ENSIGN

2026 Q3

THIRD QUARTER REPORT For the three and nine months ended September 30, 2026

FINANCIAL AND OPERATING HIGHLIGHTS

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

	Three months ended September 30			Nine months ended September 30		
	2026	2025	% change	**2026**	2025	% change
Revenue	**481,711**	411,157	17	**1,297,073**	1,220,083	6
Adjusted EBITDA [1]	**114,998**	98,596	17	**295,673**	282,333	5
Adjusted EBITDA per common share [1]						
Basic	**$0.62**	$0.53	17	**$1.60**	$1.53	5
Diluted	**$0.62**	$0.53	17	**$1.60**	$1.53	5
Net income (loss) attributable to common shareholders	**10,838**	(3,263)	nm	**(13,342)**	(25,975)	(49)
Net income (loss) attributable to common shareholders per common share						
Basic	**$0.06**	$(0.02)	nm	**$(0.07)**	$(0.14)	(50)
Diluted	**$0.06**	$(0.02)	nm	**$(0.07)**	$(0.14)	(50)
Cash provided by operating activities	**108,874**	100,605	8	**257,409**	262,245	(2)
Funds flow from operations	**122,523**	88,221	39	**293,534**	257,279	14
Funds flow from operations per common share						
Basic	**$0.66**	$0.48	38	**$1.59**	$1.40	14
Diluted	**$0.66**	$0.47	40	**$1.58**	$1.39	14
Total debt, net of cash	**970,984**	925,043	5	**970,984**	925,043	5
Weighted average common shares - basic *(000s)*	**184,426**	183,833	—	**184,337**	184,062	—
Weighted average common shares - diluted *(000s)*	**185,423**	184,102	1	**185,325**	184,446	—

Drilling	**2026**	2025	% change	**2026**	2025	% change
Number of marketed rigs						
Canada	**77**	88	(13)	**77**	88	(13)
United States	**75**	71	6	**75**	71	6
International	**26**	27	(4)	**26**	27	(4)
Total	**178**	186	(4)	**178**	186	(4)
Operating days [2]						
Canada	**3,790**	3,509	8	**9,865**	10,006	(1)
United States	**3,721**	3,194	16	**10,001**	8,909	12
International	**1,113**	935	19	**3,525**	3,165	11
Total	**8,624**	7,638	13	**23,391**	22,080	6

Well Servicing	**2026**	2025	% change	**2026**	2025	% change
Number of rigs						
Canada	**38**	41	(7)	**38**	41	(7)
United States	**47**	47	—	**47**	47	—
Total	**85**	88	(3)	**85**	88	(3)
Operating hours						
Canada	**13,921**	13,687	2	**39,913**	38,011	5
United States	**25,233**	27,033	(7)	**72,871**	76,962	(5)
Total	**39,154**	40,720	(4)	**112,784**	114,973	(2)

nm - calculation not meaningful

[1] *Adjusted EBITDA and 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)	**September 30 2026**	December 31 2025	September 30 2025
Working capital [1]	**76,678**	89,618	38,256
Cash	**22,737**	16,189	16,733
Total debt, net of cash	**970,984**	918,613	925,043
Total assets	**2,881,238**	2,643,027	2,750,660
Total debt to total debt plus equity ratio	**0.43**	0.42	0.42

[1] See non-GAAP Measures section.

	Three months ended September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Capital expenditures						
Upgrade	**26,863**	13,866	94	**66,645**	30,112	nm
Maintenance	**63,040**	50,549	25	**155,369**	123,578	26
Proceeds from disposals of property and equipment	**(4,627)**	(1,966)	nm	**(13,850)**	(5,228)	nm
Net capital expenditures	**85,276**	62,449	37	**208,164**	148,462	40

nm - calculation not meaningful

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 and nine months ended September 30, 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 November 5, 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 income (loss) as calculated in accordance with IFRS.

ADJUSTED EBITDA	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2026**	2025	**2026**	2025
Income (loss) before income taxes	**11,738**	(5,317)	**(17,077)**	(33,601)
Add-back/(deduct):				
Interest expense	**17,719**	18,371	**46,813**	57,436
Accretion of deferred financing charges	**423**	417	**1,271**	1,251
Depreciation	**92,827**	87,356	**265,553**	252,016
Share-based compensation	**1,240**	2,679	**12,015**	3,052
(Gain) loss on asset sale	**(1,707)**	2,114	**(8,984)**	8,663
Foreign exchange and other	**(7,242)**	(7,024)	**(3,918)**	(6,484)
Adjusted EBITDA	**114,998**	98,596	**295,673**	282,333

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 third quarter of 2026 was $481.7 million, a 17 percent increase from $411.2 million in revenue for the third quarter of 2025. Revenue for the nine months ended September 30, 2026, was $1,297.1 million, an increase of six percent from revenue for the nine months ended September 30, 2025, of $1,220.1 million.

Adjusted EBITDA totaled $115.0 million ($0.62 per common share) in the third quarter of 2026, 17 percent higher than Adjusted EBITDA of $98.6 million ($0.53 per common share) in the third quarter of 2025. For the nine months ended September 30, 2026, Adjusted EBITDA totaled $295.7 million ($1.60 per common share), five percent higher than Adjusted EBITDA of $282.3 million ($1.53 per common share) in the first nine months ended September 30, 2025.

Net income attributable to common shareholders for the third quarter of 2026 was $10.8 million ($0.06 per common share) compared to a net loss attributable to common shareholders of $3.3 million ($0.02 per common share) for the third quarter of 2025. Net loss attributable to common shareholders for the nine months ended September 30, 2026, was $13.3 million ($0.07 per common share), compared to a net loss attributable to common shareholders of $26.0 million ($0.14 per common share) for the nine months ended September 30, 2025.

Funds flow from operations increased 39 percent to $122.5 million ($0.66 per common share) in the third quarter of 2026 compared to $88.2 million ($0.48 per common share) in the third quarter of the prior year. Funds flow from operations increased 14 percent to $293.5 million ($1.59 per common share) for the nine months ended September 30, 2026, compared to $257.3 million ($1.40 per common share) for the nine months ended September 30, 2025.

During the third quarter of 2026, the Company acquired all the issued and outstanding shares of Citadel Drilling Ltd. (**"Citadel Drilling"**) for a total consideration of $81.9 million. The strategic business combination was completed to enhance the Company's presence in the United States Permian area with six high-spec drilling rigs that are fully contracted and expand the Company's product offering with Citadel Drilling's managed-pressure-drilling division.

The oilfield services sector maintains a cautiously constructive outlook as industry activity has generally improved year over year despite continued volatility in global energy markets. Geopolitical developments, including ongoing instability in the Middle East, disruptions to shipping and energy flows through the Strait of Hormuz, the continuing conflict between the Russian Federation and Ukraine, and evolving United States trade and foreign policy actions, continue to influence commodity prices, supply chains and customer spending decisions. Recent disruptions in the Strait of Hormuz have highlighted the sensitivity of global energy markets to geopolitical events and the potential impact on oil supply and pricing.

The Company's operating days were higher for the nine months ended September 30, 2026, when compared with the same periods in 2025 as operations were positively impacted by the above-mentioned uncertainty in the global economy and volatility in the crude oil and natural gas commodity pricing. Furthermore, the Company saw an increase in operating days as a result of the Citadel Drilling acquisition mentioned above.

The average United States dollar exchange rate was $1.39 for the first nine months of 2026 (2025 - $1.40), slightly lower than the first nine months of 2025.

The Company's working capital as at September 30, 2026, was $76.7 million, compared to $89.6 million as at December 31, 2025.

The Company's available liquidity, consisting of cash and available borrowings under its $950.0 million revolving credit facility (the **"Credit Facility"**) and its $30.0 million general corporate revolving facility (**"Revolving Facility"**), was $30.7 million as at September 30, 2026 (December 31, 2025: $51.8 million).

REVENUE AND OILFIELD SERVICES EXPENSE

	Three months ended September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Revenue						
Canada	**136,000**	129,671	5	**376,413**	382,504	(2)
United States	**262,537**	217,307	21	**678,439**	620,326	9
International	**83,174**	64,179	30	**242,221**	217,253	11
Total revenue	**481,711**	411,157	17	**1,297,073**	1,220,083	6
Oilfield services expense	**352,055**	299,394	18	**958,094**	896,713	7

Revenue for the three months ended September 30, 2026, totaled $481.7 million, an increase of 17 percent from the three months ended September 30, 2025 of $411.2 million. Revenue for the nine months ended September 30, 2026, totaled $1,297.1 million, a six percent increase from the nine months ended September 30, 2025 of $1,220.1 million.

The increase in total revenue during the first nine months of 2026 was primarily due to the higher operating activity and higher revenue day rates, in addition to the Citadel Drilling acquisition.

CANADIAN OILFIELD SERVICES

Revenue increased five percent to $136.0 million for the three months ended September 30, 2026, from $129.7 million for the three months ended September 30, 2025. The Company recorded revenue of $376.4 million in Canada for the nine months ended September 30, 2026, a decrease of two percent from $382.5 million recorded for the nine months ended September 30, 2025.

Canadian revenue accounted for 28 percent of the Company's total revenue in the third quarter of 2026 (2025 - 32 percent) and 29 percent (2025 - 31 percent) for the first nine months of 2026.

The Company's Canadian drilling operations recorded 3,790 operating days in the third quarter of 2026, compared to 3,509 operating days for the third quarter of 2025, an increase of eight percent. For the nine months ended September 30, 2026, the Company recorded 9,865 operating days compared to 10,006 days for the nine months ended September 30, 2025, a decrease of one percent. Canadian well servicing hours increased two percent totaling 13,921 operating hours in the third quarter of 2026 compared to 13,687 operating hours in the corresponding period of 2025. For the nine months ended September 30, 2026, Canadian well servicing hours increased by five percent totaling 39,913 compared to 38,011 in the corresponding period of 2025.

The financial results for the Company's Canadian operations for the third quarter of 2026 compared to the third quarter of 2025, were higher as a result of increased operating activity. Canadian operations continue to see growth opportunities supported by demand for reliable energy supply amid continued geopolitical uncertainty.

During the first nine months of 2026, the Company transferred 12 under-utilized Canadian drilling rigs into its reserve fleet and reactivated one reserve rig.

UNITED STATES OILFIELD SERVICES

The Company’s United States operations recorded revenue of $262.5 million in the third quarter of 2026, an increase of 21 percent from the $217.3 million recorded in the corresponding period of the prior year. During the nine months ended September 30, 2026, revenue of $678.4 million was recorded, an increase of nine percent from the $620.3 million recorded in the corresponding period of the prior year.

The Company's United States operations accounted for 55 percent of the Company's revenue in the third quarter of 2026 (2025 - 53 percent) and 52 percent of the Company’s revenue in the first nine months of 2026 (2025 - 51 percent).

Drilling rig operating days increased by 16 percent to 3,721 operating days in the third quarter of 2026 from 3,194 operating days in the third quarter of 2025 and increased by 12 percent to 10,001 operating days in the first nine months of 2026 from 8,909 operating days in the first nine months of 2025. United States well servicing recorded 25,233 operating hours in the third quarter of 2026 which was a seven percent decrease from 27,033 operating hours

recorded in the third quarter of 2025. For the first nine months of 2026, well servicing activity decreased by five percent to 72,871 operating hours from 76,962 operating hours in the first nine months of 2025.

Operating and financial results for the Company's United States operations were positively impacted by the Citadel Drilling acquisition, in addition to the increased operating activity due to the elevated commodity pricing. Citadel Drilling contributed $20.6 million in revenue, $3.2 million of income before taxes and 276 operating days for the three and nine months ended September 30, 2026.

During the first nine months of 2026, the Company transferred one under-utilized United States drilling rig into its reserve fleet and transferred one marketed rig from its United States to its international operations.

INTERNATIONAL OILFIELD SERVICES

The Company's international operations recorded revenue of $83.2 million in the third quarter of 2026, a 30 percent increase from the $64.2 million recorded in the corresponding period of the prior year. International revenues for the nine months ended September 30, 2026, increased 11 percent to $242.2 million from $217.3 million recorded for the nine months ended September 30, 2025.

The Company's international operations contributed 17 percent of the total revenue in the third quarter of 2026 (2025 - 15 percent) and 19 percent of the Company's revenue in the first nine months of 2026 (2025 - 18 percent).

International operating days for the three months ended September 30, 2026, totaled 1,113 operating days, an increase of 19 percent from 935 operating days in the same period of 2025. For the nine months ended September 30, 2026, international operating days totaled 3,525 operating days compared to 3,165 operating days for the nine months ended September 30, 2025, an increase of 11 percent.

Operating and financial results from international operations increased as a result of higher operating days.

During the first nine months of 2026, the Company transferred two under-utilized international drilling rigs into its reserve fleet and transferred one marketed rig from the United States to its international operations.

DEPRECIATION

	Three months ended September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Depreciation	**92,827**	87,356	6	**265,553**	252,016	5

Depreciation expense totaled $92.8 million for the third quarter of 2026 compared with $87.4 million for the third quarter of 2025, a six percent increase. Depreciation expense for the first nine months of 2026 increased by five percent, to $265.6 million compared with $252.0 million for the same period of 2025. The increase in depreciation is due to more assets entering service following additional capital spending as well as additional depreciation from the acquired Citadel Drilling assets.

GENERAL AND ADMINISTRATIVE

	Three months ended September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
General and administrative	**14,658**	13,167	11	**43,306**	41,037	6
% of revenue	**3.0**	3.2		**3.3**	3.4	

General and administrative expense increased 11 percent to $14.7 million (3.0 percent of revenue) for the third quarter of 2026 compared to $13.2 million (3.2 percent of revenue) for the third quarter of 2025. For the nine months ended September 30, 2026, general and administrative expense totaled $43.3 million (3.3 percent of revenue) compared to $41.0 million (3.4 percent of revenue) for the nine months ended September 30, 2025. General and administrative expenses increased due to the annual wage increases for certain employees and the Citadel Drilling acquisition.

FOREIGN EXCHANGE AND OTHER

	Three months ended September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Foreign exchange and other	**(7,242)**	(7,024)	3	**(3,918)**	(6,484)	(40)

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 September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Interest expense	**17,719**	18,371	(4)	**46,813**	57,436	(18)

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

Interest expense decreased by 18 percent for the first nine months of 2026 compared to the same period of 2025, as a result of lower debt levels (prior to the Citadel Drilling acquisition), effective interest rates and one-time recoveries.

INCOME TAXES (RECOVERY)

	Three months ended September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Current income taxes	**235**	454	(48)	**2,889**	2,511	15
Deferred income taxes (recovery)	**431**	(2,718)	nm	**(7,047)**	(10,408)	(32)
Total income taxes (recovery)	**666**	(2,264)	nm	**(4,158)**	(7,897)	(47)

nm - calculation not meaningful

FUNDS FLOW FROM OPERATIONS AND WORKING CAPITAL

	Three months ended September 30			Nine months ended September 30		
($ thousands, except per common share data)	**2026**	2025	% change	**2026**	2025	% change
Cash provided by operating activities	**108,874**	100,605	8	**257,409**	262,245	(2)
Funds flow from operations	**122,523**	88,221	39	**293,534**	257,279	14
Funds flow from operations per common share	**$0.66**	$0.48	38	**$1.59**	$1.40	14
Working capital [1]	**76,678**	89,618	(14)	**76,678**	89,618	(14)

[1] Comparative figure as at December 31, 2025

During the three months ended September 30, 2026, the Company generated funds flow from operations of $122.5 million ($0.66 per common share) compared to funds flow from operations of $88.2 million ($0.48 per common share) for the three months ended September 30, 2025, an increase of 39 percent. For the nine months ended September 30, 2026, the Company generated funds flow from operations of $293.5 million ($1.59 per common share), an increase of 14 percent from $257.3 million ($1.40 per common share) for the nine months ended September 30, 2025. The increase in funds flow from operations for the nine months ended September 30, 2026, compared to the same period of 2025, is largely due to the increase in operating activity year over year and the Citadel Drilling acquisition.

At September 30, 2026, the Company's working capital was $76.7 million, compared to a working capital of $89.6 million at December 31, 2025.

The Company's existing bank facilities provide for total borrowings of $980.0 million, of which $8.0 million was undrawn and available as at September 30, 2026 (December 31, 2025: $35.6 million).

INVESTING ACTIVITIES

	Three months ended September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Acquisition of Citadel Drilling Ltd., net of cash acquired	**(71,938)**	—	nm	**(71,938)**	—	nm
Purchase of property and equipment	**(89,903)**	(64,415)	40	**(222,014)**	(153,690)	44
Proceeds from disposals of property and equipment	**4,627**	1,966	nm	**13,850**	5,228	nm
Distribution to non-controlling interest	**(500)**	(750)	(33)	**(500)**	(750)	(33)
Net change in non-cash working capital	**10,631**	25,124	(58)	**56,654**	28,351	nm
Cash used in investing activities	**(147,083)**	(38,075)	nm	**(223,948)**	(120,861)	85

nm - calculation not meaningful

On August 13, 2026, the Company completed the acquisition of all of the issued and outstanding shares of Citadel Drilling for the net cash value of $71.9 million. Please refer to additional information on this acquisition throughout this MD&A.

Net purchases of property and equipment for the third quarter of 2026 totaled $85.3 million (2025 - $62.4 million). Net purchases of property and equipment during the first nine months of 2026 totaled $208.2 million (2025 - $148.5 million). The purchase of property and equipment for the first nine months of 2026 consists of $66.6 million in upgrade capital and $155.4 million in maintenance capital.

Subsequent to September 30, 2026, the Company completed the sale of certain land and buildings that were held for sale, with a net book value of $8.4 million. The net proceeds received were $13.3 million and a gain on disposal of $5.0 million was recognized subsequent to quarter end.

FINANCING ACTIVITIES

	Three months ended September 30			Nine months ended September 30		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Proceeds from long-term debt	**93,203**	208,024	(55)	**163,273**	256,242	(36)
Repayments of long-term debt	**(24,457)**	(248,853)	(90)	**(131,545)**	(340,008)	(61)
Lease obligation principal repayments	**(6,119)**	(5,501)	11	**(13,270)**	(13,790)	(4)
Interest paid	**(16,474)**	(13,922)	18	**(45,352)**	(52,892)	(14)
Issuance of common shares under share option plan	**95**	44	nm	**923**	54	nm
Purchase of common shares held in trust	**(642)**	(603)	6	**(1,862)**	(1,689)	10
Cash provided by (used in) financing activities	**45,606**	(60,811)	nm	**(27,833)**	(152,083)	(82)

nm - calculation not meaningful

As at September 30, 2026, the amount of available borrowings under the Credit Facility was $8.0 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 $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 has a general corporate revolving facility (**"Revolving Facility"**) with an authorized limit of $30.0 million that was obtained through the Citadel Drilling acquisition. The Revolving Facility is secured by a general security agreement granting the lender security interest over all the Citadel Drilling present after acquired personal property, and can be repaid in whole or part at any time without penalty.

The Revolving Facility bears interest based on the bank's prime lending rate plus 1.0% per annum, or at a margin over the bankers' acceptance rate in Canadian dollars: such margins will be based on the then applicable ratio of consolidated total debt to EBITDA.

The Revolving Facility matures on August 31, 2027, at which point the outstanding principal amount would be payable in twelve consecutive monthly payments commencing September 2027. The Revolving Facility requires the Company to maintain certain financial and reporting covenants.

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 September 30, 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 $20.5 million issued to management and directors of the Company.

The current capital structure of the Company consisting of the Credit and Revolving Facilities and the Convertible Debentures. This provides greater flexibility to reduce debt in the near term than a capital structure containing a greater proportion of non-callable debt.

Covenants

The following is a list of the Company's currently applicable covenants pursuant to the Credit and Revolving Facilities and the associated calculations as at September 30, 2026:

	Covenant	September 30, 2026
The Credit Facility		
Consolidated Net Debt to Consolidated EBITDA [1]	≤ 3.50	2.38
Consolidated EBITDA to Consolidated Interest Expense[1,2]	≥ 3.00	6.93
Consolidated Net Senior Debt to Consolidated EBITDA[1,3]	≤ 2.50	2.17
The Revolving Facility		
Funded Debt to EBITDA[1]	<3.00	0.64
Interest Coverage Ratio[2]	>3.00	134.83

[1] Consolidated Net Debt and Funded Debt is defined as consolidated total debt, less cash and cash equivalent. Consolidated EBITDA and EBITDA, as defined in the Company's Credit and Revolving Facility agreements, is used in determining the Company's compliance with its covenants. The Consolidated EBITDA and EBITDA is substantially similar to Adjusted EBITDA.
[2] Consolidated Interest Expense and interest 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 September 30, 2026, the Company was in compliance with all covenants related to the Credit and Revolving Facilities.

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 September 30, 2026, totaled $400.6 million, an increase of $106.1 million from $294.5 million as at December 31, 2025. The varying levels of oil and natural gas commodity prices may negatively impact the cash flow of the Company's customers and, consequently, may increase 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 September 30, 2026, the Company had a net accounts receivable balance of approximately $9.2 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 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 September 30, 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 $950.0 million Credit Facility to September 29, 2028.

On August 13, 2026, the Company acquired through Citadel Drilling a Revolving Facility, which provides $30.0 million of additional liquidity and matures on August 31, 2027, at which point the outstanding principal amount would be payable in twelve consecutive monthly payments commencing September 2027.

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 along with the Revolving Facility provides the Company with continued access to revolver capacity in a dynamic industry environment.

SUMMARY QUARTERLY RESULTS

($ thousands, except per common share data)	**Q3-2026**	Q2-2026	Q1-2026	Q4-2025	Q3-2025	Q2-2025	Q1-2025	Q4-2024
Revenue	**481,711**	397,329	418,033	418,808	411,157	372,415	436,511	426,515
Adjusted EBITDA [1]	**114,998**	85,833	94,842	107,463	98,596	81,354	102,383	113,391
Adjusted EBITDA per common share [1]								
Basic	**$0.62**	$0.46	$0.52	$0.59	$0.53	$0.44	$0.56	$0.62
Diluted	**$0.62**	$0.47	$0.51	$0.58	$0.53	$0.45	$0.56	$0.62
Net income (loss) attributable to common shareholders	**10,838**	(13,052)	(11,128)	(12,785)	(3,263)	(26,397)	3,685	(20,216)
Net income (loss) attributable to common shareholders per common share								
Basic	**$0.06**	$(0.07)	$(0.06)	$(0.07)	$(0.02)	$(0.14)	$0.02	$(0.11)
Diluted	**$0.06**	$(0.07)	$(0.06)	$(0.07)	$(0.02)	$(0.14)	$0.02	$(0.11)
Cash provided by operating activities	**108,874**	103,180	45,355	67,732	100,605	107,349	54,291	148,312
Funds flow from operations	**122,523**	83,009	88,002	112,824	88,221	72,467	96,591	112,574
Funds flow from operations per common share								
Basic	**$0.66**	$0.45	$0.48	$0.61	$0.48	$0.39	$0.53	$0.61
Diluted	**$0.66**	$0.44	$0.48	$0.61	$0.47	$0.40	$0.52	$0.61
Total debt, net of cash	**970,984**	909,098	922,574	918,613	925,043	955,004	1,010,894	1,023,498

[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 customers and the resultant demand for the oilfield services provided by the Company.

OUTSTANDING SHARE DATA

The following common shares and stock options were outstanding as of November 5, 2026:

	Number		Amount ($)
Common shares	184,208,314	$	269,684
	Outstanding		**Exercisable**
Stock options	5,286,975		2,433,275

OUTLOOK

Industry Overview

The outlook for oilfield services strengthened during the third quarter of 2026 as geopolitical disruptions in the Middle East tightened global crude supply, reduced inventories and drove significant oil-price volatility. These conditions improved near-term customer sentiment and supported demand for drilling services; however, the outlook remains uncertain and will depend on the duration of supply constraints, the pace at which disrupted production and export routes are restored, and continued capital discipline by producers. Industry activity is therefore expected to remain selective, with customers prioritizing efficient, high-performance equipment and projects capable of generating competitive returns across commodity-price cycles.

North American drilling activity improved year over year through the end of the third quarter, although producer spending remains disciplined and responsive to commodity prices. Canadian activity continues to be supported by improved crude-oil market access following the Trans Mountain Expansion, the ongoing ramp-up of LNG Canada and associated natural-gas development in the Western Canadian Sedimentary Basin. In the United States, activity has

also increased from 2025 levels, while the mix of work continues to favour operators and service providers with exposure to efficient, high-specification rigs and natural-gas-focused basins. The Company has experienced increased customer inquiries, but the timing and conversion of these opportunities remain subject to customer budgets, commodity prices and geopolitical developments.

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 $50.0 million in net debt reduction for the remainder of 2026. If industry conditions change, these targets may be increased or decreased.

The Company has budgeted maintenance capital expenditures for 2026 of approximately $190.0 million and $100.0 million of selective upgrade capital. As at September 30, 2026, the Company had total customer capital commitments of $87.0 million related to various upgrade capital projects, that will be recognized over their respective contractual terms. Of the $87.0 million, $32.0 million has been received and recognized to date in revenue, $32.0 million has been received and is recognized as deferred revenue and $23.0 million is yet to be received. 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, representing 29 percent of total revenue in the first nine months of 2026, increased in the third quarter of 2026, when compared to the second quarter of 2026, as activity picked up following seasonal spring break-up. Canadian activity is expected to improve in the fourth quarter of 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 November 5, 2026, of our 77 marketed Canadian drilling rigs, approximately 73 percent were engaged under term contracts of various durations. Approximately 39 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 represents 52 percent of total Company revenue in the first nine months of 2026. Operating activity was higher in the third quarter of 2026, when compared to the second quarter of 2026, as a result of the elevated commodity pricing, in addition to the Citadel Drilling acquisition that closed on August 13, 2026. United States activity is expected to continue to improve in the fourth quarter of 2026 with the Citadel Drilling acquisition and due to positive market conditions.

As of November 5, 2026, of our 75 marketed United States drilling rigs, approximately 68 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, representing 19 percent of total revenue in the first nine months of 2026, decreased in the third quarter of 2026, when compared to the second quarter of 2026, as rigs came off contracts. For the fourth quarter of 2026, Latin America is expected to increase to five rigs, the Middle East is expected to remain steady with five rigs and Australia is expected to remain steady with four rigs.

As of November 5, 2026, of our 26 marketed international drilling rigs, approximately 65 percent were engaged under term contracts of various durations. Approximately 76 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 September 30, 2026.

On August 13, 2026, the Company and Citadel Drilling completed a transaction. As at September 30, 2026, management has not fully completed the design of internal control over financial reporting and disclosure controls and procedures of Citadel Drilling. Since the acquisition date of Citadel Drilling is within 365 days from the end of the financial reporting period, management has limited the scope of design of disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of Citadel Drilling for the period ended September 30, 2026. This scope limitation is in accordance with Section 3.3 of National Instrument 52-109. The Company intends to complete the design of disclosure controls and procedures and internal control over financial reporting of Citadel Drilling by June 30, 2027.

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 continuing to evaluate the impacts of adopting IFRS 18 on the consolidated 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 those previously 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	September 30 2026	December 31 2025
(Unaudited, in thousands of Canadian dollars)		
Assets		
Current Assets		
Cash	**$ 22,737**	$ 16,189
Accounts receivable	**400,589**	294,466
Inventories, prepaid, investments and other	**44,155**	44,194
Asset held for sale *(Note 15)*	**8,355**	—
Income taxes receivable	**1,279**	—
Total current assets	**477,115**	354,849
Property and equipment	**2,207,537**	2,094,244
Deferred income taxes	**196,586**	193,934
Total assets	**$ 2,881,238**	$ 2,643,027
Liabilities		
Current Liabilities		
Accounts payable and accruals	**$ 374,528**	$ 246,116
Share-based compensation *(Note 7)*	**10,366**	5,711
Income taxes payable	**172**	452
Current portion of lease obligation	**13,274**	12,952
Current portion of long-term debt *(Note 8)*	**2,097**	—
Total current liabilities	**400,437**	265,231
Share-based compensation *(Note 7)*	**8,363**	5,572
Long-term debt *(Note 8)*	**991,624**	934,802
Lease obligations	**26,342**	19,281
Income tax payable	**5,653**	5,464
Deferred income taxes	**142,121**	128,939
Total liabilities	**1,574,540**	1,359,289
Shareholders' Equity		
Shareholders' capital *(Note 9)*	**269,858**	268,175
Contributed surplus	**22,294**	23,302
Accumulated other comprehensive income	**324,637**	289,010
Retained earnings	**689,909**	703,251
Total shareholders' equity	**1,306,698**	1,283,738
Total liabilities and shareholders' equity	**$ 2,881,238**	$ 2,643,027

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

	Three months ended		Nine months ended	
	September 30 2026	September 30 2025	**September 30 2026**	September 30 2025
(Unaudited, in thousands of Canadian dollars, except per common share data)				
Revenue	**$ 481,711**	$ 411,157	**$ 1,297,073**	$ 1,220,083
Expenses				
Oilfield services	**352,055**	299,394	**958,094**	896,713
Depreciation	**92,827**	87,356	**265,553**	252,016
General and administrative	**14,658**	13,167	**43,306**	41,037
Share-based compensation	**1,240**	2,679	**12,015**	3,052
Foreign exchange and other	**(7,242)**	(7,024)	**(3,918)**	(6,484)
Total expenses	**453,538**	395,572	**1,275,050**	1,186,334
Income before interest expense, accretion of deferred financing charges and other gains and income taxes	**28,173**	15,585	**22,023**	33,749
(Gain) loss on asset sale	**(1,707)**	2,114	**(8,984)**	8,663
Interest expense	**17,719**	18,371	**46,813**	57,436
Accretion of deferred financing charges	**423**	417	**1,271**	1,251
Income (loss) before income taxes	**11,738**	(5,317)	**(17,077)**	(33,601)
Income taxes (recovery)				
Current income taxes	**235**	454	**2,889**	2,511
Deferred income taxes (recovery)	**431**	(2,718)	**(7,047)**	(10,408)
Total income taxes (recovery)	**666**	(2,264)	**(4,158)**	(7,897)
Net income (loss)	**$ 11,072**	$ (3,053)	**$ (12,919)**	$ (25,704)
Net income (loss) attributable to:				
Common shareholders	**10,838**	(3,263)	**(13,342)**	(25,975)
Non-controlling interests	**234**	210	**423**	271
	$ 11,072	$ (3,053)	**$ (12,919)**	$ (25,704)
Net income (loss) attributable to common shareholders per common share *(Note 10)*				
Basic	**$ 0.06**	$ (0.02)	**$ (0.07)**	$ (0.14)
Diluted	**$ 0.06**	$ (0.02)	**$ (0.07)**	$ (0.14)

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three months ended		Nine months ended	
	September 30 2026	September 30 2025	**September 30 2026**	September 30 2025
(Unaudited, in thousands of Canadian dollars)				
Net income (loss)	**$ 11,072**	$ (3,053)	$ (12,919)	$ (25,704)
Other comprehensive (loss) income				
Item that may be subsequently reclassified to profit or loss				
Foreign currency translation adjustment	**(572)**	13,106	**35,627**	(32,060)
Comprehensive income (loss)	**$ 10,500**	$ 10,053	**$ 22,708**	$ (57,764)
Other comprehensive (loss) income attributable to:				
Common shareholders of the Company	**$ (572)**	$ 13,106	**$ 35,627**	$ (32,060)
	$ (572)	$ 13,106	**$ 35,627**	$ (32,060)

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	—	—	—	(13,342)	(13,342)
Other comprehensive income	—	—	35,627	—	35,627
Total comprehensive income (loss)	—	—	35,627	(13,342)	22,285
Common shares issued under share option plan	1,276	(354)	—	—	922
Share-based compensation	—	1,615	—	—	1,615
Common shares vested previously held in trust	2,269	(2,269)	—	—	—
Purchase of common shares held in trust	(1,862)	—	—	—	(1,862)
Balance, September 30, 2026	**$ 269,858**	**$ 22,294**	**$ 324,637**	**$ 689,909**	**$ 1,306,698**
Balance, January 1, 2025	$ 267,987	$ 23,354	$ 336,187	$ 742,011	$ 1,369,539
Net loss attributable to common shareholders	—	—	—	(25,975)	(25,975)
Other comprehensive loss	—	—	(32,060)	—	(32,060)
Total comprehensive loss	—	—	(32,060)	(25,975)	(58,035)
Common shares issued under share option plan	71	(17)	—	—	54
Share-based compensation	—	1,454	—	—	1,454
Common shares vested previously held in trust	2,052	(2,052)	—	—	—
Purchase of common shares held in trust	(1,690)	—	—	—	(1,690)
Balance, September 30, 2025	$ 268,420	$ 22,739	$ 304,127	$ 716,036	$ 1,311,322

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Nine months ended	
	September 30 2026	September 30 2025	**September 30 2026**	September 30 2025
(Unaudited, in thousands of Canadian dollars)				
Cash provided by (used in)				
Operating activities				
Net income (loss)	**$ 11,072**	$ (3,053)	**$ (12,919)**	$ (25,704)
Items not affecting cash				
Depreciation	**92,827**	87,356	**265,553**	252,016
(Gain) loss on asset sale	**(1,707)**	2,114	**(8,984)**	8,663
Share-based compensation, net cash settlements	**824**	2,137	**9,055**	(3,051)
Unrealized foreign exchange and other	**934**	(16,403)	**(208)**	(22,924)
Accretion of deferred financing charges	**423**	417	**1,271**	1,251
Interest expense	**17,719**	18,371	**46,813**	57,436
Deferred income taxes (recovery)	**431**	(2,718)	**(7,047)**	(10,408)
Funds flow from operations	**122,523**	88,221	**293,534**	257,279
Net change in non-cash working capital *(Note 11)*	**(13,649)**	12,384	**(36,125)**	4,966
Cash provided by operating activities	**108,874**	100,605	**257,409**	262,245
Investing activities				
Acquisition of Citadel Drilling Ltd., net of cash acquired *(Note 6)*	**(71,938)**	—	**(71,938)**	—
Purchase of property and equipment	**(89,903)**	(64,415)	**(222,014)**	(153,690)
Proceeds from disposals of property and equipment	**4,627**	1,966	**13,850**	5,228
Distribution to non-controlling interest	**(500)**	(750)	**(500)**	(750)
Net change in non-cash working capital *(Note 11)*	**10,631**	25,124	**56,654**	28,351
Cash used in investing activities	**(147,083)**	(38,075)	**(223,948)**	(120,861)
Financing activities				
Proceeds from long-term debt *(Note 8)*	**93,203**	208,024	**163,273**	256,242
Repayments of long-term debt *(Note 8)*	**(24,457)**	(248,853)	**(131,545)**	(340,008)
Lease obligation principal repayments	**(6,119)**	(5,501)	**(13,270)**	(13,790)
Interest paid	**(16,474)**	(13,922)	**(45,352)**	(52,892)
Issuance of common shares under share option plan	**95**	44	**923**	54
Purchase of common shares held in trust *(Note 9)*	**(642)**	(603)	**(1,862)**	(1,689)
Cash provided by (used in) financing activities	**45,606**	(60,811)	**(27,833)**	(152,083)
Net increase (decrease) in cash	**7,397**	1,719	**5,628**	(10,699)
Effects of foreign exchange on cash	**202**	40	**920**	(681)
Cash				
Beginning of period	**15,138**	14,974	**16,189**	28,113
End of period	**$ 22,737**	$ 16,733	**$ 22,737**	$ 16,733

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 1000, 400 – 5th Avenue S.W., 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 November 5, 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 labour 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 continuing to evaluate the impacts of adopting IFRS 18 on the consolidated financial statements.

6. BUSINESS COMBINATION

On August 13, 2026 (the "**Closing Date**") the Company completed the acquisition of all of the issued and outstanding shares of Citadel Drilling Ltd. (**"Citadel Drilling"**), with an effective date of May 1, 2026. The strategic business combination was completed to enhance the Company's presence in the United States Permian area with six high-spec drilling rigs that are fully contracted and expand the Company's product offering through Citadel Drilling's managed-pressure-drilling division. The purchase was completed for a total consideration of $81,886.

The preliminary allocation of the purchase price for the Citadel Drilling acquisition is determined as follows:

Cash	2,983
Accounts receivable	24,984
Inventory and prepaid	2,350
Accounts payable and accrued liabilities	(28,454)
Income tax	(79)
Property and equipment	90,249
Lease obligation	(1,077)
Long-term debt	(1,408)
Deferred income tax liability	(14,627)
Net assets acquired	74,921

The purchase price consideration as at the Closing Date is as follows:

Total consideration	81,886
Holdback of contingent liability	(6,965)
Total cash consideration	74,921

The Citadel Drilling acquisition was accounted for as a business combination using the acquisition method whereby the net assets and liabilities assumed are recorded at fair value. The preliminary purchase price allocation is based on management's best estimates of fair values of Citadel Drilling's assets and liabilities as at the Closing Date, although future adjustments to estimates may be required.

Citadel Drilling contributed $20,623 in revenue and $3,226 of income before taxes to the consolidated statement of income (loss) for the three and nine months ended September 30, 2026. For the purpose of pro-forma disclosures required under IFRS 3, pro-forma revenue of approximately $110,890 and income before taxes of approximately $6,486 have been presented as if the acquisition had occurred on January 1, 2026.

If new information is obtained within one year from the Closing Date regarding facts and circumstances that existed at the Closing Date that identify adjustments to the above amounts, or any additions to provisions that existed at the Closing Date, then the accounting at acquisition will be revised.

7. SHARE-BASED COMPENSATION

A summary of the Company's share option plan as of September 30, 2026, and the changes during the nine month period ended, is presented below:

	Number of Share Options	Weighted Average Exercise Price
Outstanding – January 1, 2026	5,906,225	$ 2.84
Granted	1,861,500	3.52
Exercised for common shares	(361,100)	2.56
Exercised for cash	(1,067,075)	2.70
Forfeited	(738,700)	3.08
Outstanding - September 30, 2026	**5,600,850**	**$ 3.07**
Exercisable - September 30, 2026	**2,747,150**	**$ 3.14**

The following table lists the options outstanding at September 30, 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	1,190,300	3.25	$ 2.22	370,400	$ 2.22
$2.34 to $2.62	1,016,450	2.25	2.43	515,450	2.43
$2.63 to $3.71	2,100,900	3.16	3.30	877,300	3.04
$3.72 to $4.36	1,293,200	1.44	3.97	984,000	3.95
	5,600,850	2.62	$ 3.07	2,747,150	$ 3.14

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

	September 30 2026
Remaining expected life (years)	2.3
Volatility (percent)	40.0
Forfeiture rate (percent)	7.5
Risk-free interest rate (percent)	3.4
Expected dividend (percent)	—

Share Appreciation Rights (SARs)

A summary of the Company's SARs plan as of September 30, 2026, and the changes during the nine 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	(117,000)	2.73
Forfeited	(79,400)	2.92
Outstanding - September 30, 2026	**566,400**	**$ 3.00**
Exercisable - September 30, 2026	**279,900**	**$ 3.09**

The following table lists the SARs outstanding at September 30, 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	138,700	3.25	$ 2.22	46,900	$ 2.22
$2.34 to $2.62	113,300	2.25	2.43	58,900	2.43
$2.63 to $3.71	194,700	3.29	3.31	78,700	3.07
$3.72 to $3.94	119,700	1.25	3.94	95,400	3.94
	566,400	2.64	$ 3.00	279,900	$ 3.09

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
Granted	1,838,914
Vested and paid	(1,530,738)
Forfeited	(1,071,872)
Outstanding - September 30, 2026	**4,914,405**

Included in net earnings (loss) for the three months ended September 30, 2026 is an expense of $332 (2025 - $877), and for the nine months ended September 30, 2026 is an expense of $6,480 (2025 - $2,397). 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 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, 2026	986,558
Granted	83,667
Released	(82,778)
Outstanding - September 30, 2026	**987,447**

8. LONG-TERM DEBT

	September 30 2026	December 31 2025
Drawings on the Credit Facility	**$ 946,879**	$ 914,391
Revolving Facility	**25,160**	—
Subordinated Convertible Debenture, due January 31, 2029, 7.50%	**25,000**	25,000
Unamortized deferred financing costs	**(3,318)**	(4,589)
Total debt	**$ 993,721**	$ 934,802
Less: current portion	**(2,097)**	—
Total long-term debt	**$ 991,624**	$ 934,802

The Credit Facility

As at September 30, 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 $950,000 Credit Facility to September 29, 2028.

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

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 September 30, 2026, the Company was in compliance with all covenants related to the Credit Facility.

Revolving Facility

The Company has a general corporate revolving facility (**"Revolving Facility"**) with an authorized limit of $30,000 that was obtained through the Citadel Drilling acquisition. The Revolving Facility is secured by a general security agreement granting the lender security interest over all the Citadel Drilling present after acquired personal property, and can be repaid in whole or part at any time without penalty.

The Revolving Facility bears interest based on the bank's prime lending rate plus 1.0% per annum, or at a margin over the bankers' acceptance rate in Canadian dollars: such margins will be based on the then applicable ratio of consolidated total debt to EBITDA.

The Revolving Facility matures on August 31, 2027, at which point the outstanding principal amount would be payable in twelve consecutive monthly payments commencing September 2027. The Revolving Facility requires the Company to maintain certain financial and reporting covenants.

As at September 30, 2026, the Company was in compliance with all covenants related to the Revolving 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 Facilities

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 September 30, 2026, the available amount under the Letter of Credit Facilities was US $23,338.

Long-term debt continuity

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

		2026
Opening balance - January 1	$	**934,802**
Proceeds from long-term debt		**163,273**
Repayments of long-term debt		**(131,545)**
Revolving Facility acquired through Citadel Drilling		**1,408**
Amortization of debt issuance costs		**1,271**
Foreign exchange adjustments		**24,512**
Total debt	$	**993,721**
Less: current portion		**(2,097)**
Closing balance - September 30	$	**991,624**

9. 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	361,100	1,276
Changes in unvested common shares held in trust	416,954	407
Closing balance - September 30, 2026	**184,254,414**	**$ 269,858**

The total number of unvested common shares held in trust for share-based compensation plans as at September 30, 2026 was 990,841 (December 31, 2025 – 1,407,795).

10. 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) 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		Nine months ended	
	September 30 2026	September 30 2025	**September 30 2026**	September 30 2025
Net income (loss) attributable to common shareholders:				
Basic and diluted	**$ 10,838**	$ (3,263)	**$ (13,342)**	$ (25,975)
Weighted average number of common shares outstanding:				
Basic	**184,426,074**	183,833,256	**184,337,124**	184,062,247
Potentially dilutive share-based compensation plans	**996,677**	268,980	**988,187**	383,354
Diluted	**185,422,751**	184,102,236	**185,325,311**	184,445,601

During the three months ended September 30, 2026, share options of 2,822,400 (2025 – 5,968,525) were excluded from the calculation of diluted weighted average number of common shares outstanding as they were anti-dilutive.

During the nine months ended September 30, 2026, share options of 2,995,400 (2025 – 5,968,525) were excluded from the calculation of diluted weighted average number of common shares outstanding as they were anti-dilutive.

11. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

(a) Non-cash working capital

	Three months ended		Nine months ended	
	September 30 2026	September 30 2025	**September 30 2026**	September 30 2025
Net change in non-cash working capital				
Accounts receivable	**$ (85,712)**	$ (18,713)	**$ (94,714)**	$ 9,390
Inventories, prepaid, investments and other	**(723)**	42	**1,921**	1,274
Accounts payable and accruals	**86,673**	56,008	**114,860**	25,804
Income taxes	**(3,256)**	171	**(1,538)**	(3,151)
	$ (3,018)	$ 37,508	**$ 20,529**	$ 33,317
Relating to:				
Operating activities	**$ (13,649)**	$ 12,384	**$ (36,125)**	$ 4,966
Investing activities	**10,631**	25,124	**56,654**	28,351
	$ (3,018)	$ 37,508	**$ 20,529**	$ 33,317

12. 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 September 30	**Canada**	**United States**	**International**	**Total**	Canada	United States	International	Total
Revenue	**136,000**	**262,537**	**83,174**	**481,711**	129,671	217,307	64,179	411,157
Income before interest expense, accretion of deferred financing charges and other gains and income taxes	**1,376**	**17,608**	**9,189**	**28,173**	6,379	8,751	455	15,585
Net (loss) income	**(5,230)**	**10,389**	**5,913**	**11,072**	829	(1,599)	(2,283)	(3,053)
Property and equipment, net	**505,553**	**1,259,343**	**442,641**	**2,207,537**	539,960	1,208,420	426,678	2,175,058

	2026				**2025**			
As at and for the nine month period ended September 30	**Canada**	**United States**	**International**	**Total**	Canada	United States	International	Total
Revenue	**376,413**	**678,439**	**242,221**	**1,297,073**	382,504	620,326	217,253	1,220,083
(Loss) income before interest expense, accretion of deferred financing charges and other gains and income taxes	**(4,782)**	**2,118**	**24,687**	**22,023**	21,206	471	12,072	33,749
Net (loss) income	**(19,001)**	**(8,669)**	**14,751**	**(12,919)**	(2,888)	(25,512)	2,696	(25,704)
Property and equipment, net	**505,553**	**1,259,343**	**442,641**	**2,207,537**	539,960	1,208,420	426,678	2,175,058

	Three months ended		Nine months ended	
	September 30 2026	September 30 2025	**September 30 2026**	September 30 2025
Rig rental revenue	**$ 316,647**	$ 283,872	**$ 899,040**	$ 862,484
Service revenue	**165,064**	127,285	**398,033**	357,599
Total revenue	**$ 481,711**	$ 411,157	**$ 1,297,073**	$ 1,220,083

There are no material differences in the basis of accounting or the measurement of income (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.

13. 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 data.

14. FINANCIAL INSTRUMENTS

Credit Risk

The Company is subject to credit risk on accounts receivable balances, which at September 30, 2026, totaled $400,589, an increase of $106,123 from $294,466 as at December 31, 2025. The varying levels of oil and natural gas commodity prices may negatively impact the cash flow of the Company's customers and, consequently, may increase 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 September 30, 2026, the Company had a net accounts receivable balance of approximately $9,228 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 September 30, 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 $950,000 Credit Facility to September 29, 2028.

On August 13, 2026, the Company acquired through Citadel Drilling a Revolving Facility, which provides $30,000 of additional liquidity and matures on August 31, 2027, at which point the outstanding principal amount would be payable in twelve consecutive monthly payments commencing September 2027.

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 along with the Revolving Facility provides the Company with continued access to revolver capacity in a dynamic industry environment.

15. SUBSEQUENT EVENTS

Asset Held for Sale

Subsequent to September 30, 2026, the Company completed the sale of certain land and buildings that were held for sale, with a net book value of $8,355. The net proceeds received were $13,344 and a gain on disposal of $4,989 was recognized subsequent to quarter end.

CORPORATE INFORMATION

BOARD OF DIRECTORS

N. MURRAY EDWARDS
Corporate Director and Investor

ROBERT H. GEDDES
President and COO,
Ensign Energy Services Inc.

DONNA CARSON [1, 3]
Independent Businessperson

GARY CASSWELL [2, 4]
Independent Businessperson

DARLENE HASLAM [1, 4]
Independent Businessperson

LEN O. KANGAS [2, 4]
Independent Businessperson

KARL A. RUUD [2, 3]
Independent Businessperson

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

CORPORATE MANAGEMENT

N. MURRAY EDWARDS
Chairman

ROBERT H. GEDDES
President and Chief Operating Officer

TREVOR RUSSELL
Chief Financial Officer

NIAL SHEPHERD
Senior Vice President, US Drilling

ELDON CULSHAW
Senior Vice President, Canadian Drilling

DANIEL HOFFARTH
Senior Vice President, International

AHMED IQBAL
Vice President, Finance

JONATHAN BASKEYFIELD
Vice President, Tax

DOUG ROBINSON
Vice President, Treasury

JAY SIMPSON
Vice President, Global
HSE & Field Training

JAKE HAMDAN
Vice President, Engineering

RON TOLTON
Vice President, IT

JUSTIN LOUIE
Corporate Secretary and General Counsel

HEAD OFFICE

400 - 5th Avenue S.W., Suite 1000
Calgary, Alberta T2P 0L6
Telephone: (403)-262-1361
Facsimile: (403)-262-8215
Email: info@ensignenergy.com
Website: www.ensignenergy.com

BANKERS

Royal Bank of Canada
HSBC Bank USA
Bank of Montreal

STOCK EXCHANGE LISTING

Toronto Stock Exchange
Symbol: ESI

AUDITORS

PricewaterhouseCoopers LLP

TRANSFER AGENT

Computershare Trust Company of Canada

COMMITTEE MEMBERS

[1] Audit
[2] Corporate Governance, Nominations and Risk
[3] Compensation
[4] Health, Safety and Environment

ENSIGN

www.ensignenergy.com