



Precision
Drilling
Corporation

Investor
Presentation

December 2017



Precision
DRILLING

*Rig 580, Oklahoma SCOOP

TSX: PD NYSE: PDS

Forward-looking 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 strategic priorities for 2017; our capital expenditure plans for 2017; anticipated activity levels in 2017 and our scheduled infrastructure projects; anticipated demand for Tier 1 rigs; the average number of term contracts in place for 2017.

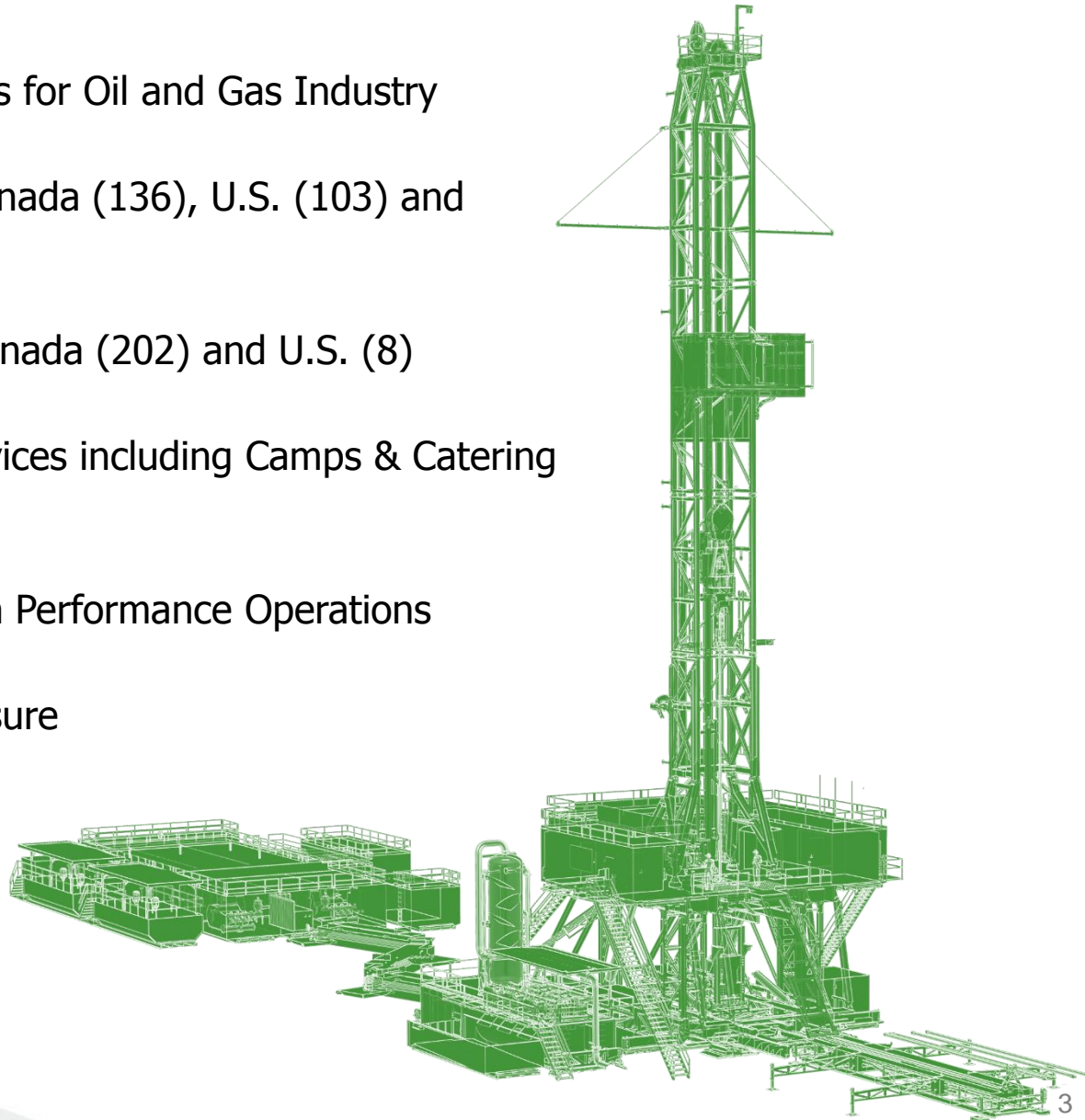
These forward-looking information and statements are based on certain assumptions and analysis made by Precision in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. These include, among other things: the fluctuation in oil prices may 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, 2016, 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, except as required by law.

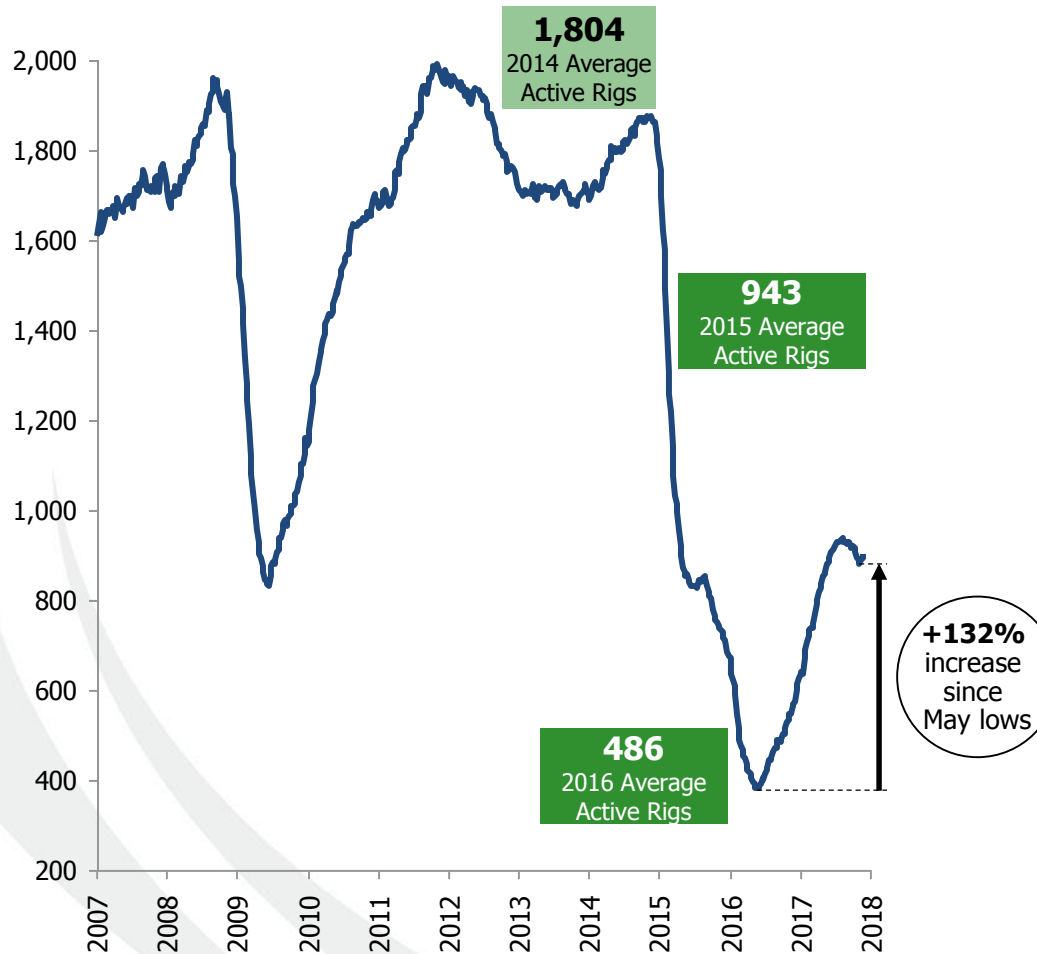
Precision at a Glance - High Performance Land Driller

- Provide Land Drilling Services for Oil and Gas Industry
- Fleet of 256 Drilling Rigs: Canada (136), U.S. (103) and International (17)
- Fleet of 210 Service Rigs: Canada (202) and U.S. (8)
- Provide Complementary Services including Camps & Catering and Rentals
- Reputation for Safe and High Performance Operations
- Diversified Geographic Exposure

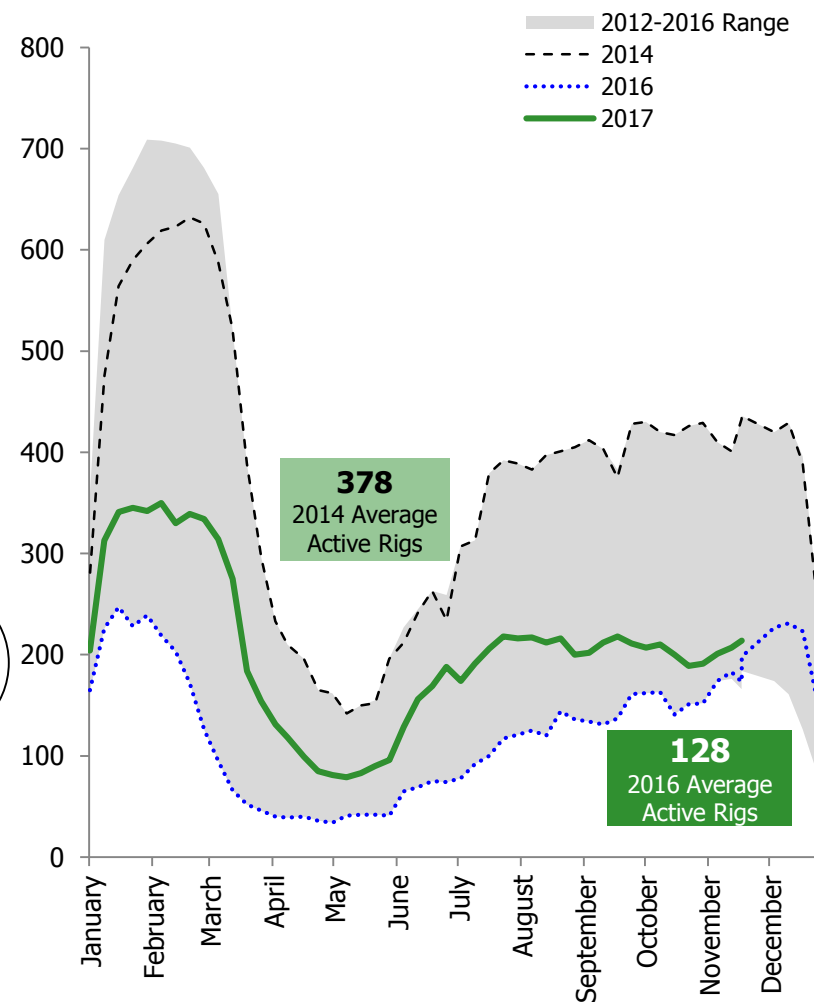


Historical North American Drilling Activity – Improving in 2017

U.S. Land Rig Count 10 Year History



Canadian Land Rig Count 5 Year History



Precision's 2017 Strategic Priorities



Deliver *High Performance, High Value* service offerings in an improving demand environment while demonstrating fixed cost leverage



Maintain strict financial discipline in pursuing growth opportunities with a focus on free cash flow and debt reduction



Commercialize rig automation and efficiency-driven technologies across our Super Series fleet



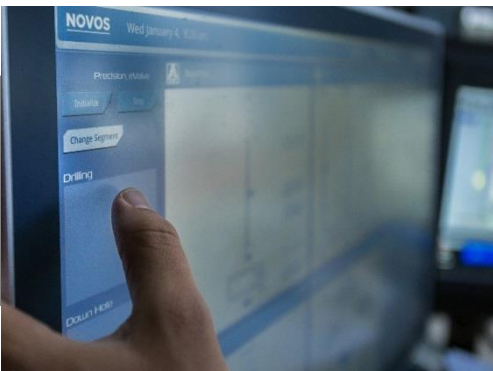
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Precision's High Performance Foundation

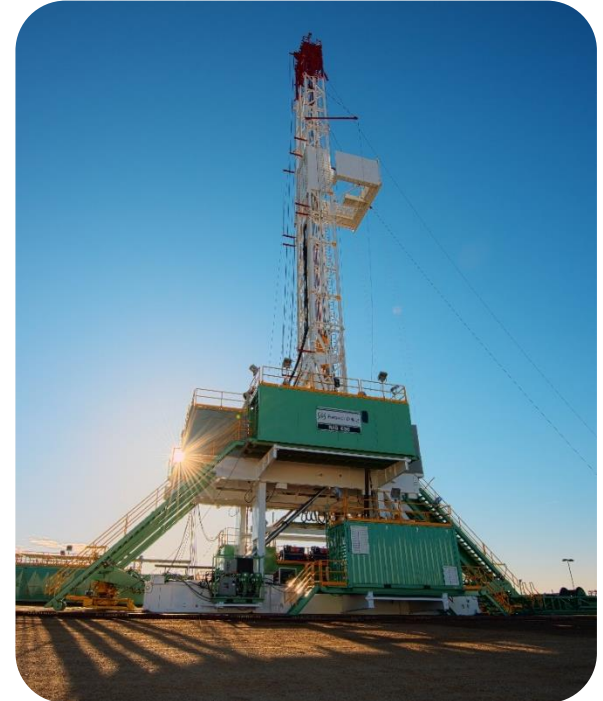
Precision Systems



Precision Crews



Super Series Rigs



Systems + Scale Driving Operational Excellence and Lower Costs



**Supply Chain
Management**



**Manufacturing +
Capital Projects**



**Technical Support
Centres**



**IT Infrastructure
and ERP**



**Precision
DRILLING** 8

Precision Employee Recruiting and Development Program

127,224

Applications processed
2013-2016
(30,700 Applications YTD¹)



1,200 – 1,400

Screened candidates in the
system



100+ drilling rigs reactivated from Q2/16 lows, 2000+ positions filled

**Leadership
Development
Programs**



**Structured
Competency
Standards**



**Long-term
Compensation Programs**



**Permanent Training
Facilities with Fully
Functioning Rigs**



**World-Class Safety
Culture and
Processes**



**Career Path
Management**

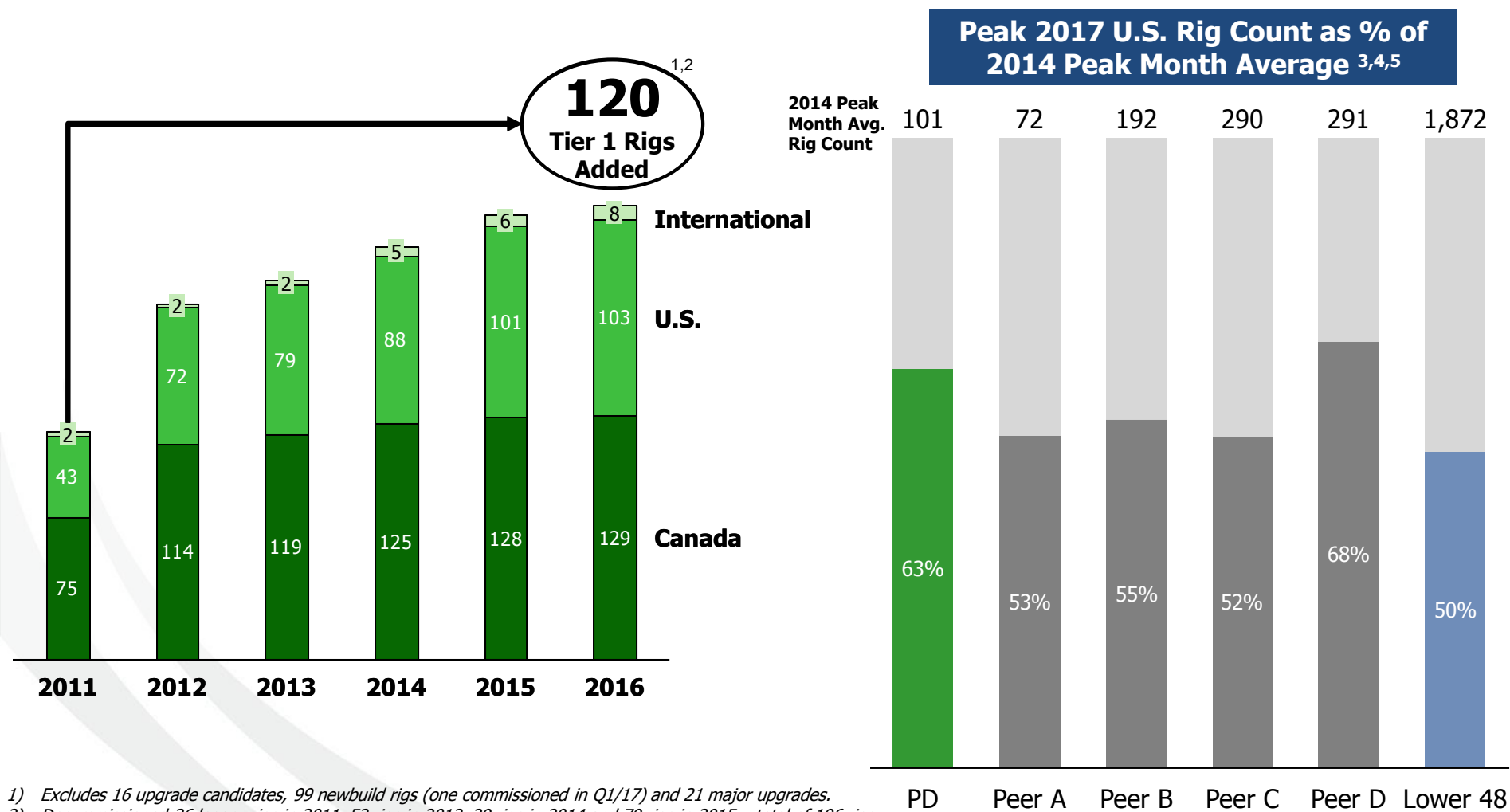
**Structured Promotion
Programs**

**Field Training
Investments**

Tier 1 Assets

Precision's High Performance Super Series Rigs

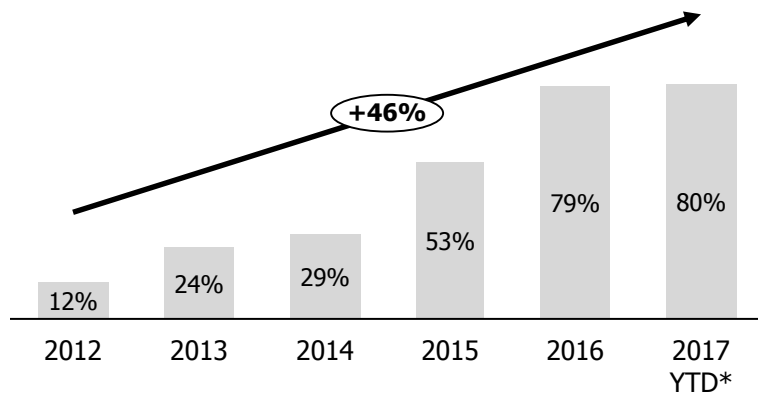
- ~\$3.0 Billion in Drilling Expansion and Upgrade Capital Investment from 2011 – 2017E



- 1) Excludes 16 upgrade candidates, 99 newbuild rigs (one commissioned in Q1/17) and 21 major upgrades.
 2) Decommissioned 36 legacy rigs in 2011, 52 rigs in 2012, 29 rigs in 2014 and 79 rigs in 2015 – total of 196 rigs.
 3) Peak based on Baker Hughes U.S. Land Rig Count average of 1,872 in November, 2014.
 4) Peers A, B, and C operate in Canada and the U.S. Peer D operates only in the U.S.
 5) For M&A occurring over time period, combined company data in 2014 and 2017 was used in calculations.

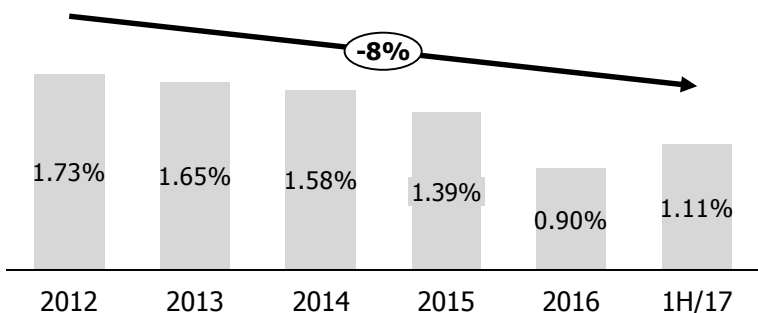
High Performance – Precision Super Triple Efficiency

U.S. Super Triple Pad
Rig Op. Days as % of
Total

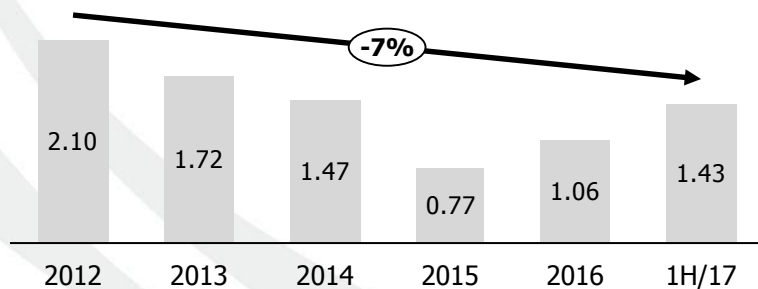


- ✓ Reducing well cost
- ✓ Improving performance and efficiency
- ✓ Providing value to customers – increasing market share

U.S. Total
Downtime



Recordable
Frequency



Rig 576, Drilling in West Texas (Permian Basin)

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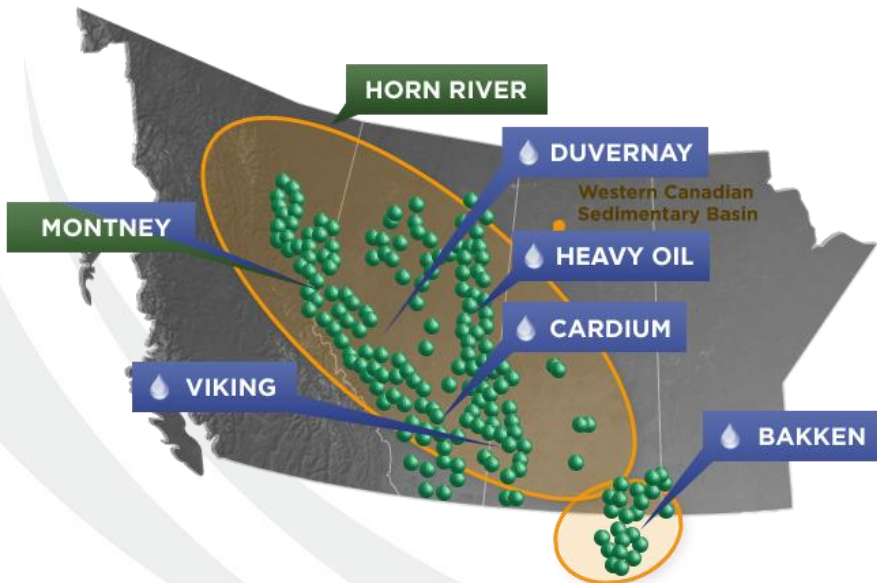
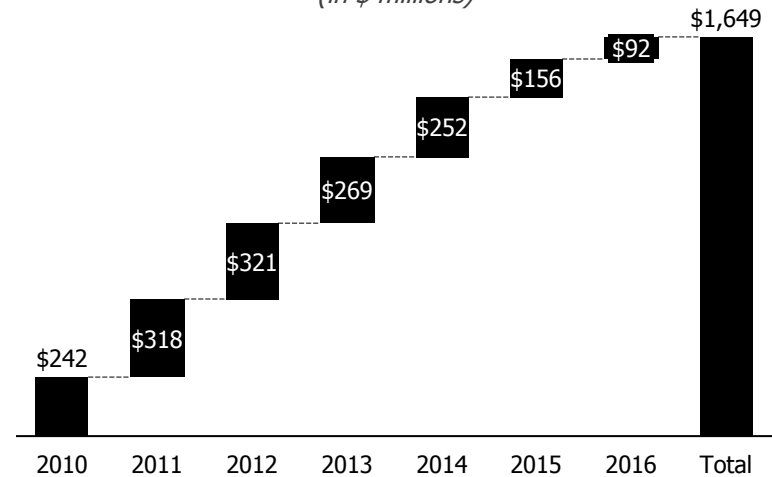


Canada – Focused on Cash Flow, Leading Market Share

Since 2010

- Generated \$1.7 billion in cash flow¹
- Invested \$765 million in growth capital
- Delivered 70+ newbuild and upgraded rigs
- Fleet now consists of 96% Tier 1 rigs

Cash Flow¹
(in \$ millions)



Leading Market Position

- Typically operate over 25% of rigs in market with 136 drilling rig fleet
- Leading market share² in Montney (30%), Duvernay (38%) and Heavy Oil (33%)

1) Cash flow calculated using reported daily margins multiplied by drilling utilization days plus C&P EBITDA, less maintenance capital expenditure.

2) Based on well count provided by industry sources and internal analysis.

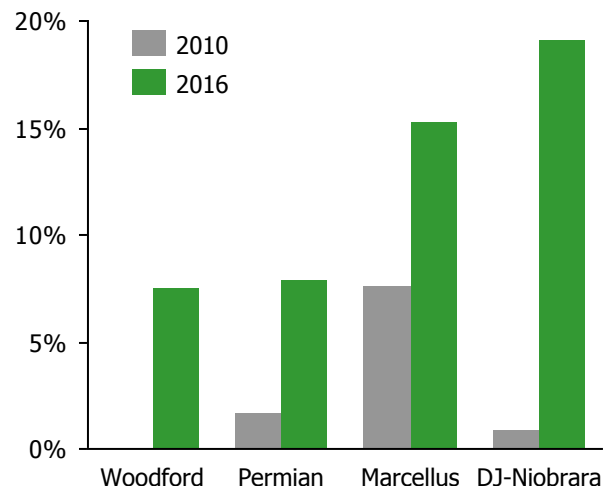
* Dots on map representative of areas where Precision has had operations in 2015, 2016 & 2017 (09/2017)

United States – Focused on Market Share Growth, Cash Flow

Market Share Growth in Key Plays since 2010

- Permian and Woodford (SCOOP/STACK) – targeted growth in most active areas
- Marcellus – maintained strong market share from 2013-2016
- DJ-Niobrara – approaching leading market position
- Eagle Ford – activity outlook improving
- Upside for other regions with higher commodity prices

Precision U.S. Market Share¹



Reputation and Scale Drives Growth

- Proven Super Series fleet of 103 rigs
- Ability to respond to customer demand across U.S.
- Established and growing premium customer base

1) Market share calculated based on drilling days

* Dots on map representative of areas where Precision has had operations in 2015, 2016 & 2017 (09/2017)

International Markets – Stable Cash Flow in the Low Cost Region

Established Scale in the Middle East Region

- 8 rigs currently under contract
- No contract renewals in 2017
- Deployed five new build rigs to Kuwait since 2014 including two in Q4/16
- Ability to leverage fixed costs with additional deployments
- Targeting IOC's and NOC's that value Safety and Performance
- Fleet of 17 rigs (12 ME Region, 5 Mexico)

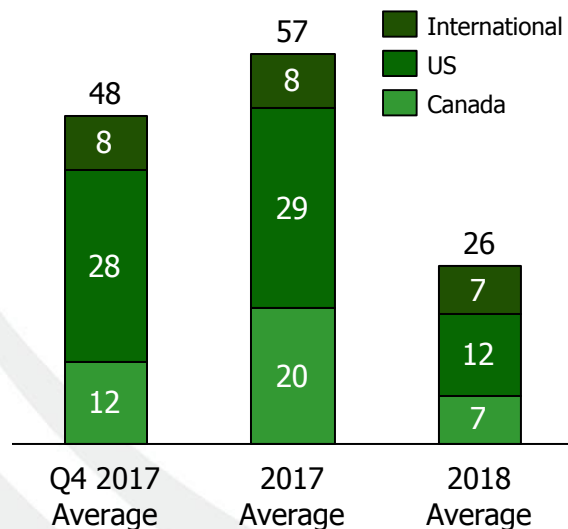


Rig 904, drilling in Kuwait

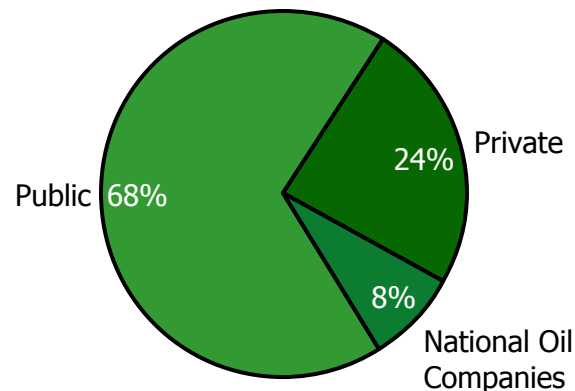
Revenue and Cash Flow Visibility and Stability

Customer Base

- Primarily public, large private and national oil companies
- Average market capitalization of ~\$31 billion (median ~\$12 billion)



2016 Top 50 Customers¹



2017 Contract Book²

- Proactive contract management – balancing predictable cash flow with exposure to improving price environment
- All contracts performed through the downturn
- Added 22 term contracts year-to-date³

1) Includes Canada, U.S. and International operations.

2) As at September 30, 2017

3) As at October 26th, 2017.

High Performance Well Service Operations - Focused on Cash Flow

- **Largest service rig provider in the WCSB and established presence in the U.S.**
 - Ideally suited to address maintenance, optimization and completion needs
- **210 Well Service rigs and Snubbing units**
 - Includes acquisition of Essential's well service rig fleet



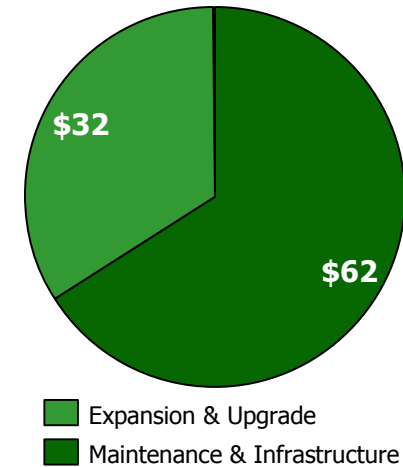
Precision Well Service Facility, Red Deer, Alberta

- **Localized operations and management teams**
- **Centralized technical support services**
- **Centralized HSE support & training center**

2018 Capital Plan – Strict Financial Discipline

- \$62 million for Maintenance and Infrastructure
 - Fleet well maintained throughout the downturn, minimal catch-up maintenance required
 - Remaining spend related to ERP system upgrade
 - Increase operating efficiencies, improve fixed cost leverage and position organization to better handle increased data flows
- \$32 million for Upgrades
 - Plans to upgrade ~10-20 Tier 1 rigs to industry leading rig specifications
 - Additions of walking systems
 - Increased pumping and racking capacities
 - Rig automation systems
 - Spending contingent on firm customer contract commitments that meet internal return thresholds
- 2017 Capital Plan held at \$104 million

Planned 2018 Capex



Total: \$94 million

Financial Performance and Pro Forma Liquidity Position

(in \$ millions)	Three months ended Sept. 30		Fiscal 2016	Fiscal 2015
	2017	2016		
Revenue	\$315	\$214	\$951	\$1,556
EBITDA	\$72	\$41	\$228	\$474
Margin	23%	19%	24%	30%

Resilient Margins Through Downturn

- Aggressive cost management
- Rig contract performance

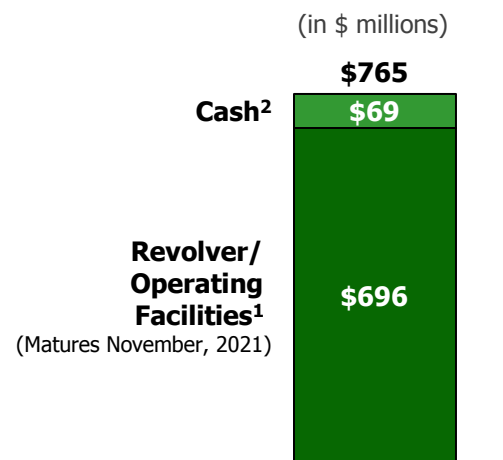
Strong Liquidity Position

- Sizeable cash balance
- Full access to revolving credit facility
- Asset based poised for free cash flow generation

Revolving Credit Facility Recently Amended

- 2.5 year maturity extension to November 2021
- Revised set of covenants which improves financial and operating flexibility.
- Reduction in size from US\$525 million to US\$500 million

Pro Forma Liquidity as of 09/30/2017



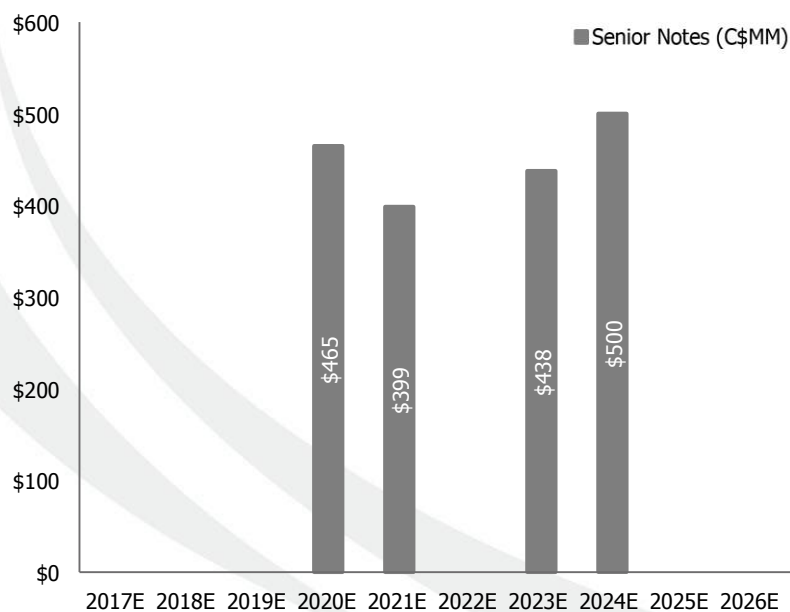
1) Calculated as undrawn portion of revolver (adjusted for LCs outstanding) and cash using CAD/USD exchange rate and balance sheet numbers as at 9/30/2017

2) Pro forma cash balance calculated as 9/30/2017 cash balance less US\$50 million using CAD/USD exchange rate as at 9/30/2017

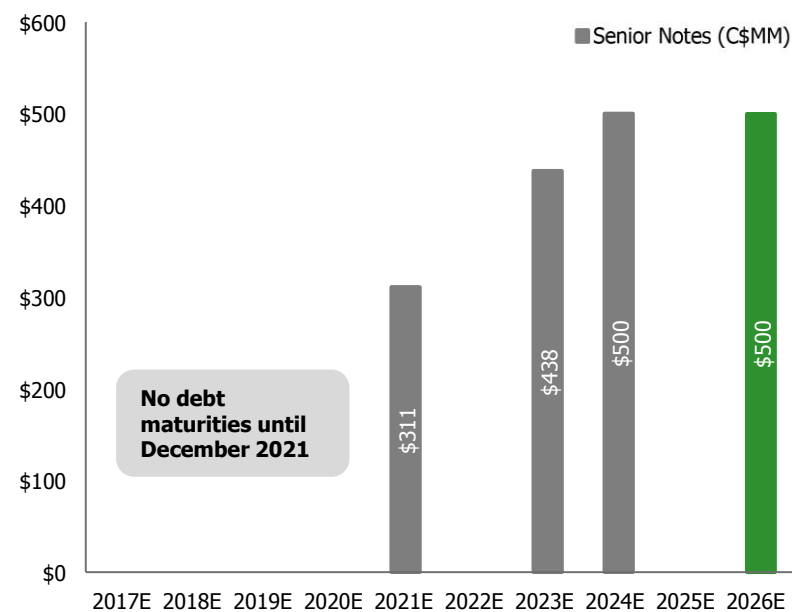
Recent High Yield Note Offering Summary & Pro Forma Debt Profile

- Objective: extend and smooth debt maturity profile and decrease leverage while maintaining substantial liquidity
- Raised US\$400 million in HY senior unsecured notes due 2026
- Used proceeds from offering and ~US\$50 million in cash on hand to tender/call US\$372 million of 2020 notes and US\$70 million of 2021 notes tendered
- Average tenor of debt grows from ~62 months today to ~80 months pro forma refinancing
- HY transaction and early tender offers closed on 11/22/17 and redemption of outstanding 2020 notes expected to close early-December

Current Debt Maturity Schedule



Pro Forma Debt Maturity Schedule



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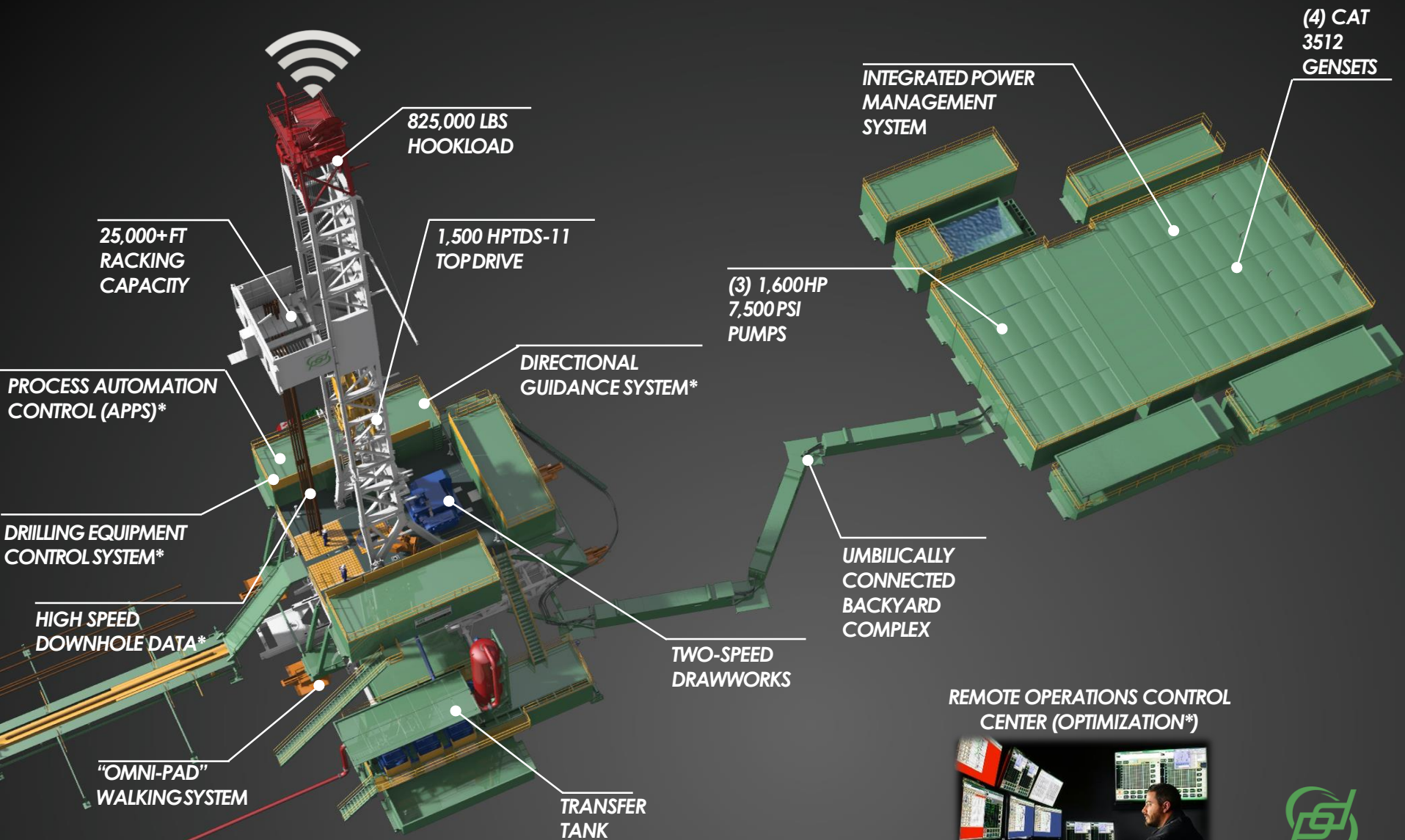
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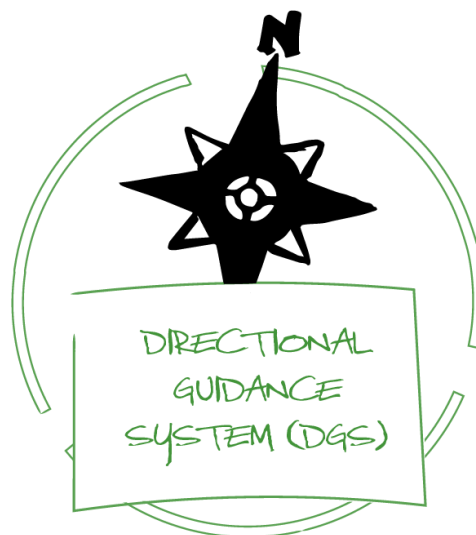
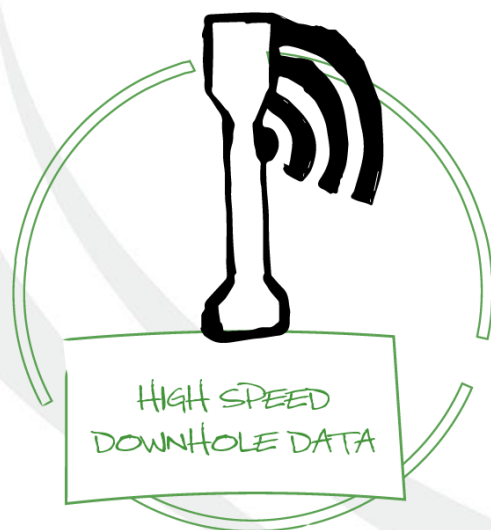
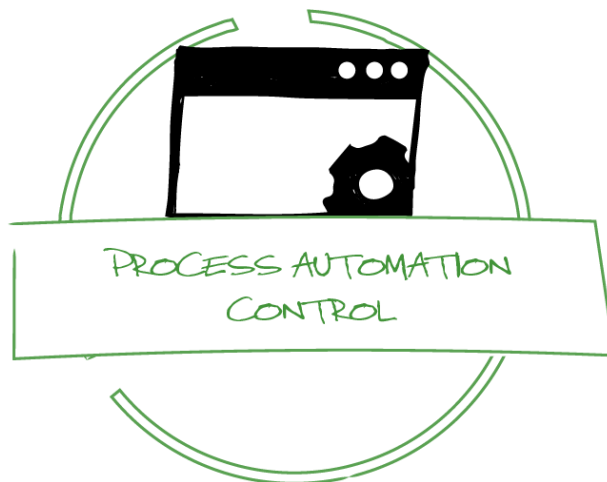
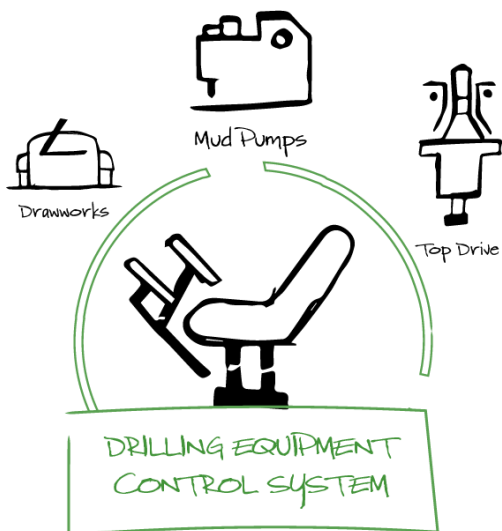


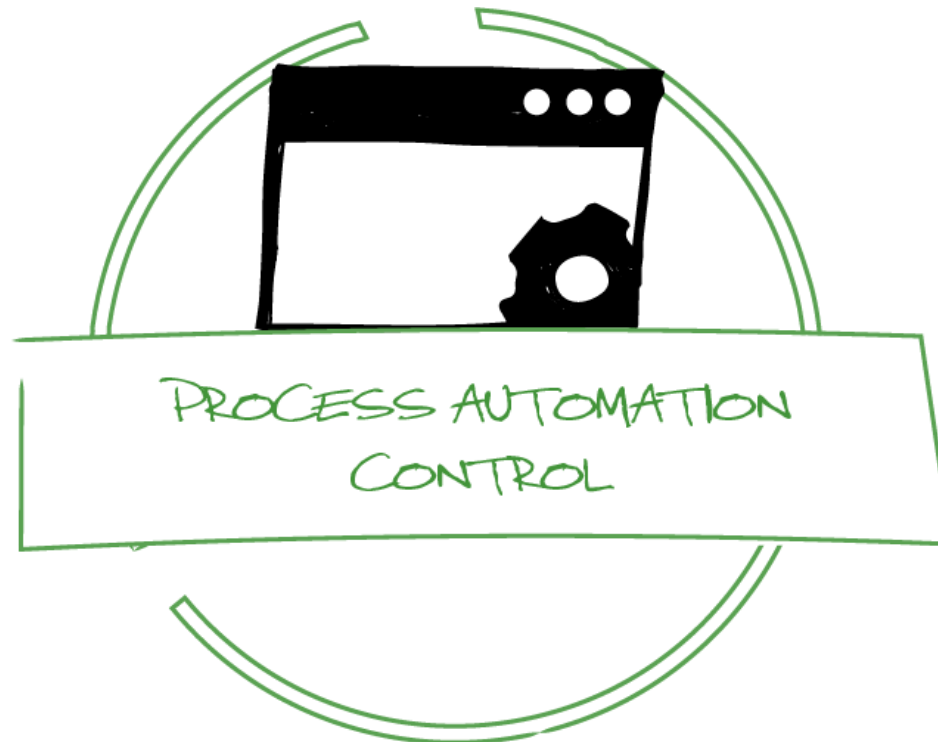
Rig Technology – Precision Super Triple



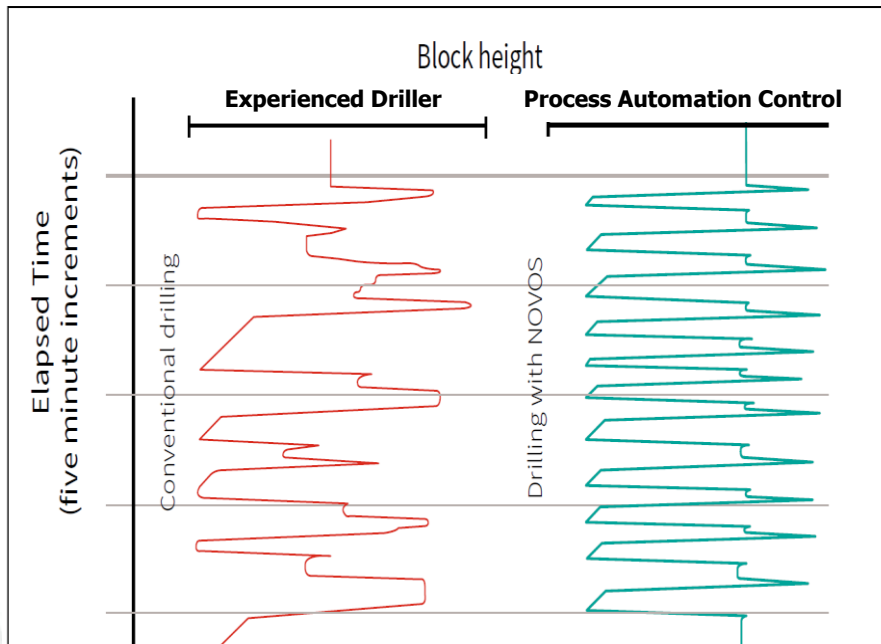
* Precision Technology Building Blocks

Precision Technology Building Blocks



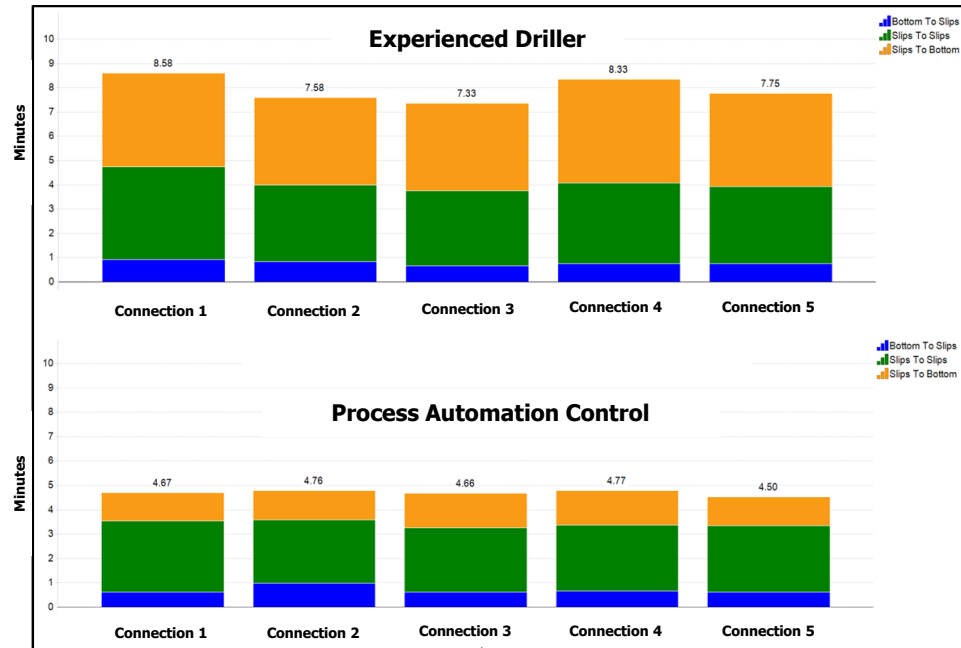


Process Automation Control – Consistent, Predictable, Repeatable



NOV controlled testing

- Consistent results eliminates human variance
- Allows driller to focus on the wellbore and crew performance



Precision data from Rig 601 field trials

- More efficient operations by eliminating operator induced process delays

Precision's Progress¹

- **Drilling Equipment Control System:** largest installed fleet of AMPHION control systems
- **Process Automation Control:** 20 rigs installed with NOVOS and drilled >70 wells YTD
- **Directional Guidance System:** 124 wells (30 YTD) and 1.5 million feet drilled
- **High Speed Downhole Data Communication:** 404 thousand feet drilled representing more than 96% of the total footage drilled on land to date utilizing wired drill pipe



Rig 609

1) As of September 30, 2017

Technology Commercialization – Revenue Potential

Revenue Impact

Each technology is a service sold to customers as bolt on to our existing rigs

Fixed daily charge

Fleet Pull Through

Pull through on existing rigs and directional drilling service

Increased utilization and dayrate

Reinforced Competitive Advantage

New technologies will strengthen competitive advantage and provide a platform for future technology revenue streams

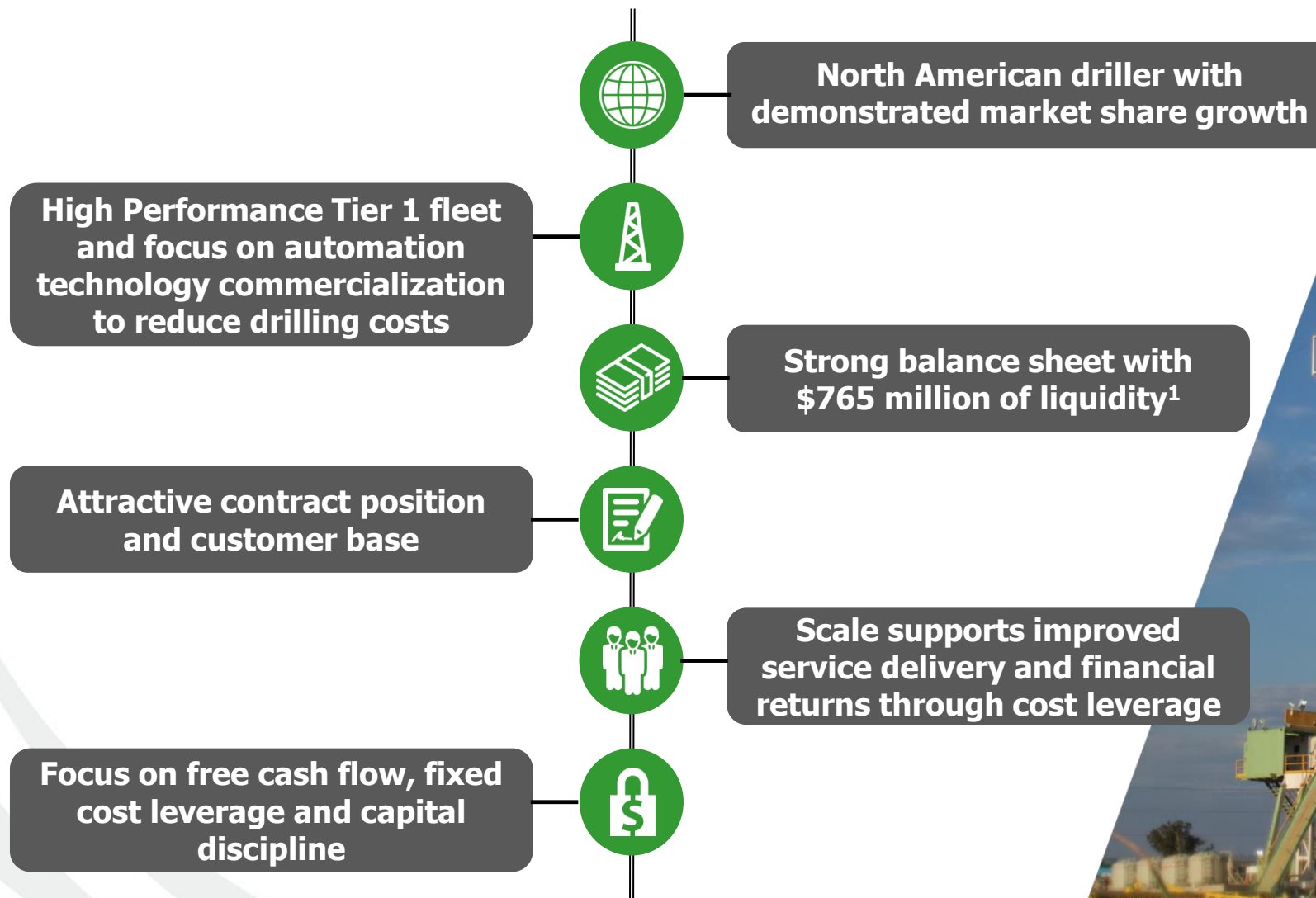
Market share

Technology	Daily EBITDA Impact Estimate	Available Fleet	Est. % of Active Rigs (2018 – 2019)
PAC	\$1,500	100+ rigs	80%-100%
DGS	\$1,000	256 rigs	20%-50%
High Speed Downhole Data ¹	\$2,500	100+ rigs	20%
Apps ²	\$250-\$1,000	100+ rigs	80%-100%

1) Assumes rental model

2) Assumes 1 to 4 apps at \$250 per app

Investment Merits





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