

Ensign Announces Reductions in 2020 Capital Expenditure Plans and Implementation of Cost Reductions

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CALGARY, March 23, 2020 - [Ensign Energy Services Inc.](#) ("Ensign" or the "Company") is, along with the balance of the oil and natural gas services industry, facing challenges in these extraordinary times. Oil demand losses due to the impact of COVID-19 virus combined with a market share and price war between Russia, Saudi Arabia and other global producers has pushed oil prices to levels not seen since early 2002.

During this period of uncertainty and commodity price weakness the Company continues to focus on the safe operations of our rigs, keeping our employees safe and healthy, recognizing customer priorities, and protecting our liquidity and balance sheet.

Ensign's Board of Directors and management has been monitoring the recent challenges mentioned above and is responding to mitigate their negative impacts.

As a result the Company has reduced our capital expenditure plans for the 2020 fiscal year. The revised capital expenditure budget for 2020 is reduced from the previously announced 2020 budget of \$100 million to \$60 million and will be comprised largely of maintenance capital items.

Ensign has taken further steps to reduce our costs, by reducing the salaries of the Company's named executive officers by 40% for the Chairman, 20% for the President and Chief Operating Officer and 12.5% for the other named executive officers, all effective April 1, 2020. In addition, the Board of Directors' compensation has been reduced, also effective April 1, 2020, by 20% for cash retainers and 40% for equity compensation. Such reductions reflect the Company's belief in the importance of cost control in light of the current oilfield services industry outlook. These steps were taken notwithstanding, Ensign's low general and administrative costs relative to industry benchmarks. It goes without saying the Company will continue to monitor the environment to determine what if any additional steps should be taken to mitigate the negative impacts of the challenges mentioned above.

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 services include contract drilling, directional drilling, underbalanced and managed pressure drilling, rental equipment, well servicing and production services. Please visit our website at ensignenergy.com.

Ensign's Common Shares are publicly traded through the facilities of the Toronto Stock Exchange under the trading symbol ESI.

SOURCE [Ensign Energy Services Inc.](#)

Contact

[Ensign Energy Services Inc.](#), 400 - 5th Avenue S.W., Suite 1000, Calgary, Alberta T2P 0L6 Canada, Mr. Michael Gray, Chief Financial Officer, Telephone: 403.262.1361, Ms. Nicole Romanow, Investor Relations, Telephone: 403.267.6234

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