



Information Regarding the United States (“U.S.”) Tax Implications for U.S. Shareholders of Technicoil Corporation

On May 31, 2011 Essential Energy Services Ltd. (“Essential”) completed the acquisition of Technicoil Corporation (“Technicoil”) pursuant to a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (Alberta) whereby Essential acquired all of the issued and outstanding shares of Technicoil. Pursuant to the Arrangement, Technicoil shareholders received, for each Technicoil common share held, 0.7111 of a common share of Essential and C\$0.80 cash.

It is believed the Arrangement is fully taxable to U.S. shareholders of Technicoil requiring a gain or loss to be recognized on the disposition of their Technicoil shares. The sales proceeds would include the cash received and the fair market value of the Essential shares received in the transaction. While not completely free from doubt, the preponderance of U.S. tax authorities would, under most circumstances, value publically traded stock on a transaction date as the mean of the high (C\$2.11) and low (C\$2.04) traded price for that day, which would be C\$2.075.

Notice pursuant to U.S. Treasury Department Circular 230: Nothing contained in the foregoing summary concerning any U.S. federal tax issue is intended or written to be used, and it cannot be used, by a U.S. shareholder, for the purpose of avoiding U.S. federal tax penalties under the U.S. Internal Revenue Code. This summary was written to support the promotion or marketing of the transactions or matters addressed by the foregoing summary. Each U.S. shareholder should seek U.S. federal tax advice, based on such U.S. shareholder’s particular circumstances, from an independent tax advisor.

The preceding discussion of U.S. federal income tax consequences is of a general nature only and is provided for information purposes only. It does not purport to be a complete analysis or discussion of all potential tax effects relevant to U.S. shareholders of Technicoil.

Forward-Looking Cautionary Statement

This webpage disclosure contains forward-looking information regarding the expectations of U.S. federal income tax effects related to the disposition of Technicoil shares by U.S. shareholders of Technicoil pursuant to the Arrangement.

Although Essential believes the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Essential can give no assurance that such statements and information will prove to be correct. Forward-looking statements and information address future events and conditions and by their very nature involve inherent risks and uncertainties.

Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include but are not limited to, the individual tax situation of each of Technicoil's U.S. shareholders, the assessment by U.S. tax authorities of the fair market value of Essential's shares (being different than the mean of the high and low traded price for the transaction date) and legal or regulatory changes with respect to U.S. tax law. Other unknown or unpredictable factors could cause actual results to differ materially from the forward-looking statements and information. Accordingly, readers should not place undue reliance on the forward-looking statements and information. U.S. shareholders of Technicoil are cautioned that the foregoing list of factors is not exhaustive.

Essential does not undertake any obligation to update or revise forward-looking statements and information, whether as a result of new information, future events or otherwise, except to the extent legally required.