

Ensign Energy Services Inc. Reports 2026 First Quarter Results

11:00 Uhr | [CNW](#)

FIRST QUARTER HIGHLIGHTS

- Revenue for the first quarter of 2026 was \$418.0 million, a four percent decrease from the first quarter of 2025 revenue of \$436.5 million.
- Revenue by geographic area:
 - Canada - \$135.7 million, 33 percent of total;
 - United States - \$206.8 million, 49 percent of total; and
 - International - \$75.5 million, 18 percent of total.
- Adjusted EBITDA for the first quarter of 2026 was \$94.8 million, a seven percent decrease from Adjusted EBITDA of \$102.0 million for the first quarter of 2025.
- Funds flow from operations for the first quarter of 2026 decreased nine percent to \$88.0 million from \$96.6 million for the first quarter of the prior year.
- Net loss attributed to common shareholders for the first quarter of 2026 was \$11.1 million, down from net income of \$3.7 million for the first quarter of 2025.

FINANCIAL HIGHLIGHTS

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

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

nm - calculation not meaningful

¹ Please refer to Adjusted EBITDA calculation in Non-GAAP Measures.

- Canadian drilling recorded 3,408 operating days in the first quarter of 2026, compared to 4,003 operating days in the first quarter of 2025, a decrease of 15 percent. Canadian well servicing recorded 13,469 operating hours in the first quarter of 2026, a nine percent increase from 12,337 operating hours in the first quarter of 2025.
- United States drilling recorded 3,192 operating days in the first quarter of 2026, a 15 percent increase from 2,772 operating days in the first quarter of 2025. United States well servicing recorded 22,343 operating hours in the first quarter of 2026, an eight percent decrease from 24,182 operating hours in the first quarter of 2025.
- International drilling recorded 1,166 operating days in the first quarter of 2026, a one percent increase from 1,149 operating days recorded in the first quarter of 2025.

OPERATING HIGHLIGHTS (Unaudited)

| | Three months ended March 31 | | |
|-----------------------------|-----------------------------|--------|----------|
| | 2026 | 2025 | % change |
| Drilling | | | |
| Number of marketed rigs | | | |
| Canada | 76 | 89 | (15) |
| United States | 70 | 70 | - |
| International | 25 | 27 | (7) |
| Total | 171 | 186 | (8) |
| Operating days ¹ | | | |
| Canada | 3,408 | 4,003 | (15) |
| United States | 3,192 | 2,772 | 15 |
| International | 1,166 | 1,149 | 1 |
| Total | 7,766 | 7,924 | (2) |
| Well Servicing | | | |
| | 2026 | 2025 | % change |
| Number of rigs | | | |
| Canada | 38 | 41 | (7) |
| United States | 47 | 47 | - |
| Total | 85 | 88 | (3) |
| Operating hours | | | |
| Canada | 13,469 | 12,337 | 9 |
| United States | 22,343 | 24,182 | (8) |
| Total | 35,812 | 36,519 | (2) |

¹. Defined as contract drilling days, between spud to rig release.

- Interest expense in the first quarter of 2026 decreased by 37 percent to \$12.9 million from \$20.5 million in the first quarter of 2025, as a result of lower debt levels and effective interest rates, one-time recoveries and a positive four percent effect on converting USD denominated interest expense.
- Net repayments against debt totaled \$7.0 million since December 31, 2025.
- Our debt reduction for 2026 is targeted to be approximately \$125.0 million. If industry conditions change, this target may be increased or decreased.

FINANCIAL POSITION HIGHLIGHTS

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

¹ See Non-GAAP Measures section.

- Net capital purchases for the quarter were \$64.8 million, consisting of \$14.4 million in upgrade capital and \$50.9 million in maintenance capital, offset by sale proceeds of \$0.6 million. Capital expenditures for 2026 are targeted to be approximately \$162.0 million, primarily related to maintenance expenditures and \$58.0 million in selective upgrade capital, of which \$10 million is customer funded capital. In addition, the Company may consider other upgrade or growth projects in response to customer demand and appropriate contract terms.
- General and administrative expense remained flat and totaled \$14.7 million in the first quarter of 2026, compared to \$14.7 million in the first quarter of 2025.

CAPITAL EXPENDITURES HIGHLIGHTS

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

nm - calculation not meaningful

This news release contains "forward-looking information and statements" within the meaning of applicable securities legislation. For a full disclosure of the forward-looking information and statements and the risks to which they are subject, see the "Advisory Regarding Forward-Looking Statements" later in this news release. This news release contains references to Adjusted EBITDA, Adjusted EBITDA per common share and working capital. These measures do not have any standardized meaning prescribed by IFRS Accounting Standards ("IFRS") and accordingly, may not be comparable to similar measures used by other companies. The non-GAAP measures included in this news release should not be considered as an alternative to, or more meaningful than, the IFRS measures from which they are derived or to which they are compared. See "Non-GAAP Measures" later in this news release.

OVERVIEW

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

Net loss attributable to common shareholders for the three months ended March 31, 2026 was \$11.1 million

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

Funds flow from operations decreased nine percent to \$88.0 million (\$0.48 per common share) in the first quarter of 2026 compared with \$96.6 million (\$0.53 per common share) in the first quarter of the prior year.

The oilfield services sector maintains a generally constructive outlook despite a year-over-year activity decline in Canada. With the political and security situation in the Middle East, the disruption of shipping within the Strait of Hormuz, the continuing conflict between the Russian Federation and Ukraine and the recent actions of the United States in Venezuela, the expectation is these factors and their continued development will have a direct effect on the industry. To date, oil and natural gas producers continue to moderate their capital spend, remain committed to cash flow generation and maintaining current production levels. Furthermore, the impact of uncertainty around the global economy and tariff policies adopted by the United States administration and the implications from such policies continue to impact operating activity.

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

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

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

REVENUE AND OILFIELD SERVICES EXPENSE

| | Three months ended March 31 | | |
|---------------------------|-----------------------------|---------|----------|
| (\$ thousands) | 2026 | 2025 | % change |
| Revenue | | | |
| Canada | 135,693 | 152,031 | (11) |
| United States | 206,831 | 205,806 | - |
| International | 75,509 | 78,674 | (4) |
| Total revenue | 418,033 | 436,511 | (4) |
| Oilfield services expense | 308,448 | 319,102 | (3) |

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

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

CANADIAN OILFIELD SERVICES

The Company recorded revenue of \$135.7 million in Canada for the three months ended March 31, 2026, a

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

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

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

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

UNITED STATES OILFIELD SERVICES

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

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

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

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

INTERNATIONAL OILFIELD SERVICES

The Company's international operations recorded revenue of \$75.5 million in the first quarter of 2026, a four percent decrease from the \$78.7 million recorded in the corresponding period of the prior year. The Company's international operations contributed 18 percent of the Company's total revenue in the first quarter of 2026 (2025 - 18 percent).

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

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

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

DEPRECIATION

Three months ended March 31

| (\$ thousands) | 2026 | 2025 | % change |
|----------------|------|------|----------|
|----------------|------|------|----------|

| | | | |
|--------------|--------|--------|---|
| Depreciation | 85,093 | 81,893 | 4 |
|--------------|--------|--------|---|

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

GENERAL AND ADMINISTRATIVE

Three months ended March 31

| (\$ thousands) | 2026 | 2025 | % change |
|----------------|------|------|----------|
|----------------|------|------|----------|

| | | | |
|----------------------------|--------|--------|-----|
| General and administrative | 14,743 | 15,026 | (2) |
|----------------------------|--------|--------|-----|

| | | | |
|--------------|-----|-----|--|
| % of revenue | 3.5 | 3.4 | |
|--------------|-----|-----|--|

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

FOREIGN EXCHANGE AND OTHER

Three months ended March 31

| (\$ thousands) | 2026 | 2025 | % change |
|----------------|------|------|----------|
|----------------|------|------|----------|

| | | | |
|----------------------------|-----|---------|----|
| Foreign exchange and other | 750 | (1,899) | nm |
|----------------------------|-----|---------|----|

nm - calculation not meaningful

Included in this amount is the impact of foreign currency fluctuations in the Company's subsidiaries that have functional currencies other than the Canadian dollar.

INTEREST EXPENSE

Three months ended March 31

| (\$ thousands) | 2026 | 2025 | % change |
|----------------|------|------|----------|
|----------------|------|------|----------|

| | | | |
|------------------|--------|--------|------|
| Interest expense | 12,946 | 20,501 | (37) |
|------------------|--------|--------|------|

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

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

INCOME TAX (RECOVERY)

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

nm - calculation not meaningful

FUNDS FLOW FROM OPERATIONS AND WORKING CAPITAL

(\$ thousands, except per common share amounts) Three months ended March 31

| | 2026 | 2025 | % change |
|---|---------|---------|----------|
| Cash provided by operating activities | 45,355 | 54,291 | (16) |
| Funds flow from operations | 88,002 | 96,591 | (9) |
| Funds flow from operations per common share | \$ 0.48 | \$ 0.53 | (9) |
| Working capital ¹ | 89,285 | 89,618 | - |

¹ Comparative figure as of December 31, 2025

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

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

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

INVESTING ACTIVITIES

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

nm - calculation not meaningful

Net purchases of property and equipment for the first quarter of 2026 totaled \$64.8 million (2025 - net proceeds of \$36.9 million). The purchase of property and equipment for the first three months of 2026

consists of \$50.9 million in maintenance capital and \$14.4 million in upgrade capital.

FINANCING ACTIVITIES

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

nm - calculation not meaningful

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

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

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

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

On December 31, 2024, the Company issued a non-brokered private placement of unsecured, subordinated convertible debentures ("Convertible Debentures") for aggregate gross proceeds of \$25.0 million. The Convertible Debentures bear interest from the date of closing at 7.5% per annum, payable semi-annually in arrears, on April 1 and October 1 each year. The Convertible Debentures will mature on January 31, 2029, and have a conversion price of \$3.50 per common share.

If, on and after March 31, 2028, the closing price of the Company's common shares on the Toronto Stock Exchange exceeds 125% of the Conversion Price for at least 30 consecutive trading days, the Convertible Debentures may be redeemed by the Company for cash on a pro rata basis, in whole or in part from time to time, on not more than 90 days and not less than 60 days prior notice, at a redemption price equal to the outstanding principal amount of the Convertible Debentures plus accrued and unpaid interest thereon (if any), up to, but excluding, the date of redemption.

The liability component of the Convertible Debentures was recognized initially at fair value and revalued quarterly using a similar liability that does not have an equity conversion option, which was calculated based on an estimated market interest rate of 7.6%.

There was no material difference between the principal amount of the Convertible Debentures and the fair value of the liability component.

The Convertible Debentures include \$20.8 million issued to management and directors of the Company.

The current capital structure of the Company consisting of the Credit Facility and the Convertible Debentures, allows the Company to utilize funds flow generated to reduce debt in the near term with greater flexibility than a more non-callable weighted capital structure.

Covenants

The following is a list of the Company's currently applicable covenants pursuant to the Credit Facility and the associated calculations as at March 31, 2026:

| | Covenant | March 31, 2026 |
|--|-----------|----------------|
| The Credit Facility | | |
| Consolidated Net Debt to Consolidated EBITDA ¹ | ≤ 3.50 | 2.47 |
| Consolidated EBITDA to Consolidated Interest Expense ^{1,2} ≥ | 3.00 | 5.76 |
| Consolidated Net Senior Debt to Consolidated EBITDA ^{1,3} | ≤ 2.50 | 2.36 |

¹ Consolidated Net Debt is defined as consolidated total debt, less cash and cash equivalent. Consolidated EBITDA, as defined

in the Company's Credit Facility agreement, is used in determining the Company's compliance with its covenants. The

Consolidated EBITDA is substantially similar to Adjusted EBITDA.

² Consolidated Interest Expense is defined as all interest expense calculated on twelve month rolling consolidated basis.

As at March 31, 2026, the Company was in compliance with all covenants related to the Credit Facility.

³ Consolidated Net Senior Debt is defined as Consolidated Total Debt minus subordinated debt, cash and cash equivalent.
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.

OUTLOOK

Industry Overview

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

With the recent events, producers continue to demonstrate capital discipline, resulting in relatively steady drilling and completion activity in the Company's United States operating regions, however, the Company has seen additional inquiries from customers. Despite first quarter operating activity declines in Canada, Canadian activity remains more resilient, supported by improved market access following the completion of the Trans Mountain Pipeline expansion in 2024. In addition, the start-up of LNG Canada in mid-2025 is expected to support longer-term natural gas production growth and infrastructure-led investment in Western Canada.

In the present environment, the Company remains committed to disciplined capital allocation, driving free cash flow generation, and debt repayment. The Company has targeted approximately \$125.0 million in debt reduction for 2026. If industry conditions change, these targets may be increased or decreased.

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

Canadian Activity

Canadian activity represented 33 percent of total revenue for the first quarter of 2026. Canadian activity is expected to remain steady through 2026 due to positive market conditions. However, potential future trade tariffs imposed between Canada and the United States, including tariffs on crude oil, may impact Canadian activity over the near term.

As of May 6, 2026, of our 76 marketed Canadian drilling rigs, approximately 61 percent were engaged under term contracts of various durations. Approximately 72 percent of our contracted rigs have a remaining term of six months or longer, although they may be subject to early termination.

United States Activity

United States activity represented 49 percent of total revenue for the first quarter of 2026. Operating activity improved going into the first quarter and is expected to remain stable to slightly improved throughout the year.

As of May 6, 2026, of our 70 marketed United States drilling rigs, approximately 53 percent were engaged under term contracts of various durations. Approximately 24 percent of our contracted rigs have a remaining term of six months or longer, although they may be subject to early termination.

International Activity

International activity represented 18 percent of total revenue for the first quarter of 2026. Activity improved in the first quarter with growth in operating days in Australia and the Middle East. International operations overall are expected to remain steady in 2026.

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

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

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

As of May 6, 2026, of our 25 marketed international drilling rigs, approximately 76 percent were engaged under term contracts of various durations. Approximately 68 percent of our contracted rigs have a remaining term of six months or longer, although they may be subject to early termination.

RISKS AND UNCERTAINTIES

The Company is subject to numerous 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 Management's Discussion & Analysis ("MD&A") for the year ended December 31, 2025, which are available under the Company's SEDAR+ profile at www.sedarplus.com.

The Company's risk factors and management of those risks have not changed substantially from those as disclosed in the AIF. Additional risks and uncertainties not presently known by the Company, or that the Company does not currently anticipate or deem material, may also impair the Company's future business operations or financial condition. If any such potential events described in the Company's AIF or otherwise actually occur, or described events intensify, overall business, operating results and the financial condition of the Company could be materially adversely affected.

CONFERENCE CALL

A conference call will be held to discuss the Company's first quarter 2026 results at 10:00 a.m. MST (12:00 p.m. EDT) on Thursday, May 7, 2026. The conference call number is 1-888-510-2154. The conference ID is: 29507. A recording will be available until May 14, 2026 by dialing 1-888-660-6345 and entering the reservation number 29507#. A live webcast may be accessed through the Company's web site at www.ensignenergy.com/presentations/.

[Ensign Energy Services Inc.](#) is an international oilfield services contractor and is listed on the Toronto Stock Exchange.

Ensign Energy Services Inc. Consolidated Statements of Financial Position

| As at | March 31 | December 31 |
|--|--------------|--------------|
| | 2026 | 2025 |
| (Unaudited - in thousands of Canadian dollars) | | |
| Assets | | |
| Current Assets | | |
| Cash | \$ 17,944 | \$ 16,189 |
| Accounts receivable | 315,320 | 294,466 |
| Inventories, prepaid, investments and other | 47,612 | 44,194 |
| Total current assets | 380,876 | 354,849 |
| Property and equipment | 2,108,840 | 2,094,244 |
| Deferred income taxes | 193,843 | 193,934 |
| Total assets | \$ 2,683,559 | \$ 2,643,027 |

Liabilities

Current Liabilities

| | | |
|--------------------------------------|------------|------------|
| Accounts payable and accruals | \$ 268,444 | \$ 246,116 |
| Share-based compensation | 9,610 | 5,711 |
| Income taxes payable | 1,071 | 452 |
| Current portion of lease obligations | 12,466 | 12,952 |
| Total current liabilities | 291,591 | 265,231 |

| | | |
|--------------------------|--------------|--------------|
| Share-based compensation | 7,966 | 5,572 |
| Long-term debt | 940,518 | 934,802 |
| Lease obligations | 19,364 | 19,281 |
| Income tax payable | 5,560 | 5,464 |
| Deferred income taxes | 127,503 | 128,939 |
| Total liabilities | \$ 1,392,502 | \$ 1,359,289 |

Shareholders' Equity

| | | |
|--|--------------|--------------|
| Shareholders' capital | \$ 270,297 | \$ 268,175 |
| Contributed surplus | 21,653 | 23,302 |
| Accumulated other comprehensive income | 306,984 | 289,010 |
| Retained earnings | 692,123 | 703,251 |
| Total shareholders' equity | 1,291,057 | 1,283,738 |
| Total liabilities and shareholders' equity | \$ 2,683,559 | \$ 2,643,027 |

Ensign Energy Services Inc.
Consolidated Statements of (Loss) Income

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

\$ (0.06)

\$ 0.02

Ensign Energy Services Inc.
Consolidated Statements of Cash Flows

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

| | | |
|-------------------------------------|-----------|-----------|
| Net increase (decrease) in cash | 1,272 | (11,343) |
| Effects of foreign exchange on cash | 483 | (104) |
| Cash | | |
| Beginning of period | 16,189 | 28,113 |
| End of period | \$ 17,944 | \$ 16,666 |

Ensign Energy Services Inc.

Non-GAAP Measures

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 news release 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 is used by management and investors to analyze the Company's profitability based on the Company's principal business activities prior to how these activities are financed, how assets are depreciated, amortized and how the results are taxed in various jurisdictions. Additionally, in order to focus on the core business alone, amounts are removed related to foreign exchange, share-based compensation expense, the sale of assets and fair value adjustments on financial assets and liabilities, as the Company does not deem these to relate to its core drilling and well services business. Adjusted EBITDA is not intended to represent net income as calculated in accordance with IFRS.

| ADJUSTED EBITDA | Three months ended March 31 | |
|---|-----------------------------|------------|
| (\$ thousands) | 2026 | 2025 |
| (Loss) income before income taxes | \$ (12,948) | \$ 4,307 |
| Add-back/(deduct): | | |
| Interest expense | 12,946 | 20,501 |
| Accretion of deferred financing charges | 425 | \$ 417 |
| Depreciation | 85,093 | 81,893 |
| Gain on asset sale | (247) | (1,225) |
| Share-based compensation | 8,823 | (1,611) |
| Foreign exchange and other | 750 | (1,899) |
| Adjusted EBITDA | \$ 94,842 | \$ 102,383 |

Consolidated EBITDA

Consolidated EBITDA, as defined in the Company's Credit Facility agreement, is used in determining the Company's compliance with its covenants. The Consolidated EBITDA is substantially similar to Adjusted EBITDA. Consolidated EBITDA is calculated on a rolling twelve-month basis.

Working Capital

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

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

Certain statements herein constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements generally can be identified by the words "believe", "anticipate", "expect", "plan", "estimate", "target", "continue", "could", "intend", "may", "potential", "predict", "should", "will", "objective", "project",

"forecast", "goal", "guidance", "outlook", "effort", "seeks", "schedule", "contemplates" or other expressions of a similar nature suggesting future outcome or statements regarding an outlook.

Disclosure related to expected future commodity pricing or trends, revenue rates, equipment utilization or operating activity levels, operating costs, capital expenditures and other prospective guidance provided herein 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 herein could also have material adverse effects on forward-looking statements.

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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 "Risk Factors" section of the Company's Annual Information Form for the year ended December 31, 2025 available on SEDAR+ at www.sedarplus.ca.

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