

(Canadian dollars except as indicated)

This news release contains "forward-looking information and statements" within the meaning of applicable securities laws. For a full disclosure of the forward-looking information and statements and the risks to which they are subject, see the "Cautionary Statement Regarding Forward-Looking Information and Statements" later in this news release.

For the first quarter of 2016, we recorded earnings before income taxes, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, and depreciation and amortization (adjusted EBITDA see "Additional GAAP Measures") of \$99 million or 39% lower than the first quarter of 2015. During the quarter, we received one-time contract cancellation payments related to five contract terminations, three in the U.S. and two in Canada for approximately \$23 million that was expected to be earned beyond the first quarter of 2016, and incurred \$3 million in restructuring costs. Our activity for the quarter, as measured by drilling rig utilization days, decreased 36% in Canada, 60% in the U.S. and 33% internationally, compared to the first quarter of 2015. Our adjusted EBITDA as a percentage of revenue was 33% this quarter, compared to 32% in the first quarter of 2015. The increase in adjusted EBITDA as a percentage of revenue was mainly due to one-time payments received in the quarter related to contract cancellations partially offset by a decrease in activity in all of our businesses.

Cash provided by operations for the quarter was \$112 million, which was 48% lower than the first quarter of 2015 due to lower operating earnings compared with the first quarter of 2015.

We recorded a net loss this quarter of \$20 million, or net loss per diluted share of \$0.07, compared to net earnings of \$24 million, or \$0.08 per diluted share, in the first quarter of 2015.

Revenue this quarter was \$302 million or 41% lower than the first quarter of 2015, mainly due to lower drilling activity in the U.S., Canada and internationally. Revenue from our Contract Drilling Services and Completion and Production Services segments both decreased over the comparative prior year period by 39% and 57%, respectively.

We agreed with our lending group to amend our credit agreement governing our senior revolving credit facility to, among other things, amend the covenant of Adjusted EBITDA to consolidated interest expense from 2:1 to 1.5:1 and reverting to 2.5:1 for periods ending after March 31, 2018. For more detail see the liquidity section later in this release.

Kevin Neveu, Precision's President and Chief Executive Officer, stated: "Our first quarter results continue to demonstrate the value of our High Performance rig fleet and strong financial position in a very challenging environment. The sharp drop in commodity prices early in the quarter led to a muted seasonal increase in Canada and continued activity reductions in the U.S. For an unprecedented second consecutive year, first quarter Canadian industry activity, typically the busiest quarter of the year, recorded a decline from the fourth quarter of the prior year. We also experienced five rig contract cancellations demonstrating the challenges facing our customers. Precision has recorded a total of nine contract cancellations since the beginning of this downturn cycle."

"I am pleased with Precision's continued strong market positions in key regions, such as the Canadian Deep Basin, Permian and our expanding footprint in Kuwait. Our High Performance, High Value operating model provides Precision with a competitive advantage, a function of not only our investment in new-build Super Series Rigs, but also the excellent performance of Precision's highly regarded rig crews."

"Our efforts to reduce costs, minimize spending and conserve cash delivered good results during the first quarter as our cash balance grew to \$476 million. Principal use of free cash in 2016 will be to complete the construction of the two rigs for Kuwait. With improved deliveries from suppliers, we have been able to pull forward delivery of these rigs a full quarter ahead of schedule and now expect to commission these rigs in the fourth quarter of 2016."

"Liquidity remains a key focus in 2016, and while managing our cash balance is the primary lever, the revolver amendments we achieved ensure continued access to the facility. Over the short term we will protect our cash balance and position ourselves to reduce net debt over the longer term."

"While the timing for a potential rebound remains uncertain, we are turning our minds from cost reduction and downsizing to stabilization and preparation for a rebound, ensuring we are a first choice in the minds of customers. Our priority will be to have access to the rig leadership and crews to staff up rigs in a rebound, and sustaining the expense reductions achieved during this downturn. The investments we have made in our rig fleet, crew training capabilities, and recruitment processes, combined with our High Performance, High Value offering will drive superior results for Precision in a rebounding environment," concluded Mr. Neveu.

SELECT FINANCIAL AND OPERATING INFORMATION

Adjusted EBITDA and funds provided by operations are additional GAAP measures. See "ADDITIONAL GAAP MEASURES".

Financial Highlights

	Three months ended March 31,		
<i>(Stated in thousands of Canadian dollars, except per share amounts)</i>	2016	2015	% Change
Revenue	301,727	512,120	(41.1)
Adjusted EBITDA	99,264	163,384	(39.2)
Net earnings (loss)	(19,883)	24,033	(182.7)
Cash provided by operations	112,174	215,138	(47.9)
Funds provided by operations	93,593	155,186	(39.7)
Capital spending:			
Expansion	19,201	197,317	(90.3)
Upgrade	1,433	19,943	(92.8)
Maintenance and infrastructure	6,527	8,562	(23.8)
Proceeds on sale	(2,157)	(2,876)	(25.0)
Net capital spending	25,004	222,946	(88.8)
Earnings (loss) per share:			
Basic	(0.07)	0.08	(187.5)
Diluted	(0.07)	0.08	(187.5)
Dividends paid per share	-	0.07	(100.0)

Operating Highlights

	Three months ended March 31,		
	2016	2015	% Change
Contract drilling rig fleet	251	323	(22.3)
Drilling rig utilization days:			
Canada	3,995	6,230	(35.9)
U.S.	2,886	7,197	(59.9)
International	763	1,134	(32.7)
Service rig fleet	163	177	(7.9)
Service rig operating hours	24,831	48,001	(48.3)

Financial Position

<i>(Stated in thousands of Canadian dollars, except ratios)</i>	March 31, 2016	December 31, 2015
Working capital	545,415	536,815
Cash	476,356	444,759
Long-term debt ⁽¹⁾	2,042,846	2,180,510
Total long-term financial liabilities	2,066,452	2,210,231
Total assets	4,619,026	4,878,690
Long-term debt to long-term debt plus equity ratio ⁽¹⁾	0.50	0.51

(1) Net of unamortized debt issue costs.

Our portfolio of term customer contracts, a scalable operating cost structure and economies achieved through vertical integration of the supply chain all help us manage our business through the industry cycles.

Precision's strategic priorities for 2016 are as follows:

1. Maintain strong liquidity to manage through an extended downturn - Sustain adequate liquidity by generating positive operating cash flow, ensure access to our revolving credit facility, and begin a multi-year plan for net debt reduction.
2. Sustain *High Performance, High Value* service offering - Continue to deliver maximum efficiency and lower risks to support development drilling programs by operating the highest quality assets in the industry with well-trained, professional crews supported by robust systems that eliminate manual processes and improve automation throughout the Precision organization.

3. Position for an eventual rebound - Concurrent with right-sizing the organization for the extended downturn, we will take steps to prepare for a rebound:
 1. Asset integrity - maintain high quality and integrity of our Tier 1 drilling fleet by utilizing spare equipment, avoiding fleet cannibalization and maintaining rigorous equipment standards.
 2. People - retain field leadership within the organization, maintain relationships with former crew members and continue to develop leadership and skills of workers within our organization.
 3. Ample liquidity - maintain strong liquidity to fund working capital requirements and other short term commitments that arise when activity levels increase.

For the first quarter of 2016, the average West Texas Intermediate price of oil and Henry Hub natural gas were 31% lower than the first quarter of 2015.

	Three months ended March 31, 2016	2015	Year ended December 31, 2015
Average oil and natural gas prices			
Oil			
West Texas Intermediate (<i>per barrel</i>) (US\$)	33.51	48.74	48.77
Natural gas			
Canada			
AECO (<i>per MMBtu</i>) (CDN\$)	1.84	2.78	2.70
United States			
Henry Hub (<i>per MMBtu</i>) (US\$)	1.98	2.86	2.60

Summary for the three months ended March 31, 2016:

- Operating earnings (see "Additional GAAP Measures" in this news release) this quarter of \$4 million is a decrease of \$43 million from the first quarter 2015. Operating results were negatively affected by the decrease in activity in all our operating segments, partially offset by one-time payments received for contract cancellations.
- General and administrative expenses this quarter were \$28 million, \$15 million lower than the first quarter of 2015. The decrease is due to efforts in reducing overhead through the downturn and a decrease in our share based incentive compensation that is tied to the price of our common shares partially offset by the weakening Canadian dollar on U.S. dollar denominated costs.
- Restructuring costs were \$3 million in the quarter and were primarily related to severance costs associated with right-sizing the operations and administrative support for current activity levels.
- Net finance charges were \$36 million, an increase of \$17 million compared with the first quarter of 2015 primarily due to the recognition of \$14 million interest revenue in the comparative quarter related to an income tax dispute settlement and the impact of foreign exchange on our U.S. dollar denominated interest.
- During the quarter we acquired and cancelled US\$10 million face value of our 6.5% unsecured notes due 2021 for US\$6 million realizing a gain on cancellation of US\$4 million.
- Average revenue per utilization day for contract drilling rigs increased in the first quarter of 2016 to \$23,880 from the prior year first quarter of \$23,515 in Canada and increased in the U.S. to US\$31,830 from US\$25,180. The increase in Canada is the result of an incremental one-time payment for the cancellation of two drilling rig contracts for \$4 million. Excluding the contract cancellation payment, average revenue per day was \$22,847 versus the prior year comparative of \$23,515. The decrease in the quarter is the result of lower spot market rates. The increase in the U.S. is the result of three one-time payments for contract terminations of US\$13 million in incremental revenue in the current quarter compared with none in the prior year comparative period. Excluding the contract cancellation payments average revenue per day was US\$27,155 versus the prior year comparative period of US\$25,180. The increase was primarily a result of revenue from idle but contracted rigs of \$7 million compared with \$5 million in the comparative period of 2015 and a higher proportion of turnkey work partially offset by lower spot market rates. We had US\$6 million in turnkey revenue for the first quarter of 2016 compared with US\$10 million in the 2015 comparative period.
- Average operating costs per utilization day for drilling rigs decreased in the first quarter of 2016 to \$10,614 from the prior year first quarter of \$11,203 in Canada and increased in the U.S. to US\$16,449 in 2016 from US\$13,980 in 2015. The cost decrease in Canada was primarily due to labour rate decreases and overhead cost reduction initiatives. The increase in the U.S. was primarily due to proportionately higher turnkey activity and fixed costs spread across lower activity.
- We realized revenue from international contract drilling of \$44 million in the first quarter of 2016 down from the prior year first quarter of \$61 million. Average revenue per utilization day decreased to US\$41,609 from the prior year first quarter of US\$42,968.
- Directional drilling services realized revenue of \$8 million in the first quarter of 2016 compared with \$15 million in the prior year period. The decrease was primarily the result of a decline in activity in both the U.S. and Canada.
- Funds provided by operations (see "Additional GAAP Measures") in the first quarter of 2016 were \$94 million, a decrease of \$61 million from the prior year comparative quarter of \$155 million. The decrease was primarily the result of lower activity levels.

- Capital expenditures for the purchase of property, plant and equipment were \$27 million in the first quarter, a decrease of \$19 million over the same period in 2015. Capital spending for the first quarter of 2016 included \$19 million for expansion capital, \$7 million for upgrade capital and \$7 million for the maintenance of existing assets and infrastructure spending.

OUTLOOK

Contracts

Our portfolio of term customer contracts provides a base level of activity and revenue and, as of April 25, 2016, we had term contracts in place for an average of 30 rigs in Canada, 22 in the U.S. and seven internationally for the second quarter of 2016, an average of 21 rig contracts in Canada, 21 in the U.S. and seven internationally for the full year in 2016, and an average of 31 rigs for the full year in 2017. In Canada, term contracted rigs normally generate 250 utilization days per year because of the seasonal nature of well site access. In most regions in the U.S. and internationally, term contracts normally generate 365 utilization days per year.

Drilling Activity

In the U.S., our average active rig count in the first quarter was 32 rigs, down 48 rigs over the first quarter in 2015 and down 13 rigs over the fourth quarter of 2015. To date in 2016, approximately 73% of our active rigs were drilling for oil targets versus 71% in 2015. We currently have 25 rigs active in the United States.

In Canada, our average active rig count in the first quarter was 44 rigs, a decrease of 25 rigs over the first quarter in 2015 and one rig fewer than fourth quarter of 2015. To date in 2016, approximately 40% of our active rigs were drilling for oil targets versus 62% in 2015. We currently have 13 rigs active in Canada.

In general, lower oil prices have caused producers to significantly reduce drilling budgets decreasing demand for drilling rigs and resulting in pricing pressure on spot market day rates. We expect Tier 1 rigs to remain the preferred rigs of customers globally and for us to benefit from our completed fleet enhancements.

Internationally, our average active rig count in the quarter was eight rigs, a decrease of four rigs over the first quarter in 2015 and down three rigs over the fourth quarter of 2015 with the decrease coming primarily from fewer rigs working in Mexico. We currently have seven active rigs internationally.

Industry Conditions

Seasonally adjusted drilling activity consistently decreased in both Canada and the U.S. According to industry sources, as of April 25, 2016, the U.S. active land drilling rig count was down approximately 55% from the same point last year and the Canadian active land drilling rig count was down approximately 49%.

In Canada, there continues to be strength in natural gas and gas liquids drilling activity related to deep basin drilling in northwestern Alberta and northeastern British Columbia, while the bias towards oil-directed drilling in the U.S. continues. To date in 2016, approximately 80% of the U.S. industry's active rigs and 46% of the Canadian industry's active rigs were drilling for oil targets, compared to 79% for the U.S. and 45% for Canada at the same time last year.

Capital Spending

Capital spending in 2016 is expected to be \$202 million:

- The 2016 capital expenditure plan includes \$158 million for expansion capital, \$42 million for sustaining and infrastructure expenditures, and \$2 million to upgrade existing rigs. We expect that the \$202 million will be split \$199 million in the Contract Drilling Services segment and \$3 million in the Completion and Production Services segment.
- Precision's expansion capital plan for 2016 includes two new-build drilling rigs for Kuwait, to be delivered late 2016.

SEGMENTED FINANCIAL RESULTS

Precision's operations are reported in two segments: the Contract Drilling Services segment, which includes the drilling rig, direction drilling, oilfield supply and manufacturing divisions; and the Completion and Production Services segment, which includes the service rig, snubbing, coil tubing, rental, camp and catering and wastewater treatment divisions.

Three months ended March 31,

(Stated in thousands of Canadian dollars) 2016 2015 % Change

Revenue:				
Contract Drilling Services	274,837	448,065	(38.7	)
Completion and Production Services	28,454	66,082	(56.9	)
Inter-segment eliminations	(1,564	) (2,027	) (22.8	)
	301,727	512,120	(41.1	)

Adjusted EBITDA:⁽¹⁾

Contract Drilling Services ⁽²⁾	115,617	180,196	(35.8	)
Completion and Production Services ⁽²⁾	(2,207	) 7,057	(131.3	)
Corporate and other ⁽²⁾	(14,146	) (23,869	) (40.7	)
	99,264	163,384	(39.2	)

(1) See "ADDITIONAL GAAP MEASURES".

(2) Certain expenses in the prior year comparative have been reclassified to conform to current year presentation.

SEGMENT REVIEW OF CONTRACT DRILLING SERVICES

	Three months ended March 31		
<i>(Stated in thousands of Canadian dollars, except where noted)</i>	2016	2015	% Change
Revenue	274,837	448,065	(38.7
Expenses: ⁽¹⁾			
Operating	146,129	248,492	(41.2
General and administrative	11,135	15,868	(29.8
Restructuring	1,956	3,509	(44.3
Adjusted EBITDA ⁽²⁾	115,617	180,196	(35.8
Depreciation	84,279	103,831	(18.8
Operating earnings ⁽²⁾	31,338	76,365	(59.0
Operating earnings as a percentage of revenue	11.4	% 17.0	%
Drilling rig revenue per utilization day in Canada ⁽³⁾	23,880	23,515	1.6
Drilling rig revenue per utilization day in the U.S. ⁽³⁾⁽⁴⁾ (US\$)	31,830	25,180	26.4
Drilling rig revenue per utilization day international (US\$)	41,609	42,969	(3.2

(1) Certain expenses in the prior year comparative have been reclassified to conform to current year presentation.

(2) See "ADDITIONAL GAAP MEASURES".

(3) Includes revenue from contract cancellation payments.

(4) Includes revenue from idle but contracted rig days.

	Three months ended March 31,			
Canadian onshore drilling statistics: ⁽¹⁾	2016		2015	
	Precision	Industry ⁽²⁾	Precision	Industry ⁽²⁾
Number of drilling rigs (end of period)	135	687	176	777
Drilling rig operating days (spud to release)	3,571	13,166	5,457	24,820
Drilling rig operating day utilization	26	% 20	% 35	% 35
Number of wells drilled	249	1,062	467	1,783
Average days per well	14.3	12.4	11.7	13.9
Number of metres drilled (000s)	688	2,829	1,031	4,705
Average metres per well	2,765	2,664	2,207	2,639
Average metres per day	193	215	189	190

(1) Canadian operations only.

(2) Canadian Association of Oilwell Drilling Contractors ("CAODC"), and Precision - excludes non-CAODC rigs and non-reporting CAODC members.

United States onshore drilling statistics: ⁽¹⁾	2016		2015	
	Precision	Industry ⁽²⁾	Precision	Industry ⁽²⁾
Average number of active land rigs for quarters ended:				
March 31	32	516	80	1,353

(1) United States lower 48 operations only.

(2) Baker Hughes rig counts.

Revenue from Contract Drilling Services was \$275 million this quarter, or 39% lower than the first quarter of 2015, while adjusted EBITDA decreased by 36% to \$116 million. The decreases were mainly due to lower drilling rig utilization days in our Canadian, U.S.

and international contract drilling businesses partially offset by lump sum payouts for contract terminations.

Drilling rig utilization days in Canada (drilling days plus move days) were 3,995 during the first quarter of 2016, a decrease of 36% compared to 2015 primarily due to the decrease in industry activity resulting from lower commodity prices. Drilling rig utilization days in the U.S. were 2,886, or 60% lower than the same quarter of 2015 as U.S. activity was down due to lower industry activity. Drilling rig utilization days in our international business were 763 or 33% lower than the same quarter of 2015 due to lower activity in the Middle East and Mexico partially offset by adding a contracted rig in Kuwait in 2015.

Compared to the same quarter in 2015, drilling rig revenue per utilization day, excluding the impact of one-time contract cancellation payments, was higher by 8% in the U.S., while it was down 3% in both Canada and internationally. The increase in average day rate for the U.S. was the result of idle but contracted revenue and a higher percentage of our revenue coming from turnkey activity partially offset by lower spot market day rates. In Canada the decrease in the average day rate was the result of lower spot market rates, while the decrease in the average international day rate was due to fewer rigs working in our international operations.

In Canada, 44% of utilization days in the quarter were generated from rigs under term contract, compared to 45% in the first quarter of 2015. In the U.S., 65% of utilization days were generated from rigs under term contract in the first quarter of 2016 as compared to 72% in the first quarter of 2015. At the end of the quarter, we had 34 drilling rigs under contract in Canada, 24 in the U.S. and seven internationally.

Operating costs were 53% of revenue for the quarter, which was two percentage points lower than the prior year period. On a per utilization day basis, operating costs for the drilling rig division in Canada were lower than the prior year primarily because of crew wage reductions and cost saving initiatives. In the U.S., operating costs for the quarter on a per day basis were slightly higher from the first quarter of 2015 primarily as a result of having higher turnkey costs relative to overall activity and fixed costs spread across lower activity.

General and administrative costs are lower than the prior year by \$5 million due to cost saving initiatives taken throughout 2015 and the first quarter of 2016.

Restructuring costs of \$2 million in the quarter relate to cost cutting measures taken in response to the continued downturn in industry activity levels.

Depreciation expense in the quarter was 19% lower than in the first quarter of 2015 because of a lower asset base after decommissioning equipment in the fourth quarter of 2015 and the recording of an impairment charge to our property, plant and equipment in the fourth quarter of 2015 partially offset by new-build rigs deployed in 2015 and the impact of the weakening Canadian dollar compared with the U.S. dollar and the associated impact on our U.S. denominated depreciation expense.

SEGMENT REVIEW OF COMPLETION AND PRODUCTION SERVICES

<i>(Stated in thousands of Canadian dollars, except where noted)</i>			
	Three months ended March 31,		
	2016	2015	% Change
Revenue	28,454	66,082	(56.9)
Expenses: ⁽¹⁾			
Operating	26,505	53,799	(50.7)
General and administrative	2,737	3,085	(11.3)
Restructuring	1,419	2,141	(33.7)
Adjusted EBITDA ⁽²⁾	(2,207)	7,057	(131.3)
Depreciation	7,210	8,758	(17.7)
Operating loss ⁽²⁾	(9,417)	(1,701)	453.6
Operating loss as a percentage of revenue	(33.1 %)	(2.6 %)	
Well servicing statistics:			
Number of service rigs (end of period)	163	177	(7.9)
Service rig operating hours	24,831	48,001	(48.3)
Service rig operating hour utilization	16.2 %	29.2 %	
Service rig revenue per operating hour	745	837	(11.0)

(1) Certain expenses in the prior year comparative have been reclassified to conform to current year presentation.

(2) See "ADDITIONAL GAAP MEASURES".

Revenue from Completion and Production Services was down \$38 million or 57% compared to the first quarter of 2015 due to lower activity levels in all service lines and lower average rates. In response to lower oil prices, customers curtailed spending including well completion and production programs. Our well servicing activity in the quarter was down 48% from the comparative quarter in 2015. Approximately 78% of our first quarter Canadian service rig activity was oil related.

During the quarter, Completion and Production Services generated 90% of its revenue from Canadian and 10% from U.S. operations.

Average service rig revenue per operating hour in the first quarter was \$745 or \$92 lower than the first quarter of 2015. The decrease was primarily the result of industry pricing pressure.

Adjusted EBITDA was \$9 million lower than the first quarter of 2015 due to declines in activity and pricing.

Operating costs as a percentage of revenue increased to 93% in the first quarter of 2016, from 81% in the first quarter of 2015. The increase is due to lower activity levels on fixed costs.

Depreciation in the quarter was 18% lower than the first quarter of 2016 because of a lower asset base after recording an impairment charge in the third quarter of 2015.

SEGMENT REVIEW OF CORPORATE AND OTHER

Our Corporate and Other segment provides support functions to our operating segments. The Corporate and Other segment had an adjusted EBITDA loss of \$14 million for the first quarter of 2016, \$10 million less than the 2015 comparative period due primarily to lower share based incentive compensation, cost cutting initiatives and restructuring charges of \$2 million incurred in the prior year quarter.

OTHER ITEMS

Net financial charges for the quarter were \$36 million, an increase of \$17 million compared with the first quarter of 2015 primarily due to the recognition of \$14 million interest revenue in the prior year comparative quarter related to an income tax dispute settlement and the impact of foreign exchange on our U.S. dollar denominated interest. We had a foreign exchange loss of \$8 million during the first quarter of 2016 due to the strengthening of the Canadian dollar versus the U.S. dollar, which affected the net U.S. dollar denominated monetary position in the Canadian dollar-based companies.

During the quarter we acquired and cancelled US\$10 million face value of our 6.5% unsecured notes due 2021 for US\$6 million, realizing a gain on cancellation of US\$4 million.

Income tax expense for the quarter was a recovery of \$15 million compared with an expense of \$32 million in the same quarter in 2015. The recovery in the current quarter is due to negative pretax earnings.

LIQUIDITY AND CAPITAL RESOURCES

The oilfield services business is inherently cyclical in nature. To manage this, we focus on maintaining a strong balance sheet so we have the financial flexibility we need to continue to manage our growth and cash flow, regardless of where we are in the business cycle.

We apply a disciplined approach to managing and tracking results of our operations to keep costs down. We maintain a variable cost structure so we can be responsive to changes in demand.

Our maintenance capital expenditures are tightly governed by and highly responsive to activity levels with additional cost savings leverage provided through our internal manufacturing and supply divisions. Term contracts on expansion capital for new-build rig programs provide more certainty of future revenues and return on our capital investments.

Liquidity

In April, 2016 we agreed with our lending group to the following amendments to our senior credit facility:

- The Adjusted EBITDA (as defined in the debt agreement) to interest expense coverage ratio of greater than 2:1 was temporarily reduced to 1.5:1 and reverting to 2.5:1 for periods ending after March 31, 2018;
- Permit second lien debt not to exceed US\$400 million subject to certain terms and conditions;
- Amend certain negative covenants to, among other things, prohibit distributions during the covenant relief period;
- Add a new covenant with respect to anti-cash hoarding whereby we are only permitted to draw a maximum of \$50 million on the facility if the only purpose is to accumulate cash;
- Add a new covenant that restricts the repurchase and redemption of unsecured debt subject to a minimum liquidity of US\$500 million.

As at March 31, 2016 we had \$2,068 million outstanding under our senior unsecured notes. The current blended cash interest cost of our debt is approximately 6.2%.

Amount	Availability
Senior facility (secured)	
US\$550 million (extendible, revolving term credit facility with US\$250 million accordion feature)	Drawn US\$46 million in outstanding
Operating facilities (secured)	
\$40 million	Undrawn, except \$24 million in outstanding
US\$15 million	Undrawn
Demand letter of credit facility (secured)	
US\$40 million	Undrawn, except US\$5 million in outstanding
Senior notes (unsecured)	
\$200 million	Fully drawn
US\$650 million	Fully drawn
US\$390 million	Fully drawn
US\$400 million	Fully drawn

Covenants

Senior Facility

The senior credit facility requires that we comply with certain financial covenants including a leverage ratio of consolidated senior debt to earnings before interest, taxes, depreciation and amortization as defined in the agreement (Adjusted EBITDA) of less than 2.5:1. For purposes of calculating the leverage ratio consolidated senior debt only includes secured indebtedness. Adjusted EBITDA, as defined in our revolving term facility, agreement differs from Adjusted EBITDA as defined under Additional GAAP Measures by the exclusion of bad debt expense and certain foreign exchange amounts. As at March 31, 2016 our consolidated senior debt to Adjusted EBITDA ratio was negative 0.79:1.

Under the senior credit facility we are required to maintain an Adjusted EBITDA coverage ratio, calculated as Adjusted EBITDA to interest expense, of greater than 1.5:1 reverting to 2.5:1 for periods ending after March 31, 2018 for the most recent four consecutive fiscal quarters. As at March 31, 2016 our Adjusted EBITDA coverage ratio was 4.14:1.

The senior credit facility also prevents us from making distributions prior to April 1, 2018 and restricts our ability to repurchase our unsecured notes subject to a pro forma liquidity test of US\$500 million.

In addition, the senior credit facility contains certain covenants that place restrictions on our ability to incur or assume additional indebtedness; dispose of assets; pay dividends, share redemptions or other distributions; change our primary business; incur liens on assets; engage in transactions with affiliates; enter into mergers, consolidations or amalgamations; and enter into speculative swap agreements. At March 31, 2016, we were in compliance with the covenants of the revolving credit facility.

Senior Notes

The senior notes require that we comply with certain financial covenants including an Adjusted EBITDA to interest coverage ratio of greater than 2.0:1 for the most recent four consecutive fiscal quarters. In the event that our Adjusted EBITDA to interest coverage ratio is less than 2.0:1 for the most recent four consecutive fiscal quarters the senior notes restrict our ability to incur additional indebtedness. The senior notes contain a restricted payments covenant that limits our ability to make payments in the nature of dividends, distributions and repurchases from shareholders. This restricted payment basket grows by, among other things, 50% of consolidated net earnings and decreases by 100% of consolidated net losses as defined in the note agreements, and payments made to shareholders. As at March 31, 2016 our restricted payments basket is negative and we are no longer able to make dividend payments until such time as the basket once again becomes positive. For further information please see the senior note indentures which are available on SEDAR and EDGAR.

In addition, the senior notes contain certain covenants that limit our ability, and the ability of certain subsidiaries, to incur additional indebtedness and issue preferred shares; create liens; create or permit to exist restrictions on our ability or certain subsidiaries to make certain payments and distributions; engage in amalgamations, mergers or consolidations; make certain dispositions and engage in transactions with affiliates. At March 31, 2016, we were in compliance with the covenants of our senior notes.

Hedge of investments in foreign operations

We utilize foreign currency long-term debt to hedge our exposure to changes in the carrying values of our net investment in

certain foreign operations as a result of changes in foreign exchange rates.

We have designated our U.S. dollar denominated long-term debt as a net investment hedge in our U.S. operations and other foreign operations that have a U.S. dollar functional currency. To be accounted for as a hedge, the foreign currency denominated long-term debt must be designated and documented as such and must be effective at inception and on an ongoing basis. We recognize the effective amount of this hedge (net of tax) in other comprehensive income. We recognize ineffective amounts (if any) in earnings.

Average shares outstanding

The following table reconciles the weighted average shares outstanding used in computing basic and diluted earnings (loss) per share:

	Three months ended March 31,	
<i>(Stated in thousands)</i>	2016	2015
Weighted average shares outstanding - basic	292,919	292,820
Effect of stock options and other equity compensation plans -		597
Weighted average shares outstanding - diluted	292,919	293,417

QUARTERLY FINANCIAL SUMMARY

(Stated in thousands of Canadian dollars, except per share amounts)

	2015			2016
Quarters ended	June 30	September 30	December 31	March 31
Revenue	334,462	364,089	344,953	301,727
Adjusted EBITDA ⁽¹⁾	88,355	111,031	111,095	99,264
Net loss:	(29,817)	(86,700)	(270,952)	(19,883)
Per basic share	(0.10)	(0.30)	(0.93)	(0.07)
Per diluted share	(0.10)	(0.30)	(0.93)	(0.07)
Funds provided by operations ⁽¹⁾	53,173	99,228	49,503	93,593
Cash provided by operations	169,877	61,049	70,952	112,174
Dividends paid per share	0.07	0.07	0.07	-

	2014			2015
Quarters ended	June 30	September 30	December 31	March 31
Revenue	475,174	584,590	618,525	512,120
Adjusted EBITDA ⁽¹⁾	129,695	199,390	234,011	163,384
Net earnings (loss):	(7,174)	52,813	(114,044)	24,033
Per basic share	(0.02)	0.18	(0.39)	0.08
Per diluted share	(0.02)	0.18	(0.39)	0.08
Funds provided by operations ⁽¹⁾	97,805	196,217	172,059	155,186
Cash provided by operations	228,412	146,733	134,887	215,138
Dividends paid per share	0.06	0.06	0.07	0.07

(1) See "ADDITIONAL GAAP MEASURES".

ADDITIONAL GAAP MEASURES

We reference Generally Accepted Accounting Principles (GAAP) measures that are not defined terms under International Financial Reporting Standards to assess performance because we believe they provide useful supplemental information to investors.

Adjusted EBITDA

We believe that adjusted EBITDA (earnings before income taxes, gain on repurchase of unsecured notes, financing charges, foreign exchange and depreciation and amortization), as reported in the Interim Consolidated Statement of Earnings (Loss), is a useful measure, because it gives an indication of the results from our principal business activities prior to consideration of how our activities are financed and the impact of foreign exchange, taxation and non-cash impairment, decommissioning, depreciation and amortization charges.

Operating Earnings (Loss)

We believe that operating earnings (loss), as reported in the Interim Consolidated Statements of Earnings (Loss), is a useful measure because it provides an indication of the results of our principal business activities before consideration of how those activities are financed and the impact of foreign exchange and taxation.

Funds Provided by Operations

We believe that funds provided by operations, as reported in the Interim Consolidated Statements of Cash Flow, is a useful measure because it provides an indication of the funds our principal business activities generate prior to consideration of working capital, which is primarily made up of highly liquid balances.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this report, including statements that contain words such as "could", "should", "can", "anticipate", "estimate", "intend", "plan", "expect", "believe", "will", "may", "continue", "project", "potential" and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information and statements").

In particular, forward looking information and statements include, but are not limited to, the following:

- our capital expenditure plans for 2016;
- the principal use of our free cash in 2016;
- timing on the commissioning and delivery of two new rigs for Kuwait;
- our strategic priorities for 2016;
- continuing demand for Tier 1 rigs; and
- the average number of term contracts in place for 2016 and 2017.

These forward-looking information and statements are based on certain assumptions and analysis made by Precision in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. These include, among other things:

- the decline in oil prices will continue to pressure customers into reducing or limiting their drilling budgets;
- the status of current negotiations with our customers and vendors;
- customer focus on safety performance;
- existing term contracts are neither renewed nor terminated prematurely;
- our ability to deliver rigs to customers on a timely basis; and
- the general stability of the economic and political environments in the jurisdictions where we operate.

Undue reliance should not be placed on forward-looking information and statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from our expectations. Such risks and uncertainties include, but are not limited to:

- volatility in the price and demand for oil and natural gas;
- fluctuations in the demand for contract drilling, well servicing and ancillary oilfield services;
- Our customers' inability to obtain adequate credit or financing to support their drilling and production activity;
- changes in drilling and well servicing technology which could reduce demand for certain rigs or put us at a competitive disadvantage;
- shortages, delays and interruptions in the delivery of equipment supplies and other key inputs;
- the effects of seasonal and weather conditions on operations and facilities;
- the availability of qualified personnel and management;
- a decline in our safety performance which could result in lower demand for our services;
- changes in environmental laws and regulations such as increased regulation of hydraulic fracturing or restrictions on the burning of fossil fuels and greenhouse gas emissions, which could have an adverse impact on the demand for oil and gas;
- terrorism, social, civil and political unrest in the foreign jurisdictions where we operate;
- fluctuations in foreign exchange, interest rates and tax rates; and
- other unforeseen conditions which could impact the use of services supplied by Precision and Precision's ability to respond to such conditions.

Readers are cautioned that the forgoing list of risk factors is not exhaustive. Additional information on these and other factors that could affect our business, operations or financial results are included in reports on file with applicable securities regulatory authorities, including but not limited to Precision's Annual Information Form for the year ended December 31, 2015, which may

be accessed on Precision's SEDAR profile at www.sedar.com or under Precision's EDGAR profile at www.sec.gov. The forward-looking information and statements contained in this news release are made as of the date hereof and Precision undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a results of new information, future events or otherwise, unless so requires by applicable securities laws.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(Stated in thousands of Canadian dollars)</i>	<i>March 31, 2016</i>	<i>December 31, 2015</i>
ASSETS		
Current assets:		
Cash	\$ 476,356	\$ 444,759
Accounts receivable	235,448	311,595
Income tax recoverable	3,380	-
Inventory	23,665	24,245
Total current assets	738,849	780,599
Non-current assets:		
Income tax recoverable	-	2,917
Property, plant and equipment	3,670,823	3,883,332
Intangibles	3,147	3,363
Goodwill	206,207	208,479
Total non-current assets	3,880,177	4,098,091
Total assets	\$ 4,619,026	\$ 4,878,690

LIABILITIES AND EQUITY

Current liabilities:		
Accounts payable and accrued liabilities	\$ 193,434	\$ 235,948
Income tax payable	-	7,836
Total current liabilities	193,434	243,784
Non-current liabilities:		
Share based compensation	10,334	15,201
Provisions and other	13,272	14,520
Long-term debt	2,042,846	2,180,510
Deferred tax liabilities	285,040	303,466
Total non-current liabilities	2,351,492	2,513,697
Shareholders' equity:		
Shareholders' capital	2,316,615	2,316,321
Contributed surplus	36,905	35,800
Deficit	(416,896)	(397,013)
Accumulated other comprehensive income	137,476	166,101
Total shareholders' equity	2,074,100	2,121,209
Total liabilities and shareholders' equity	\$ 4,619,026	\$ 4,878,690

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) (UNAUDITED)

<i>(Stated in thousands of Canadian dollars, except per share amounts)</i>	<i>Three month 2016</i>
Revenue	\$ 301,727
Expenses: ⁽¹⁾	
Operating	171,070
General and administrative	27,954
Restructuring	3,439
Earnings before income taxes, gain on repurchase of unsecured senior notes, finance charges, foreign exchange and depreciation and amortization	99,264
Depreciation and amortization	95,249
Operating earnings	4,015
Foreign exchange	7,581
Finance charges	36,237
Gain on repurchase of unsecured senior notes	(4,873)

Earnings (loss) before income taxes	(34,930)
Income taxes:	
Current	(2,964)
Deferred	(12,083)
	(15,047)
Net earnings (loss)	\$ (19,883)
Net earnings (loss) per share:	
Basic	\$ (0.07)
Diluted	\$ (0.07)

(1) Certain expenses in the prior year comparative have been reclassified to conform to current year presentation

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three months ended March 31,	
<i>(Stated in thousands of Canadian dollars)</i>	2016	2015
Net earnings (loss)	\$ (19,883)	) \$ 24,033
Unrealized gain (loss) on translation of assets and liabilities of operations denominated in foreign currency	(154,098)	) 204,098
Foreign exchange gain (loss) on net investment hedge with U.S. denominated debt, net of tax	125,473	(156,098)
Comprehensive income (loss)	\$ (48,508)	) \$ 71,933

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

	Three months ended March 31,	
<i>(Stated in thousands of Canadian dollars)</i>	2016	2015
Cash provided by (used in):		
Operations:		
Net earnings (loss)	\$ (19,883)	) \$ 24,033
Adjustments for:		
Long-term compensation plans	7,524	3,407
Depreciation and amortization	95,249	116,097
Gain on repurchase of unsecured senior notes	(4,873)	) -
Foreign exchange	7,983	(29,445)
Finance charges	36,237	19,682
Income taxes	(15,047)	) 31,978
Other	(378)	) 1,399
Income taxes paid	(5,767)	) (5,696)
Income taxes recovered	-	862
Interest paid	(8,031)	) (7,449)
Interest received	579	318
Funds provided by operations	93,593	155,186
Changes in non-cash working capital balances	18,581	59,952
	112,174	215,138
Investments:		
Purchase of property, plant and equipment	(27,161)	) (225,822)
Proceeds on sale of property, plant and equipment	2,157	2,876
Changes in non-cash working capital balances	(26,109)	) (54,627)
	(51,113)	) (277,573)
Financing:		
Repurchase of unsecured senior notes	(8,409)	) -
Debt issue costs	-	(975)
Dividends paid	-	(20,497)
Issuance of common shares on the exercise of options	190	-
	(8,219)	) (21,472)
Effect of exchange rate changes on cash and cash equivalents	(21,245)	) 41,610
Increase (decrease) in cash and cash equivalents	31,597	(42,297)
Cash and cash equivalents, beginning of period	444,759	491,481
Cash and cash equivalents, end of period	\$ 476,356	\$ 449,184

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(Stated in thousands of Canadian dollars)

	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total equity
Balance at January 1, 2016	\$ 2,316,321	\$ 35,800	\$ 166,101	\$ (397,013	) \$ 2,121,209
Net loss for the period	-	-	-	(19,883	) (19,883
Other comprehensive loss for the period	-	-	(28,625	)	(28,625
Share options exercised	294	(104)	-	-	190
Share based compensation expense	-	1,209	-	-	1,209
Balance at March 31, 2016	\$ 2,316,615	\$ 36,905	\$ 137,476	\$ (416,896	) \$ 2,074,100

(Stated in thousands of Canadian dollars)

	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
Balance at January 1, 2015	\$ 2,315,539	\$ 31,109	\$ 46,292	\$ 48,426	\$ 2,441,366
Net earnings for the period	-	-	-	24,033	24,033
Other comprehensive income for the period	-	-	47,577	-	47,577
Dividends	-	-	-	(20,497	) (20,497
Share based compensation expense	-	1,201	-	-	1,201
Balance at March 31, 2015	\$ 2,315,539	\$ 32,310	\$ 93,869	\$ 51,962	\$ 2,493,680

FIRST QUARTER 2016 EARNINGS CONFERENCE CALL AND WEBCAST

[Precision Drilling Corp.](#) has scheduled a conference call and webcast to begin promptly at 12:00 noon MT (2:00 p.m. ET) on Monday, April 25, 2016.

The conference call dial in numbers are 1-866-223-7781 or 416-340-2216.

A live webcast of the conference call will be accessible on Precision's website at www.precisiondrilling.com by selecting "Investor Relations", then "Webcasts & Presentations". Shortly after the live webcast, an archived version will be available for approximately 30 days.

An archived recording of the conference call will be available approximately one hour after the completion of the call until May 25, 2016 by dialing 1-800-408-3053 or 905-694-9451, pass code 2047256.

About Precision

Precision is a leading provider of safe and *High Performance, High Value* services to the oil and gas industry. Precision provides customers with access to an extensive fleet of contract drilling rigs, directional drilling services, well service and snubbing rigs, coil tubing services, camps, rental equipment, and water treatment units backed by a comprehensive mix of technical support services and skilled, experienced personnel.

Precision is headquartered in Calgary, Alberta, Canada. Precision is listed on the Toronto Stock Exchange under the trading symbol "PD" and on the New York Stock Exchange under the trading symbol "PDS".

Contact

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