NEWS RELEASE

ESI Announces 2018 Third Quarter Earnings

Calgary, Canada – November 6, 2018 - ESI Energy Services Inc. (CSE: OPI) ("ESI" or the "Company") announces its 2018 third quarter financial results.

Robert Dunstan, ESI's President and CEO, announces substantially improved levels of revenue, EBITDA, funds flow from operations and increased working capital for the three and nine-month periods ended September 30,2018 compared with the first six months of 2018.

Highlights

Revenue for the three-month period ended September 30, 2018 increased by 4 percent to $5,102,000 compared to $4,929,000 during the same period in 2017. Most of this revenue was generated by large padding machine rentals. Virtually all the padding revenue was generated in the United States. Activity levels for padding machines and oilfield services in Canada remained slow. This was primarily due to regulatory and environmental impediments to pipeline construction.

Approximately 83 percent of the revenue generated during the three-month period ended September 30, 2018 came from padding machine rentals. Activity levels for large padding machines were down slightly from 60 padding months during the third quarter of 2017 to 59 padding months during the third quarter of 2018, a decrease of 2 percent. Activity levels for small padders were down by 52 percent to 13 padding months during the third quarter of 2018, compared with 27 padding months during the same period in 2017. The activity level for Micro-padders during the third quarter of 2018 was 3 padder months, a decrease of 40 percent compared to the same period in 2017.

Gross margin for the three-month period ended September 30, 2018 decreased by 7 percent to $3,396,000 compared to $3,661,000 for the same period last year. This decrease was primarily due to an 8 percent decrease in padding machine rental revenue.

Net income decreased by 28 percent during the third quarter of 2018, down by $558,000 from net income of $1,962,000 during the same period in 2017 to net income of $1,404,000. The decrease in net income during the third quarter of 2018 was primarily due to an 8 percent decrease in padding machine rental revenue.

Funds flow from operations was a $2,510,000 during the three-month period ended September 30, 2018 compared with $2,986,000 during the same period in 2017, a decrease of 16 percent. The decrease was primarily due to the reason noted above.

Revenue for the nine-month period ended September 30, 2018 decreased by 15 percent to $9,724,000 compared to $11,406,000 during the same period in 2017. Consistent with the first six months of 2018, virtually all this revenue was generated from large padding revenue in the United States. Activity levels for padding machines and oilfield services in Canada remained slow.

Over 77 percent of the revenue generated during the nine-month period ended September 30, 2018 came from padding machine rentals, most of it from large padding machines. Activity levels for large padding machines were down from 130 padding months during the first nine months of 2017 to 101 padding months during the same period in 2018, a decrease of 22 percent. Activity levels for small padders were down by 57 percent to 29 padding months during the first nine months of 2018, compared with 67 padding months during the same period in 2017.

Gross margin for the nine-month period ended September 30, 2018 decreased by 37 percent to $4,839,000 compared with $7,652,000 during the same period in 2017. The decrease was primarily due to a 15 percent decrease in revenue, primarily from small padding revenue.

Net loss increased during the first nine months of 2018 from a net income of $1,772,000 during the nine-month period ended September 30, 2017 to a net loss of $202,000 during the same period in 2018. The increase in net loss during the nine-month period ended September 30, 2018 was primarily due to a 15 percent decrease in revenue.

Funds flow from operations was a $2,360,000 during the first nine months of 2018 compared with $5,290,000 during the same period in 2017, a decrease of 55 percent. The decrease was primarily due to the reason noted above.

Working capital decreased by $982,000 to $11,099,000. The decrease in working capital during the first nine months of 2018 compared with the same period in 2017 was primarily attributable to increased accounts payable and accrued liabilities primarily driven by the financing requirements for capital expenditures and partially offset by an increase in inventory as a result of a change in accounting treatment for inventory during 2018. Long -term debt was $184,000 lower at September 30, 2018 compared to December 31, 2017.

Revenues and earnings were down during the nine-month period ended September 30, 2018 due to a decline in both large and small padder activity levels. Large padder rental revenue declined due to delays in mainline pipeline construction activity in the United States caused by weather conditions and regulatory issues. Mainline pipeline construction activity did not get under way until June. Prospects for mainline pipeline construction activity in Canada remain uncertain due to delays caused by regulatory and environmental concerns. Management is continuing to explore opportunities in foreign markets for our mini-padding and micro-padding machines with some success.

About ESI

ESI is a publically traded company listed on the Canadian Securities Exchange under the stock symbol "OPI". ESI is a pipeline equipment rental and sales company with principal operations in Leduc, Alberta and Phoenix, Arizona. The Company, through its operating subsidiaries, ESI Energy Services Inc. . ("ESI") and Ozzie's Pipeline Padder, Inc. ("OPI"), supplies (rentals and sales) backfill separation machines ("Padding Machines") to mainline pipeline contractors and utility contractors as well as oilfield pipeline and construction contractors.

Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking information. These statements relate to future events or future performance. The use of the word "will", and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current beliefs or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Due to the risks, uncertainties and assumptions inherent in forward-looking information, investors should not place undue reliance on forward- looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

Further Information

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