its subsidiaries and partnerships ("Ensign" or the "Company") should be read in conjunction with the unaudited interim consolidated financial statements for the three months ended March 31, 2025, as well as the audited consolidated financial statements and notes thereto for the year ended December 31, 2024, which are available on SEDAR+ at www.sedarplus.ca.

The interim consolidated financial statements and comparative information have been prepared in accordance with and comply with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). The interim financial statements comply with IAS 34 Interim Financial Reporting and do not include all of the information required for annual financial statements. All financial measures presented in this MD&A are expressed in Canadian dollars unless otherwise indicated and are stated in thousands, except for: per common share amounts, number of rigs and operating days/hours. This MD&A was approved by the Company's Board of Directors on May 9, 2025, after review by the Company's Audit Committee.

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.

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 imposition of global tariffs and 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.

Readers are cautioned that the lists of important factors contained herein are not exhaustive. For additional information on these and other factors that could affect the Company's business, operations or financial condition, refer to the "Risks and Uncertainties" section of this MD&A and the "Risk Factors" section of the Company's Annual Information Form for the year ended December 31, 2024 available on SEDAR+ at www.sedarplus.ca.

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 measure from which they are derived or to which they are compared.

Adjusted EBITDA

Adjusted EBITDA is 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 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 to relate to its core drilling and well services business. Adjusted EBITDA is not intended to represent net income as calculated in accordance with IFRS.

ADJUSTED EBITDA	Three months ended March 31	
($ thousands)	**2025**	2024
Income (loss) before income taxes	**4,307**	(4,658)
Add-back/(deduct):		
Interest expense	**20,501**	26,480
Accretion of deferred financing charges	**417**	417
Depreciation	**81,893**	88,253
Gain on asset sale	**(1,225)**	(1,745)
Share-based compensation	**(1,611)**	3,825
Foreign exchange and other	**(1,899)**	4,884
Adjusted EBITDA	**102,383**	117,456

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. Consolidated EBITDA is calculated on a rolling twelve-month basis.

Working Capital

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

OVERVIEW

Revenue for the three months ended March 31, 2025, was $436.5 million, an increase of one percent from revenue for the three months ended March 31, 2024, of $431.3 million. Adjusted EBITDA totaled $102.4 million ($0.56 per common share) in the first quarter of 2025, 13 percent lower than Adjusted EBITDA of $117.5 million ($0.64 per common share) in the first quarter of 2024.

Net income attributable to common shareholders for the three months ended March 31, 2025, was $3.7 million ($0.02 per common share), compared with net loss attributable to common shareholders of $1.2 million ($0.01 per common share) for the three months ended March 31, 2024.

Funds flow from operations decreased 11 percent to $96.6 million ($0.53 per common share) in the first quarter of 2025 compared with $108.4 million ($0.59 per common share) in the first quarter of the prior year.

The oilfield services sector maintains a generally constructive outlook despite a year-over-year activity decline in some operating regions. Depressed natural gas prices and significant oil and natural gas merger and acquisition ("M&A") activity in 2024 decreased drilling programs in the United States. Furthermore, geopolitical tensions and global trade uncertainties have kept activity in the United States subdued and reinforced customer capital discipline. Shifts in the United States trade policies under the new administration, including tariffs are further clouding the global economic outlook and pressuring commodity prices. Additionally, OPEC+ nations easing voluntary production cuts has increased crude supply, further depressing crude oil prices.

Currently, geopolitical tensions, hostilities in areas of the Middle East, and the ongoing Russia-Ukraine conflict, and global trade policy changes continue to impact global commodity prices and add uncertainty to the outlook for crude oil supply and commodity prices over the short-term.

The Company's operating days were lower in the first quarter of 2025 when compared with the first quarter of 2024 as operations were negatively impacted by the above-mentioned uncertainty in the global economy and volatility in the crude oil and natural gas commodity pricing.

The average United States dollar exchange rate was $1.44 for the first three months of 2025 (2024 - $1.35), six percent higher than the first quarter of 2024.

Working capital deficit at March 31, 2025, was $98.0 million compared to $100.9 million at December 31, 2024. The working capital deficit is the result of the current portion of long-term debt. At the end of the first quarter of 2025, the Company's available liquidity, consisting of cash and available borrowings revolving credit facility (the "**Credit Facility**"), totaled $17.2 million compared with $31.9 million at December 31, 2024.

REVENUE AND OILFIELD SERVICES EXPENSE

	Three months ended March 31			
($ thousands)	**2025**	2024	Change	% change
Revenue				
Canada	**152,031**	138,478	13,553	10
United States	**205,806**	208,435	(2,629)	(1)
International	**78,674**	84,394	(5,720)	(7)
Total revenue	**436,511**	431,307	5,204	1
Oilfield services expense	**319,102**	298,790	20,312	7

Revenue for the three months ended March 31, 2025, totaled $436.5 million, an increase of one percent from the first quarter of 2024 of $431.3 million.

The increase in total revenue during the first quarter of 2025 was primarily due to the six percent positive foreign exchange translation of converting USD denominated revenue. Offsetting the increase is the overall lower operating activity.

CANADIAN OILFIELD SERVICES

The Company recorded revenue of $152.0 million in Canada for the three months ended March 31, 2025, an increase of 10 percent from $138.5 million recorded for the three months ended March 31, 2024. Canadian revenues accounted for 35 percent of the Company's total revenue in the first quarter of 2025 (2024 - 32 percent).

The financial results for the Company's Canadian operations for the first quarter 2025 were higher as a result of increased operating activity and revenue rates. Our Canadian operations continue to see growth following the completion of the Trans Mountain Pipeline expansion in May 2024.

For the three months ended March 31, 2025, the Company recorded 4,003 drilling days compared to 3,752 drilling days for the three months ended March 31, 2024, an increase of seven percent. Well servicing hours increased by three percent to 12,337 operating hours in the first quarter of 2025 compared with 11,926 operating hours in the corresponding period of 2024.

During the first quarter of 2025, the Company transferred five under-utilized Canadian drilling rigs into its operations reserve fleet.

UNITED STATES OILFIELD SERVICES

During the three months ended March 31, 2025, revenue of $205.8 million was recorded by the Company's United States operations, a decrease of one percent from the $208.4 million recorded in the corresponding period of the prior year. The United States operations accounted for 47 percent of the Company's revenue in the first quarter of 2025 (2024 - 48 percent).

Drilling days decreased by 12 percent to 2,772 drilling days in the first quarter of 2024 from 3,134 drilling days in the first quarter of 2024. Well servicing hours decreased by eight percent in the first quarter of 2025 to 24,182 operating hours from 26,251 operating hours in the first quarter of 2024.

Operating and financial results for the Company’s United States operations were impacted by the uncertainty over the global economy, the volatility in the crude oil and natural gas commodity pricing, customer capital discipline and one time expenses related to the reactivation and deactivation of drilling rigs. Offsetting the decline is the six percent positive USD translation difference.

During the first quarter of 2025, the Company transferred seven under-utilized United States drilling rigs into its operations reserve fleet.

INTERNATIONAL OILFIELD SERVICES

The Company’s international operations recorded revenue of $78.7 million in the first quarter of 2025, a seven percent decrease from the $84.4 million recorded in the corresponding period of the prior year. The Company's international operations contributed 18 percent of the Company's total revenue in the first quarter of 2025 (2024 - 20 percent).

For the three months ended March 31, 2025, international operating days totaled 1,149 operating days compared with 1,319 days for the three months ended March 31, 2024, a decrease of 13 percent.

Operating and financial results from international operations declined as a result of rigs coming off contract. Offsetting the decline is the six percent positive USD translation difference.

During the first quarter of 2025, the Company transferred four under-utilized international drilling rigs into its operations reserve fleet.

DEPRECIATION

		Three months ended March 31		
($ thousands)	**2025**	2024	Change	% change
Depreciation	**81,893**	88,253	(6,360)	(7)

Depreciation totaled $81.9 million for the first quarter of 2025 compared to $88.3 million for the first quarter of 2024. The decrease in depreciation is due to certain operating assets having become fully depreciated in which case no further depreciation expense will be incurred on such assets. Offsetting the decrease is the negative six percent translation effect on converting depreciation on USD denominated assets.

GENERAL AND ADMINISTRATIVE

		Three months ended March 31		
($ thousands)	**2025**	2024	Change	% change
General and administrative	**15,026**	15,061	(35)	—
% of revenue	**3.4**	3.5		

General and administrative expenses remained generally flat at $15.0 million (3.4 percent of revenue) for the first quarter of 2025 compared to $15.1 million (3.5 percent of revenue) for the first quarter of 2024. General and administrative expenses decreased due to non-recurring fees incurred in the prior year. Offsetting the decrease is the annual wage increases and the negative six percent translation effect of converting USD denominated expenses.

FOREIGN EXCHANGE AND OTHER

		Three months ended March 31		
($ thousands)	**2025**	2024	Change	% change
Foreign exchange and other	**(1,899)**	4,884	(6,783)	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. In addition, during the first quarter of 2025 the Company received $1.8 million in premium from foreign exchange financial instruments.

INTEREST EXPENSE

		Three months ended March 31		
($ thousands)	**2025**	2024	Change	% change
Interest expense	**20,501**	26,480	(5,979)	(23)

Interest expense was incurred on the Company's Credit and Term Facilities, Convertible Debentures (defined below), capital leases and other obligations.

Interest expense decreased by $6.0 million in the first quarter of 2025 compared to the same period in 2024 as a result of lower debt levels and effective interest rates. Offsetting the decrease is the negative six percent translation effect on converting USD denominated interest expense.

INCOME TAX (RECOVERY)

		Three months ended March 31		
($ thousands)	**2025**	2024	Change	% change
Current income tax	**1,415**	1,154	261	23
Deferred income recovery	**(1,006)**	(4,771)	3,765	(79)
Total income tax (recovery)	**409**	(3,617)	4,026	nm
Effective income tax rate (%)	**9.5**	77.7		

nm - calculation not meaningful

FUNDS FLOW FROM OPERATIONS AND WORKING CAPITAL

		Three months ended March 31		
($ thousands, except per common share data)	**2025**	2024	Change	% change
Cash provided by operating activities	**54,291**	93,878	(39,587)	(42)
Funds flow from operations	**96,591**	108,438	(11,847)	(11)
Funds flow from operations per common share	**$0.53**	$0.59	(0.06)	(10)
Working capital [1]	**(97,996)**	(100,906)	2,910	(3)

[1] *Comparative figure as of December 31, 2024*

For the three months ended March 31, 2025, the Company generated funds flow from operations of $96.6 million ($0.53 per common share), a decrease of 11 percent from $108.4 million ($0.59 per common share) for the three months ended March 31, 2024. The decrease in funds flow from operations in 2025 compared to 2024 is largely due to the decrease in activity compared to the prior period. Offsetting the decrease is the positive six percent translation effect on converting USD denominated earnings.

As at March 31, 2025, the Company's working capital deficit was $98.0 million, compared to $100.9 million at December 31, 2024. The decrease to the working capital deficit is the result of utilizing funds flow from operations to reduce the Company's accounts payable and accrued liabilities. Offsetting this reduction is the increase to the current portion of long-term debt.

The Company's existing bank facility provides for total borrowings of $775.0 million of which $0.6 million was undrawn and available at March 31, 2025 (December 31, 2024 - $3.8 million).

INVESTING ACTIVITIES

		Three months ended March 31		
($ thousands)	**2025**	2024	Change	% change
Purchase of property and equipment	**(38,636)**	(54,769)	16,133	(29)
Proceeds from disposals of property and equipment	**1,773**	3,271	(1,498)	(46)
Net change in non-cash working capital	**19,706**	17,796	1,910	11
Cash used in investing activities	**(17,157)**	(33,702)	16,545	(49)

Net purchases of property and equipment for the first quarter of 2025 totaled $36.9 million (2024 - net purchases of $51.5 million). The purchase of property and equipment for the first three months of 2024 consists of $35.7 million in maintenance capital and $3.0 million in upgrade capital.

FINANCING ACTIVITIES

	Three months ended March 31			
($ thousands)	**2025**	2024	Change	% change
Proceeds from long-term debt	**9,756**	43,474	(33,718)	(78)
Repayments of long-term debt	**(32,992)**	(54,898)	21,906	(40)
Lease obligations principal repayments	**(4,492)**	(2,287)	(2,205)	96
Purchase of common shares held in trust	**(552)**	(582)	30	(5)
Issuance of common shares under the share option plan	**—**	48	(48)	nm
Interest paid	**(20,197)**	(27,503)	7,306	(27)
Cash used in financing activities	**(48,477)**	(41,748)	(6,729)	16

nm - calculation not meaningful

As at March 31, 2025, the amount of available borrowings under the Credit Facility was $0.6 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 $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 $25.0 million by the end of the second quarter of 2025, $25.0 million by the end of the third quarter of 2025 and $25.0 million by the end of the fourth 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 March 31, 2025, the amount 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 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 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 and Term Facilities 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 associated calculations as at March 31, 2025:

	Covenant	March 31, 2025
The Credit Facility		
Consolidated Net Debt to Consolidated EBITDA [1]	≤ 4.00	2.37
Consolidated EBITDA to Consolidated Interest Expense[1,2]	≥ 2.50	4.91
Consolidated Net Senior Debt to Consolidated EBITDA[1,3]	≤ 2.50	2.27

[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 March 31, 2025, 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.

FINANCIAL INSTRUMENTS

Credit Risk

The Company is subject to credit risk on accounts receivable balances, which at March 31, 2025, totaled $309.5 million, a decrease of $0.9 million from $310.5 million as at December 31, 2024. The varying levels of oil and natural gas commodity prices negatively impacted the cash flow of the Company's customers and, consequently, increased the collection risk of accounts receivable balances.

As part of the Company’s international operations, it provides oilfield services in Venezuela pursuant to contractual arrangements. As at March 31, 2025, the Company had a net accounts receivable balance of approximately $12.2 million for work performed in Venezuela. Though the Company has a history of collecting accounts receivable in Venezuela, due to the continuing political unrest in the country as well as imposed sanctions there can be no assurance that the Company will be successful in collecting all of such accounts receivable outstanding.

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 a regular basis and secures sufficient credit facilities to meet financing requirements that exceed anticipated internally generated funds. As at March 31, 2025, the remaining contractual maturities of accounts payable and accruals are less than one year.

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 by $25.0 million by the end of the second quarter of 2025, $25.0 million by the end of the third quarter of 2025 and $25.0 million by the end of the fourth 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 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 7.5% 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.

Other financial instruments

The Company wrote a series of European put options to sell US $615.0 million at an average strike price of $1.41, maturing throughout the months of March, April and May 2025. The US $515.0 million outstanding options are classified as a financial liability at fair value through profit or loss under IFRS 9, with a carrying amount of $nil as of March 31, 2025. A gain of $1.8 million was recognized in Foreign exchange and other due to the premium received.

SUMMARY QUARTERLY RESULTS

($ thousands, except per common share data)	**Q1-2025**	Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023
Revenue	**436,511**	426,515	434,617	391,792	431,307	430,540	444,405	432,770
Adjusted EBITDA [1]	**102,383**	113,391	119,049	100,222	117,456	128,998	117,295	116,616
Adjusted EBITDA per common share [1]								
Basic	**$0.56**	$0.62	$0.65	$0.54	$0.64	$0.71	$0.63	$0.64
Diluted	**$0.55**	$0.62	$0.64	$0.54	$0.64	$0.70	$0.63	$0.63
Net income (loss) attributable to common shareholders	**3,685**	(20,216)	5,217	(4,538)	(1,217)	31,922	(5,229)	10,302
Net income (loss) attributable to common shareholders per common share								
Basic	**$0.02**	$(0.11)	$0.03	$(0.02)	$(0.01)	$0.17	$(0.03)	$0.06
Diluted	**$0.02**	$(0.11)	$0.03	$(0.02)	$(0.01)	$0.17	$(0.03)	$0.06
Cash provided by operating activities	**54,291**	148,312	103,201	126,402	93,878	115,606	105,566	166,771
Funds flow from operations	**96,591**	112,574	116,914	98,250	108,438	110,231	119,596	116,764
Funds flow from operations per common share								
Basic	**$0.53**	$0.61	$0.64	$0.53	$0.59	$0.60	$0.65	$0.64
Diluted	**$0.52**	$0.61	$0.63	$0.53	$0.59	$0.59	$0.65	$0.63
Total debt, net of cash	**1,010,894**	1,023,498	1,066,356	1,119,127	1,176,226	1,189,848	1,246,041	1,277,197

[1] *See definition of "Non-GAAP Measures" 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 global customers and the resultant demand for oilfield services provided by the Company.

OUTSTANDING SHARE DATA

The following common shares and stock options were outstanding as of May 9, 2025:

	Number	Amount ($)
Common shares	183,938,125	269,264

	Outstanding	Exercisable
Stock options	6,846,450	2,306,175

OUTLOOK

Industry Overview

The outlook for oilfield services continues to be constructive despite a complex backdrop. Global oil demand remained resilient in the first quarter of 2025. However, ample crude supply, further bolstered by OPEC+ easing production cuts, has kept the market well-supplied and subsequently encouraged producer restraint. The benchmark price of West Texas Intermediate ("**WTI**") crude prices slid from $72/bbl in February 2025 to currently average $59 in May 2025, reflecting oversupply, changes to OPEC+ production cuts, economic growth concerns, and geopolitical tensions, notably in the Middle East and Ukraine-Russia. The United States political shifts and trade policy uncertainty further cloud the economic horizon, spiking market volatility.

Currently producers have shown capital discipline keeping drilling programs steady in the Company's United States operating region, while Canadian activity showed strength as a result of the completion of the Trans Mountain Pipeline expansion in May of 2024. The pending activation of the Coastal GasLink Pipeline and several liquefied natural gas ("LNG") projects, including LNG Canada, are expected to drive longer-term growth in Canada. However, potential Canada-US trade tariffs, including tariffs on crude oil, pose a risk to Canadian activity over the short-term.

In the present 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 35 percent of total revenue in the first quarter of 2025, improved in the first quarter of 2025 due to positive market conditions over the winter drilling months. However, potential future trade tariffs imposed between Canada and the United States, including tariffs on crude oil, may impact Canadian activity over the near term.

As of May 9, 2025, of our 89 marketed Canadian drilling rigs, approximately 55 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.

United States Activity

United States activity, representing 47 percent of total revenue in the first quarter of 2025, declined modestly in the first quarter of 2025 in comparison to the fourth quarter of 2024 as producers continue to keep strict capital programs. The Company's activity in the United States is expected to modestly improve in the second quarter of 2025 due to rig additions in the Company's California and Rockies operating regions.

As of May 9, 2025, of our 70 marketed United States drilling rigs, approximately 56 percent were engaged under term contracts of various durations. Approximately 21 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 18 percent of total revenue in the first quarter of 2025, remained steady in the first quarter of 2025 in comparison to the fourth quarter of 2024.

Activity in Oman increased in the first quarter of 2025 as the two rigs previously on standby in the fourth quarter of 2024, 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 remained steady in the first quarter at three rigs active. Activity in Australia is expected to modestly improve by one rig in the second quarter of 2025 to four active rigs. Currently, the Company has four active rigs in Australia.

Operations in Argentina remain steady at two rigs active in the first quarter of 2025. Activity in Argentina is expected to remain steady in the second quarter of 2025. Operations in Venezuela remained steady in the first quarter of 2025. 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 May 9, 2025, of our 27 marketed international drilling rigs, approximately 56 percent were engaged under term contracts of various durations. Approximately 60 percent of our contracted rigs have a remaining term of six months or longer, although they may be subject to early termination.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company is required to comply with National Instrument 52-109 *"Certification of Disclosure in Issuer's Annual and Interim Filings"*. This instrument requires that the Company disclose in the interim MD&A any changes in the Company's internal control over financial reporting that occurred during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company confirms that no such changes occurred during the three months ended March 31, 2025.

RECENT ACCOUNTING PRONOUCEMENTS

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.

RISKS AND UNCERTAINTIES

The Company is subject to several risks and uncertainties. A discussion of certain risks faced by the Company may be found under the "Risk Factors" section of the Company's Annual Information Form ("**AIF**") and the "Risks and Uncertainties" section of the Company's MD&A for the year ended December 31, 2024, which are available under the Company's SEDAR+ profile at www.sedarplus.ca. Other than as described within this MD&A, the Company's risk factors, and management of those risks have not changed substantially from as disclosed in the AIF. 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 condition. If any of the events described in the risk factors in this MD&A or the Company's AIF actually occur, overall business, operating results and the financial condition of the Company could be materially adversely affected.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		**March 31 2025**		December 31 2024
(Unaudited, in thousands of Canadian dollars)				
Assets				
Current Assets				
Cash	**$**	**16,666**	$	28,113
Accounts receivable		**309,510**		310,453
Inventories, prepaid, investments and other		**49,136**		50,473
Total current assets		**375,312**		389,039
Property and equipment		**2,268,942**		2,305,985
Deferred income taxes		**212,699**		215,466
Total assets	**$**	**2,856,953**	$	2,910,490
Liabilities				
Current Liabilities				
Accounts payable and accruals	**$**	**257,327**	$	280,627
Share-based compensation *(Note 6)*		**4,831**		8,730
Income taxes payable		**5,052**		5,811
Current portion of lease obligation		**11,737**		12,848
Current portion of long-term debt *(Note 7)*		**194,361**		181,929
Total current liabilities		**473,308**		489,945
Share-based compensation *(Note 6)*		**4,708**		7,952
Long-term debt *(Note 7)*		**833,199**		869,682
Lease obligations		**16,350**		11,469
Income taxes payable		**5,728**		5,738
Deferred income taxes		**152,034**		156,165
Total liabilities		**1,485,327**		1,540,951
Shareholders' Equity				
Shareholders' capital *(Note 8)*		**269,487**		267,987
Contributed surplus		**21,971**		23,354
Accumulated other comprehensive income		**334,472**		336,187
Retained earnings		**745,696**		742,011
Total shareholders' equity		**1,371,626**		1,369,539
Total liabilities and shareholders' equity	**$**	**2,856,953**	$	2,910,490

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

For the three months ended	March 31 2025	March 31 2024
(Unaudited, in thousands of Canadian dollars, except per common share data)		
Revenue	**$ 436,511**	$ 431,307
Expenses		
Oilfield services	**319,102**	298,790
Depreciation	**81,893**	88,253
General and administrative	**15,026**	15,061
Share-based compensation	**(1,611)**	3,825
Foreign exchange and other	**(1,899)**	4,884
Total expenses	**412,511**	410,813
Income before interest expense, accretion of deferred financing charges and other gains and income taxes	**24,000**	20,494
Gain on asset sale	**(1,225)**	(1,745)
Interest expense	**20,501**	26,480
Accretion of deferred financing charges	**417**	417
Income (loss) before income taxes	**4,307**	(4,658)
Income tax (recovery)		
Current income tax	**1,415**	1,154
Deferred income tax (recovery)	**(1,006)**	(4,771)
Total income tax (recovery)	**409**	(3,617)
Net income (loss)	**3,898**	(1,041)
Net income (loss) attributable to:		
Common shareholders	**3,685**	(1,217)
Non-controlling interests	**213**	176
	3,898	(1,041)
Net income (loss) attributable to common shareholders per common share *(Note 9)*		
Basic	**$ 0.02**	$ (0.01)
Diluted	**$ 0.02**	$ (0.01)

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended		**March 31 2025**		March 31 2024
(Unaudited, in thousands of Canadian dollars)				
Net income (loss)	**$**	**3,898**	$	(1,041)
Other comprehensive (loss) income				
Item that may be subsequently reclassified to profit or loss				
Foreign currency translation adjustment		**(1,715)**		20,401
Comprehensive income	**$**	**2,183**	$	19,360
Other Comprehensive (loss) income attributable to:				
Common shareholders	**$**	**(1,715)**	$	20,401
	$	**(1,715)**	$	20,401

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
(Unaudited, in thousands of Canadian dollars)					
Balance, January 1, 2025	$ 267,987	$ 23,354	$ 336,187	$ 742,011	$ 1,369,539
Net income attributable to common shareholders	—	—	—	3,685	3,685
Other comprehensive loss	—	—	(1,715)	—	(1,715)
Total comprehensive (loss) income	—	—	(1,715)	3,685	1,970
Share-based compensation	—	669	—	—	669
Common shares vested previously held in trust	2,052	(2,052)	—	—	—
Purchase of common shares held in trust	(552)	—	—	—	(552)
Balance, March 31, 2025	**$ 269,487**	**$ 21,971**	**$ 334,472**	**$ 745,696**	**$ 1,371,626**
Balance, January 1, 2024	$ 267,482	$ 23,750	$ 254,765	$ 762,765	$ 1,308,762
Net loss attributable to common shareholders	—	—	—	(1,217)	(1,217)
Other comprehensive income	—	—	20,401	—	20,401
Total comprehensive income (loss)	—	—	20,401	(1,217)	19,184
Common shares issued under share option plan	230	(182)	—	—	48
Share-based compensation	—	593	—	—	593
Common shares vested previously held in trust	1,840	(1,840)	—	—	—
Purchase of common shares held in trust	(582)	—	—	—	(582)
Balance, March 31, 2024	$ 268,970	$ 22,321	$ 275,166	$ 761,548	$ 1,328,005

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended	March 31 2025	March 31 2024
(Unaudited, in thousands of Canadian dollars)		
Cash provided by (used in)		
Operating activities		
Net income (loss)	**$ 3,898**	$ (1,041)
Items not affecting cash		
Depreciation	**81,893**	88,253
Gain on asset sale	**(1,225)**	(1,745)
Share-based compensation, net of cash settlements	**(6,480)**	(4,890)
Unrealized foreign exchange and other	**(1,407)**	5,735
Accretion of deferred financing charges *(Note 7)*	**417**	417
Interest expense	**20,501**	26,480
Deferred income tax (recovery)	**(1,006)**	(4,771)
Funds flow from operations	**96,591**	108,438
Net change in non-cash working capital *(Note 10)*	**(42,300)**	(14,560)
Cash provided by operating activities	**54,291**	93,878
Investing activities		
Purchase of property and equipment	**(38,636)**	(54,769)
Proceeds from disposals of property and equipment	**1,773**	3,271
Net change in non-cash working capital *(Note 10)*	**19,706**	17,796
Cash used in investing activities	**(17,157)**	(33,702)
Financing activities		
Proceeds from long-term debt *(Note 7)*	**9,756**	43,474
Repayments of long-term debt *(Note 7)*	**(32,992)**	(54,898)
Lease obligations principal repayments	**(4,492)**	(2,287)
Purchase of common shares held in trust	**(552)**	(582)
Issuance of common shares under the share option plan	**—**	48
Interest paid	**(20,197)**	(27,503)
Cash used in financing activities	**(48,477)**	(41,748)
Net (decrease) increase in cash	**(11,343)**	18,428
Effects of foreign exchange on cash	**(104)**	179
Cash		
Beginning of period	**28,113**	20,501
End of period	**$ 16,666**	$ 39,108

See accompanying notes to the interim 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 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

These consolidated financial statements are presented in Canadian dollars which is the Company's functional currency.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting ("IAS 34"). The interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements for the year ended December 31, 2024. The calculation of depreciation includes assumptions related to useful lives and residual values that are regularly reviewed by management. The disclosures provided below do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards. The Company has consistently applied the same accounting policies throughout all periods presented.

These interim consolidated financial statements were approved by the Company's Board of Directors on May 9, 2025, after review by the Company's Audit Committee.

3. SEASONALITY OF OPERATIONS

The Company's Canadian oilfield services operations are seasonal in nature and are impacted by weather conditions that may hinder the Company's ability to access locations or move heavy equipment. The lowest activity levels are experienced during the second quarter of the year when road weight restrictions are in place and access to wellsites in Canada is reduced. In addition, operations in certain international jurisdictions may be subject to seasonal weather conditions.

4. FOREIGN OPERATIONS

The Company provides oilfield services throughout much of North America and internationally in several 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. RECENT ACCOUNTING PRONOUNCEMENTS

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.

6. SHARE-BASED COMPENSATION

A summary of the Company's share option plan as of March 31, 2025, and the changes during the three month period ended, is presented below:

	Number of Share Options	Weighted Average Exercise Price
Outstanding – January 1, 2025	5,257,450	$ 2.82
Granted	1,645,500	2.22
Exercised for cash	(27,400)	2.40
Outstanding - March 31, 2025	**6,875,550**	**$ 2.67**
Exercisable - March 31, 2025	**2,315,275**	**$ 2.71**

The following table lists the options outstanding at March 31, 2025:

Exercise Price	Outstanding Options	Average Vesting Remaining (in years)	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
$1.56 to $2.00	868,025	0.75	$ 1.56	635,120	$ 1.56
$2.01 to $3.00	4,486,025	3.54	2.46	1,071,555	2.70
$3.01 to $3.94	1,521,500	2.75	3.94	608,600	3.94
	6,875,550	3.01	$ 2.67	2,315,275	$ 2.71

The assumptions used to estimate the fair value of employee share options were:

	March 31, 2025
Remaining expected life (years)	2.8
Volatility (percent)	40.0
Forfeiture rate (percent)	7.3
Risk-free interest rate (percent)	2.5
Expected dividend (percent)	—

Share Appreciation Rights (SARs)

A summary of the Company's SARs plan as of March 31, 2025, and the changes during the three month period ended, is presented below:

	Number of SARs	Weighted Average Exercise Price
Outstanding – January 1, 2025	554,345	$ 2.74
Granted	193,500	2.22
Exercised	(3,135)	2.26
Outstanding - March 31, 2025	**744,710**	**$ 2.60**
Exercisable - March 31, 2025	**241,730**	**$ 2.60**

The following table lists the SARs outstanding at March 31, 2025:

Exercise Price	SARs Outstanding	Average Vesting Remaining (in years)	Weighted Average Exercise Price	SARs Exercisable	Weighted Average Exercise Price
$1.56 to $2.00	117,110	0.75	$ 1.56	84,830	$ 1.56
$2.01 to $3.00	474,600	3.69	2.43	95,700	2.68
$3.01 to $3.94	153,000	2.75	3.94	61,200	3.94
	744,710	3.03	$ 2.60	241,730	$ 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 common 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 common share as of the maturity date, adjusted for a performance multiplier.

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

	Outstanding
Outstanding – January 1, 2025	5,093,058
Vested and paid	(1,645,844)
Outstanding - March 31, 2025	**3,447,214**

Included in net earnings for the three months ended March 31, 2025, is a recovery of $468 (2024 - an expense of $1,340). This was calculated using the trailing ten day volume weighted average common share price of the Company's underlying common shares, as the PSUs have no exercise price, adjusted for performance factors and 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, to those who elect to take or accept 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:

	Outstanding
Outstanding – January 1, 2025	1,271,388
Granted	45,854
Released	(94,770)
Outstanding - March 31, 2025	**1,222,472**

7. LONG-TERM DEBT

		March 31 2025		December 31 2024
Drawings on the Credit Facility	**$**	**774,436**	$	771,229
Term Facility		**230,625**		258,300
Subordinated convertible debentures, due January 31, 2029, 7.50%		**25,000**		25,000
Unamortized deferred financing costs		**(2,501)**		(2,918)
Total debt	**$**	**1,027,560**	$	1,051,611
Less: current portion		**(194,361)**		(181,929)
Total long-term debt	**$**	**833,199**	$	869,682

The Credit Facility and Term Facility

As at March 31, 2025, 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 (December 31, 2024 - $775,000). The Term Facility provides the Company with an amortized three year $230,625 loan (December 31, 2024 - $258,300).

The interest rate on the US dollar borrowings from the Credit Facility is, 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 is, 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 $25,000 by the end of the second quarter of 2025, $25,000 by the end of the third quarter of 2025 and $25,000 by the end of the fourth 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 March 31, 2025, 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 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 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 Facility

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 March 31, 2025, 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 non-current and current portions for the periods presented:

		2025
Opening balance - January 1	**$**	**1,051,611**
Proceeds from long-term debt, net of debt issuance costs		**9,756**
Long-term debt repayments		**(32,992)**
Amortization of debt issuance costs		**417**
Foreign exchange adjustments		**(1,232)**
Total debt	**$**	**1,027,560**
Less: current portion		**(194,361)**
Closing balance - March 31	**$**	**833,199**

8. 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

	Number of Common Shares		Amount
Opening balance – January 1, 2025	183,488,095	$	267,987
Changes in unvested common shares held in trust	569,979		1,500
Closing balance - March 31, 2025	**184,058,074**	**$**	**269,487**

The total number of unvested common shares held in trust for share-based compensation plans as at March 31, 2025, was 637,006 (December 31, 2024 – 1,206,985).

9. NET INCOME (LOSS) PER COMMON SHARE

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

Diluted net income (loss) per common share is calculated by dividing net income (loss) attributed to common shareholders by the weighted average number of common shares outstanding during the period adjusted for conversion of all potentially dilutive common shares. Diluted net income (loss) attributed to common shareholders 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 Company's common shares at the average market price during the period.

	Three months ended	
	March 31 2025	March 31 2024
Net income (loss) attributable to common shareholders:		
Basic and diluted	**$ 3,685**	$ (1,217)
Weighted average number of common shares outstanding:		
Basic	**183,971,552**	183,794,229
Potentially dilutive share-based compensation plans	**695,757**	715,530
Diluted	**184,667,309**	184,509,759

Share options of 3,167,000 (2024 – 4,466,125) were excluded from the calculation of diluted weighted average number of common shares outstanding as they were anti-dilutive.

10. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	March 31 2025	March 31 2024
Net change in non-cash working capital		
Accounts receivable	**$ 853**	$ (15,586)
Inventories, prepaid investments and other	**(1,898)**	(2,627)
Accounts payable and accruals	**(20,798)**	20,728
Income taxes payable	**(751)**	721
	$ (22,594)	$ 3,236
Relating to:		
Operating activities	**$ (42,300)**	$ (14,560)
Investing activities	**19,706**	17,796
	$ (22,594)	$ 3,236

11. 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 following disclosure has been expanded in the current and prior periods to comply with the updated IFRS 8 requirements and IFRIC agenda decisions on segment reporting.

	2025				2024			
As at and for the three month period ended March 31	Canada	United States	International	Total	Canada	United States	International	Total
Revenue	$ 152,031	$ 205,806	$ 78,674	$ 436,511	$ 138,478	$ 208,435	$ 84,394	$ 431,307
Income (loss) before interest expense, accretion of deferred financing charges and other (gains) and income taxes	24,785	(6,556)	5,771	24,000	20,137	(6,964)	7,321	20,494
Net income (loss)	9,906	(10,443)	4,435	3,898	1,448	(8,917)	6,428	(1,041)
Property and equipment, net	$ 563,877	$1,265,234	$ 439,831	$2,268,942	$ 604,378	$1,296,557	$ 456,266	$2,357,201

	March 31 2025	March 31 2024
Rig rental revenue	**$ 324,966**	$ 347,784
Service revenue	**111,545**	83,523
Total revenue	**$ 436,511**	$ 431,307

There are no material differences in the basis of accounting or the measurement of loss, assets and liabilities between the Corporation 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.

12. FAIR VALUE MEASUREMENTS

The fair value of cash, accounts receivable, accounts payable and accruals, and income tax payable 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 capital lease obligations approximates its carrying value.

Financial assets and liabilities recorded or disclosed at fair value in the consolidated statement 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 liability portion of the convertible debt was based on Level 3 inputs and was estimated using the relative market interest rate.

The fair value of non-controlling interest is based on Level 3 inputs and is not based on observable market.

13. FINANCIAL INSTRUMENTS

Credit Risk

The Company is subject to credit risk on accounts receivable balances, which at March 31, 2025, totaled $309,510, a decrease of $943 from $310,453 as at December 31, 2024. The varying levels of oil and natural gas commodity prices negatively impact the cash flow of the Company's customers and, consequently, increased the collection risk of accounts receivable balances.

As part of the Company's international operations, it provides oilfield services in Venezuela pursuant to contractual arrangements. As at March 31, 2025, the Company had a net accounts receivable balance of approximately $12,234 for work performed in Venezuela. Though the Company has a history of collecting accounts receivable in Venezuela, due to the continuing political unrest in the country as well as imposed sanctions there can be no assurance that the Company will be successful in collecting all of such accounts receivable outstanding.

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 a regular basis and secures sufficient credit facilities to meet financing requirements that exceed anticipated internally generated funds. As at March 31, 2025, the remaining contractual maturities of accounts payable and accruals are less than one year.

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 $369,000 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 by $25,000 by the end of the second quarter of 2025, $25,000 by the end of the third quarter of 2025 and $25,000 by the end of the fourth 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 fourth 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.

Other financial instruments

The Company wrote a series of European put options to sell US $615,000 at an average strike price of $1.41, maturing throughout the months of March, April and May 2025. The US $515,000 outstanding options are classified as a financial liability at fair value through profit or loss under IFRS 9, with a carrying amount of $nil as of March 31, 2025. A gain of $1,800 was recognized in Foreign exchange and other due to the premium received.

14. SUBSEQUENT EVENTS

Subsequent to March 31, 2025, the Company amended its Credit Facility. The available borrowings under the Credit Facility were originally scheduled to be reduced by $75,000 on June 30, 2025. The Company has had the terms of its Credit Facility amended so that there will be a phased reduction of $25,000 on June 30, 2025, $25,000 on September 30, 2025, and $25,000 on December 31, 2025. This reduction plan will bring the available borrowings under the Credit Facility to the final size of $700.000 at December 31, 2025.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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Corporate Director and Investor

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Ensign Energy Services Inc.

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KARL A. RUUD [2, 3]
Independent Businessperson

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

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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
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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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HSBC Bank USA
Bank of Montreal

STOCK EXCHANGE LISTING

Toronto Stock Exchange
Symbol: ESI

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Computershare Trust Company of Canada

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