Precision DRILLING

PRECISION DRILLING CORPORATION

Investor Presentation

Scotia Howard Weil 2018 Energy Conference

March, 27 2018

Forward-looking Statements

Certain statements contained in this presentation, 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 2018; our capital expenditure plans for 2018; anticipated activity levels in 2018; our scheduled infrastructure projects; anticipated demand for Tier 1 rigs; and the average number of term contracts in place for 2018.

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 as well as other factors other factors we believe are appropriate under the circumstances. These include, among other things: our ability to react to customer spending plans as a result of changes in oil and natural gas prices; 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; the general stability of the economic and political environments in the jurisdictions where we operate; and the impact of an increase/decrease in capital spending.

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 level oil and natural gas exploration and development activities; 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; availability of cash flow, debt and equity sources to fund our capital and operating requirements, as needed; the impact of weather and seasonal conditions on operations and facilities; competitive operating risks inherent in contract drilling, directional drilling, well servicing and ancillary oilfield services; ability to improve our rig technology to improve drilling efficiency; general economic, market or business conditions; the availability of qualified personnel and management; a decline in our safety performance which could result in lower demand for our services; changes in laws or regulations, including changes in environmental laws and regulations such as increased regulation of hydraulic fracturing or restrictions on the burning of fossil fuels and greenhouse 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, 2017, 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 presentation 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.

Creating Shareholder Value

HIGH
PERFORMANCE
HIGH VALUE

HIGH PERFORMANCE SUPER SERIES FLEET

MARKET SHARE GAINS & PREMIUM PRICING DRIVE FINANCIAL PERFORMANCE

CASH FLOW GENERATION FOR DEBT REPAYMENT AND ENHANCED EQUITY VALUE

High Performance Land Driller

256 Drilling Rigs:

Canada (136)
U.S. (103)
International (17)

210 Service Rigs:

Canada (202)
U.S. (8)

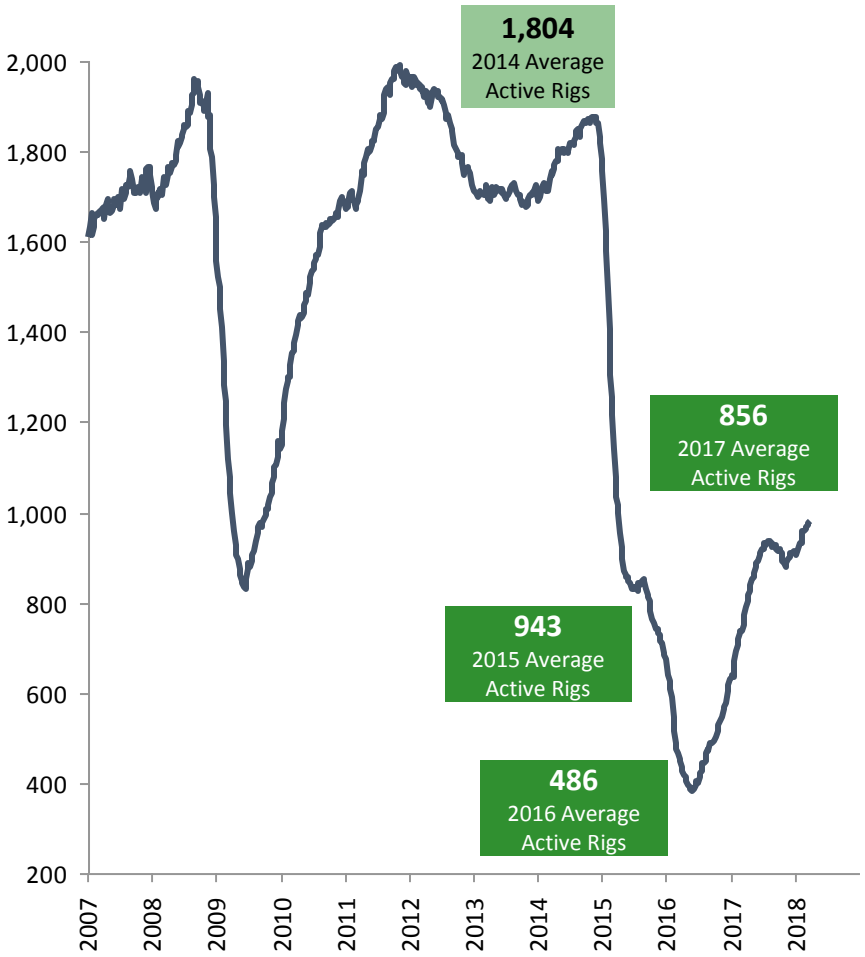
Complementary Services:

Camps & Catering, Rentals and Water Treatment

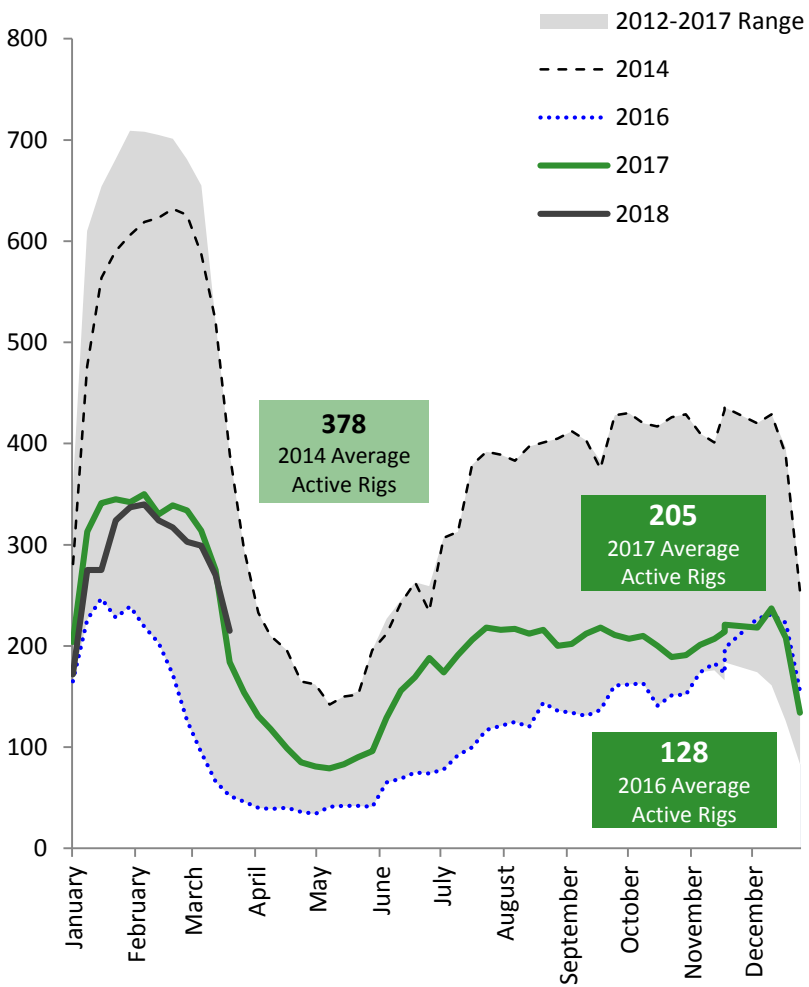
**Dots on map representative of areas where Precision has had drilling operations in 2015, 2016 & 2017 (09/2017)*

U.S. ACTIVITY IMPROVING IN 2018

U.S. LAND RIG COUNT
10 YEAR HISTORY



CANADIAN LAND RIG COUNT
5 YEAR HISTORY

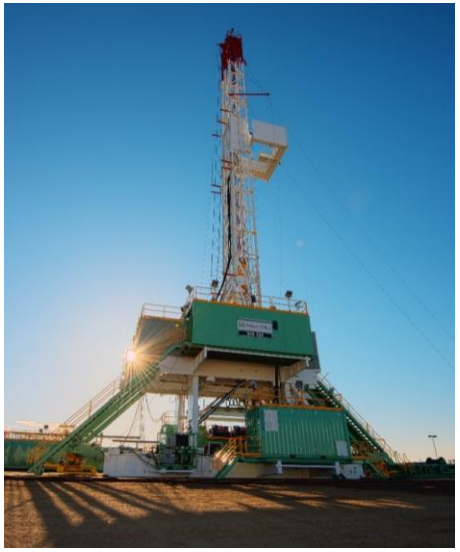


Source: Baker Hughes land rig count as of 3/23/2018

Precision's High Performance Foundation

PRECISION SYSTEMS

PRECISION CREWS



SUPER SERIES RIGS

SYSTEMS + SCALE

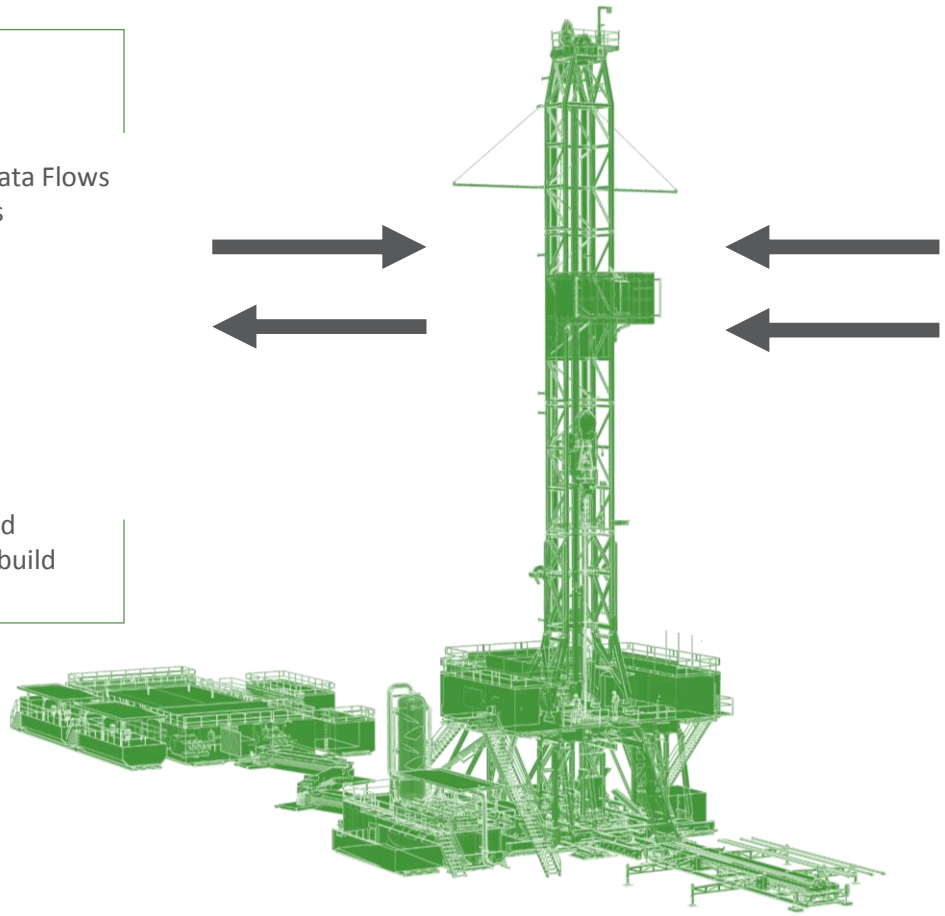
Driving Operational Excellence and Lower Costs

IT Infrastructure and ERP

- Supports Increased Data Flows
- Operating Efficiencies
- Fixed Cost Leverage

Technical Support Centres

- Asset Integrity
- Maintenance Standard
- In House Repair & Rebuild



Manufacturing + Capital Projects

- Engineering
- Project Management
- Equipment Manufacturing

Supply Chain Management

- Cost Savings
- Vendor Management
- Centralized Support

Recruiting and Development Program Successfully Eliminates Labor Constraints

177,972
Applications processed
2013-2017
(35,800 Applications in 2017)

1,200 – 1,400
Screened candidates in the system

- 100+ drilling rigs reactivated from Q2/16 lows, 2000+ positions filled
- 8,000 people received in-house training in 2017

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

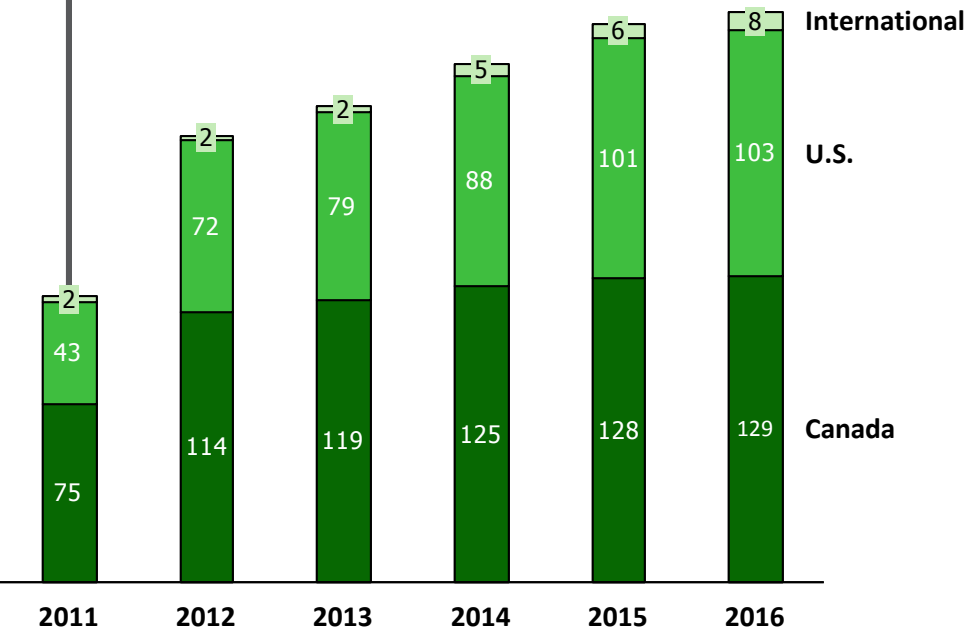
Field Training Investments

Tier 1 Assets

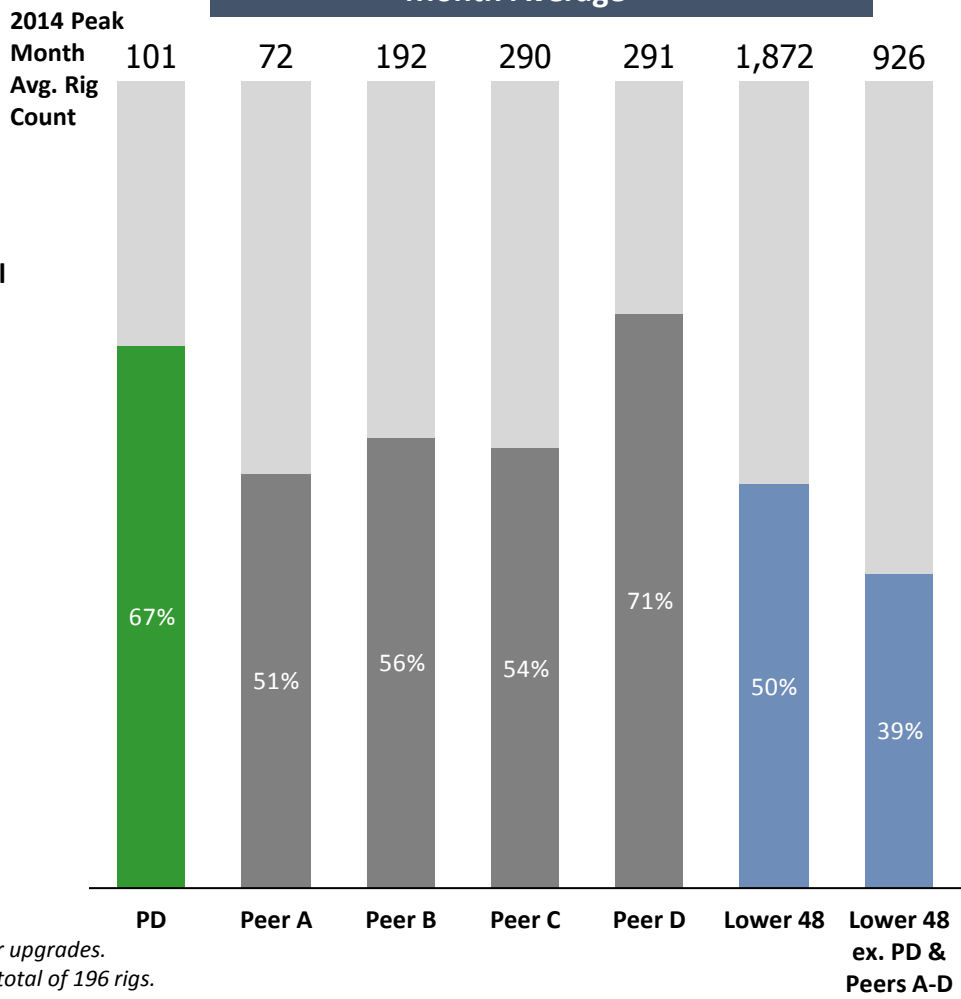
Precision's Super Series Investments Drive Market Share Gains

>$3.0 Billion in Drilling Expansion and Upgrade Capital Investment from 2011 – 2017

120 TIER 1 RIGS ADDED [1,2,3]



Peak 2018 U.S. Rig Count as % of 2014 Peak Month Average [3,4,5]



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.*

Precision's 2017 Strategic Priorities & Results

HIGH PERFORMANCE, HIGH VALUE + FIXED COST LEVERAGE

- Strong uptime and safety performance
- Flat corporate headcount, 16% y/y reduction in G&A
- U.S. op. cost reached record lows (Q3)

FINANCIAL DISCIPLINE

- Generated $184 million in funds from operations
- Added 29 term contracts
- Actual capital spend ~$40 million below plan
- Reduced debt by $52 million
- Extended earliest LTD maturity to Dec. 2021
- Extended credit facility to Nov. 2021

COMMERCIALIZE RIG AUTOMATION

- Completed Beta testing on PAC with 23 installed systems
- Drilled 57 wells using DGS 30% of which were with a reduced crew
- Remain industry leader in wired drill pipe
- Initiated implementation of new ERP system

Precision's 2018 Strategic Priorities

FINANCIAL PERFORMANCE

Enhance financial performance through higher utilization and improved operating margins

REDUCE DEBT WITH FREE CASH FLOW

Reduce debt by generating free cash flow while continuing to fund only the most attractive investment opportunities

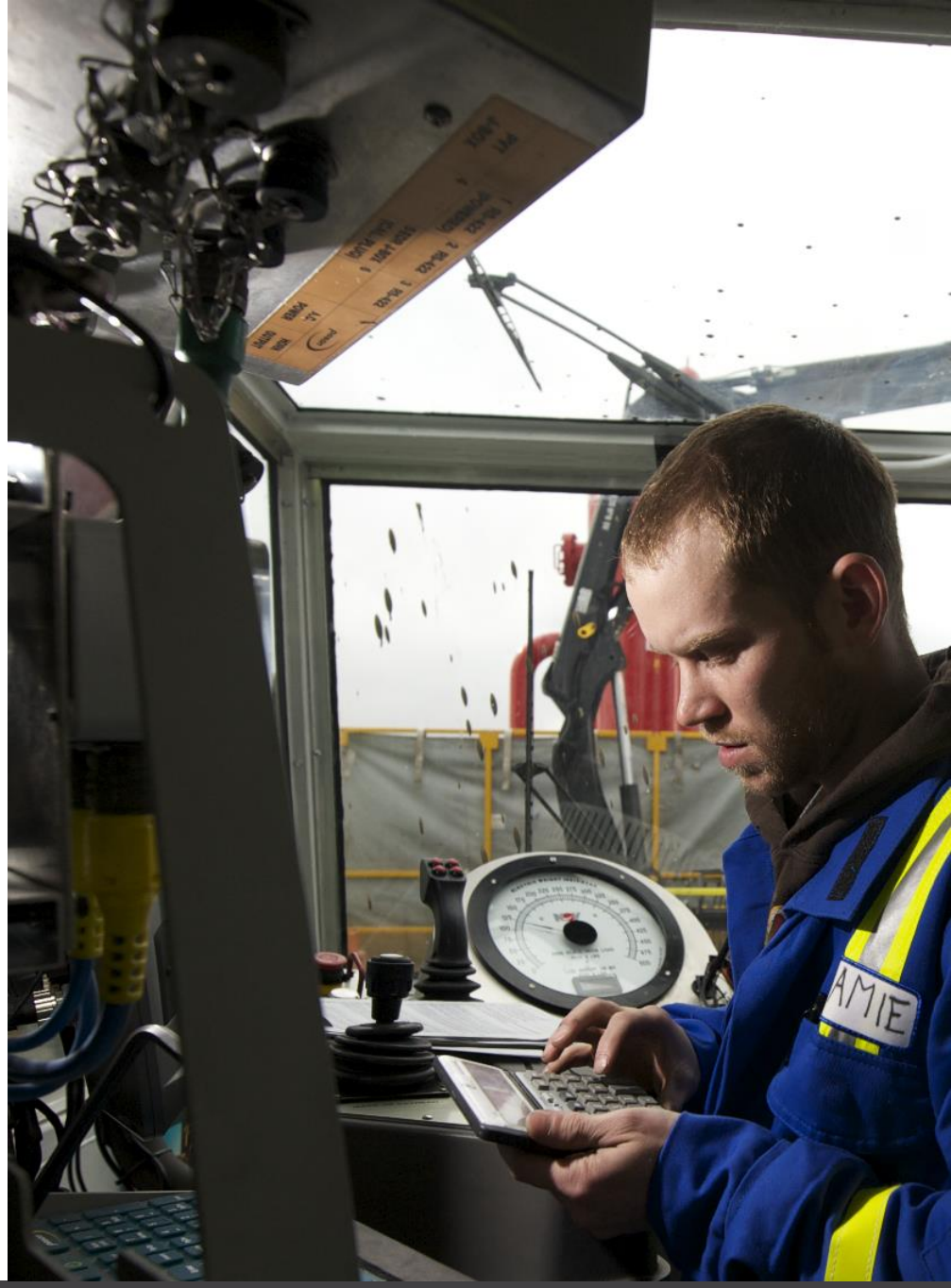
(Target $300 million to $500 million debt reduction in next 3 to 4 years)

TECHNOLOGY AS DIFFERENTIATOR

Commercial deployment of Process Automation Controls and Directional Guidance Systems on a wide scale

FINANCIAL PERFORMANCE

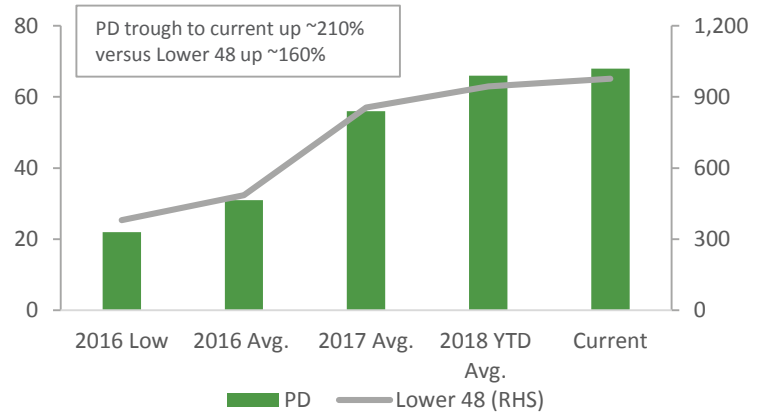
Enhance financial performance through higher utilization and improved operating margins



UNITED STATES

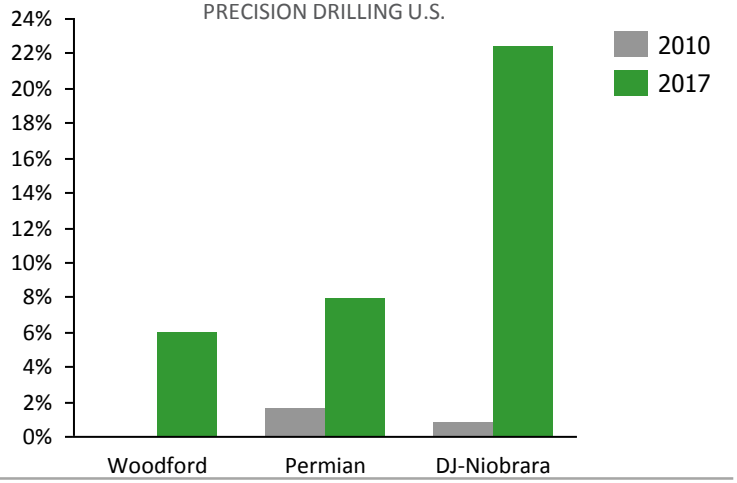
Focused on Market Share Growth, Cash Flow

ACTIVE RIG COUNT GROWTH



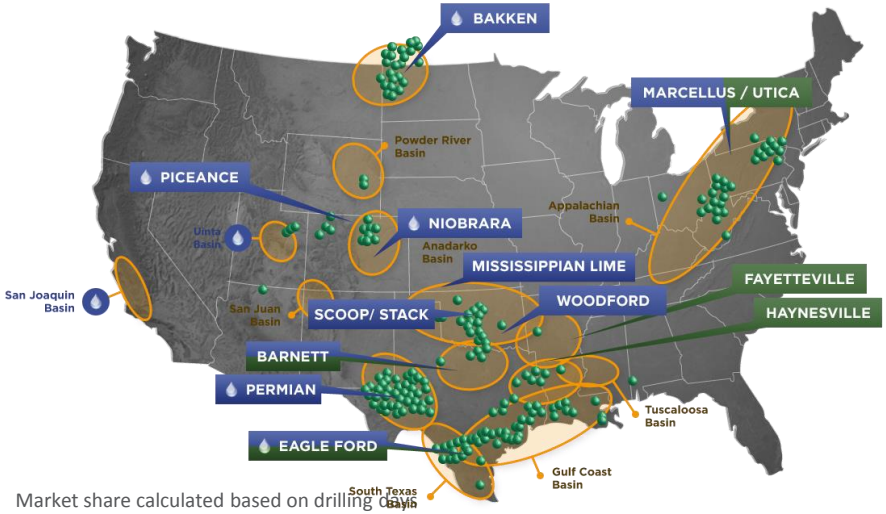
MARKET SHARE[1]

PRECISION DRILLING U.S.



TOTAL REACH

COMPLETE GEOGRAPHICAL COVERAGE



CASH FLOW MOMENTUM

- Pricing power on Super Series rigs
- Leading edge dayrates up as much as US$10,000 from trough
- Dayrates and margins continue to improve
- Highest market share in company history at ~7%
- Low cost rig upgrades backed by contracted cash flow
- Technology (PAC, DGS) driving further growth

1) Market share calculated based on drilling days
2) Current and YTD rig count as at 3/21/2018

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

CANADA

Focused on Cash Flow, Leading Market Share

SUPER SERIES FLEET

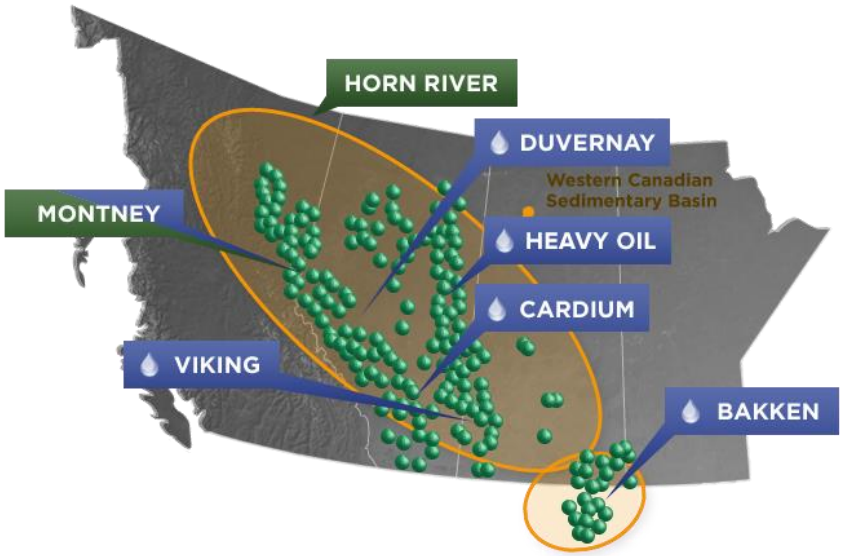
129 **Tier 1 Rigs**
INDUSTRIALIZED DRILLING EFFICIENY

70+ **Delivered**
NEWBUILD & UPGRADED RIGS SINCE 2010

#1 **High Performance Fleet in Canada**

STRONG FREE CASH FLOW GENERATION

- Generated $1.8 billion in free cash flow since 2010[1]
- Virtually no upgrade capital spending planned in 2018
- Scale drives operational and cost efficiencies



LEADING MARKET POSITION

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

30% **Duvernay**
LEADING MARKET SHARE[2]

33% **Heavy Oil**
LEADING MARKET SHARE[2]

26% **Montney**
LEADING MARKET SHARE[2]

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

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)

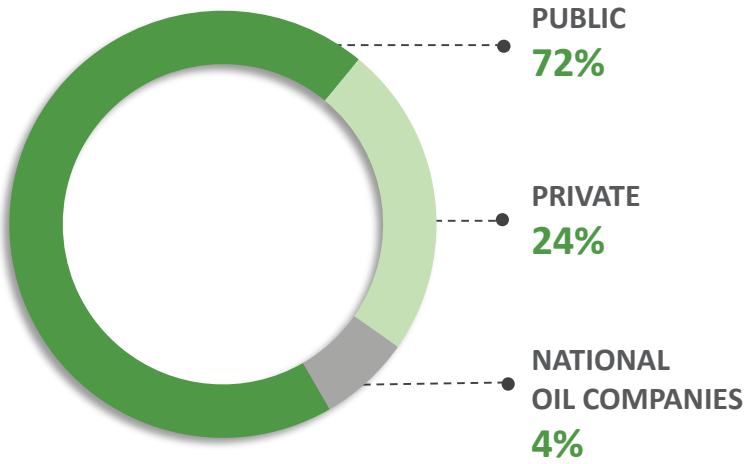
- Ability to leverage fixed costs with additional deployments
- Targeting IOC's and NOC's that value Safety and Performance

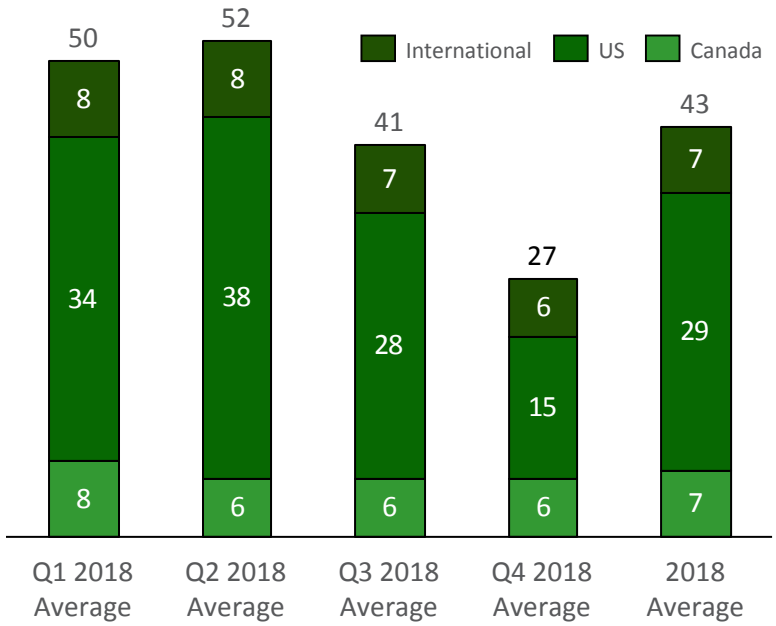
Revenue and Cash Flow Visibility and Stability

CUSTOMER BASE

- Primarily public, large private and national oil companies
- Average market capitalization of ~$45 billion (median ~$11 billion)[2]

2017
TOP 50 CUSTOMERS[1]





2018
CONTRACT BOOK[3]

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

1. Includes Canada, U.S. and International operations based on revenue (as at 12/31/2017) , 2. As of 2/22/2018, 3. As of 3/9/2018

High Performance Well Service Operations – Focused on Cash Flow

Precision Well Servicing

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

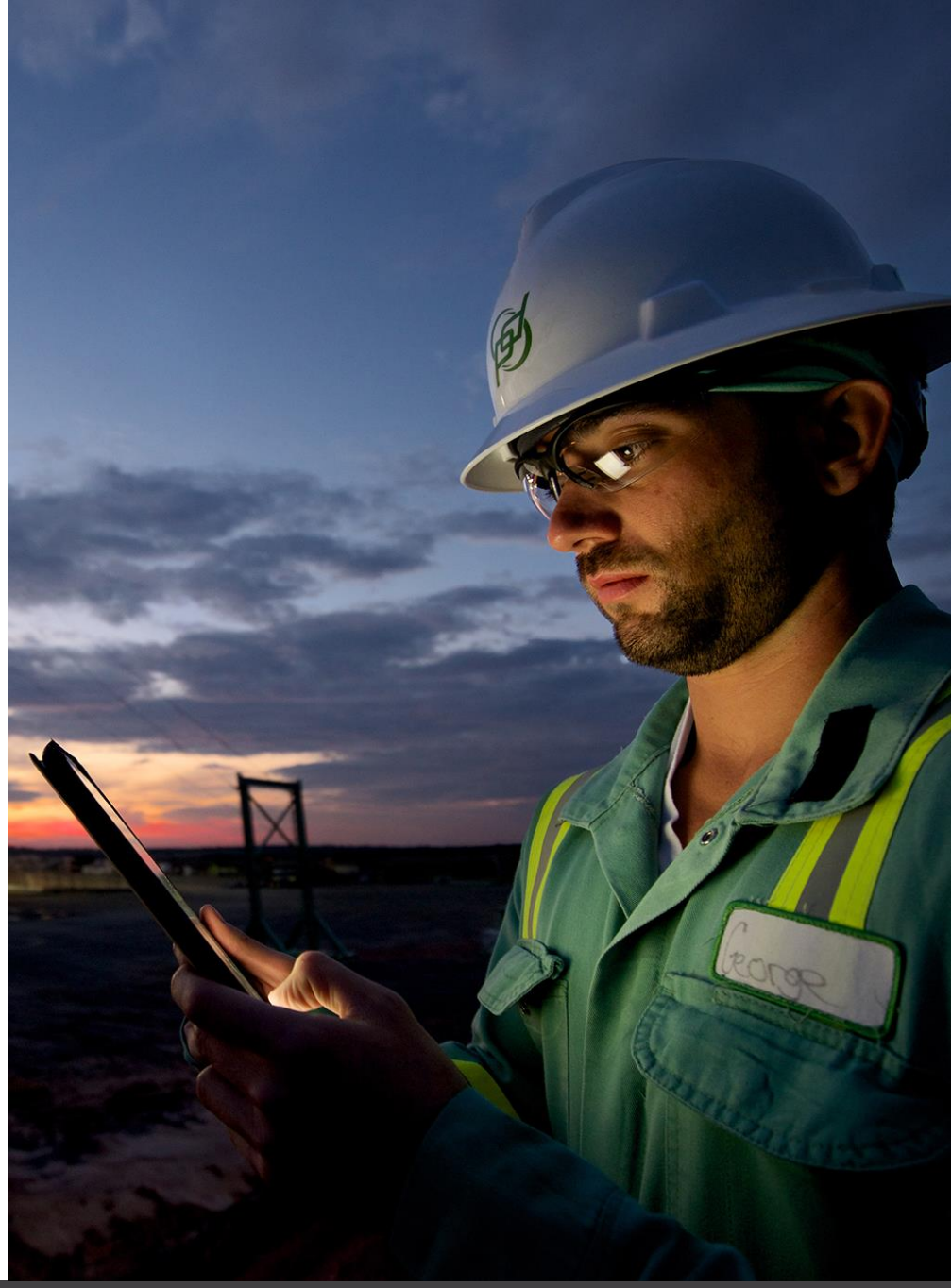
Precision Well Service Facility, Red Deer, Alberta

Centralized Facility Includes:

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

REDUCE DEBT WITH FREE CASH FLOW

Reduce debt by generating free cash flow while continuing to fund only the most attractive investment opportunities



Strict Financial Discipline

PLANNED 2018 CAPEX

MAINTENANCE & INFRASTRUCTURE

$60M

- 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
- Maintenance spend highly correlated to activity levels

EXPANSION & UPGRADES

$34M

- 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

- Could increase with improving demand and customer contracts

Financial Performance

RESILIENT MARGINS
THROUGH THE DOWNTURN

- Aggressive cost management
- Rig contract performance
- Premium day rates

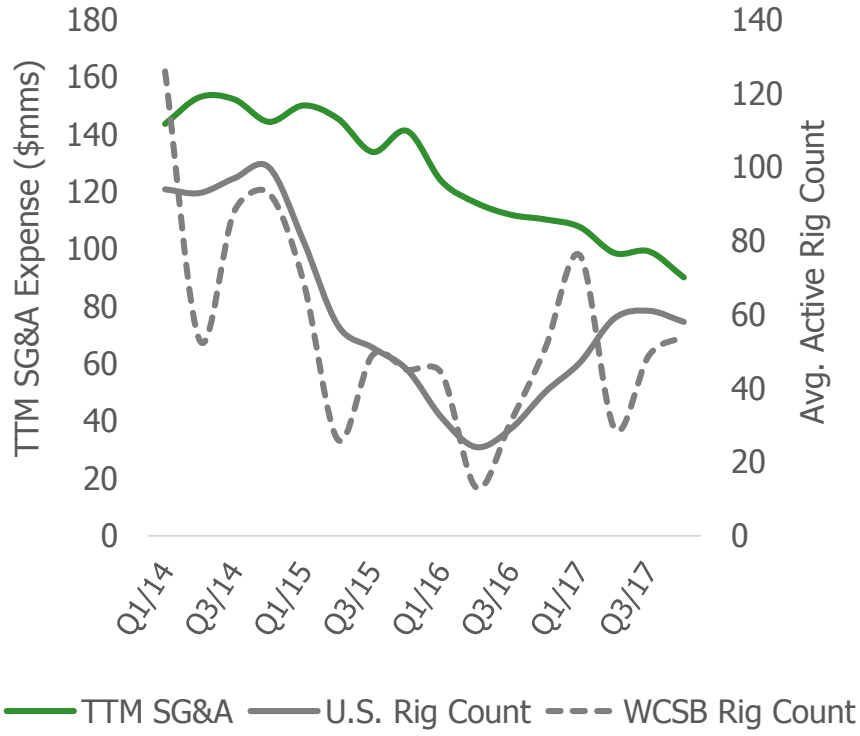
(in $ millions)	Fiscal 2017	Fiscal 2016
Revenue	$1,321	$1,003
EBITDA	$305	$228
Margin	**23%**	**23%**

IMPROVING PROFIABILITY

	Q4 '17	Q4'16
EBITDA Margins	**26%**	**21%**

FIXED COST LEVERAGE
WITH IMPROVED ACTIVITY

- Reduced TTM SG&A expenses by ~37% through downturn[1]
- Stable corporate headcount from post-restructuring levels
- Increased U.S. rig count by ~200% from trough to peak in 2017

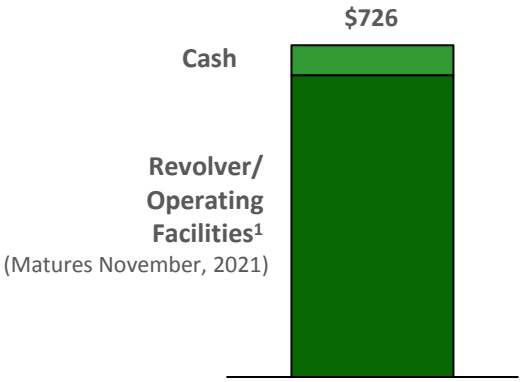


1) From Q1/14 to Q4/17

Financial Discipline and Debt Reduction

STRONG LIQUIDITY POSITION

Pro Forma Liquidity as of 12/31/2017 [1]
(in $ millions)



- Full access to revolving credit facility and available cash balance

DEBT REDUCTION PROGRESS

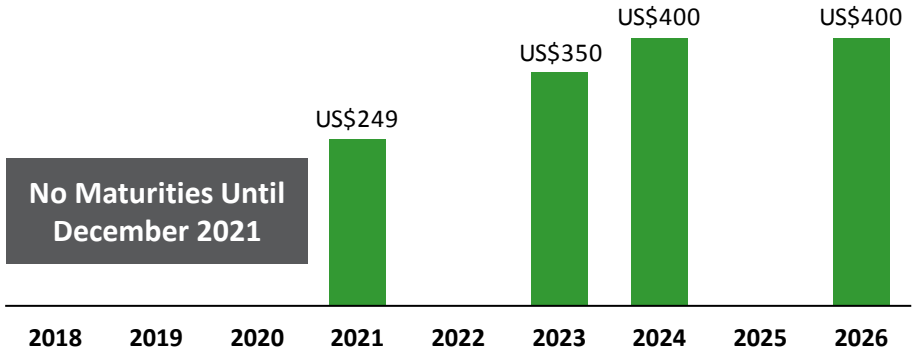
- 2016 – reduced debt outstanding by $213 million
- 2017 – reduced debt outstanding by $52 million
- Future – plan to reduce debt by $300 million to $500 million over next 3-4 years

S&P recently upgraded Precision's ratings outlook to stable

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

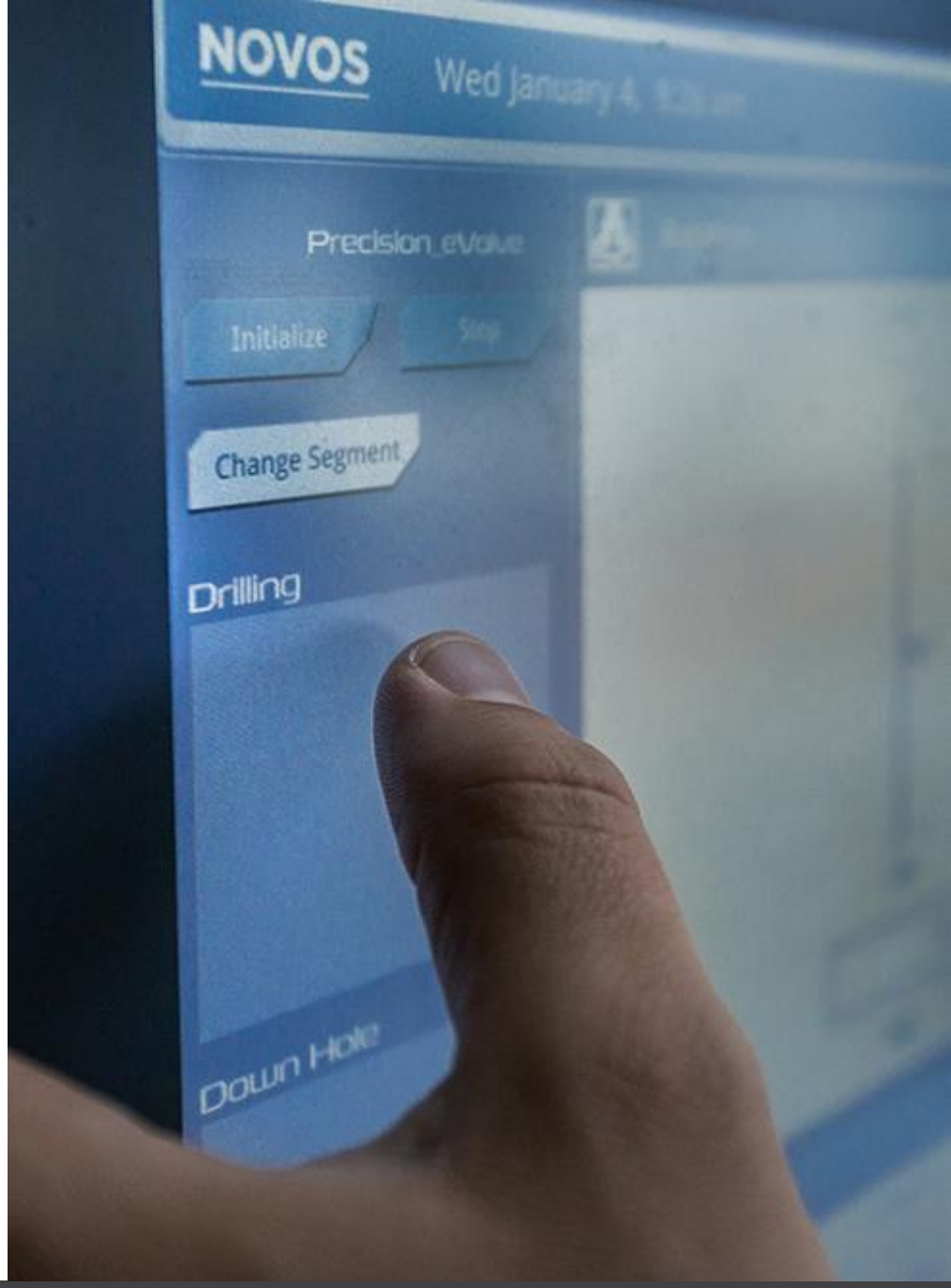
SENIOR DEBT MATURITY PROFILE



1) *Calculated as undrawn portion of revolver (adjusted for LCs outstanding) and cash using CAD/USD exchange rate and balance sheet numbers as at 12/31/2017.*

COMMERCIALIZE RIG AUTOMATION

Reinforce Precision's *High Performance* competitive advantage by deploying Process Automation Controls, Directional Guidance Systems and Drilling Performance Applications on a wide scale commercial basis



Technology Update

- NOVOS installed on 23 rigs including training rigs in Nisku and Houston
- Additional NOVOS systems expected to be added in 2018
- Drilled 50 wells year-to-date[1] in 2018 utilizing PAC

- Increased customer adoption of DGS
- Number of DGS jobs in Q1/18 expected to surpass job count in all of 2017

1) As at 2/15/2018

PRECISION TECHNOLOGY BUILDING BLOCKS

RIG AUTOMATION

PROCESS AUTOMATION CONTROL

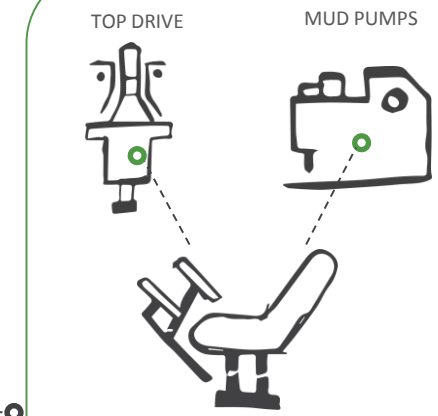
Automates repetitive drilling activities using pre-programmed automation routines

HIGH SPEED DOWNHOLE DATA

Wired drill pipe enables instantaneous transmission of data, saving time

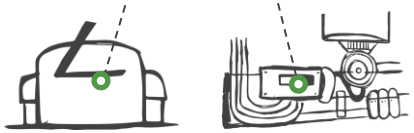
APPS

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



DRILLING EQUIPMENT CONTROL SYSTEM

Connects all rig components to electronically manage, control and monitor rig equipment



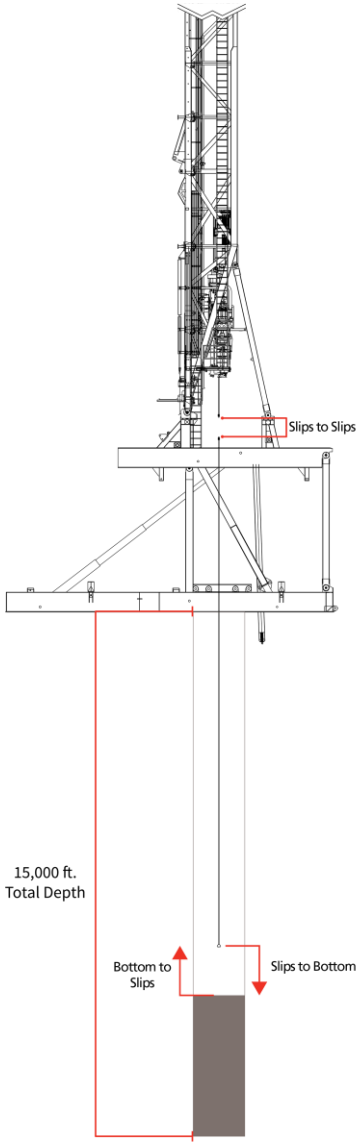
DIRECTIONAL GUIDANCE SYSTEM

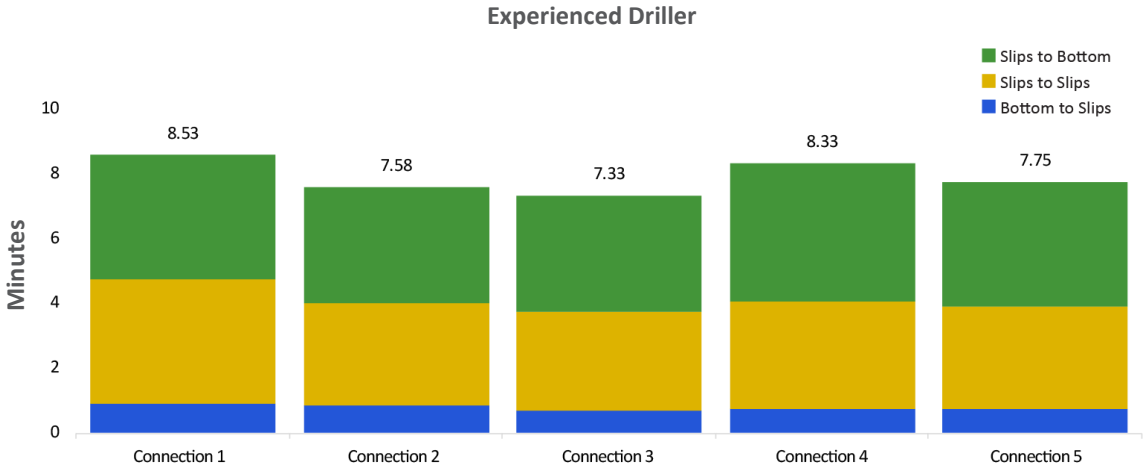
Steering instructions generated using algorithms and real-time downhole data to automate directional drilling

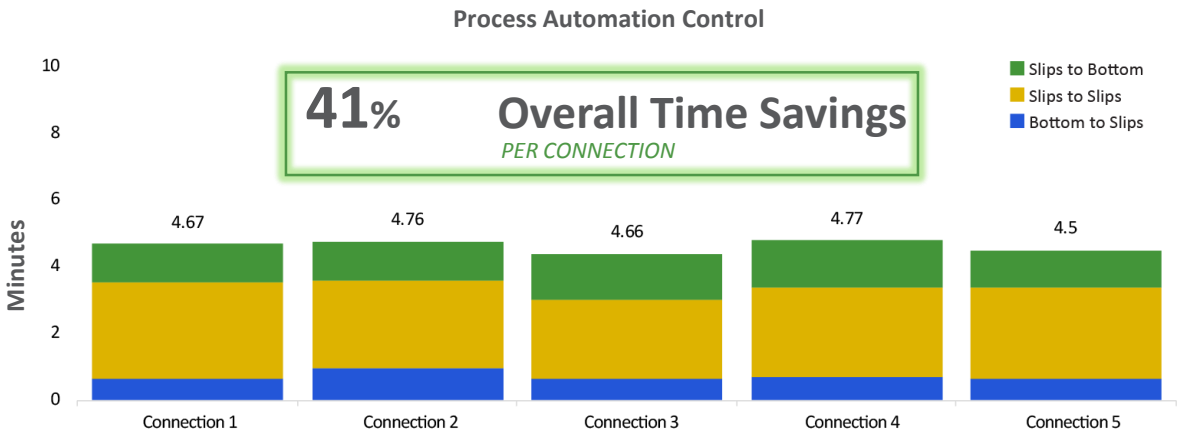
OPTIMIZATION

Using analytics and data to improve performance, drill faster

Consistent, Predictable, Repeatable







Precision data from Rig 601 field trials

Creating Shareholder Value

HIGH
PERFORMANCE
HIGH VALUE

HIGH PERFORMANCE SUPER SERIES FLEET

MARKET SHARE GAINS & PREMIUM PRICING DRIVE FINANCIAL PERFORMANCE

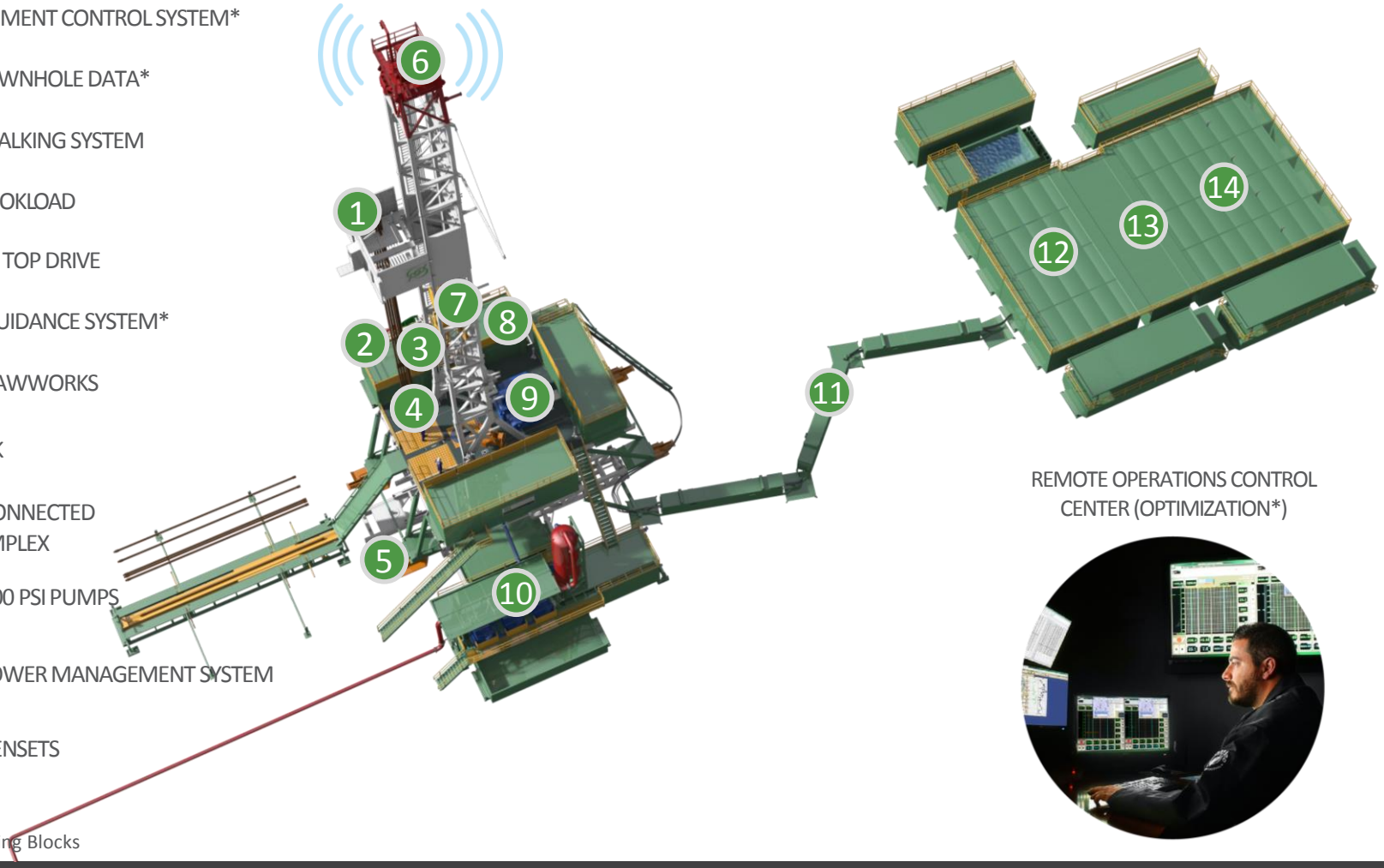
CASH FLOW GENERATION FOR DEBT REPAYMENT AND ENHANCED EQUITY VALUE

Appendix

PRECISION SUPER TRIPLE

Advanced Rig Technology

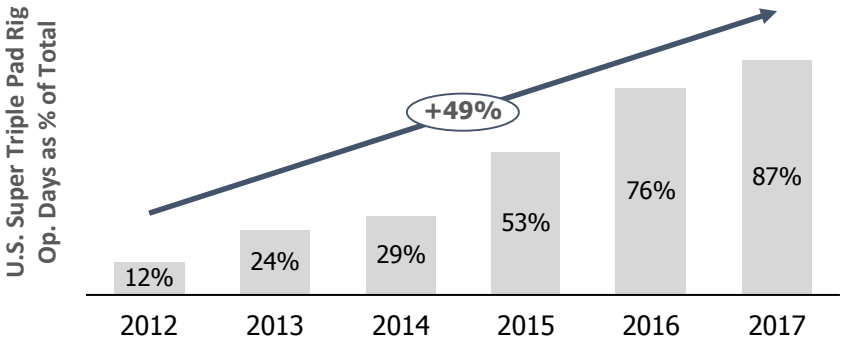
1. 25,000’ + FT RACKING CAPACITY
2. PROCESS AUTOMATION CONTROL (APPS)*
3. DRILLING EQUIPMENT CONTROL SYSTEM*
4. HIGH SPEED DOWNHOLE DATA*
5. “OMNI-PAD” WALKING SYSTEM
6. 825,000 LBS HOOKLOAD
7. 1500 HP TDS-11 TOP DRIVE
8. DIRECTIONAL GUIDANCE SYSTEM*
9. TWO SPEED DRAWWORKS
10. TRANSFER TANK
11. UMBILICALLY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

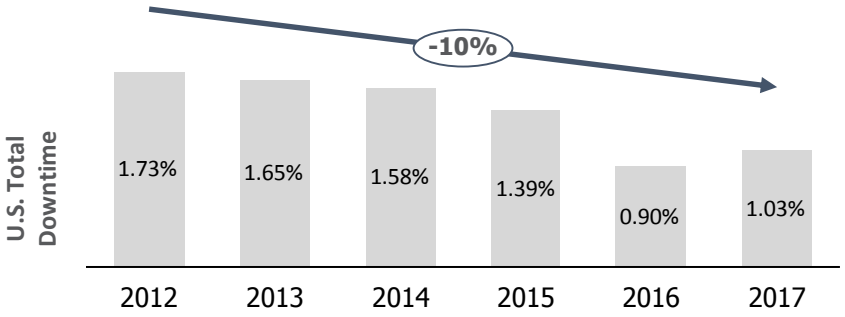


REMOTE OPERATIONS CONTROL CENTER (OPTIMIZATION*)

* Precision Technology Building Blocks

Consistent, Predictable and Efficient





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

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

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

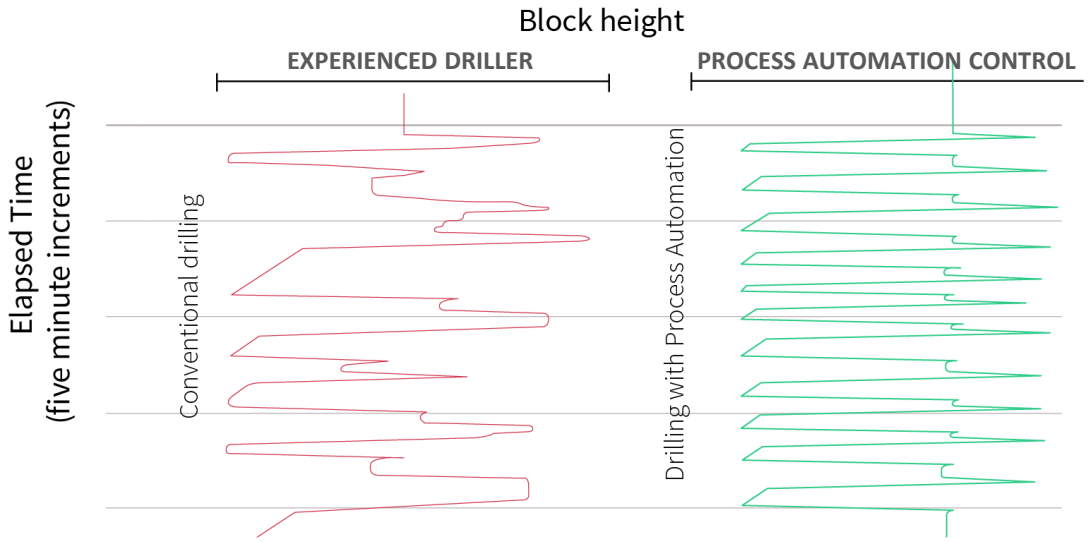
FIXED DAILY CHARGE

INCREASED UTILIZATION & DAYRATE

MARKET SHARE

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	$2,500	100+ rigs	20%
Apps	$250-$1,000	100+ rigs	80%-100%

Consistent, Predictable, Repeatable

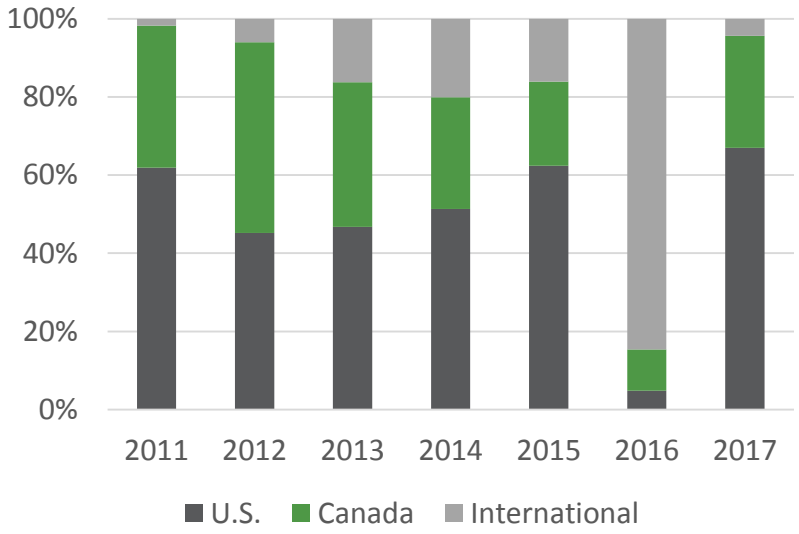


NOV controlled testing

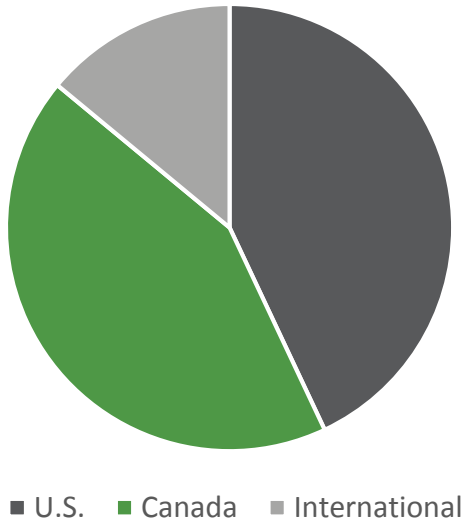
- Consistent results eliminates human variance
- Allows driller to focus on the wellbore and crew performance
- More efficient operations by eliminating operator induced process delays

U.S. Fuels Growth, Canada Strong & Stable Cash Flow

EXPANSION & UPGRADE CAPITAL SPENDING ALLOCATION



- Since 2011, 51% of Expansion & Upgrade capital allocated to U.S. operations
- Virtually all 2018 planned Upgrade capital allocated to U.S. operations

- Scale in Canadian market drives consistently strong financial performance
- Minimal upgrade capital required in Canadian drilling supports strong free cash flow

2017 REVENUE BY GEOGRAPHY