ENSIGN®

2026 Q1

FIRST QUARTER REPORT For the three months ended March 31, 2026

FINANCIAL AND OPERATING HIGHLIGHTS

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

Three months ended March 31	**2026**	2025	% change
Revenue	**418,033**	436,511	(4)
Adjusted EBITDA [1]	**94,842**	102,383	(7)
Adjusted EBITDA per common share [1]			
Basic	**$0.52**	$0.56	(7)
Diluted	**$0.51**	$0.55	(7)
Net (loss) income attributable to common shareholders	**(11,128)**	3,685	nm
Net (loss) income attributable to common shareholders per common share			
Basic	**$(0.06)**	$0.02	nm
Diluted	**$(0.06)**	$0.02	nm
Cash provided by operating activities	**45,355**	54,291	(16)
Funds flow from operations	**88,002**	96,591	(9)
Funds flow from operations per common share			
Basic	**$0.48**	$0.53	(10)
Diluted	**$0.48**	$0.52	(9)
Total debt, net of cash	**922,574**	1,010,894	(9)
Weighted average common shares - basic *(000s)*	**184,049**	183,972	—
Weighted average common shares - diluted *(000s)*	**184,524**	184,667	—

Drilling	**2026**	2025	% change
Number of marketed rigs			
Canada	**76**	89	(15)
United States	**70**	70	—
International	**25**	27	(7)
Total	**171**	186	(8)
Operating days [2]			
Canada	**3,408**	4,003	(15)
United States	**3,192**	2,772	15
International	**1,166**	1,149	1
Total	**7,766**	7,924	(2)

Well Servicing	**2026**	2025	% change
Number of rigs			
Canada	**38**	41	(7)
United States	**47**	47	—
Total	**85**	88	(3)
Operating hours			
Canada	**13,469**	12,337	9
United States	**22,343**	24,182	(8)
Total	**35,812**	36,519	(2)

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

FINANCIAL POSITION AND CAPITAL EXPENDITURES HIGHLIGHTS

As at ($ thousands)	**March 31 2026**	March 31 2025	December 31 2025
Working capital (deficit) [1]	**89,285**	(97,996)	89,618
Cash	**17,944**	16,666	16,189
Total debt, net of cash	**922,574**	1,010,894	918,613
Total assets	**2,683,559**	2,856,953	2,643,027
Total debt to total debt plus equity ratio	**0.42**	0.43	0.42

[1] See Non-GAAP Measures section.

		Three months ended March 31	
($ thousands)	**2026**	2025	% change
Capital expenditures			
Upgrade/growth	**14,375**	2,970	nm
Maintenance	**50,944**	35,666	43
Proceeds from disposals of property and equipment	**(560)**	(1,773)	(68)
Net capital expenditures	**64,759**	36,863	76

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, 2026, as well as the audited consolidated financial statements and notes thereto for the year ended December 31, 2025, 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 6, 2026, 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. 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 2026 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; 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 by the 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 United States administration, including the impact of recent United States Government pronouncements regarding imposition of global tariffs and potential curtailment of our customer's license to operate in Venezuela, which have recently reactivated 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, 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, 2025 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)	**2026**	2025
(Loss) income before income taxes	**(12,948)**	4,307
Add-back/(deduct):		
Interest expense	**12,946**	20,501
Accretion of deferred financing charges	**425**	417
Depreciation	**85,093**	81,893
Gain on asset sale	**(247)**	(1,225)
Share-based compensation	**8,823**	(1,611)
Foreign exchange and other	**750**	(1,899)
Adjusted EBITDA	**94,842**	102,383

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, 2026, was $418.0 million, a decrease of four percent from revenue for the three months ended March 31, 2025, of $436.5 million. Adjusted EBITDA totaled $94.8 million ($0.52 per common share) in the first quarter of 2026, seven percent lower than Adjusted EBITDA of $102.4 million ($0.56 per common share) in the first quarter of 2025.

Net loss attributable to common shareholders for the three months ended March 31, 2026, was $11.1 million ($0.06 per common share), compared with net income attributable to common shareholders of $3.7 million ($0.02 per common share) for the three months ended March 31, 2025.

Funds flow from operations decreased nine percent to $88.0 million ($0.48 per common share) in the first quarter of 2026 compared with $96.6 million ($0.53 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 Canada. With the political and security situation in the Middle East, the disruption of shipping within the Strait of Hormuz, the continuing conflict between the Russian Federation and Ukraine and the recent actions of the United States in Venezuela, the expectation is these factors and their continued development will have a direct effect on the industry. To date, oil and natural gas producers continue to moderate their capital spend, remain committed to cash flow generation and maintaining current production levels. Furthermore, the impact of uncertainty around the global economy and tariff policies adopted by the United States administration and the implications from such policies continue to impact operating activity.

The Company's total operating days were lower in the first quarter of 2026 when compared with the first quarter of 2025 as operations were negatively impacted by the above-mentioned uncertainty and volatility in the crude oil and natural gas commodity pricing.

The average United States dollar exchange rate was $1.37 for the first three months of 2026 (2025 - $1.44), four percent lower than the first quarter of 2025.

Working capital at March 31, 2026, was $89.3 million comparable to $89.6 million at December 31, 2025. At the end of the first quarter of 2026, the Company's available liquidity, consisting of cash and available revolving credit facility (the "**Credit Facility**"), totaled $48.3 million compared with $51.8 million at December 31, 2025.

REVENUE AND OILFIELD SERVICES EXPENSE

		Three months ended March 31		
($ thousands)	**2026**	2025	Change	% change
Revenue				
Canada	**135,693**	152,031	(16,338)	(11)
United States	**206,831**	205,806	1,025	—
International	**75,509**	78,674	(3,165)	(4)
Total revenue	**418,033**	436,511	(18,478)	(4)
Oilfield services expense	**308,448**	319,102	(10,654)	(3)

Revenue for the three months ended March 31, 2026, totaled $418.0 million, a decrease of four percent from the first quarter of 2025 of $436.5 million.

The decrease in total revenue during the first quarter of 2026 was primarily due to the decline in operating activity in Canada and the four percent negative foreign exchange translation of converting USD denominated revenue. Despite the higher operating activity in the United States, lower flow through revenue was earned in the first quarter of 2026, compared to the first quarter of 2025.

CANADIAN OILFIELD SERVICES

The Company recorded revenue of $135.7 million in Canada for the three months ended March 31, 2026, a decrease of 11 percent from $152.0 million recorded for the three months ended March 31, 2025. Canadian revenues accounted for 33 percent of the Company's total revenue in the first quarter of 2026 (2025 - 35 percent).

The financial results for the Company's Canadian operations for the first quarter 2026 were lower as a result of decreased operating activity, resulting from customer drilling program changes.

For the three months ended March 31, 2026, the Company recorded 3,408 drilling days compared to 4,003 drilling days for the three months ended March 31, 2025, a decrease of 15 percent. Well servicing hours increased by nine percent to 13,469 operating hours in the first quarter of 2026 compared with 12,337 operating hours in the corresponding period of 2025.

In the first quarter of 2026, the Company transferred 12 under-utilized Canadian drilling rigs into its reserve fleet.

UNITED STATES OILFIELD SERVICES

During the three months ended March 31, 2026, revenue of $206.8 million was recorded by the Company's United States operations, comparable with the corresponding period of the prior year of $205.8 million. The United States operations accounted for 49 percent of the Company's revenue in the first quarter of 2026 (2025 - 47 percent).

Drilling days increased by 15 percent to 3,192 drilling days in the first quarter of 2026 from 2,772 drilling days in the first quarter of 2025. Well servicing hours decreased by eight percent in the first quarter of 2026 to 22,343 operating hours from 24,182 operating hours in the first quarter of 2025.

While operating activity improved, financial results for the Company’s United States operations remained generally flat as a result of less flow through revenue. Further impacting the financial results is the four percent negative USD translation difference.

In the first quarter of 2026, the Company transferred one under-utilized United States drilling rig into its reserve fleet.

INTERNATIONAL OILFIELD SERVICES

The Company’s international operations recorded revenue of $75.5 million in the first quarter of 2026, a four percent decrease from the $78.7 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 2026 (2025 - 18 percent).

For the three months ended March 31, 2026, international operating days totaled 1,166 operating days compared with 1,149 days for the three months ended March 31, 2025, an increase of one percent.

Operating days were generally flat year over year, while financial results from international operations declined as a result of a four percent negative USD translation difference.

In the first quarter of 2026, the Company transferred two under-utilized international drilling rigs into its reserve fleet.

DEPRECIATION

		Three months ended March 31		
($ thousands)	**2026**	2025	Change	% change
Depreciation	**85,093**	81,893	3,200	4

Depreciation totaled $85.1 million for the first quarter of 2026 compared to $81.9 million for the first quarter of 2025. The increase in depreciation is due to more assets entering service following additional capital spending. Offsetting the decrease is the positive four percent translation effect on converting depreciation on USD denominated assets.

GENERAL AND ADMINISTRATIVE

		Three months ended March 31		
($ thousands)	**2026**	2025	Change	% change
General and administrative	**14,743**	15,026	(283)	(2)
% of revenue	**3.5**	3.4		

General and administrative expenses was $14.7 million (3.5 percent of revenue) for the first quarter of 2026 compared to $15.0 million (3.4 percent of revenue) for the first quarter of 2025, a decrease of two percent. General and administrative expenses decreased due to non-recurring fees incurred in the prior year and a positive four percent translation effect of converting USD denominated expenses. Offsetting the decrease is the annual wage increase to various employees.

FOREIGN EXCHANGE AND OTHER

		Three months ended March 31		
($ thousands)	**2026**	2025	Change	% change
Foreign exchange and other	**750**	(1,899)	2,649	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

		Three months ended March 31		
($ thousands)	**2026**	2025	Change	% change
Interest expense	**12,946**	20,501	(7,555)	(37)

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

Interest expense decreased by $7.6 million in the first quarter of 2026 compared to the same period in 2025 as a result of lower debt levels and effective interest rates, one-time recoveries and a positive four percent translation effect on converting USD denominated interest expense.

INCOME TAX (RECOVERY)

		Three months ended March 31		
($ thousands)	**2026**	2025	Change	% change
Current income tax	**711**	1,415	(704)	(50)
Deferred income recovery	**(2,781)**	(1,006)	(1,775)	nm
Total income tax (recovery)	**(2,070)**	409	(2,479)	nm
Effective income tax rate (%)	**16.0**	9.5		

nm - calculation not meaningful

FUNDS FLOW FROM OPERATIONS AND WORKING CAPITAL

		Three months ended March 31		
($ thousands, except per common share data)	**2026**	2025	Change	% change
Cash provided by operating activities	**45,355**	54,291	(8,936)	(16)
Funds flow from operations	**88,002**	96,591	(8,589)	(9)
Funds flow from operations per common share	**$0.48**	$0.53	(0.05)	(9)
Working capital [1]	**89,285**	89,618	(333)	—

[1] Comparative figure as of December 31, 2025

For the three months ended March 31, 2026, the Company generated funds flow from operations of $88.0 million ($0.48 per common share), a decrease of nine percent from $96.6 million ($0.53 per common share) for the three months ended March 31, 2025. The decrease in funds flow from operations in 2026 compared to 2025 is largely due to the decrease in activity compared to the prior period and the negative four percent translation effect on converting USD denominated earnings.

As at March 31, 2026, the Company's working capital was $89.3 million, compared to $89.6 million at December 31, 2025.

The Company's existing bank facility provides for total borrowings of $950.0 million of which $30.3 million was undrawn and available at March 31, 2026 (December 31, 2025 - $35.6 million).

INVESTING ACTIVITIES

		Three months ended March 31		
($ thousands)	**2026**	2025	Change	% change
Purchase of property and equipment	**(65,319)**	(38,636)	(26,683)	69
Proceeds from disposals of property and equipment	**560**	1,773	(1,213)	(68)
Net change in non-cash working capital	**43,528**	19,706	23,822	nm
Cash used in investing activities	**(21,231)**	(17,157)	(4,074)	24

Net purchases of property and equipment for the first quarter of 2026 totaled $64.8 million (2025 - net purchases of $36.9 million). The purchase of property and equipment for the first three months of 2026 consists of $50.9 million in maintenance capital and $14.4 million in upgrade capital.

FINANCING ACTIVITIES

		Three months ended March 31		
($ thousands)	**2026**	2025	Change	% change
Proceeds from long-term debt	**51,013**	9,756	41,257	nm
Repayments of long-term debt	**(58,061)**	(32,992)	(25,069)	76
Lease obligations principal repayments	**(3,254)**	(4,492)	1,238	(28)
Purchase of common shares held in trust	**(625)**	(552)	(73)	13
Issuance of common shares under the share option plan	**356**	—	356	nm
Interest paid	**(12,281)**	(20,197)	7,916	(39)
Cash used in financing activities	**(22,852)**	(48,477)	25,625	(53)

nm - calculation not meaningful

As at March 31, 2026, the amount of available borrowings under the Credit Facility was $30.3 million.

On September 29, 2025, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provides a revolving Credit Facility. The amendments include an extension to the maturity date of the now $950.0 million Credit Facility to September 29, 2028.

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

The Company's amended and restated credit agreement includes a US $50.0 million secured Letter of Credit Facility. Furthermore, the Company has an additional US $25.0 million unsecured Letter of Credit Facility. As at March 31, 2026, the amount available was US $23.3 million on 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 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 associated calculations as at March 31, 2026:

	Covenant	March 31, 2026
The Credit Facility		
Consolidated Net Debt to Consolidated EBITDA [1]	≤ 3.50	2.47
Consolidated EBITDA to Consolidated Interest Expense[1,2]	≥ 3.00	5.76
Consolidated Net Senior Debt to Consolidated EBITDA[1,3]	≤ 2.50	2.36

[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, 2026, 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, 2026, totaled $315.3 million, an increase of $20.9 million from $294.5 million as at December 31, 2025. 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, 2026, the Company had a net accounts receivable balance of approximately $11.0 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, 2026, the remaining contractual maturities of accounts payable and accruals are less than one year.

On September 29, 2025, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provides a revolving Credit Facility. The amendments include an extension to the maturity date of the now $950.0 million Credit Facility to September 29, 2028.

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.

SUMMARY QUARTERLY RESULTS

($ thousands, except per common share data)	**Q1-2026**	Q4-2025	Q3-2025	Q2-2025	Q1-2025	Q4-2024	Q3-2024	Q2-2024
Revenue	**418,033**	418,808	411,157	372,415	436,511	426,515	434,617	391,792
Adjusted EBITDA [1]	**94,842**	107,463	98,596	81,354	102,383	113,391	119,049	100,222
Adjusted EBITDA per common share [1]								
Basic	**$0.52**	$0.59	$0.53	$0.44	$0.56	$0.62	$0.65	$0.54
Diluted	**$0.51**	$0.58	$0.53	$0.45	$0.55	$0.62	$0.64	$0.54
Net (loss) income attributable to common shareholders	**(11,128)**	(12,785)	(3,263)	(26,397)	3,685	(20,216)	5,217	(4,538)
Net (loss) income attributable to common shareholders per common share								
Basic	**$(0.06)**	$(0.07)	$(0.02)	$(0.14)	$0.02	$(0.11)	$0.03	$(0.02)
Diluted	**$(0.06)**	$(0.07)	$(0.02)	$(0.14)	$0.02	$(0.11)	$0.03	$(0.02)
Cash provided by operating activities	**45,355**	67,732	100,605	107,349	54,291	148,312	103,201	126,402
Funds flow from operations	**88,002**	112,824	88,221	72,467	96,591	112,574	116,914	98,250
Funds flow from operations per common share								
Basic	**$0.48**	$0.61	$0.48	$0.39	$0.53	$0.61	$0.64	$0.53
Diluted	**$0.48**	$0.61	$0.47	$0.40	$0.52	$0.61	$0.63	$0.53
Total debt, net of cash	**922,574**	918,613	925,043	955,004	1,010,894	1,023,498	1,066,356	1,119,127

[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 6, 2026:

	Number	Amount ($)
Common shares	184,350,944	270,414

	Outstanding	Exercisable
Stock options	6,902,025	2,175,940

OUTLOOK

Industry Overview

The outlook for oilfield services is entering a period of heightened volatility and selective strength, shaped by a sharp near-term supply shock, diverging demand outlooks, and unusually wide uncertainty around the duration of Middle East disruptions. While oil prices have surged in the short term, the medium-term trajectory for oilfield services will depend on price durability, geopolitics, and capital discipline by producers.

With the recent events, producers continue to demonstrate capital discipline, resulting in relatively steady drilling and completion activity in the Company's United States operating regions, however, the Company has seen additional inquiries from customers. Despite first quarter operating activity declines in Canada, Canadian activity remains more resilient, supported by improved market access following the completion of the Trans Mountain Pipeline expansion in

2024. In addition, the start-up of LNG Canada in mid-2025 is expected to support longer-term natural gas production growth and infrastructure-led investment in Western Canada.

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 $125.0 million in debt reduction for 2026. If industry conditions change, these targets may be increased or decreased.

The Company has budgeted maintenance capital expenditures for 2026 of approximately $162.0 million and $79.5 million of selective upgrade capital, of which $58.2 million is customer funded. The upgrade capital is related to two rig upgrades in Canada, six in the United States, one in Australia, one in Venezuela and the completion of one rig in Oman. The Company continues to consider rig relocation or upgrade projects in response to customer demand and under appropriate contract terms, which may impact capital expenditures.

Canadian Activity

Canadian activity represented 33 percent of total revenue for the first quarter of 2026. Canadian activity is expected to remain steady through 2026 due to positive market conditions. 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 6, 2026, of our 76 marketed Canadian drilling rigs, approximately 61 percent were engaged under term contracts of various durations. Approximately 72 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 represented 49 percent of total revenue for the first quarter of 2026. Operating activity improved going into the first quarter and is expected to remain stable to slightly improved throughout the year.

As of May 6, 2026, of our 70 marketed United States drilling rigs, approximately 53 percent were engaged under term contracts of various durations. Approximately 24 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 represented 18 percent of total revenue for the first quarter of 2026. Activity improved in the first quarter with growth in operating days in Australia and the Middle East. International operations overall are expected to remain steady in 2026.

Activity in Oman increased in the first quarter with the addition of the fourth rig being fully operational in the quarter. A fifth rig started operations in the second quarter of 2026. One rig in Bahrain has been placed on standby, following the security situation in the region, with the potential for a second rig to commence operations in the second half of 2026. Kuwait is expected to remain steady in the second quarter of 2026, with activity declining as the two rigs will be coming off contract in the second half of 2026. The Company is currently working on tenders to recontract the two rigs.

Operations in Australia were improved in the first quarter and activity is expected to steadily improve into 2026 with additional rigs expected to be reactivated throughout the year.

Operations in Argentina remained steady with two rigs operating in the first quarter of 2026 and is expected to remain flat throughout 2026. In Venezuela there were two rigs operating in the first quarter of 2026, with a third contracted rig beginning in the fourth quarter of 2026.

As of May 6, 2026, of our 25 marketed international drilling rigs, approximately 76 percent were engaged under term contracts of various durations. Approximately 68 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, 2026.

RECENT ACCOUNTING PRONOUNCEMENTS

Amendments to IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments

Effective January 1, 2026, the Company prospectively adopted new requirements clarifying the date of recognition and derecognition of financial assets and financial liabilities. The adoption did not result in material impacts on our financial statements. The Company has elected to apply the accounting policy choice permitted by the Amendments related to derecognizing a financial liability that will be settled with cash using an electronic payment system before the settlement date where certain conditions have been met.

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, 2025, 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 2026		December 31 2025
(Unaudited, in thousands of Canadian dollars)				
Assets				
Current Assets				
Cash	**$**	**17,944**	$	16,189
Accounts receivable		**315,320**		294,466
Inventories, prepaid, investments and other		**47,612**		44,194
Total current assets		**380,876**		354,849
Property and equipment		**2,108,840**		2,094,244
Deferred income taxes		**193,843**		193,934
Total assets	**$**	**2,683,559**	$	2,643,027
Liabilities				
Current Liabilities				
Accounts payable and accruals	**$**	**268,444**	$	246,116
Share-based compensation *(Note 6)*		**9,610**		5,711
Income taxes payable		**1,071**		452
Current portion of lease obligations		**12,466**		12,952
Total current liabilities		**291,591**		265,231
Share-based compensation *(Note 6)*		**7,966**		5,572
Long-term debt *(Note 7)*		**940,518**		934,802
Lease obligations		**19,364**		19,281
Income taxes payable		**5,560**		5,464
Deferred income taxes		**127,503**		128,939
Total liabilities		**1,392,502**		1,359,289
Shareholders' Equity				
Shareholders' capital *(Note 8)*		**270,297**		268,175
Contributed surplus		**21,653**		23,302
Accumulated other comprehensive income		**306,984**		289,010
Retained earnings		**692,123**		703,251
Total shareholders' equity		**1,291,057**		1,283,738
Total liabilities and shareholders' equity	**$**	**2,683,559**	$	2,643,027

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF (LOSS) INCOME

For the three months ended		**March 31 2026**		March 31 2025
(Unaudited, in thousands of Canadian dollars, except per common share data)				
Revenue	**$**	**418,033**	$	436,511
Expenses				
Oilfield services		**308,448**		319,102
Depreciation		**85,093**		81,893
General and administrative		**14,743**		15,026
Share-based compensation		**8,823**		(1,611)
Foreign exchange and other		**750**		(1,899)
Total expenses		**417,857**		412,511
Income before interest expense, accretion of deferred financing charges, other gains and income taxes		**176**		24,000
Gain on asset sale		**(247)**		(1,225)
Interest expense		**12,946**		20,501
Accretion of deferred financing charges		**425**		417
(Loss) income before income taxes		**(12,948)**		4,307
Income tax (recovery)				
Current income tax		**711**		1,415
Deferred income tax recovery		**(2,781)**		(1,006)
Total income tax (recovery)		**(2,070)**		409
Net (loss) income		**(10,878)**		3,898
Net (loss) income attributable to:				
Common shareholders		**(11,128)**		3,685
Non-controlling interests		**250**		213
		(10,878)		3,898
Net (loss) income attributable to common shareholders per common share *(Note 9)*				
Basic	**$**	**(0.06)**	$	0.02
Diluted	**$**	**(0.06)**	$	0.02

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended		**March 31 2026**		March 31 2025
(Unaudited, in thousands of Canadian dollars)				
Net (loss) income	**$**	**(10,878)**	$	3,898
Other comprehensive income (loss)				
Item that may be subsequently reclassified to profit or loss				
Foreign currency translation adjustment		**17,974**		(1,715)
Comprehensive income	**$**	**7,096**	$	2,183
Other Comprehensive income (loss) attributable to:				
Common shareholders	**$**	**17,974**	$	(1,715)
	$	**17,974**	$	(1,715)

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, 2026	$ 268,175	$ 23,302	$ 289,010	$ 703,251	$ 1,283,738
Net loss attributable to common shareholders	—	—	—	(11,128)	(11,128)
Other comprehensive income	—	—	17,974	—	17,974
Total comprehensive income (loss)	—	—	17,974	(11,128)	6,846
Common shares issued under share option plan	478	(122)	—	—	356
Share-based compensation	—	742	—	—	742
Common shares vested previously held in trust	2,269	(2,269)	—	—	—
Purchase of common shares held in trust	(625)	—	—	—	(625)
Balance, March 31, 2026	**$ 270,297**	**$ 21,653**	**$ 306,984**	**$ 692,123**	**$ 1,291,057**
Balance, January 1, 2025	$ 267,987	$ 23,354	$ 336,187	$ 742,011	$ 1,369,539
Net loss 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

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended	March 31 2026	March 31 2025
(Unaudited, in thousands of Canadian dollars)		
Cash provided by (used in)		
Operating activities		
Net (loss) income	**$ (10,878)**	$ 3,898
Items not affecting cash		
Depreciation	**85,093**	81,893
Gain on asset sale	**(247)**	(1,225)
Share-based compensation, net of cash settlements	**7,032**	(6,480)
Unrealized foreign exchange and other	**(3,588)**	(1,407)
Accretion of deferred financing charges *(Note 7)*	**425**	417
Interest expense	**12,946**	20,501
Deferred income tax recovery	**(2,781)**	(1,006)
Funds flow from operations	**88,002**	96,591
Net change in non-cash working capital *(Note 10)*	**(42,647)**	(42,300)
Cash provided by operating activities	**45,355**	54,291
Investing activities		
Purchase of property and equipment	**(65,319)**	(38,636)
Proceeds from disposals of property and equipment	**560**	1,773
Net change in non-cash working capital *(Note 10)*	**43,528**	19,706
Cash used in investing activities	**(21,231)**	(17,157)
Financing activities		
Proceeds from long-term debt *(Note 7)*	**51,013**	9,756
Repayments of long-term debt *(Note 7)*	**(58,061)**	(32,992)
Lease obligations principal repayments	**(3,254)**	(4,492)
Purchase of common shares held in trust	**(625)**	(552)
Issuance of common shares under the share option plan	**356**	—
Interest paid	**(12,281)**	(20,197)
Cash used in financing activities	**(22,852)**	(48,477)
Net increase (decrease) in cash	**1,272**	(11,343)
Effects of foreign exchange on cash	**483**	(104)
Cash		
Beginning of period	**16,189**	28,113
End of period	**$ 17,944**	$ 16,666

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, 2025. 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, 2025, 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 6, 2026, 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 several risks and uncertainties such as unstable government regimes, military conflicts, 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

Amendments to IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments

Effective January 1, 2026, the Company prospectively adopted new requirements clarifying the date of recognition and derecognition of financial assets and financial liabilities. The adoption did not result in material impacts on our financial statements. The Company has elected to apply the accounting policy choice permitted by the Amendments related to derecognizing a financial liability that will be settled with cash using an electronic payment system before the settlement date where certain conditions have been met.

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, 2026, and the changes during the three month period ended, is presented below:

	Number of Share Options	Weighted Average Exercise Price
Outstanding – January 1, 2026	5,906,225	$ 2.84
Granted	1,676,500	3.47
Exercised for common shares	(127,600)	2.79
Exercised for cash	(409,100)	2.65
Forfeited	(6,000)	3.94
Outstanding - March 31, 2026	**7,040,025**	**$ 3.00**
Exercisable - March 31, 2026	**2,298,540**	**$ 3.09**

The following table lists the options outstanding at March 31, 2026:

Exercise Price	Outstanding Options	Average Vesting Remaining (in years)	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
$2.22 to $2.33	1,581,500	3.75	$ 2.22	284,300	$ 2.22
$2.34 to $2.62	1,393,300	2.75	2.43	484,600	2.43
$2.63 to $3.71	2,572,725	3.35	3.24	634,140	2.80
$3.72 to $3.94	$ 1,492,500	1.75	3.94	$ 895,500	3.94
	7,040,025	3.00	$ 3.00	2,298,540	$ 3.09

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

	March 31, 2026
Remaining expected life (years)	2.8
Volatility (percent)	40.0
Forfeiture rate (percent)	7.1
Risk-free interest rate (percent)	2.9
Expected dividend (percent)	—

Share Appreciation Rights (SARs)

A summary of the Company's SARs plan as of March 31, 2026, and the changes during the three month period ended, is presented below:

	Number of SARs	Weighted Average Exercise Price
Outstanding – January 1, 2026	591,300	$ 2.80
Granted	171,500	3.47
Exercised	(16,500)	2.63
Forfeited	(8,900)	2.90
Outstanding - March 31, 2026	**737,400**	**$ 2.96**
Exercisable - March 31, 2026	**247,900**	**$ 3.03**

The following table lists the SARs outstanding at March 31, 2026:

Exercise Price	SARs Outstanding	Average Vesting Remaining (in years)	Weighted Average Exercise Price	SARs Exercisable	Weighted Average Exercise Price
$2.22 to $2.33	180,100	3.75	$ 2.22	34,900	$ 2.22
$2.34 to $2.62	149,900	2.75	2.43	54,800	2.43
$2.63 to $3.71	265,200	3.34	3.23	72,400	2.80
$3.72 to $3.94	142,200	1.75	3.94	85800	3.94
	737,400	3.02	$ 2.96	247,900	$ 3.03

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, 2026	5,678,101
Vested and paid	(1,530,738)
Outstanding - March 31, 2026	**4,147,363**

Included in net earnings for the three months ended March 31, 2026, is an expense of $3,760 (2025 - a recovery of $468). 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 based on certain financial performance metrics.

Deferred Share Units (DSUs)

The Company awards units annually to members of the Board of Directors, who elect to 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, 2026	986,558
Granted	26,400
Released	(45,442)
Outstanding - March 31, 2026	**967,516**

7. LONG-TERM DEBT

		March 31 2026		December 31 2025
Drawings on the Credit Facility	**$**	**919,682**	$	914,391
Subordinated convertible debentures, due January 31, 2029, 7.50%		**25,000**		25,000
Unamortized deferred financing costs		**(4,164)**		(4,589)
Total debt	**$**	**940,518**	$	934,802

The Credit Facility and Term Facility

As at March 31, 2026, the Company's Credit Facility (the "**Credit Facility**") is a revolving secured facility, that may be drawn in Canadian or United States dollars, up to the equivalent value of $950,000 Canadian dollars (December 31, 2025 - $950,000).

On September 29, 2025, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provides a revolving Credit Facility. The amendments include an extension to the maturity date of the now $950,000 Credit Facility to September 29, 2028.

The interest rate on the US dollar borrowings from the Credit Facility, at the option of the Company, is either a margin over a US base rate or a margin over Secured Overnight Financing Rate ("**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.

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 3.50:1.00, 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 4.00:1.00 and 3.50:1.00 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 3.00:1.00.
- 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, 2026, 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

The Company's amended and restated credit agreement includes a US $50,000 secured Letter of Credit Facility. Furthermore, the Company has an additional US $25,000 unsecured Letter of Credit Facility. As of March 31, 2026, the available amount under the Letter of Credit Facilities was US $23,340.

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:

		2026
Opening balance - January 1	$	**934,802**
Proceeds from long-term debt, net of debt issuance costs		**51,013**
Long-term debt repayments		**(58,061)**
Accretion of debt issuance costs		**425**
Foreign exchange adjustments		**12,339**
Closing balance - March 31	$	**940,518**

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, 2026	183,476,360	$ 268,175
Shares issued under employee stock option plan	127,600	478
Changes in unvested common shares held in trust	707,694	1,644
Closing balance - March 31, 2026	**184,311,654**	**$ 270,297**

The total number of unvested common shares held in trust for share-based compensation plans as at March 31, 2026, was 700,101 (December 31, 2025 – 1,407,795).

9. NET (LOSS) INCOME PER COMMON SHARE

Basic net (loss) income per common share is calculated by dividing net (loss) income attributed to common shareholders 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 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 (loss) income 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 2026	March 31 2025
Net (loss) income attributable to common shareholders:		
Basic and diluted	**$ (11,128)**	$ 3,685
Weighted average number of common shares outstanding:		
Basic	**184,049,039**	183,971,552
Potentially dilutive share-based compensation plans	**475,316**	695,757
Diluted	**184,524,355**	184,667,309

Share options of 4,805,700 (2025 – 3,167,000) 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 2026		March 31 2025
Net change in non-cash working capital				
Accounts receivable	**$**	**(14,920)**	$	853
Inventories, prepaid investments and other		**(2,351)**		(1,898)
Accounts payable and accruals		**17,552**		(20,798)
Income taxes payable		**600**		(751)
	$	**881**	$	(22,594)
Relating to:				
Operating activities	**$**	**(42,647)**	$	(42,300)
Investing activities		**43,528**		19,706
	$	**881**	$	(22,594)

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.

	2026				2025			
As at and for the three month period ended March 31	Canada	United States	International	Total	Canada	United States	International	Total
Revenue	$ 135,693	$ 206,831	$ 75,509	$ 418,033	$ 152,031	$ 205,806	$ 78,674	$ 436,511
Income (loss) before interest expense, accretion of deferred financing charges and other (gains) and income taxes	245	(5,815)	5,746	176	24,785	(6,556)	5,771	24,000
Net (loss) income	(3,290)	(10,450)	2,862	(10,878)	9,906	(10,443)	4,435	3,898
Property and equipment	$ 514,823	$1,155,411	$ 438,606	$2,108,840	$ 563,877	$1,265,234	$ 439,831	$2,268,942

		March 31 2026		March 31 2025
Rig rental revenue	**$**	**307,533**	$	324,966
Service revenue		**110,500**		111,545
Total revenue	**$**	**418,033**	$	436,511

There are no material differences in the basis of accounting or the measurement of earnings, 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, 2026, totaled $315,320, an increase of $20,854 from $294,466 as at December 31, 2025. 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, 2026, the Company had a net accounts receivable balance of approximately $10,960 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 become 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, 2026, the remaining contractual maturities of accounts payable and accruals are less than one year.

On September 29, 2025, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provides a revolving Credit Facility. The amendments include an extension to the maturity date of the now $950,000 Credit Facility to September 29, 2028.

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.

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