CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at *(Unaudited, in thousands of Canadian dollars)*	**March 31 2023**	December 31 2022
Assets		
Current Assets		
Cash	**$ 44,850**	$ 49,880
Accounts receivable	**356,343**	359,933
Inventories, prepaid, investments and other	**56,839**	60,758
Income taxes receivable	**42**	40
Total current assets	**458,074**	470,611
Property and equipment	**2,486,337**	2,516,923
Deferred income taxes	**200,013**	196,370
Total assets	**$ 3,144,424**	$ 3,183,904
Liabilities		
Current Liabilities		
Accounts payable and accruals	**$ 266,659**	$ 268,243
Share-based compensation *(Note 6)*	**11,748**	11,735
Income taxes payable	**4,815**	4,423
Current portion of lease obligation	**6,013**	11,324
Current portion of long-term debt *(Note 7)*	**846,954**	882,686
Total current liabilities	**1,136,189**	1,178,411
Share-based compensation *(Note 6)*	**7,040**	13,635
Long-term debt *(Note 7)*	**558,535**	556,889
Lease obligations	**5,449**	5,948
Income taxes payable	**5,389**	5,394
Deferred income taxes	**140,010**	134,857
Total liabilities	**1,852,612**	1,895,134
Shareholders' Equity		
Shareholders' capital *(Note 8)*	**268,748**	267,790
Contributed surplus	**22,521**	23,398
Accumulated other comprehensive income	**274,773**	276,053
Retained earnings	**725,770**	721,529
Total shareholders' equity	**1,291,812**	1,288,770
Total liabilities and shareholders' equity	**$ 3,144,424**	$ 3,183,904

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

For the three months ended	**March 31 2023**	March 31 2022
(Unaudited, in thousands of Canadian dollars, except per common share data)		
Revenue	**$ 484,052**	$ 332,676
Expenses		
Oilfield services	**342,199**	251,821
Depreciation	**77,855**	69,980
General and administrative	**14,529**	10,890
Share-based compensation	**1,725**	10,399
Foreign exchange loss (gain) and other	**5,026**	(1,345)
Total expenses	**441,334**	341,745
Income (loss) before interest expense, accretion of deferred financing charges and other (gains) and income taxes	**42,718**	(9,069)
Gain on asset sale	**(108)**	(29,942)
Interest expense	**34,398**	25,184
Accretion of deferred financing charges	**2,200**	2,202
Income (loss) before income taxes	**6,228**	(6,513)
Income tax (recovery)		
Current income tax (recovery)	**401**	(1,670)
Deferred income tax (recovery)	**1,360**	(11,532)
Total income tax (recovery)	**1,761**	(13,202)
Net income	**4,467**	6,689
Net income attributable to:		
Common shareholders	**4,241**	6,587
Non-controlling interests	**226**	102
	4,467	6,689
Net income attributable to common shareholders per common share *(Note 9)*		
Basic	**$ 0.02**	$ 0.04
Diluted	**$ 0.02**	$ 0.04

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended		**March 31 2023**		March 31 2022
(Unaudited, in thousands of Canadian dollars)				
Net income	**$**	**4,467**	$	6,689
Other comprehensive loss				
Item that may be subsequently reclassified to profit or loss				
Foreign currency translation adjustment		**(1,280)**		(10,044)
Comprehensive income (loss)	**$**	**3,187**	$	(3,355)
Other Comprehensive loss attributable to:				
Common shareholders	**$**	**(1,280)**	$	(10,044)
	$	**(1,280)**	$	(10,044)

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited, in thousands of Canadian dollars)	Shareholders' capital	Contributed surplus	Equity component of convertible debenture	Accumulated other comprehensive income	Retained earnings	Total equity
Balance, January 1, 2023	$ 267,790	$ 23,398	$ —	$ 276,053	$ 721,529	$ 1,288,770
Net income attributable to common shareholders	—	—	—	—	4,241	4,241
Other comprehensive loss	—	—	—	(1,280)	—	(1,280)
Total comprehensive (loss) income	—	—	—	(1,280)	4,241	2,961
Common shares issued under share option plan	32	(18)	—	—	—	14
Share-based compensation	—	602	—	—	—	602
Common shares vested previously held in trust	1,461	(1,461)	—	—	—	—
Purchase of common shares held in trust	(535)	—	—	—	—	(535)
Balance, March 31, 2023	**$ 268,748**	**$ 22,521**	**$ —**	**$ 274,773**	**$ 725,770**	**$ 1,291,812**
Balance, January 1, 2022	$ 230,376	$ 23,197	$ 2,380	$ 223,308	$ 713,401	$ 1,192,662
Net income attributable to common shareholders	—	—	—	—	6,587	6,587
Other comprehensive loss	—	—	—	(10,044)	—	(10,044)
Total comprehensive (loss) income	—	—	—	(10,044)	6,587	(3,457)
Common shares issued under share option plan	108	(72)	—	—	—	36
Share-based compensation	—	443	—	—	—	443
Common shares vested previously held in trust	1,072	(1,072)	—	—	—	—
Purchase of common shares held in trust	(375)	—	—	—	—	(375)
Balance, March 31, 2022	$ 231,181	$ 22,496	$ 2,380	$ 213,264	$ 719,988	$ 1,189,309

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended	**March 31 2023**	March 31 2022
(Unaudited, in thousands of Canadian dollars)		
Cash provided by (used in)		
Operating activities		
Net income	**$ 4,467**	$ 6,689
Items not affecting cash		
Depreciation	**77,855**	69,980
Gain on asset sale	**(108)**	(29,942)
Share-based compensation, net of cash paid	**(5,963)**	10,399
Unrealized foreign exchange and other loss	**4,082**	3,761
Accretion of deferred financing charges *(Note 7)*	**2,200**	2,202
Interest expense	**34,398**	25,184
Deferred income tax expense (recovery)	**1,360**	(11,532)
Funds flow from operations	**118,291**	76,741
Net change in non-cash working capital *(Note 10)*	**(13,717)**	(22,185)
Cash provided by operating activities	**104,574**	54,556
Investing activities		
Purchase of property and equipment	**(49,879)**	(31,951)
Proceeds from disposals of property and equipment	**155**	42,747
Net change in non-cash working capital *(Note 10)*	**7,538**	5,697
Cash (used in) provided by investing activities	**(42,186)**	16,493
Financing activities		
Proceeds from long-term debt *(Note 7)*	**8,262**	1,900
Repayments of long-term debt *(Note 7)*	**(43,905)**	(41,934)
Lease obligations principal repayments	**(8,944)**	(1,898)
Purchase of common shares held in trust *(Note 8)*	**(535)**	(375)
Issuance of common share under the share option plan	**—**	36
Interest paid	**(22,769)**	(12,453)
Cash used in financing activities	**(67,891)**	(54,724)
Net (decrease) increase in cash	**(5,503)**	16,325
Effects of foreign exchange on cash	**473**	76
Cash		
Beginning of period	**49,880**	13,305
End of period	**$ 44,850**	$ 29,706

See accompanying notes to the interim consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2023 and 2022
(Unaudited, in thousands of Canadian dollars, except common share and per common share data)

1. NATURE OF BUSINESS

Ensign Energy Services Inc. is incorporated under the laws of the Province of Alberta, Canada. The address of its registered office is 1000, 400 – 5th Avenue S.W., Calgary, Alberta, Canada, T2P 0L6. Ensign Energy Services Inc. and its subsidiaries and partnerships (the "Company") provide oilfield services to the oil and natural gas industry in Canada, the United States and internationally.

2. BASIS OF PRESENTATION

These consolidated financial statements are presented in Canadian dollars which is the Company's functional currency.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting ("IAS 34"). The interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements for the year ended December 31, 2022. The calculation of depreciation includes assumptions related to useful lives and residual values that are regularly reviewed by management. The disclosures provided below do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto for the year ended December 31, 2022, which have been prepared in accordance with IFRS as issued by the IASB. The Company has consistently applied the same accounting policies throughout all periods presented.

These interim consolidated financial statements were approved by the Company's Board of Directors on May 5, 2023, after review by the Company's Audit Committee.

3. SEASONALITY OF OPERATIONS

The Company's Canadian oilfield services operations are seasonal in nature and are impacted by weather conditions that may hinder the Company's ability to access locations or move heavy equipment. The lowest activity levels are experienced during the second quarter of the year when road weight restrictions are in place and access to wellsites in Canada is reduced. In addition, operations in certain international jurisdictions may be subject to seasonal weather conditions.

4. FOREIGN OPERATIONS

The Company provides oilfield services throughout much of North America and internationally in a number of onshore drilling areas. The Company's foreign operations, with the general exception of operations in the United States and Australia, are subject to a number of risks and uncertainties such as unstable government regimes, civil and/or labor unrest, strikes, terrorist threats, regulatory uncertainty and complex commercial arrangements.

The Company's operations in Venezuela and Argentina are subject to certain restrictions with respect to the transfer of funds into or out of such countries; however, such restrictions are not considered significant to the Company at this time due to the relatively small size of the operations and certain contractual provisions that have been put in place designed to protect the Company. As such the Company is exposed to insignificant foreign exchange risks.

5. CHANGES IN ACCOUNTING POLICIES

The following new standards and amendments are effective for the period beginning January 1, 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 -Income Taxes).

IFRS 17 Insurance Contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting periods beginning on or after 1 January 2023.

IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed.

Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers.

The Company carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the interim consolidated financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose significant accounting policies with material accounting policy information. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the Company's interim consolidated financial statements as they relate to disclosures of accounting policies in year-end financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the Company’s annual consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendment to IAS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments have no effect on the Company’s interim consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognized simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments have no effect on the Company’s interim consolidated financial statements.

6. SHARE-BASED COMPENSATION

A summary of the Company's share option plan as of March 31, 2023 and the changes during the three month period ended, is presented below:

	Number of Share Options		Weighted Average Exercise Price
Outstanding – January 1, 2023	4,287,410	$	2.57
Granted	1,626,000		3.94
Exercised	(42,530)		1.30
Forfeited	(28,550)		5.02
Outstanding - March 31, 2023	**5,842,330**	**$**	**2.95**
Exercisable - March 31, 2023	**1,777,290**	**$**	**2.99**

The following table lists the options outstanding at March 31, 2023:

Exercise Price	Outstanding Options	Average Vesting Remaining (in years)		Weighted Average Exercise Price	Options Exercisable		Weighted Average Exercise Price
$0.54 to $1.50	825,085	1.75	$	0.54	442,235	$	0.54
$1.51 to $3.00	2,591,345	3.30		2.24	695,135		2.06
$3.01 to $5.69	2,425,900	3.43		4.52	639,920		5.69
	5,842,330	3.14	$	2.95	1,777,290	$	2.99

The assumptions used to estimate the fair value of employee share options were:

	March 31, 2023
Remaining expected life (years)	2.9
Volatility (percent)	40.0
Forfeiture rate (percent)	7.5
Risk-free interest rate (percent)	3.4
Expected dividend (percent)	—

Share Appreciation Rights (SARs)

A summary of the Company's SARs plan as of March 31, 2023 and the changes during the three month period ended, is presented below:

	Number of SARs		Weighted Average Exercise Price
Outstanding – January 1, 2023	448,215	$	2.47
Granted	153,000		3.94
Exercised	(16,700)		1.43
Forfeited	(500)		2.80
Outstanding - March 31, 2023	**584,015**	**$**	**2.88**
Exercisable - March 31, 2023	**179,616**	**$**	**3.00**

The following table lists the SARs outstanding at March 31, 2023:

Exercise Price	SARs Outstanding	Average Vesting Remaining (in years)		Weighted Average Exercise Price	SARs Exercisable		Weighted Average Exercise Price
$0.54 to $1.50	85,215	1.75	$	0.54	44,099	$	0.54
$1.51 to $3.00	260,585	3.19		2.11	67,345		1.90
$3.01 to $5.69	238,215	3.32		4.57	68,172		5.69
	584,015	3.03	$	2.88	179,616	$	3.00

Performance Share Units (PSUs)

The Company grants Performance Share Units (PSUs) to certain officers and employees of the Company to participate in the growth and development of the Company and to promote further alignment of interests between employees and the common shareholders. PSUs are subject to the Company's performance metrics assessed by management with a three year performance period. Each PSU granted permits the holder to receive a cash payment equal to the fair market value of a common share as of the maturity date, adjusted for a performance multiplier.

A summary of the activity under this share based incentive plan is presented below:

	Outstanding
Outstanding – January 1, 2023	7,256,905
Vested and paid	(1,949,940)
Outstanding - March 31, 2023	**5,306,965**

Included in net earnings for the three months ended March 31, 2023 is an expense of $2,075 (2022 - $3,749). This was calculated using the trailing ten day volume weighted average common share price of the Company's underlying common shares, as the PSUs have no exercise price, adjusted for performance factors and subject to a two percent cap based on certain financial performance metrics.

Deferred Share Units (DSUs)

The Company awards annually members of the Board of Directors, to those who elect to take or accept DSUs. DSUs represent cash settled rights to common shares. The valuation on the DSUs is based on the volume weighted average trading price of the Common Share for the five business days immediately prior to the date the DSUs are credited. DSUs vest and are paid upon the retirement of the Director.

A summary of the activity under this incentive plan is presented below:

	Outstanding
Outstanding – January 1, 2023	1,308,327
Granted	38,127
Outstanding - March 31, 2023	**1,346,454**

7. LONG-TERM DEBT

	March 31 2023	December 31 2022
Drawings on the Credit Facility	**$ 846,954**	$ 882,686
Unsecured Senior Notes, due April 2024, 9.25%	**564,789**	565,344
Unamortized deferred financing costs	**(6,254)**	(8,455)
Total debt	**$ 1,405,489**	$ 1,439,575
Less: current portion	**(846,954)**	(882,686)
Total long-term debt	**$ 558,535**	$ 556,889

As at March 31, 2023, the Company's Credit Facility (the "**Credit Facility**") consists of a revolving secured facility. The Credit Facility may be drawn in Canadian or United States dollars, up to the equivalent value of $900,000 Canadian dollars (2022 - $900,000).

On December 17, 2021, the Company amended and restated its existing credit agreement with its syndicate of lenders, which provides a revolving Credit Facility. The amendments include an extension to the maturity date of the Credit Facility to the earlier of: (i) six months prior to maturity date of the unsecured Senior Notes (the "**Senior Notes**") due April 15, 2024, and (ii) November 25, 2024. No principal payments are due until then. The amended and restated Credit Facility provides the Company with continued access to revolver capacity in a dynamic industry environment.

The Credit Facility has the following covenant requirements:

- The Consolidated Total Debt to Consolidated EBITDA ratio shall not exceed 5.00:1.00.
- The Consolidated EBITDA to Consolidated Interest Expense ratio shall not be less than 2.50:1.00.
- The Consolidated Senior Debt to Consolidated EBITDA ratio shall not exceed 2.50:1.00.

As at March 31, 2023 the Company was in compliance with all covenants related to the Credit Facility.

During the second quarter of 2019 the Company issued US $700,000 of Senior Notes due 2024 bearing interest of 9.25%. Interest is payable semi-annually in arrears on April 15 and October 15 and the Senior Notes mature April 15, 2024.

In addition, the Company has a US $50,000 secured Letter of Credit Facility. As of March 31, 2023, the available amount was US $5,371.

The following table sets out an analysis of long-term debts and the movements in the long-term debt non-current and current portions for the periods presented:

	2023
Opening balance - January 1	**$ 1,439,575**
Proceeds from long-term debt, net of debt issuance costs	**8,262**
Long-term debt repayments	**(43,905)**
Amortization of debt issuance costs	**2,200**
Foreign exchange adjustments	**(643)**
Total debt	**$ 1,405,489**
Less: current portion	**(846,954)**
Closing balance - March 31	**$ 558,535**

8. SHAREHOLDERS' CAPITAL

(a) Authorized

Unlimited common shares, no par value
Unlimited preferred shares, no par value, issuable in series

(b) Issued, fully paid and outstanding

	Number of Common Shares		Amount
Opening balance – January 1, 2023	183,459,123	$	267,790
Shares issued under employee stock option plan	9,900		32
Changes in unvested common shares held in trust	436,705		926
Closing balance - March 31, 2023	**183,905,728**	**$**	**268,748**

The total number of unvested common shares held in trust for share-based compensation plans as at March 31, 2023 was 418,302 (December 31, 2022 – 855,007).

9. NET INCOME PER COMMON SHARE

Basic net income per common share is calculated by dividing net income attributed to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted net income per common share is calculated by dividing net loss attributed to common shareholders by the weighted average number of common shares outstanding during the period adjusted for conversion of all potentially dilutive common shares. Diluted net income attributed to common shareholders is calculated using the treasury share method, which assumes that all outstanding share options are exercised, if dilutive, and the assumed proceeds are used to purchase the Company's common shares at the average market price during the period.

	Three months ended	
	March 31 2023	March 31 2022
Net income attributable to common shareholders:		
Basic and diluted	**$ 4,241**	$ 6,587
Weighted average number of common shares outstanding:		
Basic	**183,828,048**	162,895,478
Potentially dilutive share-based compensation plans	**1,648,417**	402,526
Potentially dilutive share-convertible debenture	—	21,142,857
Diluted	**185,476,465**	184,440,861

Share options of 2,425,900 (2022 – 4,860,565) were excluded from the calculation of diluted weighted average number of common shares outstanding as they were anti-dilutive.

10. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	March 31 2023	March 31 2022
Net change in non-cash working capital		
Accounts receivable	**$ 3,914**	$ (34,091)
Inventories, prepaid investments and other	**1,766**	(1,607)
Accounts payable and accruals	**(12,252)**	21,161
Income taxes payable (receivable)	**393**	(1,951)
	$ (6,179)	$ (16,488)
Relating to:		
Operating activities	**$ (13,717)**	$ (22,185)
Investing activities	**7,538**	5,697
	$ (6,179)	$ (16,488)

11. SEGMENTED INFORMATION

The Company determines its operating segments based on internal information regularly reviewed by management to allocate resources and assess performance. Oilfield services are provided in Canada, the United States and internationally. The amounts related to each geographic area are as follows:

	2023				2022			
As at and for the three month period ended March 31	Canada	United States	International	Total	Canada	United States	International	Total
Revenue	$ 140,116	$ 274,553	$ 69,383	$ 484,052	$ 111,266	$ 166,823	$ 54,587	$ 332,676
Income (loss) before interest expense, accretion of deferred financing charges and other (gains) and income taxes	16,952	25,235	531	42,718	(4,333)	(8,718)	3,982	(9,069)
Property and equipment, net	$ 598,075	$1,409,612	$ 478,650	$2,486,337	$ 645,147	$1,344,579	$ 454,895	$2,444,621

	March 31 2023	March 31 2022
Rig rental revenue	**$ 381,809**	$ 238,710
Service revenue	**102,243**	93,966
Total revenue	**$ 484,052**	$ 332,676

There are no material differences in the basis of accounting or the measurement of loss, assets and liabilities between the Corporation and reported segment information, except that certain inter-company liabilities and equity are offset with the assets of the appropriate related segment. Revenues and expenses are attributed to geographical areas based on the location in which the services are rendered. The segment presentation of assets and liabilities is based on the geographical location of the assets.

12. FAIR VALUE MEASUREMENTS

The fair value of cash and cash equivalents, accounts receivable and accounts payable and accruals approximates their carrying value due to the short-term maturity of these financial instruments. The fair value of the drawings on the bank credit facilities approximates its carrying value.

The estimated fair value of the unsecured senior notes has been determined based on available market information and appropriate valuation methods, including the use of discounted future cash flows using current rates for similar instruments with similar risks and maturities. The estimated fair value of the unsecured senior notes approximates its carrying value.

Financial assets and liabilities recorded or disclosed at fair value in the consolidated statement of financial position are categorized using a three-level hierarchy that reflects the level of judgment associated with the inputs used to measure their fair value. The fair values of financial assets and liabilities included in Level 1 are determined by reference to unadjusted quoted prices in active markets for identical assets and liabilities. Fair values of financial assets and liabilities in Level 2 are based on inputs other than Level 1 quoted prices that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices). The fair values in Level 3 financial assets and liabilities are not based on observable market data.

The estimated fair value of senior unsecured notes was based on Level 2 inputs and was estimated using the risk free interest rates on government debt instruments of similar maturities, adjusted for estimated credit risk and market risk premiums.

The estimated fair value of the liability portion of the convertible debt was based on Level 3 inputs and was estimated using the relative market interest rate.

The fair value of non-controlling interest is based on Level 3 inputs and is not based on observable market.

13. FINANCIAL INSTRUMENTS

Credit Risk

The Company is subject to credit risk on accounts receivable balances, which at March 31, 2023 totaled $356,343, a decrease of $3,590 from $359,933 as at December 31, 2022. The varying levels of oil and natural gas commodity prices negatively impact the cash flow of the Company's customers and, consequently, increased the collection risk of accounts receivable balances.

As part of the Company’s international operations, it provided oilfield services in Venezuela pursuant to contractual arrangements, which the contracts have expired or were terminated in the second quarter of 2020. As at March 31, 2023, the Company had a net accounts receivable balance of approximately $5,521 for work performed in Venezuela. Though the Company has a history of collecting accounts receivable in Venezuela, due to the continuing political unrest in the country as well as imposed sanctions there can be no assurance that the Company will be successful in collecting all of such accounts receivable outstanding.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company manages liquidity by forecasting cash flows on an annual basis and secures sufficient credit facilities to meet financing requirements that exceed anticipated internally generated funds. As at March 31, 2023, the remaining contractual maturities of accounts payable and accruals are less than one year.

On December 17, 2021, the Company amended and extended the existing $900,000 Credit Facility agreement with its syndicate of lenders. For details of amendments, refer to note 7. The amendments and extension provide the Company with continued access to revolver capacity and near-term flexibility in a volatile oil price environment. As at March 31, 2023, the remaining contractual maturity Credit Facility is the earlier of: (i) six months prior to maturity date of the unsecured Senior Notes (the "**Senior Notes**") due April 15, 2024, and (ii) November 25, 2024 and as such has been classified as current. The Company has a history with successfully negotiating contractual terms and extending the maturity of the Credit Facility. As at the date of the consolidated financial statements, the Company has not entered into formal discussions about the renewal and extension of its existing Credit Facility with the Credit Facility syndicate.