Forward-looking statements

Statements that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward looking information within the meaning of applicable Canadian legislation. These forward-looking statements are based on current expectations, estimates and assumptions concerning future events and are subject to a number of uncertainties and factors, many of which are outside Precision’s control, which could cause actual results to differ materially from those anticipated by Precision and described in the forward looking statements. These forward-looking statements are also affected by the risk factors, challenges and uncertainties described in Precision’s Annual Report on Form 40-F (Annual Information Form in Canada) for the fiscal year ended December 31, 2013, and those set forth from time to time in Precision’s filings with the Securities and Exchange Commission and the securities regulatory authorities in each of the Provinces of Canada, which are available through Precision’s website at www.precisiondrilling.com.

No assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits will be derived therefrom. Security holders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements which speak only as of the date made. Except as may be required by law, Precision expressly disclaims any intention or obligation to revise or update any forward-looking statements and information whether as a result of new information, future events or otherwise.
Update on Current Market Environment

- Commodity price volatility is reality of our business
- Experienced organization and management team

- Precision positioned to handle down market
  - Fleet of in demand Tier 1 assets
  - Strong balance sheet and liquidity position
  - Excellent customer base
  - Strong contract coverage
  - Geographically diversified
  - Operational strategy suited for development drilling
Tier 1 Fleet Well Positioned

1) As of January 5, 2015 - Includes 17 newbuilds that are yet to be delivered (16 for United States and 1 International). Does not include prospective tier upgrades.
Balance Sheet Strength

- $1.3 billion in available liquidity\(^{(1)}\)

- Only debt obligations are long-term
  - No principal payments due until 2019
  - Average interest rate of 6.2%

- Long track record of maintaining financial flexibility

---

1) Calculated as undrawn portion of revolver (adjusted for LCs outstanding) and cash using CAD/USD exchange rate and balance sheet numbers as at 9/30/14.
Well Capitalized Customer Base

Top 50 Customers

- Average market capitalization of $26.9 billion.\(^2\)
- Primarily public companies, National Oil Companies ("NOC"), and well capitalized privates.
- Accounts for approximately 80% of total revenue.

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>88%</td>
</tr>
<tr>
<td>NOC</td>
<td>7%</td>
</tr>
<tr>
<td>Private</td>
<td>5%</td>
</tr>
</tbody>
</table>

YTD Revenue Contribution of Top 50 Customers

---

\(^1\) Includes Canada, U.S. and International operations. Based on revenue YTD through 9/30/2014.

\(^2\) As of January 5th 2015.
Contract Coverage Provides Visibility

Average Term Contract by Quarter

- **International**
- **US**
- **Canada**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>International</th>
<th>US</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'13</td>
<td>113</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2'13</td>
<td>112</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3'13</td>
<td>114</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4'13</td>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1'14</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2'14</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3'14</td>
<td>125</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Increasing Diversification of Revenue Contribution

- **Canada**: 3% (2012), 7% (2013)
- **U.S.**: 46% (2012), 44% (2013)
- **International**: 51% (2012), 49% (2013)
Competitive Strategy Suits Development Drilling

HIGH PERFORMANCE

PRODUCES

HIGH VALUE

- PEOPLE
- DRILLING TECHNOLOGY
- SYSTEMS & SCALE
- LOWER RISK
- MAXIMUM EFFICIENCY
- ATTRACTIVE RETURNS
Fully Industrialized Resource Development – Multi-well Pads

- Maximum Efficiency
- Repeatability + Predictability
- Risk Minimization
- Technology deployment
- Long-term economic mindset
Positioned in Most Active North American Regions

Dots representative of areas where Precision has had operations within the past two years
High Performance Requires Robust Proven Systems And Scale

Toughnecks talent acquisition program processed 44,274 applications and hired 2,798 people in 2013.

3,992 employees completed training through Precision Tech Centers in 2013
  1,636 in Houston, Texas
  2,356 in Red Deer, Alberta

Integrating Rig Supply
Tech Center Repair
Houston Tech Center
Engineering Systems
Unique Schlumberger Alliance Drives Efficiency

Precision field execution and customer interface

- Maximum efficiency
- Reliability
- More productive drilling programs
- Better field economics

Schlumberger downhole tools & technology, training & engineering support
Focused Geographic Markets

Middle East
- 4 active rigs in Saudi Arabia (3 active, 1 deployment late 2014)
- 2 active rigs in Kurdistan
- 3 rigs in Kuwait (2 active, 1 deployment mid 2015)
- 1 rig in Georgia (Q1 2015)
- Focus on deep high pressure drilling
- Specialized customer needs

Mexico
- 6 rigs in Mexico
- Focus on IPM support
International Revenue Growth

- Q1'12: Initiated Saudi with 3 Rigs
- Q2'12: Deployed additional 3 Rigs to Mexico
- Q3'12: Revenue
- Q4'12: +28%
- Q1'13: Initiated Kurdistan with 2 Rigs
- Q2'13: Revenue
- Q3'13: Late Q2 2014 - Initiated Kuwait with 2 Rigs
- Q4'13: Revenue
- Q1'14: Revenue
- Q2'14: Revenue
- Q3'14: Revenue

International Revenue (million)
Completion & Production Segment: Full Well Cycle Exposure

- Largest well service provider in Canada and growing presence in U.S.
  - Over 200 Well Service, Snubbing and Coil Tubing rigs
  - Large fleet of high value rental equipment
  - Camps and Catering
- Excellent footprint in Canada and Northern U.S.
- Existing asset base supports solid cash flow generation
- Focus on maximizing cash flow
Q3 2014 Performance – Comparatively Strong

Revenue Growth YoY

<table>
<thead>
<tr>
<th></th>
<th>PD</th>
<th>Peer A</th>
<th>Peer B</th>
<th>Peer C</th>
<th>Peer D</th>
<th>Peer E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>20%</td>
<td>17%</td>
<td>16%</td>
<td>14%</td>
<td>7%</td>
<td>-9%</td>
</tr>
</tbody>
</table>

EBITDA Growth YoY

<table>
<thead>
<tr>
<th></th>
<th>PD</th>
<th>Peer A</th>
<th>Peer B</th>
<th>Peer C</th>
<th>Peer D</th>
<th>Peer E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>-5%</td>
<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>19%</td>
<td>20%</td>
</tr>
</tbody>
</table>

EBITDA Margin Change YoY

<table>
<thead>
<tr>
<th></th>
<th>PD</th>
<th>Peer A</th>
<th>Peer B</th>
<th>Peer C</th>
<th>Peer D</th>
<th>Peer E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>6%</td>
<td>0%</td>
<td>1%</td>
<td>9%</td>
<td>6%</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Peer group includes: ESI, TDG, HP, NBR, PTEN. Dependent on reporting data and geographic operations.
Revenue and EBITDA Trends Positive

**TTM Revenue**
(millions)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2012</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
<th>Q3 2013</th>
<th>Q4 2013</th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$2,400</td>
<td>$2,200</td>
<td>$2,000</td>
<td>$1,800</td>
<td>$1,600</td>
<td>$1,400</td>
<td>$1,200</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

+15%

**TTM EBITDA**
(millions)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2012</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
<th>Q3 2013</th>
<th>Q4 2013</th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>$600</td>
<td>$700</td>
<td>$400</td>
<td>$800</td>
<td>$500</td>
<td>$300</td>
<td>$200</td>
<td>$100</td>
</tr>
</tbody>
</table>

+24%
Capital Spending Highlights

2015 Planned Capital Spending

2015 – $493 million
- Construction and delivery of 16 newbuild Super Series rigs (1st half of the year)
  - 15 to U.S. (multiple basins)
  - 1 to Kuwait

2014 – $885 million
- Delivery of 18 newbuild Super Series rigs
  - 8 to U.S.
  - 7 to Canada
  - 3 to Middle East
- Upgrade approximately 17 rigs
- Infrastructure investments

1) Canadian dollar amount in millions. As of December 8th, 2014
Precision Drilling Investment Merits

- Leading North American resource driller
- High Performance Tier 1 fleet of rigs
- Strong balance sheet > $1.3 billion in liquidity
- Excellent customer base and geographic diversity
- Experienced organization and management team
- Dividend yield > 4%

TSX: PD  NYSE: PDS
Appendix
January North American Market Update

- Tier 1 demand remains solid with overall activity beginning to decline.
  - Tier 1 utilization approximately 80% to 90%.
  - Precision operates 223 Tier 1 rigs (121 Canada, 97 U.S. and 5 internationally).
    - 26 new build deliveries from Q4 ‘14 through mid-2015.
    - Provides additional contracted cash flow visibility.
  - Tier 2 demand declining (approximately 30% utilization).

- In Canada, rig count for the industry was above the 5 year seasonal average, for most of Q4.
  - Q1 2015 peak industry activity likely 15% to 20% below peak Q1 2014 levels.

- Precision horizontal/directional activity: 86% in U.S. and 75% in Canada in Q4.
- Demand for C & P services in Canada remains depressed, but business is generating cash.
Canadian Activity Update

Canadian Active Land Rig Count

Source: BHI

5 Year Range, 2010 - 2014

- - - - 2013

.. .. 2014

--- 2015
Oil Drilling Dominates Activity

Source: BHI
Unconventional Development Driving Horizontal Drilling Market

- Tier 1 newbuilds
- Integrated Directional Drilling
- Schlumberger alliance
- Rig upgrade program

Source: BHI, as of January 5th 2015
Precision Horizontal Leadership

Percentage of Horizontal/Directional Wells

United States $^{1,2}$

<table>
<thead>
<tr>
<th></th>
<th>Precision</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>88%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Canada $^3$

<table>
<thead>
<tr>
<th></th>
<th>Precision</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>93%</td>
<td>81%</td>
</tr>
</tbody>
</table>

1. Precision Q3 2014 Average.
3. Rolling 12 month average as at September 30th, 2014.
## North American Market Has Transitioned To Industrialized Resource Drilling

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vertical gas</td>
<td>Vertical gas</td>
<td>Horizontal gas, development mode</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vertical oil</td>
<td>Horizontal oil/liquids growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Horizontal gas emerges</td>
<td>Vertical oil</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Vertical gas declining</td>
</tr>
<tr>
<td>Customers</td>
<td>Small independents</td>
<td>Large cap independents</td>
<td>Integrated oil companies</td>
</tr>
<tr>
<td></td>
<td>Highly cyclic customer</td>
<td>Mid cap independents</td>
<td>National oil companies</td>
</tr>
<tr>
<td></td>
<td>demand</td>
<td>Small cap independents</td>
<td>Large cap independents</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mid cap independents</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>More stable demand</td>
</tr>
<tr>
<td>Unconventional Basins</td>
<td>Oil Sands</td>
<td>U.S. focused</td>
<td>U.S. and Canada</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 to 5 basins</td>
<td>Emerging Internationally</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>20+ basins</td>
</tr>
<tr>
<td>Barriers to Entry &amp;</td>
<td>Low barriers</td>
<td>Rig ownership</td>
<td>Technology bifurcation complete</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>No differentiation</td>
<td>Capital</td>
<td>Rig efficiency dominates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Technology bifurcation emerging</td>
<td>Scale benefits apparent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High performance contractors emerge</td>
<td>Capital needs large</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shortage of Tier 1 rigs</td>
<td>Established track record</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Robust support systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tier 1 market undersupplied</td>
</tr>
</tbody>
</table>
Proposed Canadian LNG Projects

• Source basins include Montney, Horn River, Duvernay, and Fort Liard
• 26 Bcf \(^1\) of export capacity has been approved by the National Energy Board of Canada
• BC government revised tax structure in October

1. Source: Risky Business: This issue of timing, entry and performance in the Asia-Pacific LNG Market, The School of Public Policy SPP Research Papers, University of Calgary
### Proposed LNG Export Facilities in British Colombia

<table>
<thead>
<tr>
<th>Location</th>
<th>Asset Name</th>
<th>Ownership</th>
<th>Capacity (Bcf/d)</th>
<th>NEB Export Application Status and Length</th>
<th>NEB Maximum Annual Export Allowance (Bcf/d)</th>
<th>Expected Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitimat, B.C.</td>
<td>Douglas Channel Energy Project</td>
<td>Haisla Nation/LNG Partners (50%), Golar LNG (25%), unnamed Asian investor (25%)</td>
<td>0.3</td>
<td>Approved; 20 years</td>
<td>0.3</td>
<td>2015</td>
</tr>
<tr>
<td>Kitimat, B.C.</td>
<td>Kitimat LNG Terminal</td>
<td>Apache Canada Ltd. (50%), Chevron Corp. (50%)</td>
<td>0.7</td>
<td>Approved; 20 years</td>
<td>1.6</td>
<td>2017</td>
</tr>
<tr>
<td>Kitimat, B.C.</td>
<td>Kitsault</td>
<td>Kitsault Energy and a Memorandum of Understanding signed “with an Asian oil and gas major”</td>
<td>0.7</td>
<td>Under Review; 25 years</td>
<td>0.4</td>
<td>2017</td>
</tr>
<tr>
<td>Woodfibre, B.C.</td>
<td>Woodfibre, B.C.</td>
<td>Woodfibre (Pacific Oil &amp; Gas Group)</td>
<td>0.3</td>
<td>Approved; 25 years</td>
<td>0.4</td>
<td>2017</td>
</tr>
<tr>
<td>Kitimat or Prince Rupert, B.C.</td>
<td>Triton LNG</td>
<td>AltaGas Ltd. (50%), Idemitsu Kosan Co. (50%)</td>
<td>0.3</td>
<td>Approved; 25 years</td>
<td>3.4</td>
<td>2017</td>
</tr>
<tr>
<td>Lelu Island, Port Edward, B.C.</td>
<td>Pacific Northwest LNG</td>
<td>Petronas (62%), SINOPEC (15%), Indian Oil Corp. (10%), Japex (10%), Petroleum Brunei (3%)</td>
<td>1.7</td>
<td>Approved; 25 years</td>
<td>1.9</td>
<td>2018</td>
</tr>
<tr>
<td>Campbell River, B.C.</td>
<td>Discovery LNG</td>
<td>Quicksilver Resources Canada, and a “to-be-determined third party”</td>
<td>0.0</td>
<td>None</td>
<td>5.0</td>
<td>2019</td>
</tr>
<tr>
<td>Kitimat, B.C.</td>
<td>LNG Canada Terminal</td>
<td>Shell Canada Ltd. (40%), Mitsubishi Corp. (20%), Korea Gas Corp. (20%), PetroChina (20%)</td>
<td>1.7</td>
<td>Approved; 25 years</td>
<td>3.6</td>
<td>2020</td>
</tr>
<tr>
<td>Kitimat or Prince Rupert, B.C.</td>
<td>WCC LNG</td>
<td>Imperial Oil Ltd. (50%), ExxonMobil Canada (50%)</td>
<td>1.4 - 2.1</td>
<td>Approved; 25 years</td>
<td>3.9</td>
<td>2021 - 2022</td>
</tr>
<tr>
<td>Ridley Island, Prince Rupert, B.C.</td>
<td>Prince Rupert LNG</td>
<td>BG Group</td>
<td>2.0</td>
<td>Approved; 25 years</td>
<td>0.5</td>
<td>2021</td>
</tr>
<tr>
<td>Grassy Point, B.C. (13)</td>
<td>Aurora LNG</td>
<td>Nexen (60%), Inpex Corp. and JGC Corp. (40%)</td>
<td>3.4</td>
<td>Approved; 25 years</td>
<td></td>
<td>2021 - 2023</td>
</tr>
<tr>
<td>Stewart, B.C.</td>
<td>Stewart Energy LNG</td>
<td>Canada Stewart Energy Group Ltd.</td>
<td>0.7 - 4.2</td>
<td>Under review; 25 years</td>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Vancouver, B.C.</td>
<td>Tilbury LNG</td>
<td>Woodside Petroleum</td>
<td>0.0</td>
<td>None</td>
<td></td>
<td>2016</td>
</tr>
</tbody>
</table>

1. Capacity converted from MMTPA to Bcf/d at 1 Bcf per 7.059MMTPA.

Source: The School of Public Policy SPP Research Papers, University of Calgary
Precision Commands Leadership In Canadian LNG

- Approved export capacity of 26Bcf/day
  - Opportunity for 20 to 25 rigs per Bcf of export capacity

- Longer-term demand source

- Require deeper Tier 1 rigs

- ST-1200 and ST-1500 rigs ideal for type of development
  - Pad walking
  - Potential year around operations

- Well capitalized players funding projects
  - Want long-term partners with proven track record

- Precision has won approximately half of the awarded LNG related new builds

1. Source: Risky Business: This issue of timing, entry and performance in the Asia-Pacific LNG Market, The School of Public Policy SPP Research Papers, University of Calgary
**PD Tier 1 + Tier 2 & PSST**

1) As of January 5, 2015 - Includes 17 newbuilds that are yet to be delivered (16 for United States and 1 International). Does not include prospective tier upgrades.
Precision’s Tier 1 Super Series Fleet

High Performance Horizontal Drilling Machines

Super Triple 1500

1) ST1500 – requires as few as 42 truck loads in addition to 12 loads of tubular and any operator rental loads

Super Triple 1200

2) ST1200 – requires as few as 36 truck loads in addition to 10 loads of tubular and any operator rental loads

Rapid mobility:
- Walking/skidding system
- Location to location
- Sophisticated connections

Smart design:
- Small footprint
- Integrated components
- Cold weather operations

Automation & safety features:
- Pipe handling
- Electronics and hydraulics
- Advanced control systems
Revenue and Activity Growth in Non-Canadian Drilling

<table>
<thead>
<tr>
<th>Quarter</th>
<th>PD U.S. and International Revenue ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2012</td>
<td>224</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>217</td>
</tr>
<tr>
<td>Q3 2012</td>
<td>215</td>
</tr>
<tr>
<td>Q4 2012</td>
<td>226</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>199</td>
</tr>
<tr>
<td>Q2 2013</td>
<td>204</td>
</tr>
<tr>
<td>Q3 2013</td>
<td>205</td>
</tr>
<tr>
<td>Q4 2013</td>
<td>244</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>247</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>252</td>
</tr>
<tr>
<td>Q3 2014</td>
<td>275</td>
</tr>
</tbody>
</table>

* Baker Hughes Quarterly Avg. Rig Count
Assumptions:
- Utilization levels through 9/30/14 are maintained.
- All rigs operate at 100% utilization after delivery.
Top U.S. Operators Recognize Precision’s Value

- Precision has grown its customer base, working for 9 out of 10 of today’s most active U.S. E&P companies, compared to just four of those companies in 2007.

\[
\begin{array}{c}
\text{2007} \\
\text{4 out of 10} \\
\text{9 out of 10} \\
\text{2013}
\end{array}
\]

* Represents revenue of over $1 million in a calendar year for the most active E&P companies as of Q2 2014.
Precision’s Canadian Dayrate Growth

Average Quarterly Dayrate

Year over year, quarterly average increase of 11% from 2010 to 2013
Balance Sheet Strength

Attractive Capital Structure (1)
- Total debt to total capital: 41%
- Net debt to total capital: 33%
- Interest coverage: 7.3x

Long maturity, low cost debt
- Average interest rate of 6.2%

First Principal Payment due 2019 (3)
- 2019: $200 million
- 2020: US$650 million
- 2021: US$400 million
- 2024: US$400 million

Flexibility to react to market upturn or downturn

Available liquidity as of 9/30/2014 (2)
- $1,317
  - $558 Cash
  - $759 Revolver / operating facilities Availability

1) Statistics refer to balance sheet and annual income statement as of 9/30/14. Debt to total capital equals long-term debt to long-term debt plus equity. Interest coverage equals EBITDA divided by interest.
2) Calculated as undrawn portion of revolver (adjusted for LCs outstanding) and cash using CAD/USD exchange rate and balance sheet numbers as at 9/30/14.
3) Current blended cash interest cost of our debt is approximately 6.2%.
Strategy Benchmarking and Measurement Delivers Shareholder Value

**Financial Metrics**
- Operating Earnings
- Return on Capital Employed
- Total Shareholder Return

**Operational Metrics**
- Safety Performance
- Mechanical Downtime
- Employee Retention
Precision Schlumberger Alliance Advantage

Drilling Performance Curve

- Competitor Rig 1 with Third Party Directional Provider
- Competitor Rig 2 with Third Party Directional Provider
- Competitor Rig 3 with Third Party Directional Provider
- PD Rig 1 with Third Party Directional Provider
- PD Rig 2 with PD Schlumberger Alliance

- Initial Pacesetter
- Drilled 600m Further than Pacesetter
- 4.1 Days Faster than Pacesetter