

PRECISION DRILLING CORPORATION

April 2024 Investor Presentation

HIGH
PERFORMANCE
HIGH VALUE



Precision
DRILLING

FORWARD-LOOKING STATEMENT

Certain statements contained in this report, including statements that contain words such as "could", "should", "can", "anticipate", "estimate", "intend", "plan", "expect", "believe", "will", "may", "continue", "project", "potential" and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information and statements").

In particular, forward-looking information and statements include, but are not limited to, the following: our strategic priorities for 2024; our future capital expenditure plans; anticipated activity levels and our scheduled infrastructure projects; anticipated demand for rigs; the number of term contracts in place; and our future debt reduction plans beyond 2024.

Certain of the information in this presentation is "financial outlook" within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding our reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

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; 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 demand for contract drilling, well servicing and ancillary oilfield services; our customers' inability to obtain adequate credit or financing to support their drilling and production activity; changes in drilling and well servicing technology which could reduce demand for certain rigs or put us at a competitive disadvantage; shortages, delays and interruptions in the delivery of equipment supplies and other key inputs; the effects of seasonal and weather conditions on operations and facilities; ability to enhance our rig technology to improve drilling efficiency; the availability of qualified personnel and management; a decline in our safety performance which could result in lower demand for our services; changes in environmental laws and regulations such as increased regulation of hydraulic fracturing or restrictions on the burning of fossil fuels and greenhouse gas emissions, which could have an adverse impact on the demand for oil and gas; terrorism, social, civil and political unrest in the foreign jurisdictions where we operate; fluctuations in foreign exchange rates, 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 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, 2023, which may be accessed on Precision's SEDAR+ profile at www.sedarplus.ca or under Precision's EDGAR profile at www.sec.gov. The forward-looking information and statements contained in this news release are made as of the date hereof and Precision undertakes no obligation to update publicly or revise any forward-looking information and statements, whether as a result of new information, future events or otherwise, except as required by law.

CREATING SHAREHOLDER VALUE



DELIVERING *HIGH PERFORMANCE, HIGH VALUE* SERVICES



GENERATING SIGNIFICANT FREE CASH FLOW



MAINTAINING STRICT COST CONTROL & CAPITAL DISCIPLINE



HIGHER EQUITY VALUATION THROUGH STRONG FCF YIELD,
DELEVERAGING, & SHARE REPURCHASES



DISCIPLINED INVESTMENTS IN OUR PEOPLE & EQUIPMENT



ROBUST 2024 FREE CASH FLOW YIELD POTENTIAL

> 20%

FREE CASH FLOW YIELD POTENTIAL
STILL TO COME IN 2024

Analyst Estimates for 2024 Free Cash Flow ¹	\$310M
Equity Market Cap ²	\$1,333M
Estimated FCF Yield	23%

2024 FREE CASH FLOW DRIVERS

1. INTERNATIONAL GROWTH

- ~ 40% activity increase
- Increased profitability

2. INTEGRATION OF CWC ENERGY SERVICES³

- Growth in C&P and U.S. & Canada drilling
- Expect \$20M in annual synergies
- Estimated \$20M asset sales

3. MARGIN PROGRESSION EXPECTED IN CANADA

- Market fundamentals supporting strong demand
- High demand for *Super Triple* & pad *Super Single* rigs
- Addition of *Super Triple* upgrade

4. LEVERAGE OPERATING SCALE, DISCIPLINED COST CONTROL & CASH MANAGEMENT

1. 2024 Estimated FCF: FY Consensus EBITDA less FY Consensus Interest Expense less FY Consensus CAPEX; Consensus numbers from Nasdaq IR as of April 1, 2024

2. As of April 1, 2024 (Equity Market Capitalization was \$1.029B on January 3, 2024)

3. Transaction closed November 8, 2023

DIFFERENTIATED EXPOSURE TO ATTRACTIVE CANADIAN MARKET¹

UNIQUE CANADIAN MARKET FUNDAMENTALS SUPPORTING POSITIVE OUTLOOK FOR PRECISION

PRECISION IS THE MARKET LEADER

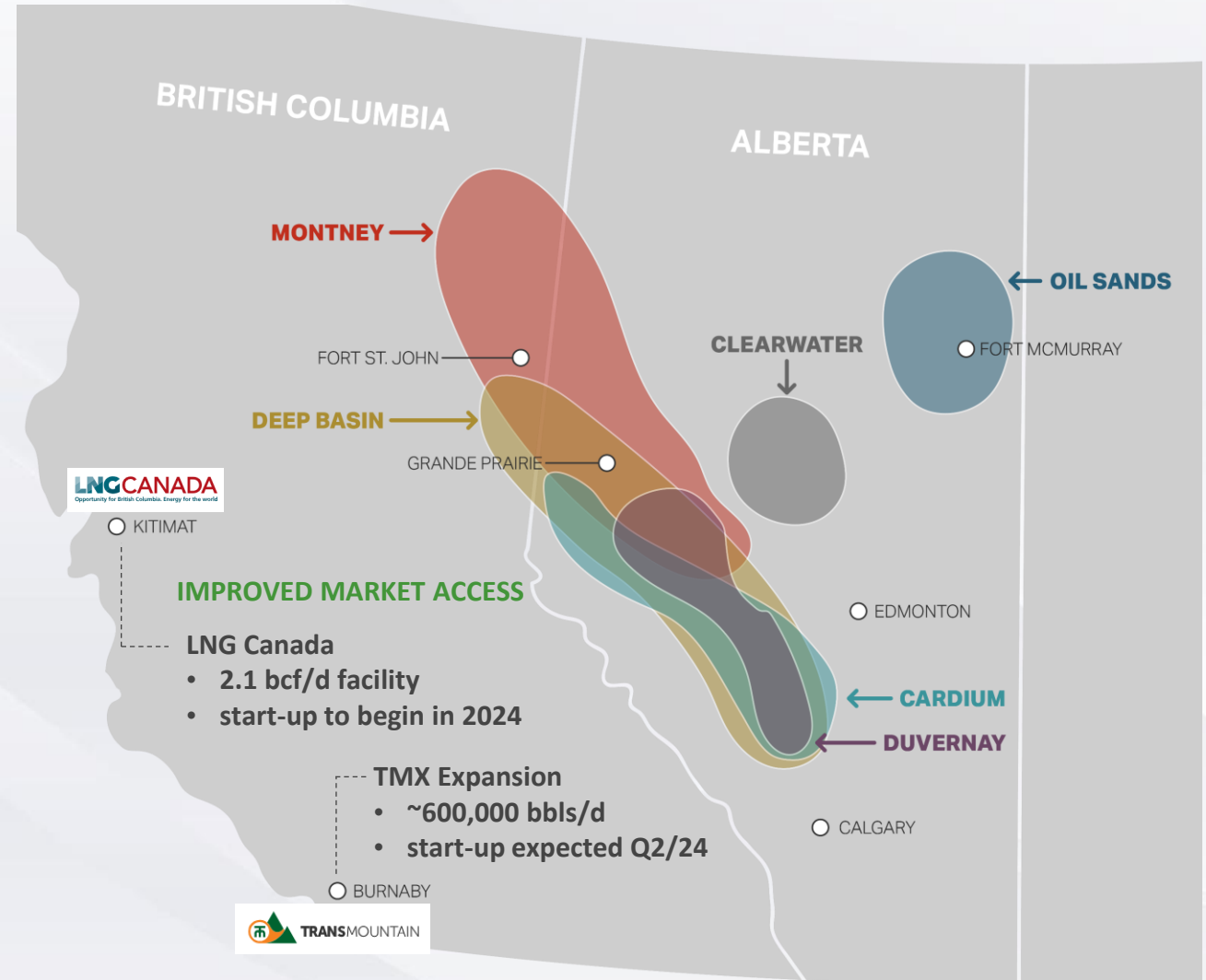
- Most active driller in Canada

		Q1/24
	<u>Preferred Rig</u>	<u>Peak Rig Activity</u>
Montney/LNG	<i>Super Triple</i>	30
Oil Sands/Clearwater	<i>Super Single</i>	43
Other Plays	<i>Tele Double</i>	<u>10</u>
Total Canada		83

- Most advanced land rig with rig floor robotics activated in January 2024
- Largest well service provider in Canada with 173 registered rigs
- *High Performance* Rentals and Camps business

ATTRACTIVE MARKET FUNDAMENTALS

- Natural gas market improving with LNG outlook
- Expect oil market to be bolstered by significant expansion to tidewater access



1. See Slide 23 for more information on Canadian Market Fundamentals

2024 STRATEGIC PRIORITIES



1

FOCUS ON GENERATING FREE CASH FLOW

- Leverage our scale across drilling and well service operations
- Continued focus on strict cost control

2

IMPROVE CAPITAL RETURNS TO SHAREHOLDERS

- Reduce total debt by \$150 - \$200 million in 2024
- Allocate 25-35% of free cash flow to share repurchases in 2024
- Increased debt reduction target -> \$600 million from 2022-2026
- Moving direct shareholder returns towards 50% of free cash flow

3

FOCUS ON OPERATIONAL EXCELLENCE

- Continue to strengthen our competitive position
- Extend market penetration for Alpha™ and EverGreen™ products

APRIL PRECISION MARKET UPDATE



FIRM COMMITMENT TO DEBT REDUCTION & SHARE BUYBACK TARGETS

- Targeting to reduce debt \$150-\$200 million in 2024 (\$152 million in 2023)
- Targeting 25-35% free cash flow for share buybacks in 2024 (15% in 2023)
- On track to reach a Net Debt to Adjusted EBITDA ratio¹ of <1.0x in 2025 (1.4x in 2023) & reduce total debt by \$600 million between 2022 and 2026



DRILLING ACTIVITY UPDATE

- Canada's YTD in 2024 activity tracking ahead of 2023
- US activity remains steady near 40 active rigs
- 8 rigs active Internationally²; ~40% activity increase expected in '24 vs '23



TIGHT SUPER-SPEC RIG MARKET SUPPORTING STRONG MARGINS

- In Canada, Precision's *Super Triples* and pad *Super Singles* in high demand
- Canada Q1/24 margins³ expected to remain strong >\$15,000/day
- US Q1/24 margins³ expected between US\$9,000 to \$10,000/day



ALPHA™ & EVERGREEN™ DRIVING MARGIN EXPANSION & COMPETITIVE ADVANTAGE

- Strong customer uptake of our Alpha™ and EverGreen™ products
- Generate revenue incremental to daily contract rates and at high margins
- ~75% of North American *Super Triple* fleet equipped with Alpha™ and majority of the fleet has at least one EverGreen™ product

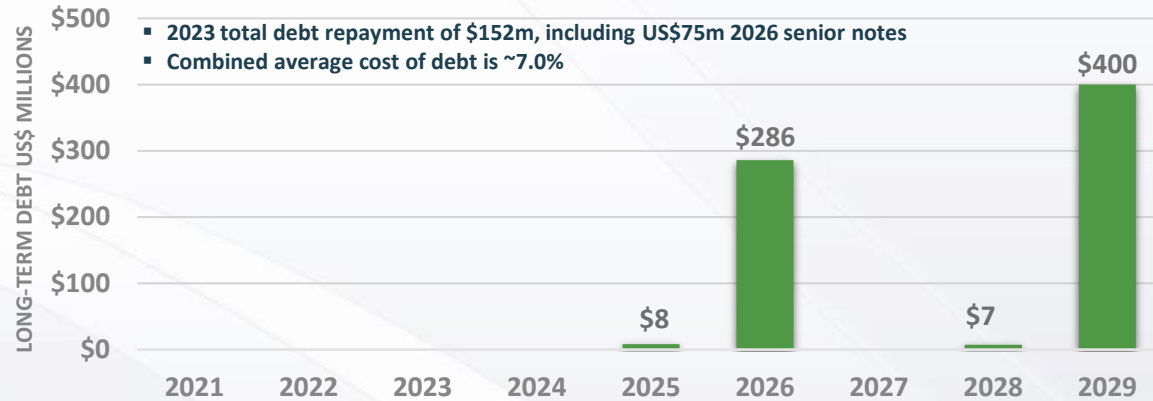
1. Non-GAAP measure; see our Quarterly Report for more information

2. As of April 1, 2024

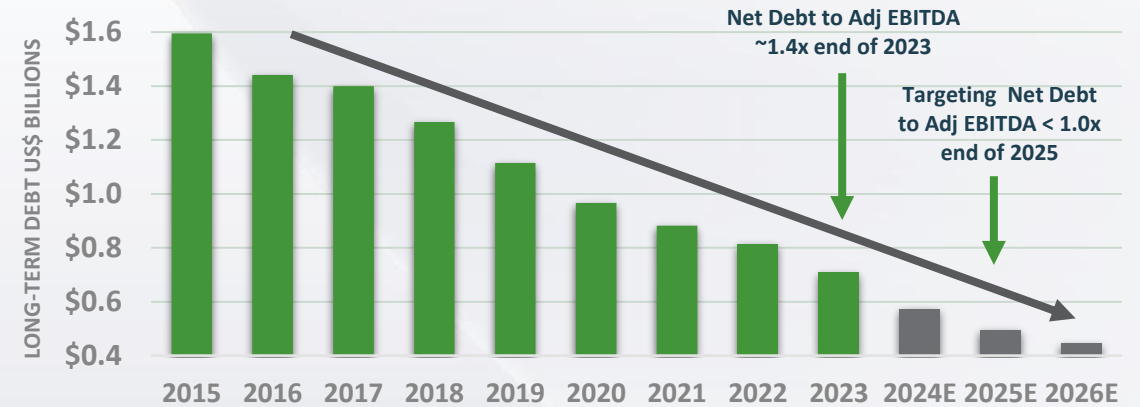
3. Defined as Revenue per utilization day less Operating cost per utilization day

BALANCE SHEET & CASH FLOW PROFILE STRENGTHENING

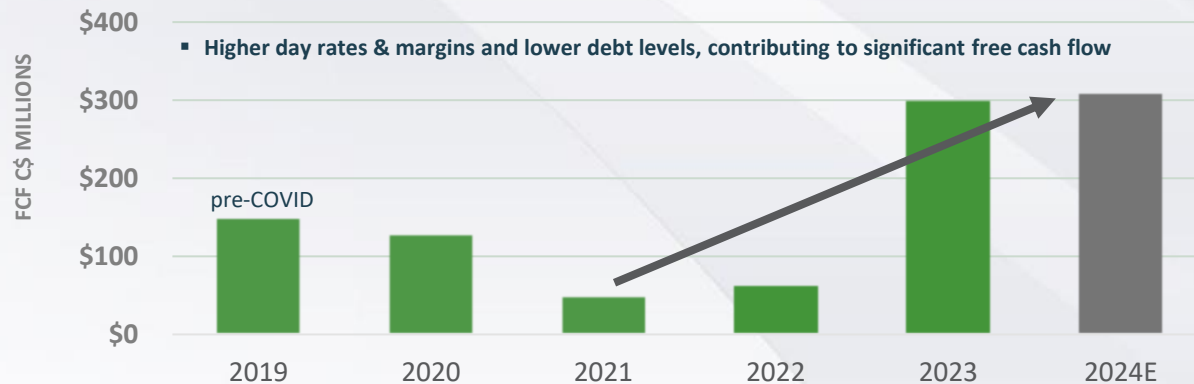
DEBT MATURITY PROFILE¹



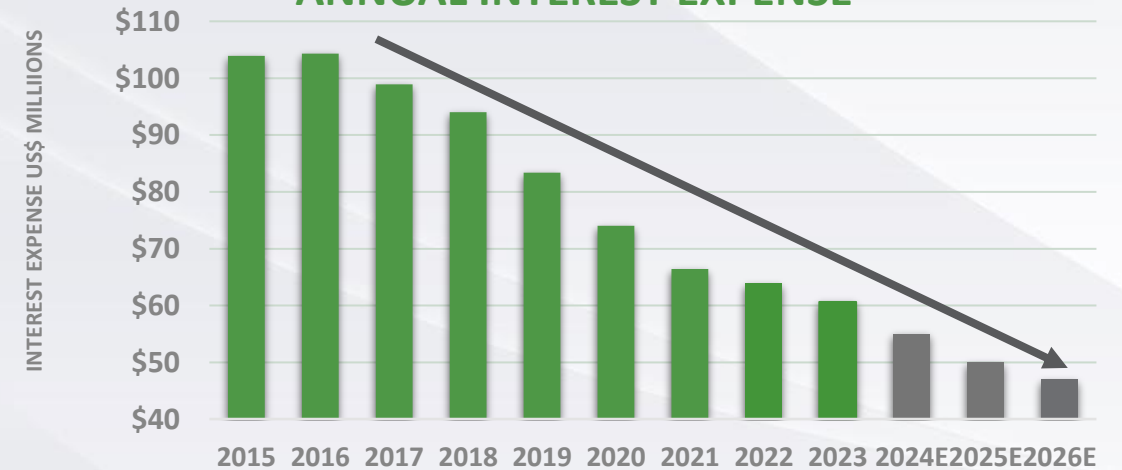
DEBT REDUCTION PROGRESS²



SIGNIFICANT FREE CASH FLOW³ POTENTIAL



ANNUAL INTEREST EXPENSE²



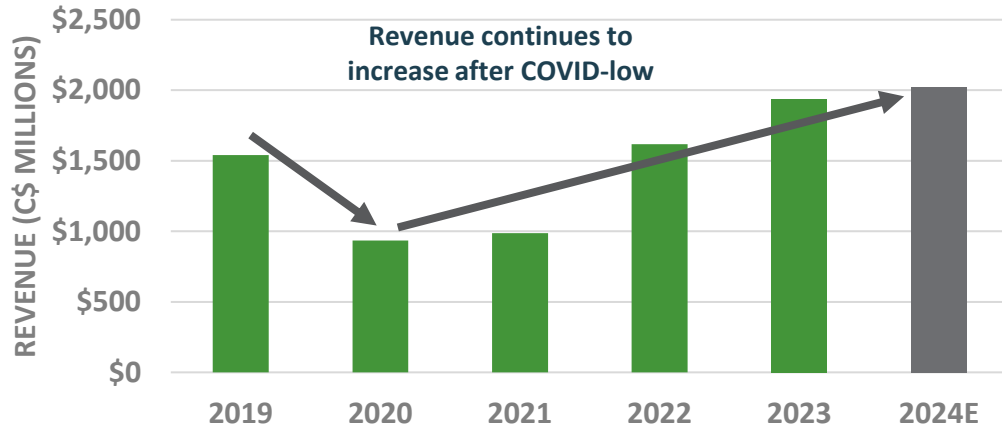
1. US\$701 million total includes 2026 & 2029 senior notes, revolver draw (\$nil) and three real estate mortgages with maturities in 2025 (US\$8 million), 2026 (C\$16 million), and 2028 (C\$10 million) as of 12/31/2023

2. 2024E based on mid-point of debt reduction target of \$150 million to \$200 million; 2025E & 2026E based on debt reduction target of C\$600 million between 2022 & 2026; Annual Interest Expense estimates based on Consensus

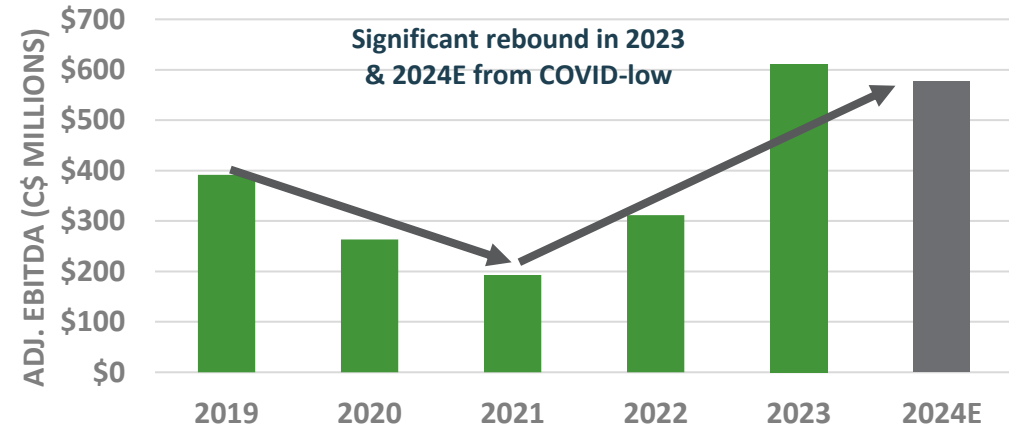
3. Actual FCF: Adj EBITDA less CapEx and Interest Expense. 2024E Estimated FCF: Consensus EBITDA less Consensus Interest Expense less Consensus CAPEX; Consensus numbers from Nasdaq IR as of April 1, 2024

DAY RATE INCREASES DRIVING REVENUE & EBITDA GROWTH

REVENUE¹



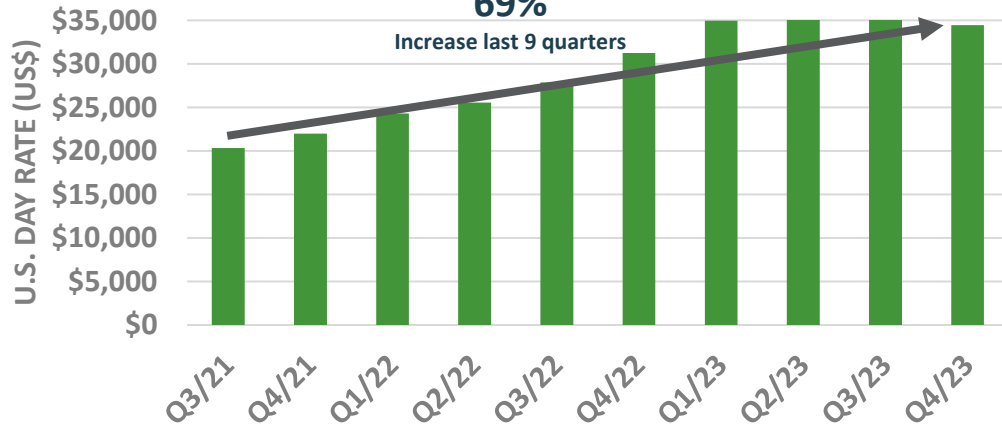
ADJUSTED EBITDA¹



U.S. DAY RATES

69%

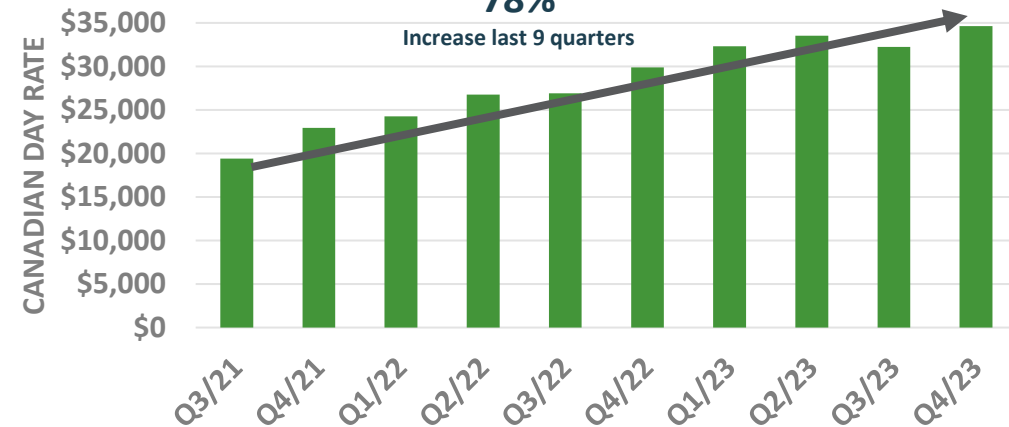
Increase last 9 quarters



CANADIAN DAY RATES

78%

Increase last 9 quarters



1. 2023E and 2024E Consensus numbers from Nasdaq IR as of February 29, 2024

CANADIAN FUNDAMENTALS STRONGEST IN A DECADE



LEADING DRILLING RIG SERVICE PROVIDER IN WCSB

- 33% market share in 2023 and has grown in Q1/24
- Fleet of 98 drilling rigs² including:
 - 30 AC *Super Triples*
 - 48 *Super Singles*
- AC *Super Triple* fleet preferred Montney rig
- *Super Single* preferred rig in Oil Sands & Clearwater heavy oil play



STRONG MARKET FUNDAMENTALS

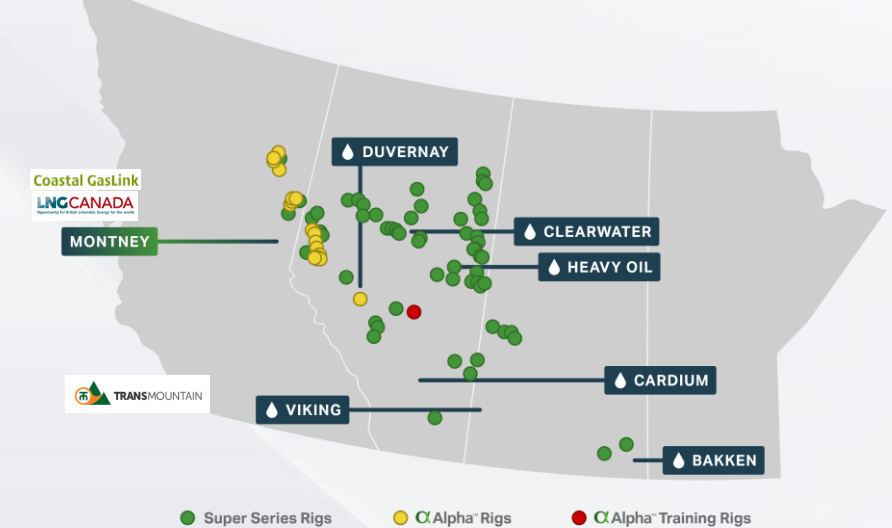
- Imminent additional oil and natural gas takeaway capacity from TMX expansion and Coastal GasLink pipelines
- Industry Super-Spec rigs & PD *Super Triples* nearly fully utilized
- PD pad capable *Super Singles* fully utilized prior to spring break up
- PD *Super Series* rig demand expected to exceed supply in 2024



OPERATING LEVERAGE & GROWING CASH FLOW POTENTIAL

- Benefit from *High Performance* fleet and operating scale
- Alpha™ technologies and EverGreen™ solutions are competitive differentiators and improve cash flow and margins
- Tight supply of Super-Spec rigs supports potential margin expansion

Precision Canada Activity¹



CANADIAN DAYRATE MARGINS³



1. Dots on map representative of areas where Precision has operations in 2023 with its Super Series rigs

2. Adjusted for 20 rigs decommissioned in 2023 and includes 7 rigs acquired with CWC acquisition

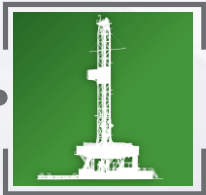
3. Defined as revenue per utilization day less operating costs per utilization day; Q2 margins impacted by seasonality (ie. spring break up)

U.S. SUPER-SPEC RIG MARKET HIGHLY UTILIZED



PRESENCE IN EVERY MAJOR U.S. UNCONVENTIONAL OIL & GAS BASIN

- 4th largest onshore driller in U.S.; 7% market share in 2023
- Fleet of 105 drilling rigs² including:
 - 73 AC triples (66 AC *Super Triples*)
- Benefit from geographic scale and operating leverage



MARKET FUNDAMENTALS IMPROVING

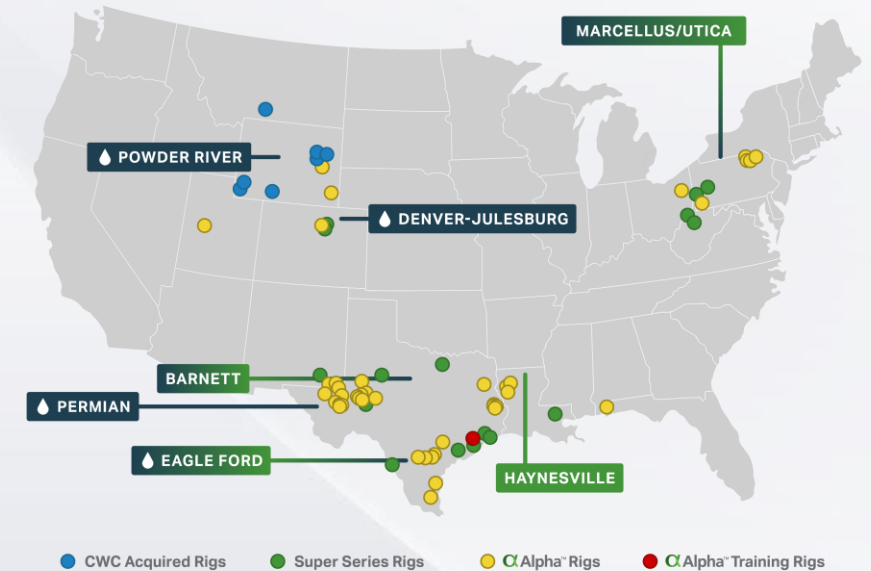
- Strong oil prices support customers maintaining production and replenishing inventories
- Growing LNG exports and new projects support a sustained period of elevated natural gas drilling
- Expect demand to begin to improve in Q2/24



COMPETITIVE ADVANTAGE

- *High Performance, High Value* service offering aligned with market needs
- PD *Super Triples* fleet complemented by Alpha™ technologies and EverGreen™ solutions are competitive differentiators

Precision U.S. Activity¹



U.S. DAYRATE MARGINS³



1. Dots on map representative of areas Precision has been active in 2023; CWC acquired rigs as of November 2023

2. Adjusted for 7 rigs decommissioned in 2023 and includes 11 rigs acquired with CWC acquisition

3. Defined as revenue per utilization day less operating costs per utilization day

INTERNATIONAL ACTIVITY & EARNINGS INCREASING

Precision International Activity¹



OUR INTERNATIONAL STRATEGY

- Focused on leveraging scale in most attractive regions
- Seeking customers who value *High Performance* services
- Long-term contracts with healthy investment returns

ESTABLISHED & GROWING IN KUWAIT & SAUDI ARABIA

- Expect activity increase ~40% in 2024, with higher profitability
- 8 rigs currently active, with 5 Kuwait & 3 Saudi Arabia
- Majority on 5 year contracts extending into 2027 & 2028

WELL POSITIONED FOR GROWTH

- Continue to bid our remaining idle rigs within the region
 - Saudi Arabia: 1 idle
 - Kuwait: 1 idle
 - Kurdistan and Georgia: 3 idle rigs
- Precision operates one of the newest fleets in the region
- 7 newbuild rigs delivered since 2014

~ 50%

EXPECTED 2024 INTERNATIONAL EBITDA GROWTH

1. Dots on map representative of where Precision currently has 8 active rigs

COMPLETION & PRODUCTION WELL POSITIONED



PREMIER WELL SERVICE PROVIDER IN CANADA

- Largest well service provider in WCSB
- Fleet of 183 registered well service rigs (173 in Canada)
- Rigs located near all major oil and gas basins
- Additional earnings from camps & catering and rentals



ACQUISITIONS¹ PROVIDE SCALE & IMPROVED CASH FLOW POTENTIAL

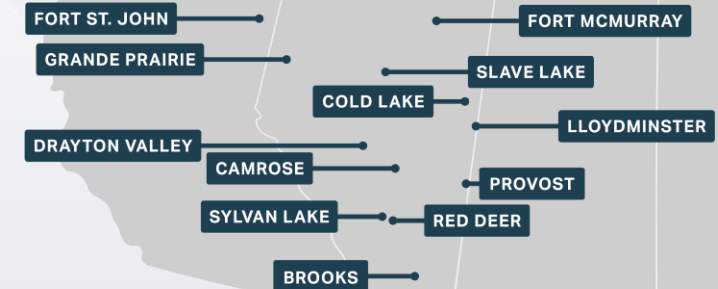
- Benefit from high-performance fleet and operating scale
- Well service activity expected to grow ~40% over 2023
- Fully integrated operations of CWC and realized ~\$12 million of the expected \$20 million in annual synergies



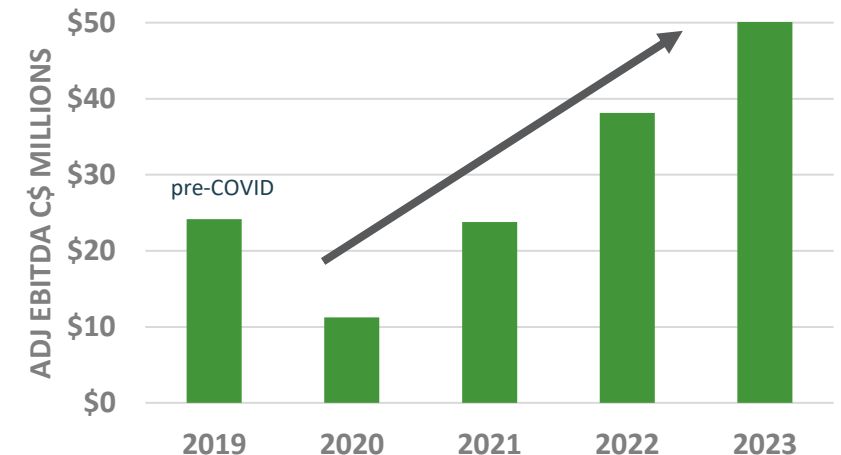
POSITIVE OUTLOOK FOR BUSINESS

- Commodity prices support increased activity and demand
- Shortage of high-quality assets and staffed service rigs, supporting healthy activity and pricing

Precision Well Service Canadian Locations¹



ADJUSTED EBITDA¹



1. High Arctic's well service business and rental assets acquired July 27, 2022; CWC Energy Services Corp. acquired November 8, 2023

CWC ACQUISITION HIGHLIGHTS – CLOSED NOVEMBER 8/23

DEAL SUMMARY

- Transaction Value of \$127 million on closing
 - 947,807 Precision shares, \$14m cash & \$38m of CWC net debt
- **Additional fleet** in Canada and the U.S. includes:
 - 62 marketed service rigs in Canada
 - 7 marketed drilling rigs in Canada
 - 11 marketed drilling rigs in the U.S., including 7 AC triple rigs
- Transaction closed **November 8, 2023**



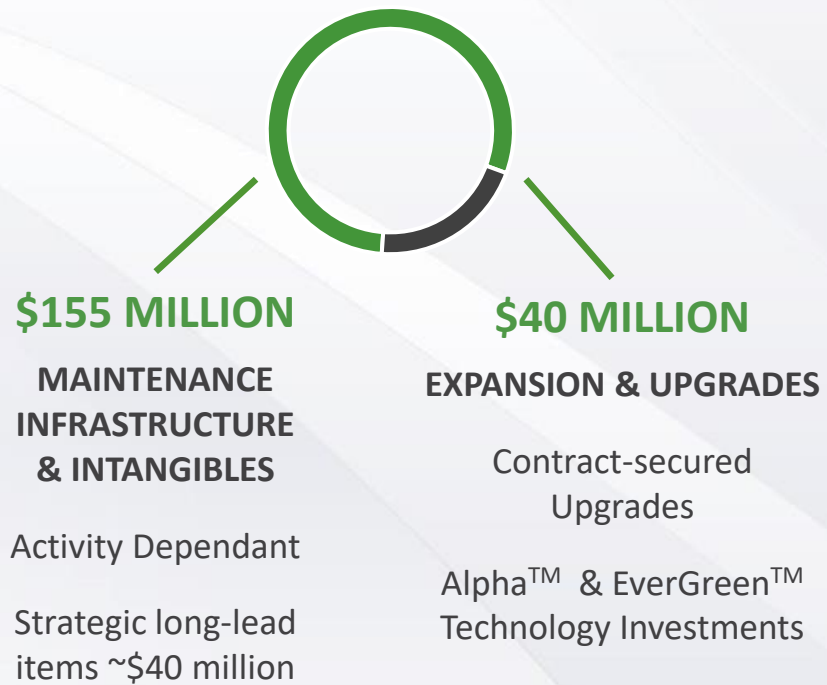
TRANSACTION RATIONALE

- High-quality assets in complementary geographics
- Annual operating synergies of ~\$20m expected
- ~\$20m expected proceeds from CWC real estate
 - \$12m realized as of December 31, 2023
- Accretive on a 2024 cash flow per share basis
- Supports Precision's ongoing deleveraging plan

*2022 Financial Results: Revenue of \$205 million; Adjusted EBITDA of \$46 million. June 30, 2023 Equity Book Value of \$212 million.

BENEFIT OF LONG-LIFE ASSETS

\$195 MILLION 2024 CAPEX BUDGET



Alpha™ PORTFOLIO IS EXPANDING & SCALABLE



AlphaAutomation™

(\$1,500 / day)

- Process automation control platform
- Delivers record well times with consistency
- Eliminates human variances from operation



AlphaApps™

(\$250 - \$1,000 / day)

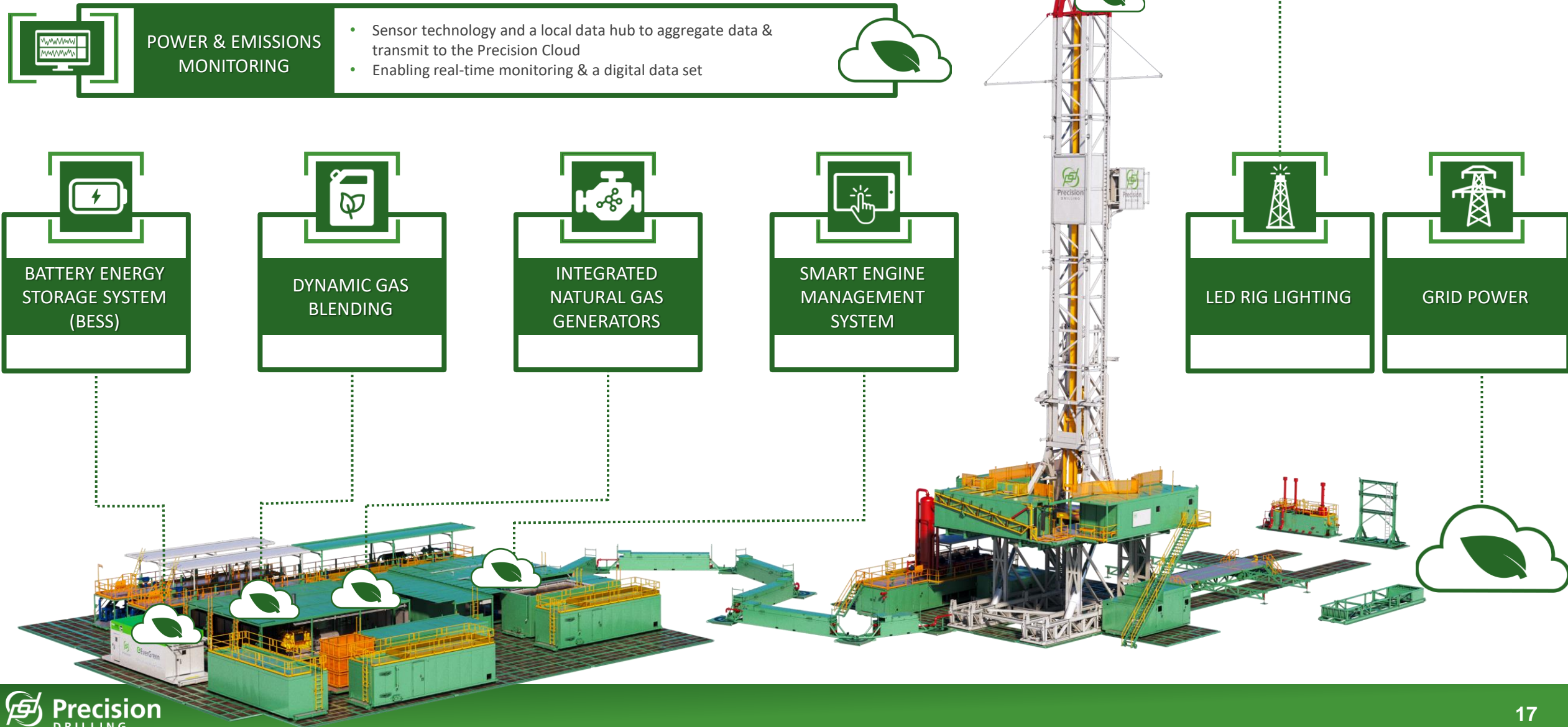
- Open platform, providing broader access to market technology
- 21 commercial apps to maximize drilling, cost efficiency & equipment optimization



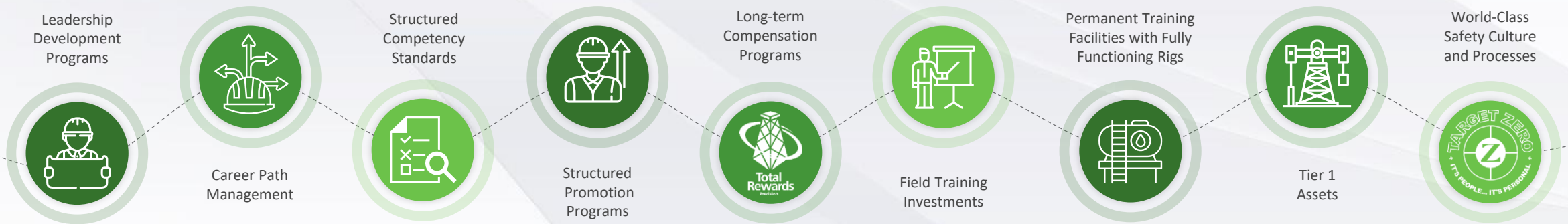
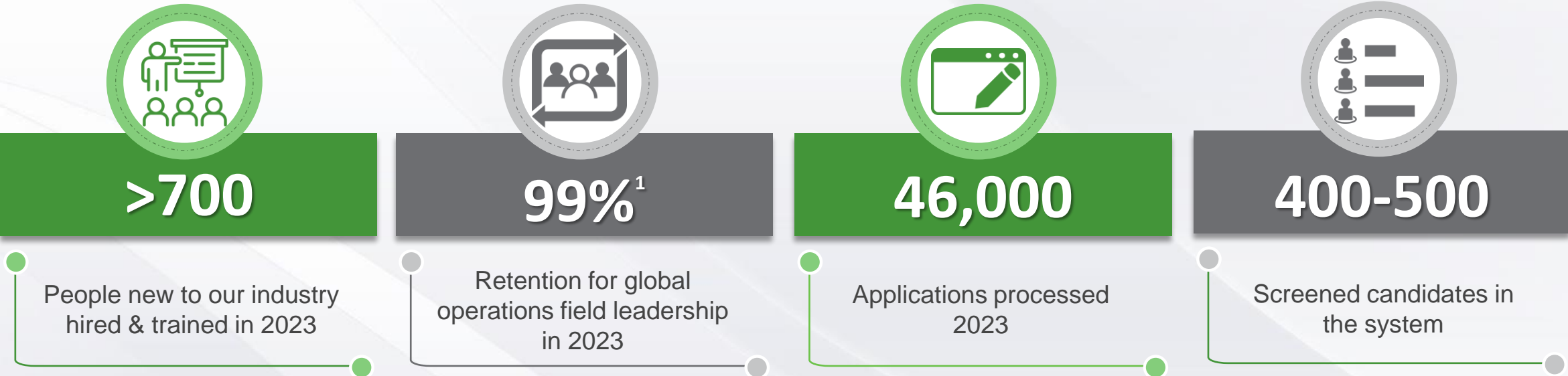
AlphaAnalytics™

(\$250 - \$2,000 / day)

- High definition, real-time data analytics drives performance & customer KPIs
- Drilling engineering & drilling risk management services



FIELD RECRUITING A CORE FOCUS



1. Represents field leadership positions (ie. Drillers, Rig Managers and Field Superintendents)

FOCUSED ON ESG LEADERSHIP

2023 ESG Performance Data Available April 4th

- Visit our website at www.precisiondrilling.com/esg
- Consistent with SASB, TCFD, and GRI disclosure standards

2023 ESG Highlights

- Disclosed GHG emissions data for both drilling and well service activities
- Increased deployment of EverGreen™ environmental solutions across our *Super Triple* fleet
- Conducted >24,300 emergency response drills
- Trained ~4,500 employees on our Code of Business Conduct & Ethics policies
- Issued our first Modern Slavery Report
- Expect to achieve >30% female representation on the Board, following our 2024 AGM



SHAREHOLDER VALUE

The background image shows an industrial setting. In the foreground, there is a white container with green accents. The container has the Precision Drilling logo, which consists of a stylized 'PD' inside a circle. Below the logo, it says 'eEverGreen' and 'SUITE OF ENVIRONMENTAL SOLUTIONS'. Further down, it says 'Precision Battery Energy Storage System' and 'DRILLING'. In the background, a tall drilling rig is visible against a blue sky with some clouds. The rig is white and yellow. The overall scene is an industrial site.

DELIVERING *HIGH PERFORMANCE, HIGH VALUE* SERVICES

GENERATING SIGNIFICANT FREE CASH FLOW

STRICT COST CONTROL & CAPITAL DISCIPLINE

**HIGHER EQUITY VALUATION THROUGH STRONG FCF YIELD,
DELEVERAGING & SHARE REPURCHASES**

DISCIPLINED INVESTMENTS IN OUR PEOPLE & EQUIPMENT

APPENDIX

Precision Drilling Corporation



2023 STRATEGIC PRIORITIES RESULTS



1

DELIVER *HIGH PERFORMANCE, HIGH VALUE* SERVICE

- ✓ Remain leading drilling & well service provider in Canada
- ✓ Added 30th AC *Super Triple* rig to our Canadian fleet
- ✓ Completed the CWC acquisition as of Nov 8, 2023

2

MAXIMIZE FREE CASH FLOW

- ✓ Increased daily operating margins year over year
- ✓ Grew Alpha™ and EverGreen™ revenue year over year
- ✓ Continued to integrate 2022 High Arctic Energy Services assets, growing C&P earnings significantly year over year

3

STRENGTHEN BALANCE SHEET

- ✓ Reduced total debt by \$152 million in 2023
- ✓ Achieved Net Debt to Adjusted EBITDA⁽¹⁾ ~1.4 times at year end
- ✓ Repurchased \$30 million of outstanding shares in 2023

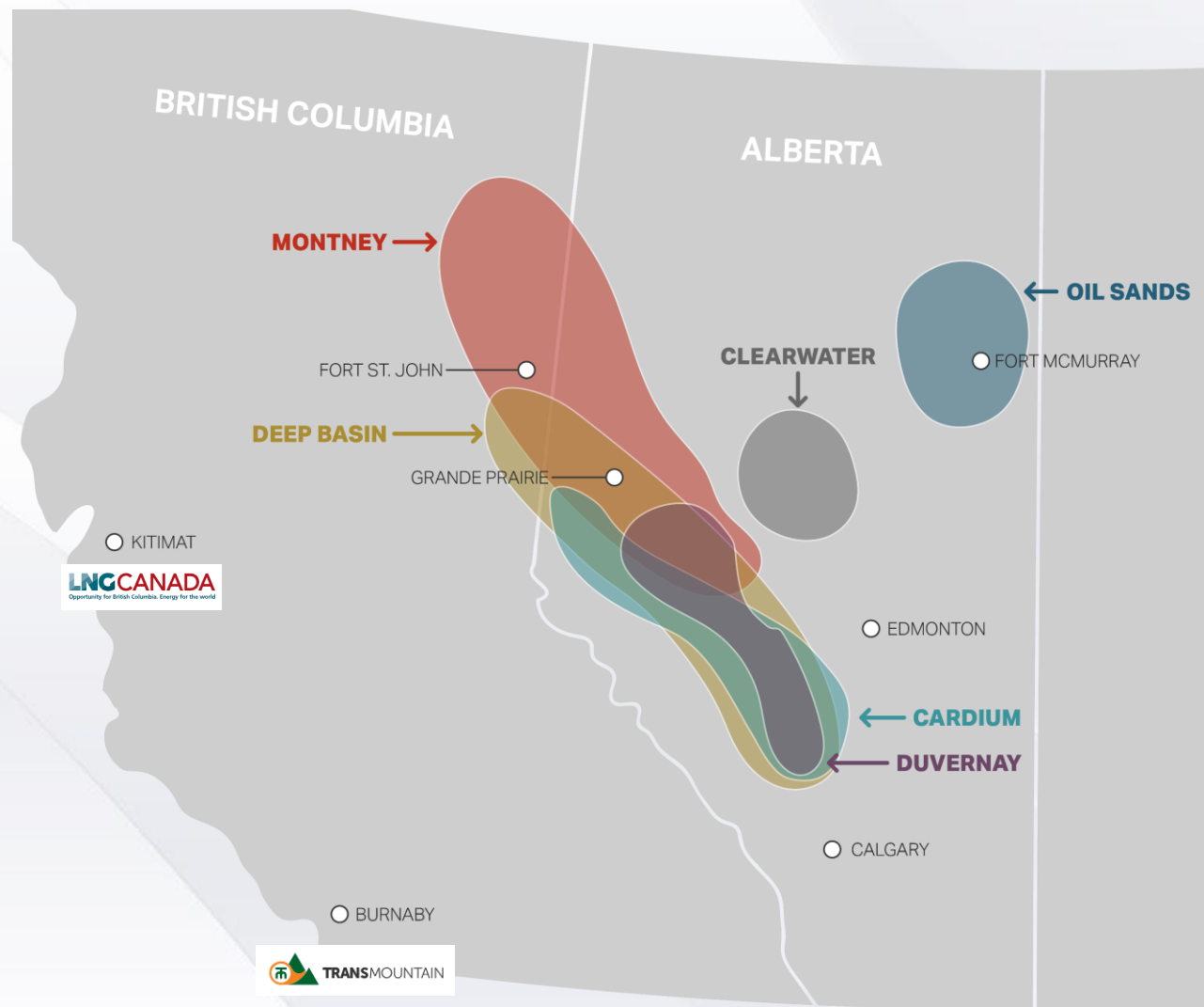
1. Non-GAAP measure. Please refer to Precision's Annual Report for the year ended December 31, 2022 for more information.

POSITIONED TO BENEFIT FROM STRONG CANADIAN FUNDAMENTALS

Montney – one of the most economic and active plays in North America supporting condensate supply for oil sands production and natural gas supply for LNG Canada

West Coast LNG – up to ~7 bcf/d² of potential new export capacity over next decade; including phase 1 LNG Canada 2.1 bcf/d with start-up operations to begin in 2024

TMX Expansion – ~600,000 bbls/d incremental oil egress expected to lower WCS differential and improve producer's cash flow; start-up expected in Q2/24



Oil Sands¹ – potential growth of ~280,000 bbls/d, which could drive incremental condensate demand of ~100,000 bbls/d by end of 2027

Clearwater Heavy Oil¹ – largest conventional oil development in WCSB; ~76% CAGR past 5 years (25% expected YoY growth)

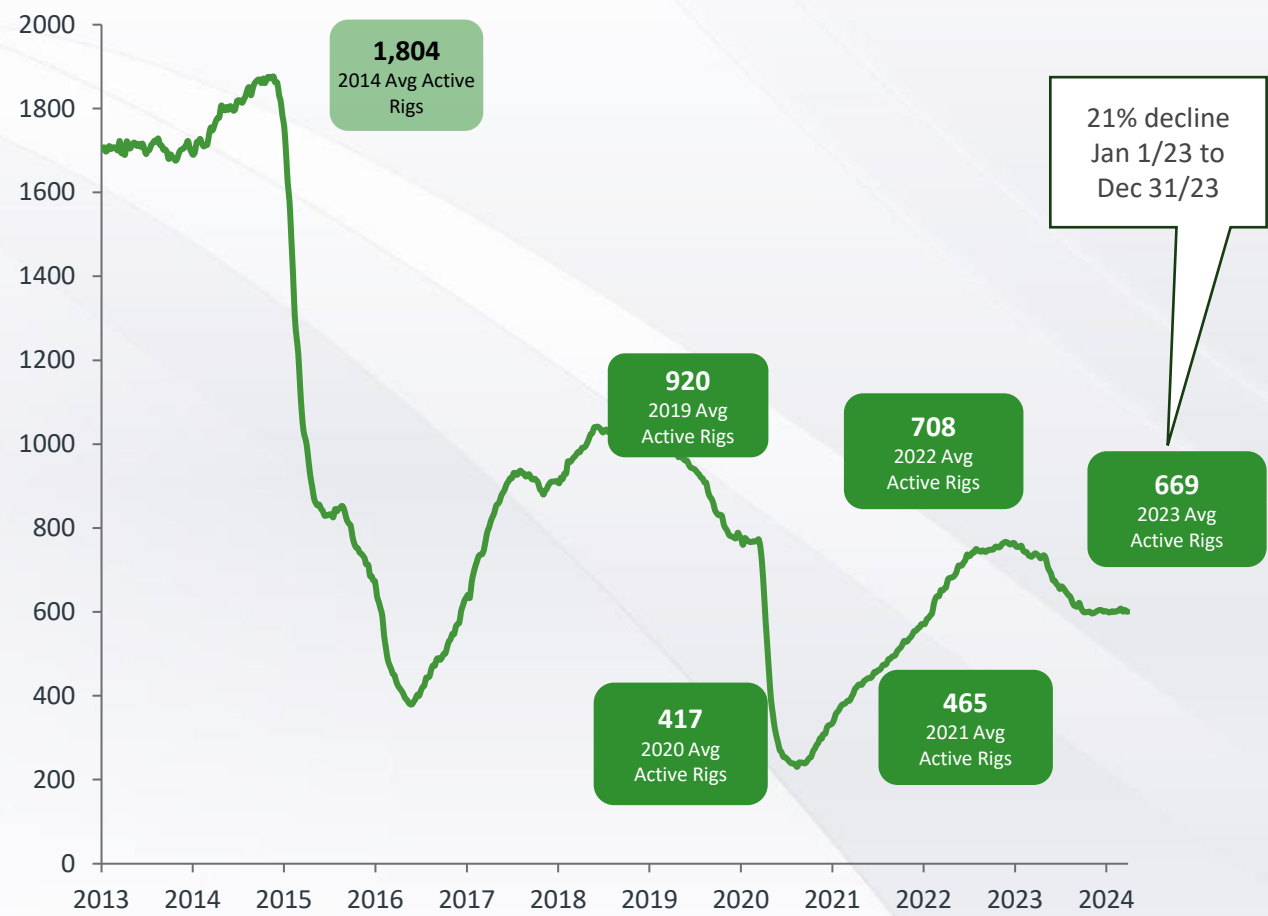
WCSB Production Growth – in addition to Montney and Clearwater, production growing across WCSB, including Duvernay, Deep Basin and Cardium

1. Source Peters & Co Limited: Fall 2023 Energy Overview

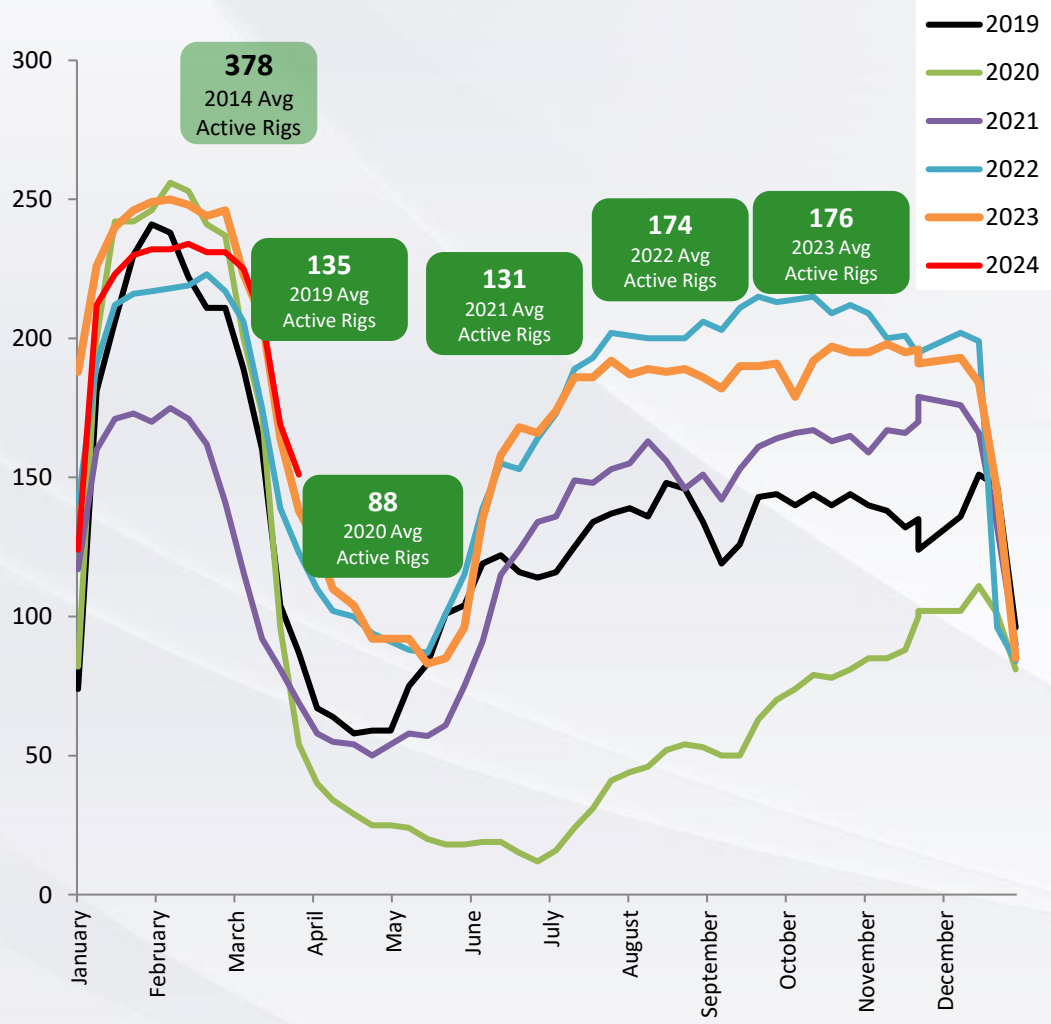
2. Includes LNG Canada Phases 1 & 2 (2.1 bcf/d each), Cedar LNG (0.4 bcf/d), Woodfibre LNG (0.3 bcf/d), and Ksi Lismi LNG (1.9 bcf/d)

HISTORICAL INDUSTRY DRILLING ACTIVITY

U.S. LAND RIG COUNT 10 YEAR HISTORY



CANADIAN LAND RIG COUNT 5 YEAR HISTORY



Source: Baker Hughes land rig count as of Mar 29, 2024

ADVANCED RIG TECHNOLOGY

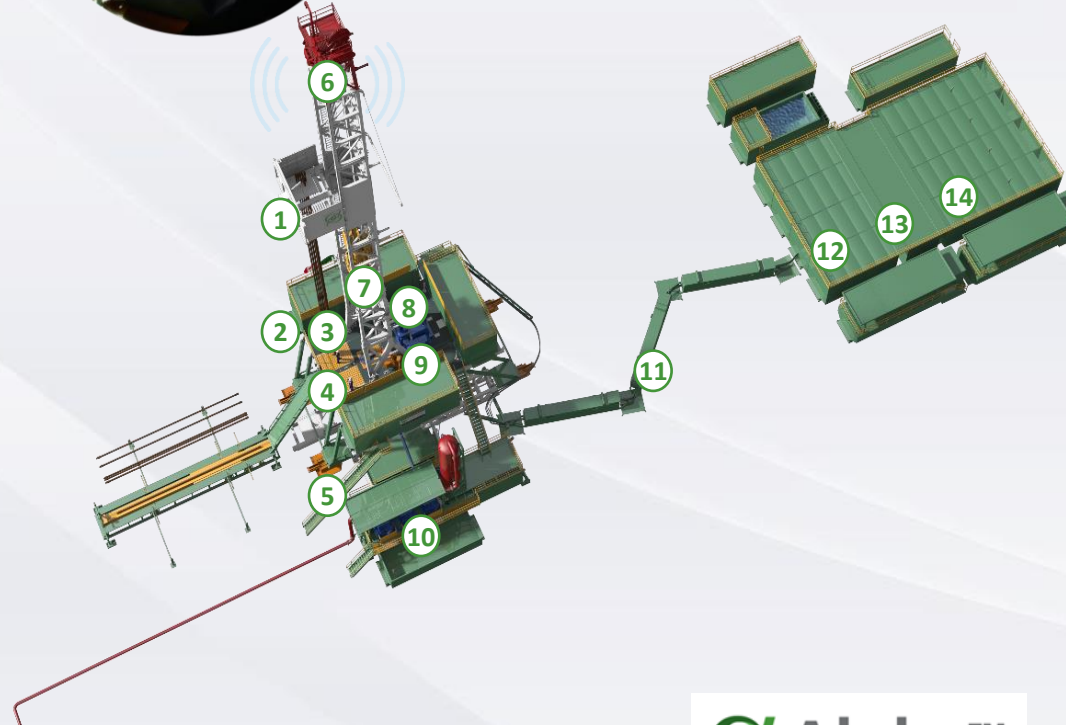
OPERATIONAL EFFICIENCY REDUCES EMISSIONS

- ① 25,000' + ft Racking Capacity
- ② AlphaAutomation™, AlphaApps™ & AlphaAnalytics™
- ③ Drilling Equipment Control System
- ④ High Speed Downhole Data
- ⑤ Omni-pad™ Walking System
- ⑥ 825,000 LBS. hook load
- 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 - 1,600 HP 7,500 PSI Pumps
- ⑬ Integrated Power Management System
- ⑭ 4 - CAT 3512 Gensets

REMOTE OPERATIONS CONTROL CENTER
(OPTIMIZATION*)



PRECISION SUPER TRIPLE



Alpha™

SYSTEMS & SCALE DELIVER PERFORMANCE

INTEGRATED BUSINESS MODEL DRIVING EXCELLENCE & LOWERING COSTS



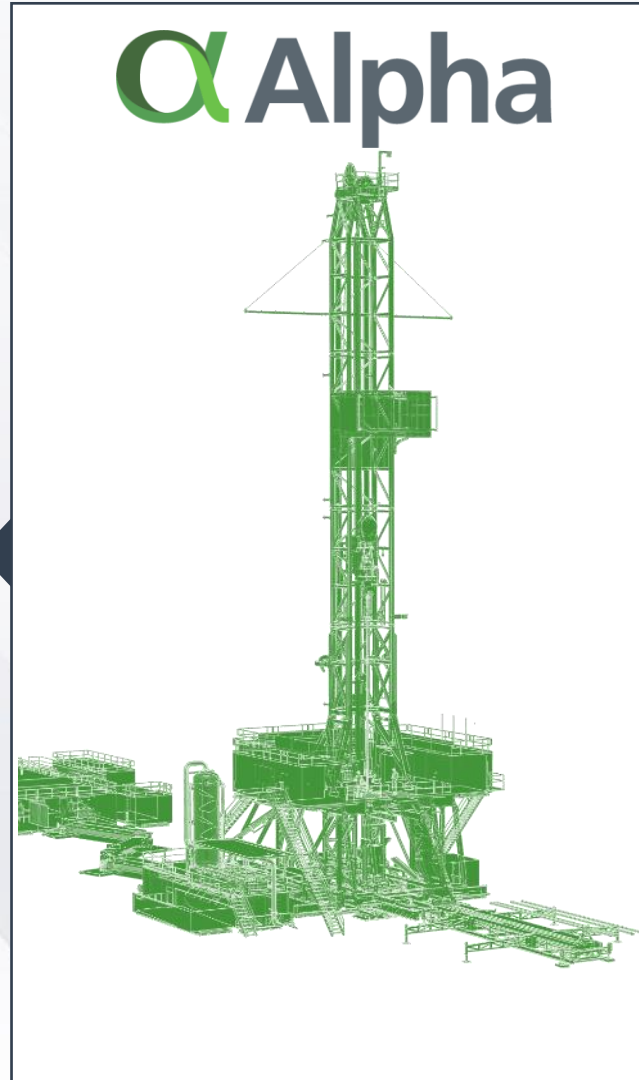
IT Infrastructure and ERP

- SAP S4 HANA
- Supports Increased Data Flows
- Operating Efficiencies
- Fixed Cost Leverage



Technical Support Centers

- Houston, TX & Nisku, AB
- Asset Integrity
- Maintenance Standard
- In House Repair & Rebuild



Manufacturing + Capital Projects

- Engineering
- Project Management
- Equipment Manufacturing
- New Builds & Upgrades



Supply Chain Management

- Internal Supply Stores
- Cost Savings
- Vendor Management
- Centralized Support

CASE STUDY #20-06: DELAWARE BASIN



6 DAYS

IMPROVEMENT OVER OPERATOR TARGET



\$147K

AVG SAVINGS PER WELL FOR OPERATOR



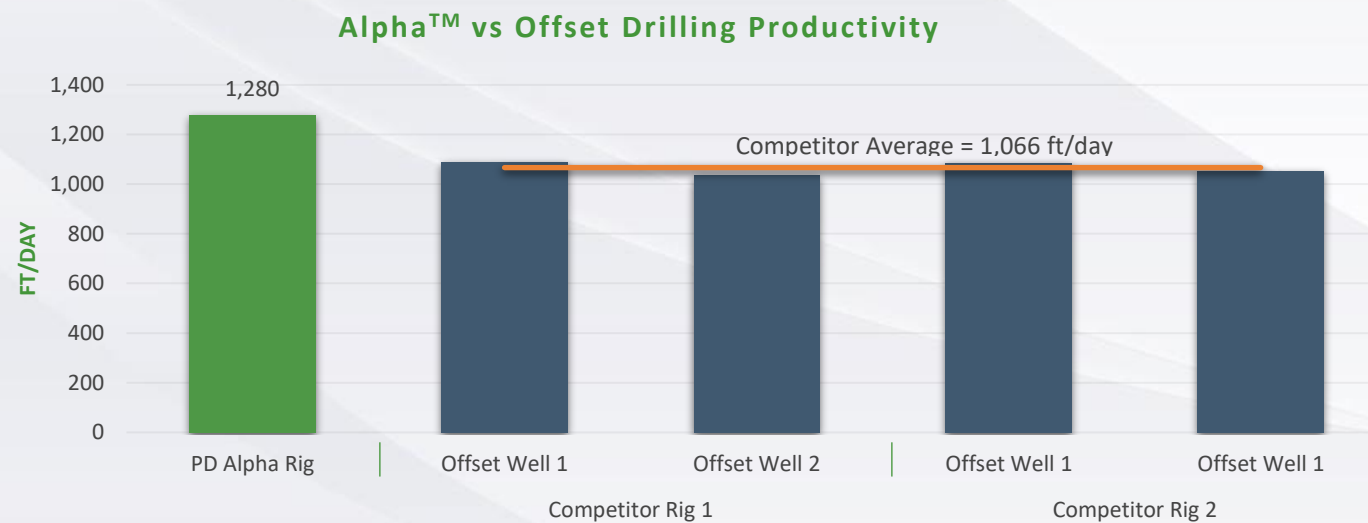
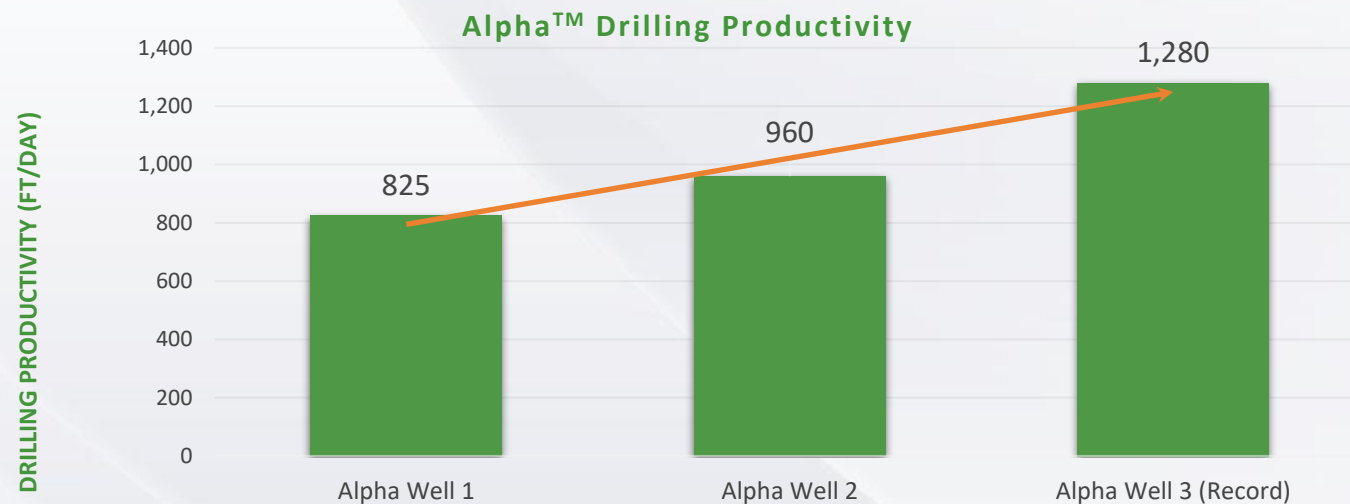
55%

PRODUCTIVITY IMPROVEMENT OVER NON-ALPHA OFFSETS



\$65K

ALPHA™ GENERATED REVENUE



Alpha™ SETS NEW BENCHMARK

CASE STUDY #20-08: MONTNEY DRILLING PROGRAM



3 DAYS

IMPROVEMENT OVER OPERATOR TARGET



\$165K

AVG SAVINGS PER WELL FOR OPERATOR



27%

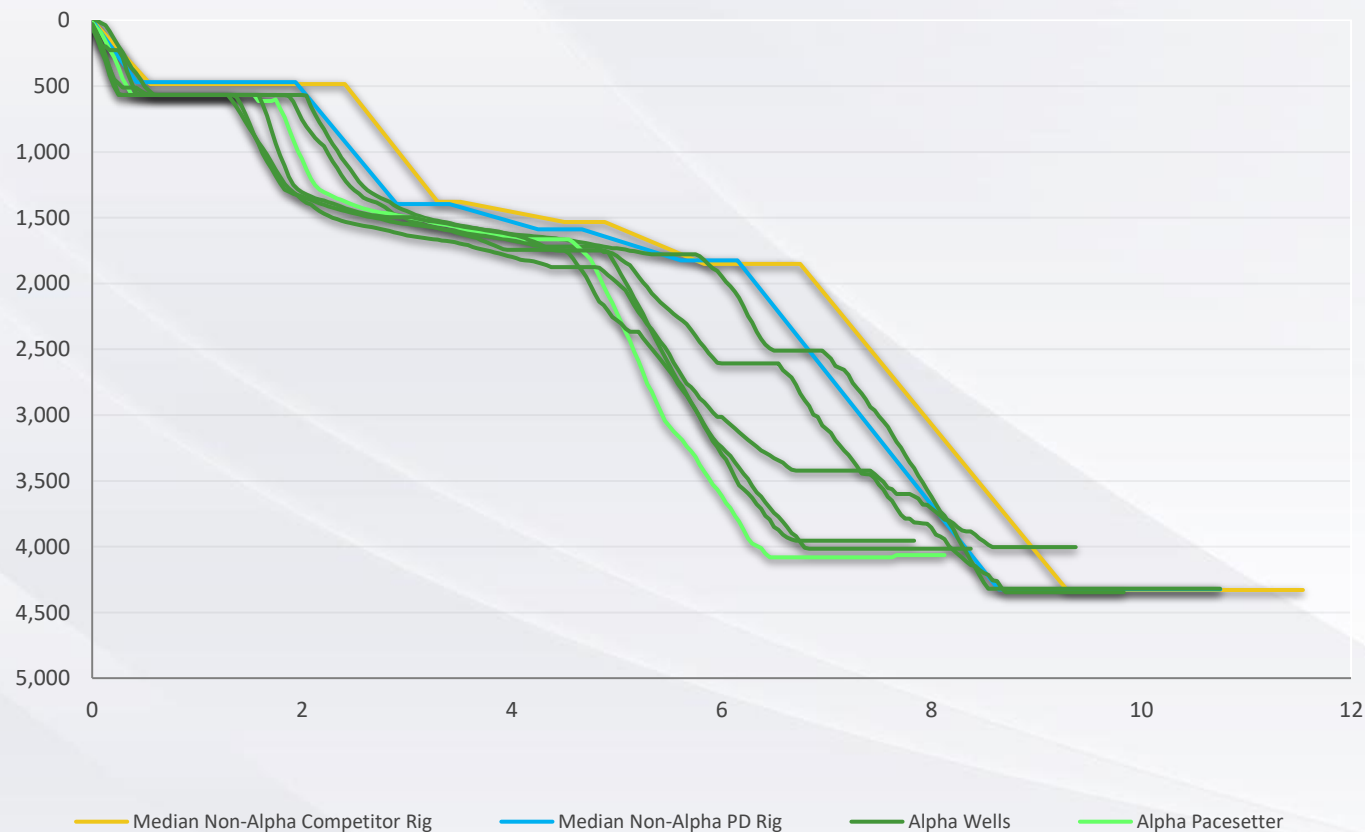
PRODUCTIVITY IMPROVEMENT OVER NON-ALPHA OFFSETS



\$75K

ALPHA™ GENERATED REVENUE

Days vs Depth Performance Curve



26%

INCREASE IN ENGINE EFFICIENCY



1,119

GALLONS OF DIESEL DISPLACEMENT



26%

REDUCTION IN GHG EMISSIONS

