

# Ensign Provides an Update on New Drilling Rig Contracts (Permian, Canada, and International) and an Update on the Integration of Trinidad

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CALGARY, March 28, 2019 - [Ensign Energy Services Inc.](#) (TSX: ESI) ("Ensign" or "We") is pleased to provide an update on recently awarded drilling rig contracts and the integration of [Trinidad Drilling Ltd.](#) ("Trinidad").

## New Drilling Rig Contracts

Ensign has recently been awarded significant new drilling contracts in the United States, Canada and the Middle East. The cost to prepare and mobilize the rigs required to fulfill these new contractual obligations will not require any increase to our previously announced CAD \$102 million net capital expenditure budget for 2019.

In the Permian basin region of the United States, Ensign has been successful in contracting, with a major customer, an additional three ADR®-1500 Super-Spec type rigs, each on 1-year term contracts. All three of these drilling rigs, plus the existing six rigs currently contracted to this major customer, will receive newly installed Ensign Edge® wellsite technology controls systems. The Ensign Edge® technology platform continues to be employed on an increasing number of Ensign drilling rigs (including those acquired from Trinidad) in response to customer demands.

In Canada, the demand for deeper capacity rigs and the tightened supply in this rig category has positively changed the outlook moving forward. We have recently been awarded new 2-year contracts for three of our ADR®-1500 HP Super-Spec drilling rigs. These contracts are at rates reflective of a tightening market.

Internationally, Ensign has been awarded, in Bahrain, two 3-year initial term contracts, each with two 1-year extensions beyond the initial 3-year term. These contracts are for our ADR®-2000 HP Super-Spec rigs, one of which is owned 100% by Ensign, and one of which is owned 60% by Ensign through our joint venture, Trinidad Drilling International Luxembourg S.a.r.l. ("TDI Joint Venture"). The drilling rig owned through the TDI Joint Venture is presently situated in Bahrain and the other drilling rig will be mobilized into Bahrain from its present location in the United Arab Emirates. Additionally, Ensign confirms that it has completed the mobilization into Kuwait of two ADR®-3400 HP Super-Spec drilling rigs, which are currently rigging up to commence performance of their 5-year contracts. Both of these drilling rigs are owned through the TDI Joint Venture. These drilling rigs are among the largest and most technologically advanced land drilling rigs in the world.

## Trinidad Integration

The integration of Trinidad is continuing as planned, along with the realization of identified synergies, and we continue to be very impressed with the equipment and people. In connection with this acquisition, Ensign has identified over CAD \$40 million of annual cost saving synergies relating primarily to the elimination of duplicate costs. Additionally, we have identified approximately CAD \$50 million of real estate that is now duplicative or redundant to our combined operations, and are in the process of monetizing these assets; proceeds of which will be used to pay down debt.

Following a series of transactions that took place between November 27, 2018 and February 15, 2019, Trinidad became 100% owned by Ensign. Effective April 1, 2019, Trinidad will now be amalgamated with Ensign's operating subsidiary in Canada and continue as Ensign Drilling Inc. Similarly, a series of restructuring transactions will take place within Trinidad's United States operations, also effective April 1,

2019, with the combined business to continue operating under the Ensign name. From and after that date, the combined operations of Ensign and Trinidad will be efficiently rationalized across all North American business units and will operate under the Ensign brand and banner.

Robert Geddes, Ensign's President and Chief Operating Officer commented, "We are very pleased with the activity and demand that we are seeing for our global fleet, and Ensign Edge® technology platform, in addition to our continuing and successful integration of Trinidad. Further, we remain committed to focusing on debt reduction throughout 2019 and achieving our previously stated and initial debt reduction target of \$100 million, which is before the effect of any asset dispositions or the effect of our active dividend reinvestment plan."

Ensign is a global leader in oilfield services, headquartered out of Calgary, Alberta, operating in Canada, the United States and internationally. We are one of the world's top land-based drilling and well servicing contractors serving crude oil, natural gas and geothermal operators. Our premium service is focused on contract drilling with complementary services such as, directional drilling, underbalanced and managed pressure drilling, rental equipment, well servicing and production services. Please visit our website at [ensignenergy.com](http://ensignenergy.com).

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