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

256 Drilling Rigs:
- Canada (136)
- U.S. (103)
- International (17)

210 Service Rigs:
- Canada (202)
- U.S. (8)

Complementary Services:
- Camps & Catering,
- Rentals and Water Treatment

*Dots on map representative of areas where Precision has had drilling operations in 2015, 2016 & 2017 (09/2017)*
HISTORICAL NORTH AMERICAN DRILLING ACTIVITY
IMPROVING IN 2018

U.S. LAND RIG COUNT
10 YEAR HISTORY

CANADIAN LAND RIG COUNT
5 YEAR HISTORY

Source: Baker Hughes land rig count as of 1/12/2018
Updated Activity and Outlook Amid Stronger Oil Prices

**WTI UP ~20%**

1) As of 1/12/2018

**ACTIVE RIGS IN U.S.**
64
VS 55 ACTIVE RIGS AT Q3/17 CONFERENCE CALL

**ACTIVE RIGS IN CANADA**
89
NEAR PEAK ACTIVITY REACHED IN Q1/17

**SIGNED TERM CONTRACTS**
13
SINCE THE END OF Q3/17

- At current commodity prices, expect to continue to add rigs in the U.S. and higher y/y activity in Canada

1) As of 1/12/2018
Precision’s 2017 Strategic Priorities

**FIXED COST LEVERAGE**

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

**FINANCIAL DISCIPLINE**

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

**COMMERCIALIZE RIG AUTOMATION**

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

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

- Reduced general and administrative costs by ~12% y/y\(^1\)
- Stable corporate headcount while North American activity increased ~84% y/y\(^1\)
- Sustained *High Performance, High Value* service offering
- Achieved near record low operating cost per day in the U.S. in Q3/17

\(^{1}\) Year-to-date as at 9/30/2017
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’s Employee Recruiting and Development Program

127,224
Applications processed
2013-2016
(30,700 Applications in 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

¹ As of 9/30/2017
Precision’s High Performance Super Series Rigs

- ~$3.0 Billion in Drilling Expansion and Upgrade Capital Investment from 2011 – 2017E
- Super Series Rigs Designed for Today’s Unconventional Development Drilling Programs

120 Tier 1 Rigs Added

Peak 2017 U.S. Rig Count as % of 2014 Peak Month Average \[3,4,5\]

- 2014 Peak Month Avg. Rig Count
- 101
- 72
- 192
- 290
- 291
- 1,872

1,2,3


1) Excludes 16 upgrade candidates, 99 newbuild rigs (one commissioned in Q1/17) and 21 major upgrades.
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.
PRECISION SUPER TRIPLE
Consistent, Predictable and Efficient

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

*As of 8/15/2017

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017 YTD*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12%</td>
<td>24%</td>
<td>29%</td>
<td>53%</td>
<td>79%</td>
<td>80%</td>
</tr>
</tbody>
</table>

U.S. Total Downtime

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>1H/17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.73%</td>
<td>1.65%</td>
<td>1.58%</td>
<td>1.39%</td>
<td>0.90%</td>
<td>1.11%</td>
</tr>
</tbody>
</table>

*Rig 575, Drilling in Oklahoma (SCOOP/STACK)
FINANCIAL DISCIPLINE

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

- Reinforced liquidity position through credit facility maturity extension
- Extended maturity profile of senior notes with first maturity not until December 2021
- Reduction of ~US$50 million in long-term debt
- With existing fleet of 240 Tier 1 rigs and low upgrade costs, maintained modest capex plan in 2017 and reduced plan by ~$34 million mid-year as activity growth stalled
CANADA
Focused on Cash Flow, Leading Market Share

GROWTH
(Since 2010)

$765M
Invested
in growth capital

70+
Delivered
newbuild & upgraded rigs

96%
Tier 1
rigs in fleet

CASH FLOW
1
(Since 2010)

GENERATED
$1.7B
in cash flow

LEADING MARKET POSITION
(Canada)

25%
Market share
Typically operate 25% of rigs in market
with 136 drilling rig fleet

30%
Duvernay
leading market share2

33%
Heavy oil
leading market share2

26%
Montney
leading market share2

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 (2017 average).
* 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

GROWTH
MARKET SHARE GROWTH IN KEY PLAYS SINCE 2010

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

MARKET SHARE
PRECISION DRILLING U.S.

TOTAL REACH
COMPLETE GEOGRAPHICAL COVERAGE

REPUTATION & 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
Stable Cash Flow in Low Cost Region

ESTABLISHED SCALE
IN THE MIDDLE EAST REGION

8 RIGS
CURRENTLY UNDER CONTRACT

6 NEWBUILD RIGS
DEPLOYED SINCE 2014 INCLUDING TWO IN Q4/16

17 TOTAL RIGS
DEPLOYED INTERNATIONALLY (12 ME REGION, 5 MEXICO)

- Ability to leverage fixed costs with additional deployments
- Targeting IOC’s and NOC’s that value Safety and Performance
Revenue and Cash Flow Visibility and Stability

**CUSTOMER BASE**

- Primarily public, large private and national oil companies
- Average market capitalization of ~$51 billion (median ~$16 billion)

**TOP 50 CUSTOMERS**

- **Public** 70%
- **Private** 24%
- **National Oil Companies** 6%

**CONTRACT BOOK**

- Proactive contract management – balancing predictable cash flow with exposure to improving price environment
- All contracts performed through the downturn
- Added 13 term contracts since end of Q3/17

---

1. Includes Canada, U.S. and International operations (YTD as at 9/30/2017)
2. As of 12/31/2017
3. As of 1/12/2018
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 2016 acquisition of Essential’s well service rig fleet
2018 CAPITAL PLAN
Strict Financial Discipline

PLANNED 2018 CAPEX

MAINTENANCE & INFRASTRUCTURE

$62M

- 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

EXPANSION & UPGRADES

$32M

- $32M 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 spending expected to be slightly lower than $104 million planned
Financial Performance and Fixed Cost Leverage

<table>
<thead>
<tr>
<th>(in $ millions)</th>
<th>Three months ended Sept. 30</th>
<th>Fiscal 2016</th>
<th>Fiscal 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$315</td>
<td>$214</td>
<td>$951</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$72</td>
<td>$41</td>
<td>$228</td>
</tr>
<tr>
<td>Margin</td>
<td>23%</td>
<td>19%</td>
<td>24%</td>
</tr>
</tbody>
</table>

**RESILIENT MARGINS THROUGH THE DOWNTURN**

- Aggressive cost management
- Rig contract performance
- Premium dayrates

**FIXED COST LEVERAGE WITH IMPROVED ACTIVITY**

- Reduced SG&A expenses by ~30% through downturn
- Stable corporate headcount from post-restructuring levels
- Increased U.S. rig count by ~250% from trough to peak in 2017

![Graph showing TTM SG&A Expense and Rig Counts]

**Graph**

- TTM SG&A Expense (in $mms)
- Avg. Active Rig Count
- Q1/14, Q3/14, Q1/15, Q3/15, Q1/16, Q3/16, Q1/17, Q3/17

**Legend**

- Green line: TTM SG&A
- Dark line: U.S. Rig Count
- Dashed line: WCSB Rig Count
Financial Discipline and Debt Reduction

Pro Forma Liquidity as of 09/30/2017 ¹

(Pro Forma Liquidity as of 09/30/2017)

(Expressed in $ millions)

<table>
<thead>
<tr>
<th>Cash²</th>
<th>Revolver/ Operating Facilities¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>$69</td>
<td>$696</td>
</tr>
</tbody>
</table>

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.

2017 FINANCING ACTIVITIES

- Revolving Credit Facility Amended
- New Issue US$400 million notes due 2026
- Tender Offer/Redemption of 2020 notes & partial tender of 2021 notes
  - ~US$50 million debt repayment using cash

SENIOR DEBT MATURITY PROFILE

- Full access to revolving credit facility and available cash balance
- Tier 1 asset base and strong activity provide free cash flow runway

No Maturities Until December 2021

2018 2019 2020 2021 2022 2023 2024 2025 2026

$696 $696 $696 $696 $696 $696 $696 $696 $696

US$400 US$400 US$400 US$400 US$400 US$400 US$400 US$400 US$400
COMMERCIALIZE RIG AUTOMATION

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

Progress as of 1/12/18

- 20 rigs running with NOVOS and drilled >135 wells
- Drilled >130 wells and ~1.6 million feet utilizing a directional guidance system
- Drilled >95% of the total footage on land to date utilizing wired drill pipe
- Further technology updates to be provided with Q4/17 results
**PRECISION SUPER TRIPLE**

**Advanced Rig Technology**

1. 25,000' + FT RACKING CAPACITY
2. PROCESS AUTOMATION CONTROL (APPS)*
3. DRILLING EQUIPMENT CONTROL SYSTEM*
4. HIGH SPEED DOWNHOLE DATA*
5. “OMNI-PAD” WALKING SYSTEM
6. 825,000 LBS HOOKLOAD
7. 1500 HP TDS-11 TOP DRIVE
8. DIRECTIONAL GUIDANCE SYSTEM*
9. TWO SPEED DRAWWORKS
10. TRANSFER TANK
11. UMBILICALLY CONNECTED BACKYARD COMPLEX
12. (3) 1,600HP 7,500 PSI PUMPS
13. INTEGRATED POWER MANAGEMENT SYSTEM
14. (4) CAT 3512 GENSETS

* Precision Technology Building Blocks
PRECISION TECHNOLOGY BUILDING BLOCKS

**RIG AUTOMATION**

**PROCESS AUTOMATION CONTROL**
Automates repetitive drilling activities using pre-programmed automation routines

**HIGH SPEED DOWNHOLE DATA**
Wired drill pipe enables instantaneous transmission of data, saving time

**APPS**
Open source software allows for expansive app development to further automate drilling operations

**DIRECTIONAL GUIDANCE SYSTEM**
Steering instructions generated using algorithms and real-time downhole data to automate directional drilling

**OPTIMIZATION**
Using analytics and data to improve performance, drill faster

**DRILLING EQUIPMENT CONTROL SYSTEM**
Connects all rig components to electronically manage, control and monitor rig equipment
PROCESS AUTOMATION CONTROL

Consistent, Predictable, Repeatable

Experienced Driller

<table>
<thead>
<tr>
<th>Connection</th>
<th>Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.53</td>
</tr>
<tr>
<td>2</td>
<td>7.58</td>
</tr>
<tr>
<td>3</td>
<td>7.33</td>
</tr>
<tr>
<td>4</td>
<td>8.33</td>
</tr>
<tr>
<td>5</td>
<td>7.75</td>
</tr>
</tbody>
</table>

Process Automation Control

41% Overall Time Savings PER CONNECTION

<table>
<thead>
<tr>
<th>Connection</th>
<th>Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4.67</td>
</tr>
<tr>
<td>2</td>
<td>4.76</td>
</tr>
<tr>
<td>3</td>
<td>4.66</td>
</tr>
<tr>
<td>4</td>
<td>4.77</td>
</tr>
<tr>
<td>5</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Precision data from Rig 601 field trials
PROCESS AUTOMATION CONTROL
Consistent, Predictable, Repeatable

- Consistent results eliminates human variance
- Allows driller to focus on the wellbore and crew performance
- More efficient operations by eliminating operator induced process delays
Technology Commercialization – Revenue Potential

**REVENUE IMPACT**

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

**FLEET PULL THROUGH**

Pull through on existing rigs and directional drilling service.

**REINFORCED COMPETITIVE ADVANTAGE**

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

### FIXED DAILY CHARGE

### INCREASED UTILIZATION & DAYRATE

### MARKET SHARE

<table>
<thead>
<tr>
<th>TECHNOLOGY</th>
<th>DAILY EBITDA IMPACT ESTIMATE</th>
<th>AVAILABLE FLEET</th>
<th>EST. % OF ACTIVE RIGS (2018-2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAC</td>
<td>$1,500</td>
<td>100+ rigs</td>
<td>80%-100%</td>
</tr>
<tr>
<td>DGS</td>
<td>$1,000</td>
<td>256 rigs</td>
<td>20%-50%</td>
</tr>
<tr>
<td>High Speed Downhole Data¹</td>
<td>$2,500</td>
<td>100+ rigs</td>
<td>20%</td>
</tr>
<tr>
<td>Apps²</td>
<td>$250-$1,000</td>
<td>100+ rigs</td>
<td>80%-100%</td>
</tr>
</tbody>
</table>

¹ Indicates a new technology.
² Indicates a software application.

**MARKET SHARE**

Market share data includes both the current and expected market share for each technology.
**Investment Merits**

**MARKET SHARE GROWTH**
North American driller with demonstrated market share growth

**STRONG BALANCE SHEET**
Strong balance sheet with $765 million of liquidity

**SCALE**
Scale supports improved service delivery and financial returns through cost leverage

**TIER 1 FLEET**
High Performance Tier 1 fleet and focus on automation technology commercialization to reduce drilling costs

**CONTRACT POSITION**
Attractive contract position and customer base

**FINANCIAL DISCIPLINE**
Focus on free cash flow, fixed cost leverage and capital discipline
PRECISION DRILLING CORPORATION

800, 525-8th Avenue S.W.
Calgary, Alberta, Canada T2P 1G1
Telephone: 403.716.4500
Facsimile: 403.264.0251
www.precisiondrilling.com