PRECISION DRILLING ANNOUNCES 2026 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS

Calgary, Alberta, Canada – October 27, 2026 – *This news release contains "forward-looking information and statements" within the meaning of applicable securities laws. For a full disclosure of the forward-looking information and statements and the risks to which they are subject, see the "Cautionary Statement Regarding Forward-Looking Information and Statements" later in this news release. This news release contains references to certain Financial Measures and Ratios, including Adjusted EBITDA (earnings before income taxes, (gain) loss on investments and other assets, finance charges, foreign exchange, gain on asset disposals and depreciation and amortization), Net Capital Spending, Working Capital and Total Long-Term Financial Liabilities. These terms do not have standardized meanings prescribed under International Financial Reporting Standards (**IFRS**) Accounting Standards and may not be comparable to similar measures used by other companies. See "Financial Measures and Ratios" later in this news release.*

Precision Drilling Corporation ("Precision" or the "Company") (TSX:PD; NYSE:PDS) announces its 2026 third quarter results, highlighted by revenue, Adjusted EBITDA and net earnings growth driven by higher activity in Canada and the U.S., with U.S. margins expected to inflect higher in the fourth quarter.

Financial Highlights

- Revenue increased 15% to $532 million, compared with $462 million in the third quarter of 2025, supported by stronger drilling activity in North America and higher average U.S. day rates, which more than offset lower international results.
- Adjusted EBITDA[(1)] increased 6% to $125 million from $118 million in 2025, primarily due to stronger activity in North America, partially offset by higher U.S. rig reactivation costs and lower international margins. Share-based compensation expense was $8 million in the third quarter of 2026 compared to $11 million in 2025.
- Net earnings attributable to shareholders in the third quarter was $21 million compared with a net loss of $7 million in 2025. This increase was primarily due to higher deferred income tax expense in 2025 related to our U.S. operations, partially offset by $8 million of additional depreciation expense in 2026 resulting from our previously communicated change in useful life estimates.
- Cash provided by operations during the quarter was $71 million compared to $76 million, allowing for the repurchase of $31 million of common shares.
- Capital expenditures were $82 million compared to $69 million in the third quarter of 2025. Precision has revised its 2026 capital budget from $265 million to a range of $275 million to $285 million to accommodate long-lead deliveries and a pending upgrade opportunity, which would have multiple rigs contracted through 2029 for a large Canadian producer. Capital spending by spend category[(1)] is expected to include approximately $172 million for maintenance, infrastructure, and intangibles and $103 million to $113 million for expansion and upgrades.

Operational Highlights

- Canada averaged 73 active rigs, up 16% compared to 63 active rigs in the third quarter of 2025, in line with higher industry activity[(2)].
- Canadian revenue per utilization day was $33,654 compared to $34,193 in 2025. The modest reduction reflects rig mix rather than pricing, as robust heavy oil activity increased utilization of *Super Single* rigs by 18% year over year.
- U.S. averaged 43 active rigs, up 19% compared to 36 active rigs in the third quarter of 2025, reflecting our improved customer base and competitive position. This growth outpaced the U.S. industry's 10% increase in activity.
- U.S. revenue per utilization day increased to US$33,270 from US$31,040 in the same period last year, driven by higher average day rates and increased technology revenue.
- Internationally, we had seven active rigs during the quarter, with three in the Kingdom of Saudi Arabia and four in Kuwait, compared with two and five rigs, respectively, in 2025. This change in rig mix and planned rig recertifications, resulting in non-billable days, decreased revenue per utilization day to US$46,304 from US$53,811.
- Canadian well servicing rig operating hours increased 6% compared to the same quarter in 2025. Higher oil prices drove incremental demand as customers looked to maximize cash flows, while Adjusted EBITDA increased 10%.

(1) See "FINANCIAL MEASURES AND RATIOS."
(2) See "SEGMENT REVIEW OF CONTRACT DRILLING SERVICES."

MANAGEMENT COMMENTARY

Precision's President and CEO, Carey Ford, provided the following commentary:

"Precision delivered another quarter of solid operational and financial execution, highlighted by year-over-year growth in revenue, Adjusted EBITDA, and net earnings, robust activity in Canada, and continued improvement in U.S. rig activity and day rates. We are delivering on what we set out to accomplish in 2026: growing revenue and deepening customer relationships, generating free cash flow, and returning capital to shareholders.

"During the third quarter, our drilling rig utilization increased 16% in Canada and 19% in the U.S. compared with the prior year, outpacing industry activity in both markets. In Canada, our unique positioning in heavy oil basins drove our outperformance, while in the U.S., we further strengthened our customer base, increased day rates, and reactivated six rigs to meet growing customer demand. We continue to invest selectively in our fleet and expect to complete upgrades to 25 rigs across Canada and the U.S. this year, enhancing our competitive position in core markets and supporting future growth.

"Our cash flow generation continues to support a balanced approach to capital allocation. During the quarter, we generated $71 million of cash from operations, invested $24 million into fleet upgrades, and returned $31 million to shareholders through share repurchases. Year to date, we have repurchased $47 million of shares while reducing debt by $75 million. With our long-term leverage target within reach, we expect to enter 2027 with greater flexibility to direct free cash flow toward direct shareholder returns.

"Looking ahead to 2027, we believe we are very well positioned to sustain momentum established this year, with our growing North American contract book further strengthening our outlook. In Canada, robust customer demand is positioning us for one of our busiest winter drilling seasons in years, with our *Super Triple* and *Super Single* rigs expected to be near full utilization. In Completion and Production Services, favorable producer economics, our differentiated service model and expanding drilling and service rentals businesses are expected to support continued growth and improved profitability.

"In the U.S., our strategy is delivering results. With the majority of our planned rig reactivations behind us, we expect U.S. operating margins to increase approximately 30% during the fourth quarter of 2026, establishing a stronger foundation for 2027. Our focus remains on aligning with customers who value Precision's high-performance assets, technology, safety and operational execution. This growth is strategic, strengthening our business and creating sustainable value for shareholders.

"Internationally, our seven active rigs are supported by long-term contracts, providing a stable base of activity and cash flow. We expect our idle rig in Kuwait to return to work in mid-2027 under a five-year contract, following planned recertifications and upgrades. While geopolitical uncertainty and elevated regional costs remain important considerations, our teams continue to execute safely and reliably for customers.

"As we move through the final quarter of 2026, we are encouraged by the momentum across our business and the progress we have made toward our strategic priorities. While commodity price volatility and geopolitical uncertainty remain, we are entering 2027 with a stronger U.S. business, high utilization across our core Canadian fleet, stable international operations and continued growth in Completion and Production Services, providing a unique platform for generating free cash flow and delivering long-term value for shareholders.

"Finally, I want to thank our employees for their dedication and our shareholders for their continued support. I would also like to recognize Veronica Foley, our Chief Legal and Compliance Officer, for her years of dedicated service and many contributions to Precision. On behalf of everyone at Precision, I thank Veronica and wish her every success in the next chapter of her career," concluded Mr. Ford.

SELECT FINANCIAL AND OPERATING INFORMATION

Financial Highlights

(Stated in thousands of Canadian dollars, except per share amounts. Weighted average shares outstanding are stated in thousands.)	For the three months ended September 30, **2026**	2025	% Change	For the nine months ended September 30, **2026**	2025	% Change
Revenue	**531,652**	462,250	15.0	**1,510,503**	1,365,196	10.6
Adjusted EBITDA[(1)]	**125,116**	117,632	6.4	**346,118**	363,229	(4.7)
Net earnings (loss)	**21,286**	(6,472)	428.9	**38,238**	44,962	(15.0)
Net earnings (loss) attributable to shareholders	**20,917**	(6,761)	409.4	**37,098**	44,017	(15.7)
Cash provided by operations	**70,813**	75,869	(6.7)	**279,536**	286,783	(2.5)
Cash used in investing activities	**78,739**	61,194	28.7	**208,202**	154,445	34.8
Capital spending by spend category[(1)]						
Expansion and upgrade	**24,015**	35,314	(32.0)	**84,556**	81,617	3.6
Maintenance and infrastructure	**58,467**	34,012	71.9	**139,290**	100,447	38.7
Proceeds on sale	**(4,822)**	(6,200)	(22.2)	**(19,122)**	(21,794)	(12.3)
Net capital spending[(1)]	**77,660**	63,126	23.0	**204,724**	160,270	27.7
Net earnings (loss) attributable to shareholders per share:						
Basic	**1.65**	(0.51)	423.5	**2.89**	3.28	(11.9)
Diluted	**1.65**	(0.51)	423.5	**2.89**	3.09	(6.5)
Weighted average shares outstanding:						
Basic	**12,676**	13,211	(4.0)	**12,845**	13,430	(4.4)
Diluted	**12,686**	13,211	(4.0)	**12,854**	14,070	(8.6)

(1) See "FINANCIAL MEASURES AND RATIOS."

Operating Highlights

	For the three months ended September 30, **2026**	2025	% Change	For the nine months ended September 30, **2026**	2025	% Change
Contract drilling rig fleet	**184**	215	(14.4)	**184**	215	(14.4)
Drilling rig utilization days:						
Canada	**6,675**	5,766	15.8	**19,302**	17,026	13.4
U.S.	**3,968**	3,341	18.8	**10,516**	9,065	16.0
International	**644**	644	-	**1,892**	2,044	(7.4)
Revenue per utilization day:						
Canada *(Cdn$)*	**33,654**	34,193	(1.6)	**34,670**	35,695	(2.9)
U.S. *(US$)*	**33,270**	31,040	7.2	**33,268**	31,693	5.0
International *(US$)*	**46,304**	53,811	(14.0)	**49,433**	52,037	(5.0)
Operating costs per utilization day:						
Canada *(Cdn$)*	**20,837**	21,186	(1.6)	**21,017**	21,375	(1.7)
U.S. *(US$)*	**25,617**	22,340	14.7	**25,559**	22,709	12.6
Service rig fleet (registered)	**150**	148	1.4	**150**	148	1.4
Service rig operating hours	**67,071**	63,522	5.6	**189,944**	172,936	9.8

Drilling Activity

	Average for the quarter ended 2025				Average for the quarter ended 2026		
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
Average Precision active rig count[(1)]:							
Canada	74	50	63	66	79	61	73
U.S.	30	33	36	37	37	35	43
International	8	7	7	7	7	7	7
Total	112	90	106	110	123	103	123

(1) Average number of drilling rigs working or moving.

Financial Position

(Stated in thousands of Canadian dollars, except ratios)	**September 30, 2026**	December 31, 2025
Working capital[(1)]	**163,850**	186,815
Cash	**23,177**	85,781
Long-term debt	**629,116**	679,291
Total long-term financial liabilities[(1)]	**698,478**	746,944
Total assets	**2,765,893**	2,726,690
Long-term debt to long-term debt plus equity ratio[(1)]	**0.28**	0.30

(1) See "FINANCIAL MEASURES AND RATIOS."

Summary for the three months ended September 30, 2026:

- Revenue in the third quarter was $532 million, up $69 million from 2025. Canadian revenue increased by $33 million, as higher oil prices supported increased demand for drilling and well servicing activity. U.S. revenue increased by $42 million, driven by increased rig utilization, higher average day rates and increased technology revenue. These increases were partially offset by lower international results of $6 million due to rig mix and planned rig recertifications resulting in non-billable days.
- Adjusted EBITDA increased 6% to $125 million from $118 million in the third quarter of 2025, primarily due to stronger activity in North America and share-based compensation expense of $8 million compared to $11 million in 2025. These increases were partially offset by higher U.S. rig reactivation costs, as we reactivated six rigs during the quarter compared to four in 2025 and lower international margins resulting from a change in rig mix and higher international operating expenses due to geopolitical tensions in the Middle East. For additional information on share-based compensation, please refer to "Other Items" later in this news release.
- Net earnings attributable to shareholders was $21 million or $1.65 per share compared to a net loss of $7 million or $0.51 per share for the same period last year. The increase was primarily due to lower income tax expense, as 2025 included a $33 million deferred income tax expense related to the waiving of certain U.S. tax deductions. Net earnings in 2026 included $8 million of additional depreciation expense from the change in useful life estimates effective January 1, 2026. For additional information on depreciation, please refer to "Other Items" later in this news release.
- Cash provided by operations was $71 million in the third quarter of 2026. During the quarter, the Company repurchased 269,331 shares for $31 million. Precision ended the quarter with $23 million of cash and more than $460 million in available liquidity.
- In Canada, our operating margin[(1)] was $12,817 compared to $13,007 in the same period last year, primarily due to a higher *Super Single* rig mix, as robust heavy oil activity increased utilization of these rigs 18% year over year.
- In the U.S., our operating margin was US$7,653, down from US$8,700 in 2025. Although revenue increased by 29% during the quarter, margins were impacted by higher rig reactivations. Reactivation costs averaged US$2,125 per utilization day as we reactivated six rigs and positioned the business to support higher activity levels, compared with US$502 per utilization day in 2025 when four rigs were reactivated.
- Internationally, we had seven active rigs during the quarter, with three in Saudi Arabia and four in Kuwait, compared with two and five rigs, respectively, in the third quarter of 2025. Revenue per utilization day decreased to US$46,304 from US$53,811 in the same period last year primarily due to the change in rig mix and planned rig recertifications that resulted in non-billable utilization days. As a result, revenue decreased to US$30 million in the third quarter of 2026 compared to US$35 million in 2025.
- Completion and Production Services revenue was $81 million, an increase of $6 million compared with 2025, primarily due to stronger customer demand for well services and surface rental equipment driven by higher oil prices. Adjusted EBITDA was $21 million, representing 26%[(2)] of revenue, consistent with the third quarter of 2025.
- Capital expenditures were $82 million compared to $69 million in the third quarter of 2025 and included $58 million for maintenance of existing assets and infrastructure, driven by higher activity, and $24 million for upgrades[(2)] due to increased customer demand.

(1) Defined as revenue per utilization day less operating costs per utilization day.
(2) See "FINANCIAL MEASURES AND RATIOS."

Summary for the nine months ended September 30, 2026:

- Revenue for the first nine months of 2026 was $1,511 million, an increase of $145 million from the same period in 2025. Canadian revenue increased by $83 million due to higher drilling, well servicing and drilling related rentals activity, while U.S. revenue increased by $82 million due to improved drilling activity and higher average day rates. These increases were partially offset by lower international drilling revenue.
- Adjusted EBITDA decreased 5% to $346 million from $363 million in 2025, primarily due to lower upfront capital payments in Canada, increased operating costs in the U.S. and internationally and higher share-based compensation expense as our share price appreciated 16% during the first nine months of 2026. For additional information on share-based compensation, please refer to "Other Items" later in this news release.
- Net earnings attributable to shareholders was $37 million or $2.89 per share, compared to $44 million or $3.28 per share, in the same period last year. The decrease in net earnings was primarily due to the impact of lower EBITDA results and increased depreciation expense of $30 million from the change in useful life estimates, partially offset by higher deferred income tax expense related to our U.S. operations in 2025. For additional information on depreciation, please refer to "Other Items" later in this news release.
- General and administrative expenses were $99 million compared to $85 million in the first nine months of 2025, with the increase primarily due to higher share-based compensation expense and international restructuring costs.
- Cash provided by operations was $280 million and the Company repurchased 405,621 shares for $47 million and reduced long-term debt by $75 million.
- Capital expenditures were $224 million compared to $182 million in the first nine months of 2025 and included $139 million for the maintenance of existing assets and infrastructure, driven by higher activity, and $85 million for customer driven upgrades.

STRATEGY

Precision's vision is to be globally recognized as the *High Performance, High Value* provider of land drilling services. We work toward this vision by defining and measuring our results against strategic priorities that we establish at the beginning of every year. Precision's 2026 strategic priorities and the progress made during the third quarter are summarized below.

1. **Drive revenue growth and deepen customer relationships through contracted upgrades, continuous operational excellence, and by leveraging our performance-driven technology as a key competitive differentiator.**
   - Grew rig utilization 16% in Canada and 19% in the U.S. year over year, outpacing industry activity in each region.
   - Increased rig day rate pricing in the U.S. compared to the previous quarter and the third quarter of 2025.
   - Strengthened our U.S. customer base, increasing the number of drilling rigs working for major producers.
2. **Maximize free cash flow through strategic capital deployment and sustained cost discipline.**
   - Generated cash from operations of $71 million, allowing Precision to buy back shares and reinvest in high-return fleet upgrades to meet customer demand.
   - Reactivated six rigs in the U.S., to meet customer demand and position Precision for future growth opportunities.
   - Annual capital budget of between $275 million to $285 million includes strategic customer upgrades to 25 drilling rigs across Canada and the U.S., backed by long-term contracts.
3. **Enhance shareholder returns by reducing debt by $100 million in 2026 and allocating up to 50% of free cash flow, before debt repayments, directly to shareholders.**
   - Returned $31 million to shareholders by repurchasing 269,331 shares during the quarter. Year to date, we have repurchased $47 million of shares and remain committed to our annual guidance target.
   - As of September 30, 2026, we have reduced debt by $75 million during the year and continue to target a sustained Net Debt to Adjusted EBITDA ratio[(1)] of below 1.0 times.

(1) See "FINANCIAL MEASURES AND RATIOS."

- Well positioned to meet our long-term debt reduction target of $700 million between 2022 and 2027, having reduced our debt by $610 million since the beginning of 2022.

OUTLOOK

Ongoing geopolitical uncertainty and relatively tight global crude oil inventories have reinforced the importance of secure and reliable energy supply, supporting constructive oil prices and customer investment confidence. While customers remain focused on capital discipline and financial returns, we continue to see sustained demand for high-performance drilling rigs and well service equipment. Assuming commodity prices remain supportive and market conditions do not materially change, we expect North American drilling and completion activity to remain resilient and broadly consistent with current levels through the remainder of the year with growth potential emerging early in 2027.

In Canada, favorable heavy oil and condensate prices continue to support producer economics and steady upstream investment across oil and natural gas formations. Demand for our *Super Series* rigs remains robust, and we expect near full utilization of this rig class during the winter drilling season.

In the U.S., oil-directed drilling activity has continued to strengthen, with the oil rig count increasing since May and industry expectations pointing to further growth over the next 12 months. We have increased our oil-weighted activity while maintaining a strong position in key natural gas basins, including the Haynesville and Marcellus. We see opportunities for incremental activity as market conditions improve, while remaining focused on deepening customer relationships and strengthening margins.

Internationally, our crews continue to safely deliver services to our customers despite minor activity disruptions and incremental costs related to the Middle East tensions. We have seven active rigs, including four in Kuwait and three in the Kingdom of Saudi Arabia, all under five-year term contracts extending into 2027 and 2028. We expect our idle rig in Kuwait to return to work in mid-2027 under a five-year contract, following planned recertifications and upgrades. Crew-related operating costs are expected to remain elevated while regional tensions persist. We continue to pursue opportunities for our one idle international rig.

As Canada's premier well service provider, we remain optimistic about the long-term outlook for our Completion and Production Services business. We expect demand to remain strong through early 2027, supported by favorable commodity prices and egress capacity, as producers continue to focus on cash flow generation. Our *High Performance, High Value* service offering continues to support customer demand. Our growing drilling and service rentals businesses are delivering incremental year-over-year revenue and profitable growth, while strengthening our differentiated, full-service offering to customers. We see opportunities for continued growth in this part of the business.

Overall, our outlook for the remainder of the year and into 2027 remains constructive. For the fourth quarter, our operating margins in Canada are expected to remain consistent to our reported margins in the fourth quarter of 2025, averaging between $13,500 and $14,500 per utilization day. In the U.S., we expect a step change in operating margins as the pace of our rig reactivations slows, with operating margins averaging between US$9,500 and US$10,500 per utilization day.

We remain committed to shareholder returns and expect to achieve our $100 million debt repayment target for the year while continuing to actively repurchase shares in the fourth quarter, building on the $47 million of buybacks completed to date.

Contracts

The following chart outlines the average number of drilling rigs under term contract by quarter as of October 27, 2026. For the quarter ending after September 30, 2026, this chart represents the minimum number of term contracts from which we will earn revenue. We expect the actual number of contracted rigs to vary in future periods as we sign additional term contracts.

As at October 27, 2026	Average for the quarter ended 2025				Average	Average for the quarter ended 2026				Average
	Mar. 31	June 30	Sept. 30	Dec. 31	2025	Mar. 31	June 30	Sept. 30	Dec. 31	2026
Average rigs under term contract:										
Canada	20	18	16	21	19	21	19	28	28	24
U.S.	16	16	17	17	17	15	15	19	18	17
International	8	7	7	7	7	7	7	7	7	7
Total	44	41	40	45	43	43	41	54	53	48

SEGMENTED FINANCIAL RESULTS

Precision's operations are reported in two segments: Contract Drilling Services, which includes our drilling rigs, procurement and distribution of oilfield supplies, and the manufacture, sale and repair of drilling equipment; and Completion and Production Services, which includes our service rigs, oilfield equipment rental, and camp services.

SEGMENT REVIEW OF CONTRACT DRILLING SERVICES

	For the three months ended September 30,			For the nine months ended September 30,		
(Stated in thousands of Canadian dollars, except where noted)	**2026**	2025	% Change	**2026**	2025	% Change
Revenue	**454,190**	390,943	16.2	**1,293,043**	1,165,752	10.9
Expenses:						
Operating	**322,211**	264,300	21.9	**908,240**	771,160	17.8
General and administrative	**10,509**	9,783	7.4	**35,656**	30,294	17.7
Adjusted EBITDA[(1)]	**121,470**	116,860	3.9	**349,147**	364,298	(4.2)
Adjusted EBITDA as a percentage of revenue[(1)]	**26.7%**	29.9%		**27.0%**	31.3%	

(1) See "FINANCIAL MEASURES AND RATIOS."

Canadian onshore drilling statistics:[(1)]	**2026**		2025	
	Precision	**Industry[(2)]**	Precision	Industry[(2)]
Average number of active land rigs for quarters ended:				
March 31	**79**	**199**	74	214
June 30	**61**	**147**	50	127
September 30	**73**	**203**	63	176
Year to date average	**71**	**183**	62	172

(1) Canadian operations only.
(2) Source: Baker Hughes rig counts.

United States onshore drilling statistics:[(1)]	**2026**		2025	
	Precision	**Industry[(2)]**	Precision	Industry[(2)]
Average number of active land rigs for quarters ended:				
March 31	**37**	**530**	30	572
June 30	**35**	**538**	33	556
September 30	**43**	**575**	36	525
Year to date average	**38**	**548**	33	551

(1) United States lower 48 operations only.
(2) Source: Baker Hughes rig counts.

SEGMENT REVIEW OF COMPLETION AND PRODUCTION SERVICES

	For the three months ended September 30,			For the nine months ended September 30,		
(Stated in thousands of Canadian dollars, except where noted)	**2026**	2025	% Change	**2026**	2025	% Change
Revenue	**80,785**	74,612	8.3	**226,348**	207,878	8.9
Expenses:						
Operating	**56,804**	52,832	7.5	**165,992**	153,914	7.8
General and administrative	**2,760**	2,509	10.0	**7,880**	7,271	8.4
Adjusted EBITDA[(1)]	**21,221**	19,271	10.1	**52,476**	46,693	12.4
Adjusted EBITDA as a percentage of revenue[(1)]	**26.3%**	25.8%		**23.2%**	22.5%	
Well servicing statistics:						
Number of service rigs (registered)	**150**	148	1.4	**150**	148	1.4
Service rig operating hours	**67,071**	63,522	5.6	**189,944**	172,936	9.8

(1) See "FINANCIAL MEASURES AND RATIOS."

OTHER ITEMS

Share-based Incentive Compensation Plans

We have several cash and equity-settled share-based incentive plans for non-management directors, officers, and other eligible employees. Our accounting policies for each share-based incentive plan can be found in our 2025 Annual Report.

A summary of expense amounts under these plans during the reporting periods are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
(Stated in thousands of Canadian dollars)	**2026**	2025	**2026**	2025
Cash settled share-based incentive plans	**5,794**	9,285	**18,198**	12,350
Equity settled share-based incentive plans	**1,760**	1,544	**6,677**	5,521
Total share-based incentive compensation plan expense	**7,554**	10,829	**24,875**	17,871
Allocated:				
Operating	**1,690**	2,308	**5,933**	4,690
General and Administrative	**5,864**	8,521	**18,942**	13,182
	7,554	10,829	**24,875**	17,872

Contingencies

In the 2018 to 2023 tax years, Precision deducted certain intercompany dividends received in connection with a preferred share financing. In late July 2026, Precision received a Notice of Reassessment (**NOR**) from the Canada Revenue Agency (**CRA**) relating to its 2018 tax year, denying the deduction of such intercompany dividends. In addition to the 2018 NOR, Precision received a proposal from the CRA for the 2019 to 2022 tax years on the same basis, but no reassessments have been received at this time.

Precision will file a Notice of Objection to the 2018 NOR and intends to vigorously contest the 2018 NOR as well as any additional reassessments that may be issued by the CRA in respect of the intercompany dividends received. The Company and its tax advisors reaffirm that the Company's tax filing position is appropriate. As such, Precision has not recognized a liability in its unaudited interim consolidated financial statements with respect to the reassessment.

Due to existing tax pools, the CRA's reassessment of the 2018 tax year and anticipated reassessments of the 2019 to 2023 tax years are not expected to impact taxes payable until the 2024 to 2027 tax years. Additional notices of reassessment for the subsequent tax years are expected to be issued over the next 24 months. If it is ultimately determined that the Company is not entitled to deduct the intercompany dividends, we estimate a maximum tax liability of approximately $155 million, excluding interest.

Once reassessments are issued, Precision will be required to pay 50% of the assessed tax liability and interest, until the issue has been resolved. If Precision is ultimately successful in defending its position, then any taxes and interest paid to the CRA will be refunded plus interest, and if the CRA is successful then any remaining taxes and interest payable will have to be remitted by Precision.

Depreciation

In 2025, we reviewed our drilling rig equipment and revised the estimated useful life of drill pipe, effective January 1, 2026, as more complex drilling programs have reduced the useful life of this asset class. This revision resulted in additional depreciation expense of $8 million in the third quarter of 2026 and $30 million year to date.

FINANCIAL MEASURES AND RATIOS

Non-GAAP Financial Measures

We reference certain additional Non-Generally Accepted Accounting Principles (**Non-GAAP**) measures that are not defined terms under IFRS Accounting Standards to assess performance because we believe they provide useful supplemental information to investors.

Adjusted EBITDA We believe Adjusted EBITDA (earnings before income taxes, (gain) loss on investments and other assets, finance charges, foreign exchange, gain on asset disposals and depreciation and amortization), as reported in our Condensed Interim Consolidated Statements of Net Earnings (Loss) and our reportable operating segment disclosures, is a useful measure because it gives an indication of the results from our principal business activities prior to consideration of how our activities are financed and the impact of foreign exchange, taxation and depreciation and amortization charges.

The most directly comparable financial measure is net earnings.

	For the three months ended September 30,		For the nine months ended September 30,	
(Stated in thousands of Canadian dollars)	**2026**	2025	**2026**	2025
Adjusted EBITDA by segment:				
Contract Drilling Services	**121,470**	116,860	**349,147**	364,298
Completion and Production Services	**21,221**	19,271	**52,476**	46,693
Corporate and Other	**(17,575)**	(18,499)	**(55,505)**	(47,762)
Adjusted EBITDA	**125,116**	117,632	**346,118**	363,229
Depreciation and amortization	**82,586**	79,487	**249,594**	229,381
Gain on asset disposals	**(2,950)**	(3,454)	**(5,130)**	(12,751)
Foreign exchange	**246**	717	**1,031**	(533)
Finance charges	**12,433**	13,751	**37,090**	44,368
(Gain) loss on investments and other assets	**120**	(94)	**650**	1,531
Income taxes	**11,395**	33,697	**24,645**	56,271
Net earnings (loss)	**21,286**	(6,472)	**38,238**	44,962
Non-controlling interest	**369**	289	**1,140**	945
Net earnings (loss) attributable to shareholders	**20,917**	(6,761)	**37,098**	44,017

Net Capital Spending We believe net capital spending is a useful measure as it provides an indication of our primary investment activities.

The most directly comparable financial measure is cash provided by (used in) investing activities.

Net capital spending is calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
(Stated in thousands of Canadian dollars)	**2026**	2025	**2026**	2025
Capital spending by spend category				
Expansion and upgrade	**24,015**	35,314	**84,556**	81,617
Maintenance and infrastructure	**58,467**	34,012	**139,290**	100,447
Capital expenditures	**82,482**	69,326	**223,846**	182,064
Proceeds on sale of property, plant and equipment	**(4,822)**	(6,200)	**(19,122)**	(21,794)
Net capital spending	**77,660**	63,126	**204,724**	160,270
Proceeds from sale of investments and other assets	**—**	—	**(400)**	—
Purchase of investments and other assets	**—**	10	**698**	21
Receipt of finance lease payments	**(253)**	(209)	**(756)**	(626)
Changes in non-cash working capital balances	**1,332**	(1,733)	**3,936**	(5,220)
Cash used in investing activities	**78,739**	61,194	**208,202**	154,445

Working Capital We define working capital as current assets less current liabilities, as reported in our Condensed Interim Consolidated Statements of Financial Position.

Working capital is calculated as follows:

(Stated in thousands of Canadian dollars)	**September 30, 2026**	December 31, 2025
Current assets	**502,632**	486,915
Current liabilities	**(338,782)**	(300,100)
Working capital	**163,850**	186,815

Total Long-Term Financial Liabilities We define total long-term financial liabilities as total non-current liabilities less deferred tax liabilities, as reported in our Condensed Interim Consolidated Statements of Financial Position.

Total long-term financial liabilities is calculated as follows:

(Stated in thousands of Canadian dollars)	**September 30, 2026**	December 31, 2025
Total non-current liabilities	**814,605**	837,707
Deferred tax liabilities	**(116,127)**	(90,763)
Total long-term financial liabilities	**698,478**	746,944

Non-GAAP Ratios

We reference certain additional Non-GAAP ratios that are not defined terms under IFRS to assess performance because we believe they provide useful supplemental information to investors.

Adjusted EBITDA % of Revenue We believe Adjusted EBITDA as a percentage of consolidated revenue, as reported in our Condensed Interim Consolidated Statements of Net Earnings (Loss), provides an indication of our profitability from our principal business activities prior to consideration of how our activities are financed and the impact of foreign exchange, taxation and depreciation and amortization charges.

Long-term debt to long-term debt plus equity We believe that long-term debt (as reported in our Condensed Interim Consolidated Statements of Financial Position) to long-term debt plus equity (total equity as reported in our Condensed Interim Consolidated Statements of Financial Position) provides an indication of our debt leverage.

Net Debt to Adjusted EBITDA We believe that the Net Debt (long-term debt plus current portion of long-term debt less cash, as reported in our Condensed Interim Consolidated Statements of Financial Position) to Adjusted EBITDA ratio provides an indication of the number of years it would take for us to repay our debt obligations.

Supplementary Financial Measures

We reference certain supplementary financial measures that are not defined terms under IFRS to assess performance because we believe they provide useful supplemental information to investors.

Capital Spending by Spend Category We provide additional disclosure to better depict the nature of our capital spending. Our capital spending is categorized as expansion and upgrade or maintenance and infrastructure.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this news release, 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 2026 strategic priorities;
- our capital expenditures, free cash flow allocation and debt reduction plans for 2026 and beyond;
- anticipated activity levels, demand for our drilling rigs, day rates and daily operating margins in 2026;
- the average number of term contracts in place for 2026;
- customer adoption of Alpha™ technologies and EverGreen™ suite of environmental solutions; and
- potential commercial opportunities and rig contract renewals.

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:

- 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;
- continued market demand for our drilling rigs;
- our ability to deliver rigs to customers on a timely basis;
- the impact of an increase/decrease in capital spending;
- the general stability of the economic and political environments in the jurisdictions where we operate in; and
- anticipated rig utilization, operating margins, active rig counts and customer activity levels.

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 of 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;
- liquidity of the capital markets to fund customer drilling programs;
- availability of cash flow, debt and equity sources to fund our capital and operating requirements, as needed;
- the physical, regulatory and transition impacts of climate change;
- the impact of weather and seasonal conditions on operations and facilities;
- the impact of tariffs, trade disputes, sanctions, export controls and other trade restrictions;
- competitive operating risks inherent in contract drilling, well servicing and ancillary oilfield services;
- geopolitical instability or armed conflicts, including in regions where we operate may impact operations, personnel, logistics, customer activity and commodity markets;
- 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;
- the impact of inflation and supply chain disruptions;
- business interruptions related to cybersecurity risks;

- 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 gas emissions, which could have an adverse impact on the demand for oil and natural gas;
- terrorism, acts of war, social, civil and political unrest in the foreign jurisdictions or regions 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 foregoing list of risk factors is not exhaustive. Additional information on these and other factors that could affect our business, operations or financial results is 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, 2025, which may be accessed on Precision's SEDAR+ profile at or under Precision's EDGAR profile. 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 result of new information, future events or otherwise, except as required by law.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(Stated in thousands of Canadian dollars)	**September 30, 2026**	December 31, 2025
ASSETS		
Current assets:		
Cash	**$ 23,177**	$ 85,781
Accounts receivable	**422,728**	352,142
Inventory	**56,727**	48,992
Total current assets	**502,632**	486,915
Non-current assets:		
Deferred tax assets	**4,127**	2,235
Property, plant and equipment	**2,180,528**	2,159,212
Intangibles	**6,801**	9,470
Right-of-use assets	**61,189**	56,817
Finance lease receivables	**3,865**	4,474
Investments and other assets	**6,751**	7,567
Total non-current assets	**2,263,261**	2,239,775
Total assets	**$ 2,765,893**	$ 2,726,690
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 317,788**	$ 280,652
Income taxes payable	**1,475**	1,670
Current portion of lease obligations	**19,519**	17,778
Total current liabilities	**338,782**	300,100
Non-current liabilities:		
Share-based compensation	**11,388**	13,780
Provisions and other	**6,965**	6,704
Lease obligations	**51,009**	47,169
Long-term debt	**629,116**	679,291
Deferred tax liabilities	**116,127**	90,763
Total non-current liabilities	**814,605**	837,707
Total liabilities	**1,153,387**	1,137,807
Equity:		
Shareholders' capital	**2,174,599**	2,238,766
Contributed surplus	**81,092**	79,270
Accumulated other comprehensive income	**189,696**	165,020
Deficit	**(838,090)**	(898,992)
Total equity attributable to shareholders	**1,607,297**	1,584,064
Non-controlling interest	**5,209**	4,819
Total equity	**1,612,506**	1,588,883
Total liabilities and equity	**$ 2,765,893**	$ 2,726,690

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET EARNINGS (LOSS) (UNAUDITED)

(Stated in thousands of Canadian dollars, except per share amounts)	Three Months Ended September 30, **2026**	2025	Nine Months Ended September 30, **2026**	2025
Revenue	**$ 531,652**	$ 462,250	**$ 1,510,503**	$ 1,365,196
Expenses:				
Operating	**375,692**	313,827	**1,065,344**	916,640
General and administrative	**30,844**	30,791	**99,041**	85,327
Earnings before income taxes, (gain) loss on investments and other assets, finance charges, foreign exchange, gain on asset disposals, and depreciation and amortization	**125,116**	117,632	**346,118**	363,229
Depreciation and amortization	**82,586**	79,487	**249,594**	229,381
Gain on asset disposals	**(2,950)**	(3,454)	**(5,130)**	(12,751)
Foreign exchange	**246**	717	**1,031**	(533)
Finance charges	**12,433**	13,751	**37,090**	44,368
(Gain) loss on investments and other assets	**120**	(94)	**650**	1,531
Earnings before income taxes	**32,681**	27,225	**62,883**	101,233
Income taxes:				
Current	**894**	1,133	**2,292**	3,307
Deferred	**10,501**	32,564	**22,353**	52,964
	11,395	33,697	**24,645**	56,271
Net earnings (loss)	**$ 21,286**	$ (6,472)	**$ 38,238**	$ 44,962
Attributable to:				
Shareholders of Precision Drilling Corporation	**$ 20,917**	$ (6,761)	**$ 37,098**	$ 44,017
Non-controlling interest	**$ 369**	$ 289	**$ 1,140**	$ 945
Net earnings (loss) per share attributable to share-holders of Precision Drilling Corporation:				
Basic	**$ 1.65**	$ (0.51)	**$ 2.89**	$ 3.28
Diluted	**$ 1.65**	$ (0.51)	**$ 2.89**	$ 3.09

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(Stated in thousands of Canadian dollars)	Three Months Ended September 30, **2026**	2025	Nine Months Ended September 30, **2026**	2025
Net earnings (loss)	**$ 21,286**	$ (6,472)	**$ 38,238**	$ 44,962
Unrealized gain (loss) on translation of assets and liabilities of operations denominated in foreign currency	**4,409**	30,777	**47,572**	(49,327)
Foreign exchange gain (loss) on net investment hedge with U.S. denominated debt	**(2,138)**	(14,715)	**(22,896)**	25,758
Comprehensive income	**$ 23,557**	$ 9,590	**$ 62,914**	$ 21,393
Attributable to:				
Shareholders of Precision Drilling Corporation	**$ 23,188**	$ 9,301	**$ 61,774**	$ 20,448
Non-controlling interest	**$ 369**	$ 289	**$ 1,140**	$ 945

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Stated in thousands of Canadian dollars)	**2026**	2025	**2026**	2025
Cash provided by (used in):				
Operations:				
Net earnings (loss)	**$ 21,286**	$ (6,472)	**$ 38,238**	$ 44,962
Adjustments for:				
Long-term compensation plans	**4,579**	5,608	**16,379**	11,998
Depreciation and amortization	**82,586**	79,487	**249,594**	229,381
Gain on asset disposals	**(2,950)**	(3,454)	**(5,130)**	(12,751)
Foreign exchange	**(161)**	1,380	**726**	(1,034)
Finance charges	**12,433**	13,751	**37,090**	44,368
Income taxes	**11,395**	33,697	**24,645**	56,271
Other	**1**	2	**14**	(19)
(Gain) loss on investments and other assets	**120**	(94)	**650**	1,531
Income taxes paid	**(156)**	(593)	**(2,309)**	(4,760)
Income taxes recovered	**39**	5	**39**	5
Interest paid	**(21,898)**	(26,987)	**(46,525)**	(60,245)
Interest received	**720**	211	**1,528**	966
Funds provided by operations	**107,994**	96,541	**314,939**	310,673
Changes in non-cash working capital balances	**(37,181)**	(20,672)	**(35,403)**	(23,890)
Cash provided by operations	**70,813**	75,869	**279,536**	286,783
Investments:				
Purchase of property, plant and equipment	**(82,482)**	(69,326)	**(223,846)**	(182,064)
Proceeds on sale of property, plant and equipment	**4,822**	6,200	**19,122**	21,794
Proceeds from sale of investments and other assets	**—**	—	**400**	—
Purchase of investments and other assets	**—**	(10)	**(698)**	(21)
Receipt of finance lease payments	**253**	209	**756**	626
Changes in non-cash working capital balances	**(1,332)**	1,733	**(3,936)**	5,220
Cash used in investing activities	**(78,739)**	(61,194)	**(208,202)**	(154,445)
Financing:				
Issuance of long-term debt	**123,130**	128,780	**126,130**	138,780
Repayment of long-term debt	**(123,153)**	(138,475)	**(201,194)**	(239,439)
Repurchase of share capital	**(30,557)**	(8,802)	**(46,582)**	(54,058)
Issuance of common shares from the exercise of options	**—**	208	**195**	208
Debt amendment fees	**—**	(697)	**—**	(697)
Distributions to non-controlling interest	**(578)**	(831)	**(878)**	(831)
Lease payments	**(3,905)**	(3,854)	**(12,359)**	(11,363)
Cash used in financing activities	**(35,063)**	(23,671)	**(134,688)**	(167,400)
Effect of exchange rate changes on cash	**(126)**	609	**750**	(398)
Decrease in cash	**(43,115)**	(8,387)	**(62,604)**	(35,460)
Cash, beginning of period	**66,292**	46,698	**85,781**	73,771
Cash, end of period	**$ 23,177**	$ 38,311	**$ 23,177**	$ 38,311

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to shareholders of the Corporation						
(Stated in thousands of Canadian dollars)	Shareholders' Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total	Non-Controlling Interest	Total Equity
Balance at January 1, 2026	$ 2,238,766	$ 79,270	$ 165,020	$ (898,992)	$ 1,584,064	$ 4,819	$ 1,588,883
Net earnings for the period	—	—	—	37,098	37,098	1,140	38,238
Other comprehensive income for the period	—	—	24,676	—	24,676	—	24,676
Share options exercised	279	(84)	—	—	195	—	195
Settlement of Executive Performance and Restricted Share Units	4,095	(4,095)	—	—	—	—	—
Distributions to Non-Controlling Interest	—	—	—	—	—	(750)	(750)
Share repurchases	(71,217)	—	—	23,804	(47,413)	—	(47,413)
Liability reversal for automated share purchase plan	10,000	—	—	—	10,000	—	10,000
Liability for automated share purchase plan	(8,000)	—	—	—	(8,000)	—	(8,000)
Redemption of non-management directors share units	676	(676)	—	—	—	—	—
Share-based compensation expense	—	6,677	—	—	6,677	—	6,677
Balance at September 30, 2026	**$ 2,174,599**	**$ 81,092**	**$ 189,696**	**$ (838,090)**	**$ 1,607,297**	**$ 5,209**	**$ 1,612,506**

	Attributable to shareholders of the Corporation						
(Stated in thousands of Canadian dollars)	Shareholders' Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total	Non-Controlling Interest	Total Equity
Balance at January 1, 2025	$ 2,301,729	$ 77,557	$ 199,020	$ (900,834)	$ 1,677,472	$ 4,527	$ 1,681,999
Net earnings for the period	—	—	—	44,017	44,017	945	44,962
Other comprehensive income for the period	—	—	(23,569)	—	(23,569)	—	(23,569)
Share options exercised	299	(91)	—	—	208	—	208
Settlement of Executive Performance and Restricted Share Units	11,651	(2,790)	—	—	8,861	—	8,861
Distributions to Non-Controlling Interest	—	—	—	—	—	(831)	(831)
Share repurchases	(54,889)	—	—	—	(54,889)	—	(54,889)
Liability reversal for automated share purchase plan	10,000	—	—	—	10,000	—	10,000
Liability for automated share purchase plan	(5,000)	—	—	—	(5,000)	—	(5,000)
Redemption of non-management directors share units	606	(606)	—	—	—	—	—
Share-based compensation expense	—	5,521	—	—	5,521	—	5,521
Balance at September 30, 2025	$ 2,264,396	$ 79,591	$ 175,451	$ (856,817)	$ 1,662,621	$ 4,641	$ 1,667,262

2026 THIRD QUARTER RESULTS CONFERENCE CALL AND WEBCAST

Precision Drilling Corporation has scheduled a conference call and webcast to begin at 11:00 a.m. MT (1:00 p.m. ET) on Wednesday, October 28, 2026.

To participate in the conference call please register at the URL link below. Once registered, you will receive a dial-in number and a unique PIN, which will allow you to ask questions.

https://register-conf.media-server.com/register/BI27fd4ada3a914d5282393d8c375188ec

The call will also be webcast and can be accessed through the link below. A replay of the webcast call will be available on Precision's website until the following quarterly conference call is posted.

https://edge.media-server.com/mmc/p/x59h75bk

About Precision

Precision is a leading provider of safe and environmentally responsible *High Performance, High Value* services to the energy industry, offering customers access to an extensive fleet of *Super Series* drilling rigs. Precision has commercialized an industry-leading digital technology portfolio known as Alpha™ that utilizes advanced automation software and analytics to generate efficient, predictable, and repeatable results for energy customers. Our drilling services are enhanced by our EverGreen™ suite of environmental solutions, which bolsters our commitment to reducing the environmental impact of our operations. Additionally, Precision offers well service rigs, camps and rental equipment, all backed by a comprehensive mix of technical support services and skilled, experienced personnel.

Precision is headquartered in Calgary, Alberta, Canada and is listed on the Toronto Stock Exchange under the trading symbol “PD” and on the New York Stock Exchange and NYSE Texas, Inc., under the trading symbol “PDS”.

Additional Information

For further information, please contact:

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