

2019



Precision
DRILLING

Corporate Responsibility Report

HIGH
PERFORMANCE
HIGH VALUE

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A message from the President and CEO to our Stakeholders



At Precision Drilling, we believe Corporate Responsibility is integral to our long-term **High Performance, High Value** business strategy. As a company that relies on our Passionate People to deliver services to our customers, our first corporate responsibility is to our employees around the globe. It begins with recruiting the best people, and continues with training, providing career development opportunities and keeping them safe by providing the best safety protocols we can envision. Our Core Values, Key Beliefs and Target Zero Rules reinforce the importance we place on our work force and are recognized through our strong safety performance and employee retention results. This focus on corporate responsibility continues with the design and operational excellence of our Super Series Rigs and Alpha technologies, where we believe there is unique alignment between reducing operating costs and reducing our environmental footprint and GHG emissions. Finally, our commitment to ethics and integrity is deep-rooted into our **High Performance, High Value** strategy and guides every aspect of our operations, our decisions and shapes the foundation of our sustainability goals.

The coronavirus pandemic is challenging the health of millions of people around the globe and the economic engine that sustains our way of life. During these difficult times, our Passionate People have remained committed to providing our services to customers so they can deliver the energy needed to power our homes and hospitals, transport medical patients and supplies, and maintain the necessities of everyday life.

We continue to deliver our **High Performance, High Value** services by offering better than ever optimized rig designs and digitally driven efficient processes, which enhance our ability to drill wells safer and faster and lower costs for our customers. Our ability to produce these results safely, predictably and repeatably minimizes our environmental impact and drives revenues for our core business. Our focused social and community involvement initiatives enhance our corporate brand, minimize the potential impact of unforeseen business interruptions, and serve to enhance our retention and recruitment processes by allowing us to choose from the best of the best to join the Precision team.

Over our long history we have remained focused and committed to the development of creative solutions and partnerships to help make our world better. Last year, we partnered with the University of Calgary to develop new research to increase efficiencies in the drilling process and reduce environmental footprint; these efforts continued in 2020. This year, we joined Shell International Exploration and Production and Evor Technologies to drill geothermal wells for a unique process that connects two wells and pumps water between them, forming a closed loop to harness heat from the planet's core. This geothermal technology provides us with the opportunity to use our existing drilling rig fleet while providing sustainable emission-free energy to the world. This year we also formed a consortium with Tourmaline Oil Corporation and Caterpillar Inc. to develop a clean burning natural gas generator to power existing electricity-powered drilling rigs. We are excited about these projects and committed to imagining new ways of delivering the energy we all depend on in the most efficient and environmentally friendly manner possible.

From our Board of Directors' commitment to governance excellence to our enduring culture of delivering operational excellence to our customers, Precision delivers results the right and responsible way every day. We are taking a continuous improvement approach to our ESG performance, and this first report is an example of our commitment to enhance our transparency on ESG-related issues to our stakeholders.

We are committed to operate with the highest ethical standards and maintain the highest priority on the safety and health of our workforce and the protection of the environment and the communities where we operate. We are committed to our ESG goals and strategy and look forward to continuing to share our ESG performance and targets in 2021.

A handwritten signature in black ink, appearing to read 'Kevin Neveu', with a long horizontal line extending to the right.

Kevin Neveu
President and Chief Executive Officer



Vision

- To be globally recognized as the High Performance, High Value provider of land drilling services

Mission

- We deliver High Performance through passionate people supported by quality business systems, drilling technology, equipment and infrastructure designed to optimize results and reduce risks
- We create High Value by operating safely and sustainably, lowering our customers' risks and costs while improving efficiency, developing our people, and generating superior financial returns for our investors

Our Competitive Advantage

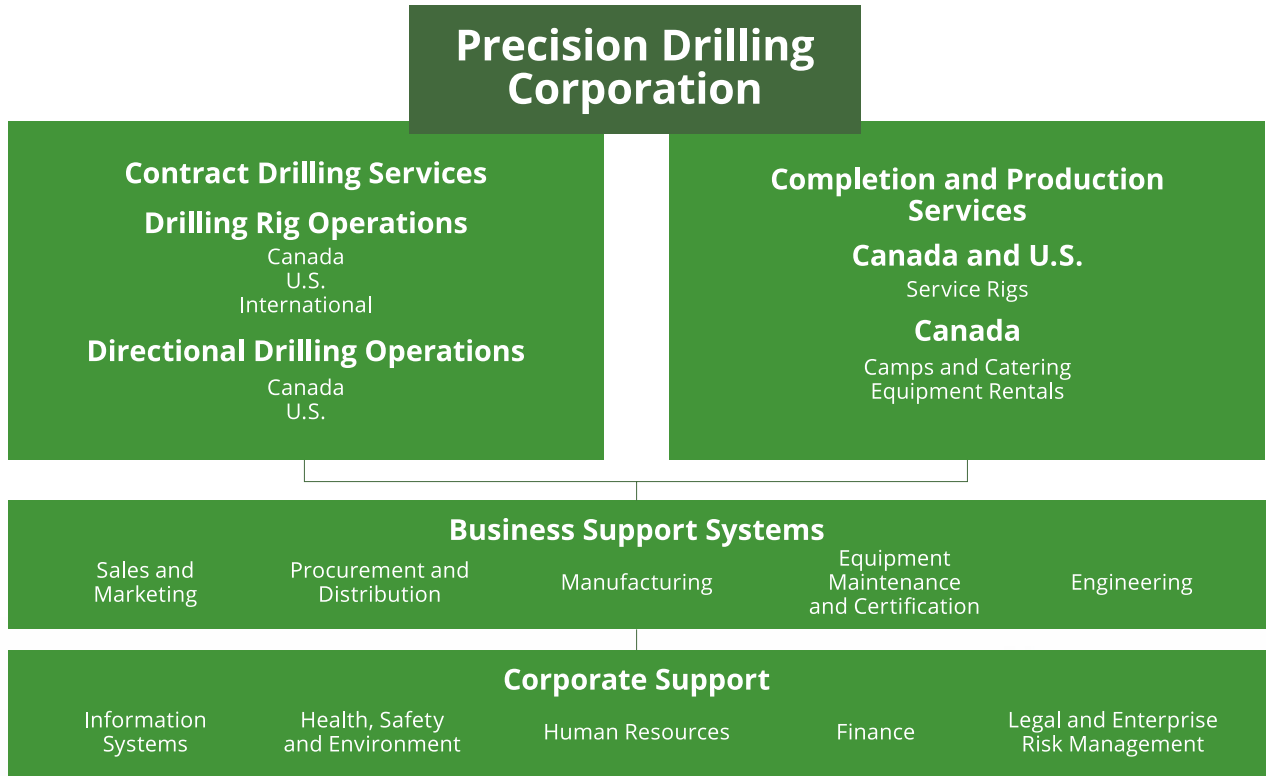
From our founding as a private oilfield drilling contractor in the 1950s, Precision has grown to become one of the most active drillers in North America. Our competitive advantage is underpinned by five distinguishing features:

- a competitive operating model that drives efficiency, quality and cost discipline
- a culture focused on corporate responsibility, safety and field performance
- size and scale of operations that provide higher margins and better service capabilities
- high quality standardized equipment and control systems with process automation control and advanced digital backbone systems to deliver efficient, consistent and safe drilling services
- a high-quality drilling rig fleet, with AC rigs capable of supporting our AlphaAutomation technology to deliver consistent, repeatable, high-quality wellbores while improving safety, performance and operational efficiency, and
- a capital structure that provides long-term stability, flexibility and liquidity that allows us to take advantage of business cycle opportunities.

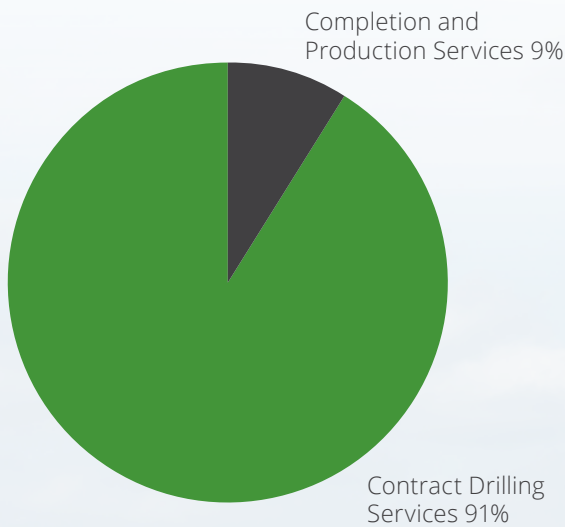
HIGH
PERFORMANCE
HIGH VALUE



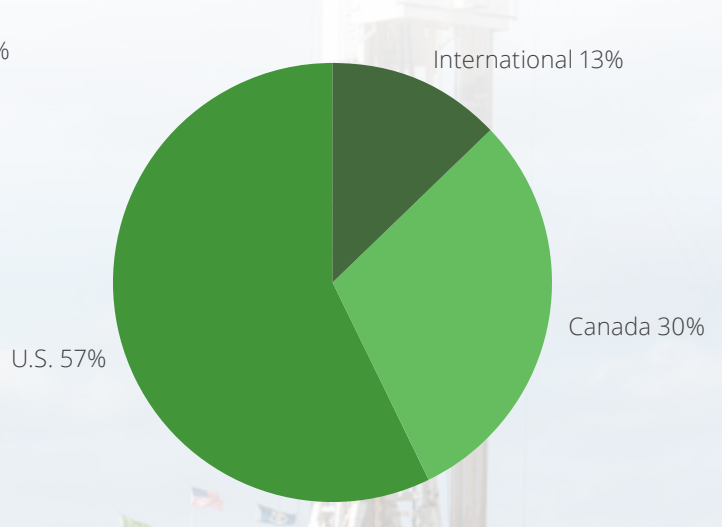
Precision operates its business in two segments where we deliver maximum efficiencies, help our customers minimize risk, reduce well costs, and generate returns on their investments. Our highly skilled and trained crews provide safe, consistent, repeatable, and reliable service knowing they can rely in our corporate support systems.



2019 Revenue by Segment



2019 Revenue by Location



The following tables summarize our two business segments and the scope of our services:

Operates our drilling rigs in Canada, the U.S. and internationally and provides onshore well drilling services to exploration and production companies in the oil and natural gas industry.

As of January 1, 2020, the segment consisted of:

- 226 land drilling rigs, including:
 - 109 in Canada
 - 104 in the U.S.
 - 6 in Kuwait
 - 4 in Saudi Arabia
 - 2 in the Kurdistan region of Iraq
 - 1 in the country of Georgia
- directional drilling services in Canada and the U.S.
- engineering, manufacturing and repair services, primarily for Precision's operations
- centralized procurement, inventory, and distribution of consumable supplies for our global operations

Canada

- land drilling services
- directional drilling services
- procurement and distribution of oilfield supplies
- manufacture and refurbishment of drilling and service rig equipment

U.S.

- land drilling services
- directional drilling services
- turnkey drilling services
- procurement and distribution of oilfield supplies
- manufacture and refurbishment of drilling and service rig equipment

International

- land drilling services

Completion and Production Services

Comprises a number of businesses providing completion and workover services and ancillary services to oil and natural gas exploration and production companies in Canada and the U.S.

As of January 1, 2020, the segment consisted of:

- 123 registered well completion and workover service rigs, including:
 - 114 in Canada
 - 9 in the U.S.
- approximately 1,700 oilfield rental items, including surface storage, small-flow wastewater treatment, power generation, and solids control equipment, primarily in Canada
- 132 wellsite accommodation units in Canada
- 42 drilling camps and four base camps in Canada

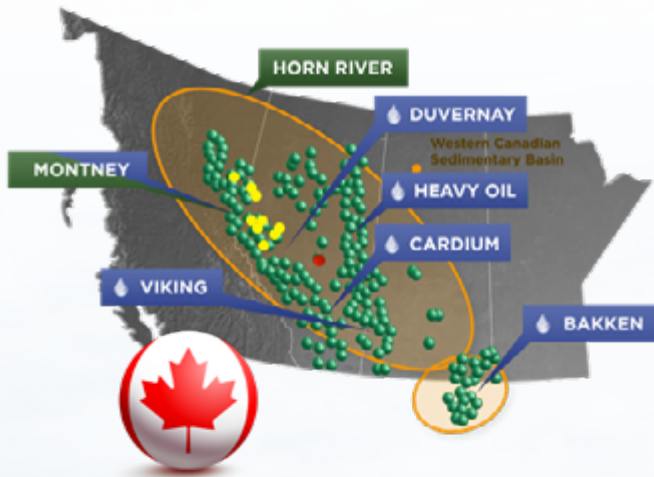
Canada

- well completion and workover service rigs
- camp and catering services
- oilfield surface equipment rental
- wellsite accommodations

U.S.

- well completion and workover service rigs





*Dots on maps representative of areas where Precision has had operations since 2017.



Corporate Responsibility influences every aspect of our business. We have a long track record of achieving and sustaining substantial improvements in critical Corporate Responsibility categories. We are committed to continue tracking, improving and reporting on our Corporate Responsibility metrics.

This year, we continued to deliver on our multi-year Corporate Responsibility reporting strategy by significantly increasing communication and visibility regarding Precision's environmental, social and governance (**ESG**) practices.

- All **Ethics hotline** issues reviewed and addressed
- Triple Target Zero Days** increased
- Winner of **Data Insights Optimization Award** for increasing customer's efficiency and reducing environmental footprint



AlphaAutomation™ promotes safety through standardization of operations

Increased **charitable donations**

Partnered in geothermal technology project to **provide a sustainable emission-free energy alternative**

Since our last ESG update, we completed several strategic initiatives to advance our Corporate Responsibility communication, including completing an internal assessment based on an industry standard framework as set forth by the International Petroleum Industry Environmental Conservation Association, the American Petroleum Institute and the International Association of Oil and Gas Producers. This assessment allowed us to evaluate the key aspects of our Corporate Responsibility strategy that we believe are most significant to our internal and external stakeholders and with those stakeholders in mind, we subsequently developed and accomplished the following initiatives in 2019:

- integrated sustainability into the mandate of the CGNRC
- verified and updated Chemical Inventories, Spill Prevention and Countermeasures plans, and Storm Water Pollution Prevention Plans
- completed an environmental assessment of our Houston Technical Support Centre
- developed a more strategic and purposeful approach to company communications by creating opportunities for voluntary disclosure through existing business processes, our website and annual disclosure documents, ensuring both quality of disclosure and cost neutrality
- updated our Crisis and Emergency Response Plans, conducted global drills, and media training to enhance emergency preparedness and enable attendees to participate in practical exercises that incorporate best practices for crisis management, techniques from global experts and expertise from within our organization
- integrated voluntary disclosure data into mandatory financial disclosure forms
- increased transparent communication with key investors; strengthening our corporate reputation for openness to dialogue on ESG issues, and
- completed a fulsome assessment of our Health, Safety and Environment Management System in order to ensure alignment with regulatory, industry best practice and customer requirements.

We continue to actively solicit feedback from both external and internal stakeholders in order to enhance our Corporate Responsibility strategy. Historically we incorporated ESG into our short-term incentive plan (**STIP**) scorecard through our safety metrics of Total Recordable Incident Rate (**TRIR**), Percentage of Facilities Recordable Free, and Triple Target Zero. In 2020, we expanded ESG in our STIP scorecard by including a new Strategic Environmental Initiatives metric to measure management's advancement of our multi-year Corporate Responsibility Strategy.

In 2017, we completed our first comprehensive materiality assessment to understand and focus our sustainability priorities as a company (Materiality Assessment). Under the guidance of highly-experienced independent consultants, we engaged with internal stakeholders to review multiple sustainability topics through facilitated sessions in order to identify those material to Precision and to our stakeholders.

In 2019 we updated our Materiality Assessment using data-driven analytics, which involved benchmarking against our peers, reviewing mandatory regulations and voluntary standards, and examining news and social media to develop a detailed external view of current sustainability topics. We also focused on areas that we consider to be foundational to our sustainability practices, including safety, ethics, governance, stakeholder engagement, and diversity and inclusion.

Based on this review, an evaluation of our business risks, the applicability, and the potential for Precision to impact the issue, our Materiality Assessment identified the following focus areas as the most significant priorities to our business.



Management and the Board of Directors review our sustainability strategy annually at the Board Strategic Session. Every quarter our Safety and Corporate responsibility Council and our CGNRC also review and discuss updates on our sustainability efforts.

Environmental



Precision strives to lead and set the standard for HSE in our industry. One of our core values addresses protecting our people, the environment, customers, and our neighbors. We deliver state-of-the-art technologies, a highly skilled and technically competent workforce, and a culture that stresses having a plan for every job we perform and that we follow that plan every time; this is the Precision way.

Precision Management System

Our Global Quality Health, Safety and Environmental Management System (HSE Management System) is tightly integrated into our culture to ensure standardization, consistency, and repeatability throughout our field operations. Our Key Beliefs, Target Zero Rules and HSE Fundamentals are our guiding principles and serve as the foundational core of our service delivery model. Our HSE Fundamentals are Hazard and Risk Assessment, Stop Work, Step Back, Incident Investigation, Observations and Competent and Fit Workforce. We have oversight and Board of Directors' engagement through our Safety and Corporate Responsibility Council; continuously reviewing, monitoring, and making recommendations to strengthen our standards, policies, and procedures.

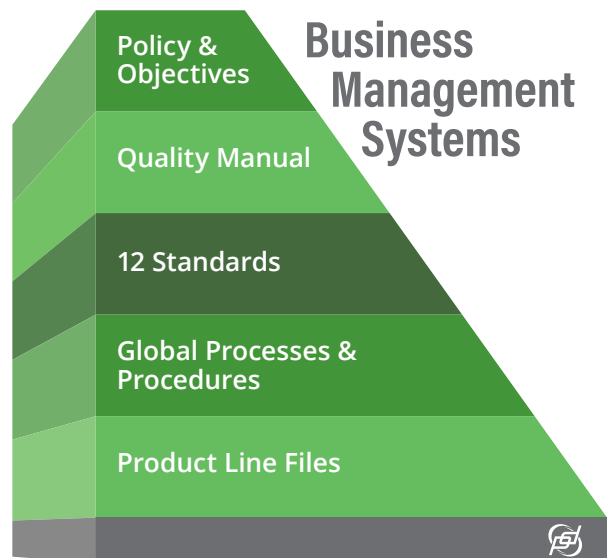
Precision fosters our safety culture through visible leadership, competency and regulatory training, and proven management systems. Our commitment to provide comprehensive training and development to our people can be seen through the significant investment we have made in our Technical Support Centre training facilities located in Houston, Texas, and Nisku, Alberta. In 2019, over 5,488 employees were trained at these facilities on Precision's culture, rig roles and responsibilities, well control, tools and equipment, HSE standards, leadership, and communication. During the COVID-19 pandemic, we have continued the development of our employees. In 2020, we have trained over 1,200 corporate and field base employees via e-learning and virtual learning through the use of remote video conferencing software.

Policies define what will be done at Precision Drilling and outline the overall intentions and direction of the organization related to quality as formally expressed by top management.
Quality Manual is a specific document specifying the quality management system of the organization. Precision Drilling Corporation has developed a Quality Manual in conjunction with our Corporate Policy and 12 BMS standards.
Standard is a document that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose. Precision Drilling Corporation aligns to 12 Standards. These Standards were defined by Precision's Upper Level Management.

Processes are a set of interrelated or interacting activities which transforms inputs into outputs. Processes at Precision Drilling are documented and defined by each business stream and configured in our ERP system to provide the best value to our internal and external customers.
Procedures are a specified way to carry out an activity or process. Procedures are business stream and service line specific and align to the Global Polices and Standards set out by senior management at Precision Drilling.
Templates are a standardized document templates that are easily accessible and can be used by all throughout the organization.

Global/Company Wide

Service Lines & Departments



Environment and Climate Change Stewardship

We recognize climate change is an important global issue and actively monitor developments that have the potential to affect our business. Our ability to reduce our carbon footprint at drilling sites is tied to our customers, as they are responsible for controlling, measuring and reporting on greenhouse gas emissions from their operators. However, we recognize that our position as a global technology leader in our industry uniquely situates us to address climate change with technologies that can assist our customers in both increasing their operational performance while simultaneously reducing environmental impact. By continuously investing in our rig technology to make our operations safer, more reliable and efficient, we help our customers reduce or eliminate emissions, reduce water usage, improve chemistry applications and increase oil and natural gas production all while using fewer resources. Our modern rig fleet and digital enablement strategy allow our customers to rely on real time data driven insights and automation in order to make faster and smarter decisions. This digital transformation limits energy use, while maximizing output and productivity throughout the entire drilling process. We have standardized our operating procedures and continually explore new innovative technologies to maximize our overall performance, which minimizes waste and our environmental footprint, including reduced greenhouse gas emissions.

Our customers aggregate and report on-site fuel usage with respect to greenhouse gas emissions and we have significantly invested in technologies allowing them to minimize environmental impact. These alternatives include:

- enhancing drilling technologies to generate improved drilling efficiencies, allowing us to drill wells faster and move in and out of a location more rapidly
- scaling our AlphaAutomation offering (34 systems currently deployed in the field) to significantly improve operational efficiency and reduce overall drilling times
- utilizing AlphaApps (15, either active or in development) to further enhance drilling efficiencies and reduce fuel usage on site
- utilizing bi-fuel systems (29 in Canada, 20 in the U.S.) to reduce diesel consumption and greenhouse gas emissions
- utilizing natural gas engines (approximately 25% of our North American fleet) that burn lower carbon fuel
- designing and building our rigs to employ pad walking systems to reduce our environmental footprint by improving drilling efficiencies
- working with our customers to effectively utilize our products and services to help them reduce their greenhouse gas emissions in the development of their hydrocarbon resources
- including climate strategy in our internal research and development of products
- working with educational institutions and other corporations to further develop sustainable solutions in the industry
- working with our customers on solutions to mitigate noise pollution in and around highly populated areas, and
- utilizing industry best practice processes to ensure spill prevention.



Performance Indicators

Our HSE key performance indicators measure injury-free performance, safe driving behavior, and environmental impact. We have Health, Safety and Environmental goals devoted to achieving what we call “Triple Target Zero Days”, our internal scorecard that recognizes injury-free performance, safe driving behavior and “zero spills” that could impact the environment. Precision’s 2019 safety performance was at the top quartile of the land drilling industry, as measured by Total Recordable Incident Rate (TRIR), an industry standard metric for safety performance and benchmarking. The comparative data was provided by our industry associations (International Association of Drilling Contractors and Canadian Association of Drilling Contractors).



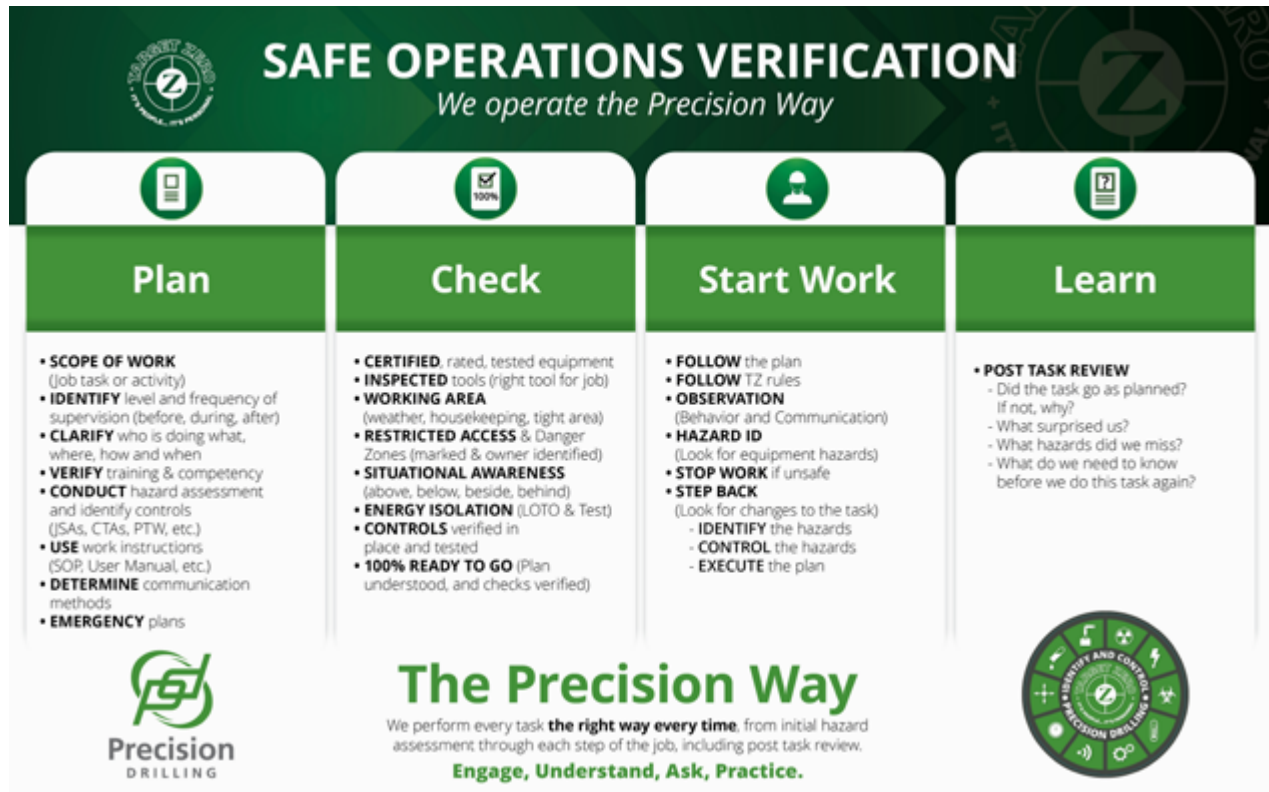
To date in 2020 we have continued to improve upon our already top-quartile Total Recordable Incident Rate (TRIR) performance, and we are currently on pace to achieve over 300 Triple Target Zero Days for the year.

Our HSE Management Systems at Work

Throughout 2018 and 2019, we performed a comprehensive assessment and realignment of our HSE Management System; analyzing regulations in the countries and regions in which we work, industry best practices, and internal Precision standards. From our HSE Management System, Precision created a Safe Operations Verification work-flow process to ensure that all the core HSE elements are planned for, verified, and reviewed for every job every time – every job we do has a plan and we follow the plan every time. In 2020, we realized our investigation methodology and associated processes to incorporate fundamental elements of human performance.



In 2019, Precision added an HSE Assurance Program that is integrated with our existing highly professional and skilled HSE team. This team is responsible for testing the effectiveness and implementation of our HSE Management System. This highly skilled and experienced team of professionals created a protocol that integrates the elements of International Standards Organization auditing, Canada Certificate of Recognition auditing, key elements of behavior-based safety, and the fundamentals of human performance. In 2020 the Assurance Program has proven successful in identifying trends and opportunities for improvement, and in response to the challenges presented by the COVID-19 pandemic, the team has also adapted the protocol for remote use by utilizing live data feeds from field operations.



Crisis and Emergency Preparedness

In 2019, we developed and implemented workplace violence prevention and response plans, disaster relocation plans, and delivered comprehensive crisis media training for our company spokespersons. To validate our effectiveness, we conduct global training and tabletop drills annually to prepare our employees and the leadership team for various emergency scenarios.

Our long-standing Disaster Recovery and Business Continuity Plans are continually tested, reviewed, and updated. In 2019, we completed several IT infrastructure tests, such as a Disaster Recovery Test, a Penetration Test on Precision's internal and external network, a Digital Footprint Assessment, a Cloud Access Security Broker, and an Information Management & Data Privacy Test. No material issues were identified as a result of these tests.

2020 has seen our Crisis and Emergency Preparedness efforts put to the test, particularly by the COVID-19 pandemic. The foundation laid in 2019 allowed us to respond quickly and appropriately to this unprecedented situation, without interruption to field operations, through implementation of alternative work options for office-based personnel and installation of industry-leading preventive and mitigative controls at our worksites.

Alpha Suite of Technologies

Our industry faces a dual challenge – meet the world’s energy demand while reducing our environmental footprint in an affordable and reliable manner. While hardware solutions to this dual challenge have proven cost prohibitive, software solutions are creating a digital transformation in the upstream industry. At Precision, we are leading the industry on this transformational journey with our Alpha technology suite of products.

Precision is a leading provider of digital technologies which automate key processes of the drilling cycle and significantly improves the efficiency of the downhole function. We have partnered with various industry leaders to develop a widespread portfolio of technology offerings which include: AlphaAutomation, AlphaApps and AlphaAnalytics.

Precision has drilled over 1,100 wells with AlphaAutomation, which includes more than 600 wells drilled in 2019, enhancing the performance and value of our Super Triple drilling rig fleet. At the beginning of 2020, Precision had 32 commercialized AlphaAutomation systems across various basins in the U.S. and Canada. Our AlphaApps platform can host multiple in-house, customer-developed or third-party applications and our AlphaAnalytics suite provides data services to further enhance the value proposition of our digital offering.

Precision Drilling’s contribution towards a green rig continues in 2020. Our Advanced analytics will use this data to measure and reduce the CO2 footprint on our rigs.

Alpha™

- AlphaAutomation™**
Efficient & consistent process execution
- AlphaApps™**
Smart Algorithms
- AlphaAnalytics™**
Enabling optimized decisions

- A fully integrated reflexive drilling system
- Automating repetitive drilling activities
- Optimized, repeatable, consistent performance on every well
- Open platform enabling exceptional collaboration
- Optimizing complex tasks through smart algorithms, AI and machine learning
- Connecting the gap between insights & execution
- 4000+ channels of high-fidelity data
- Unparalleled activity granularity to provide next level optimization capabilities
- Delivering the right information, to the right people at the right time

Precision DRILLING



Research and Development

In collaboration with the **University of Calgary's Schulich School of Engineering**, we jointly submitted a Collaborative Research and Development Grant application under the **Natural Sciences and Engineering Research Council's (NSERC)** University-Industry Program. NSERC awarded funding for the project which involves development of sensing and control systems to be utilized in closed loop automated drilling systems. To further the project, Precision entered into a Research Agreement with the University of Calgary which aims to increase efficiencies in the drilling process and reduce environmental footprint. The project commenced in 2019 and is scheduled for completion in 2021.



We also support development of alternative energy sources. We partnered with **Eavor Technologies Inc.** and **Shell International Exploration and Production** and as part of our partnership agreement, Shell and Precision provided technical expertise towards the design of drilling, completion, and construction of geothermal wells and a technological demonstration facility in Alberta. Precision provided the drilling expertise for the pilot program in which we drilled two deep wells were connected horizontally. Once implemented, the system will pump water between the two connected wells and harness heat from the planet's core. This is a solution that, unlike wind and solar, builds upon our expertise in drilling and uses already created energy infrastructure to produce steady and dependable heat and electrical power without emissions of any kind. In this process there are no greenhouse gas emissions, limited water use, and no produced brine or solids. Geothermal technology provides an opportunity for Precision to utilize its existing rig fleet in the drilling of new geothermal wells. This proposed geothermal recovery technology could one day provide a sustainable emission-free energy alternative to the world.



This year, we also formed a consortium with **Tourmaline Oil Corporation** and **Caterpillar Inc.** to develop a project to plug and play mobile natural gas generators and energy storage system for existing electricity-powered drilling rigs. The technology utilizes clean-burning natural gas, a smart energy management system, and storage of electricity that would otherwise be wasted. This high-efficiency system reduces GHG emissions and cost of drilling rig power generation while increasing the utilization of inactive Alberta drilling rigs. The consortium will commercially deploy these systems at its various Precision Drilling rig sites in Alberta. The system is projected to save 3,800 tonnes of CO2 emissions per rig per year.





We strive to have high-performing, passionate people throughout every level of our company. We have implemented systems and processes that help us execute our talent management strategy to maintain a well-trained, highly competent and capable talent pool, both in the field and corporate positions with a broad range of business experience throughout market cycles.

In 2019, we further enhanced the Precision Drilling University Resource Centre (PD University), a central online hub where employees can access competencies, training resources, and development programs. PD University is divided into two segments: the School of Toughnecks and the School of Leadership. The School of Toughnecks focuses on the development and dissemination of training to develop the best crews in the industry, ensuring that our field employees have the skills, knowledge and abilities they need to deliver our High Performance commitment. The School of Leadership is focused on developing new and experienced leaders. The curriculum is designed and delivered by our executives with support from our organizational development and learning professionals. In 2020, more than ever before we are taking advantage of our e-learning resources. During the COVID-19 pandemic Precision employees were able to access and continue their professional development by utilizing the PD University resources while working remotely.



SCHOOL OF TOUGHNECKS

We provide hands-on field and safety training. In addition, we provide career path and development training for our drilling and service rig employees, which includes core competencies for advancement in all levels of our organization.



SCHOOL OF LEADERSHIP

We have developed and implemented a New Leader Training Program, a Management Development Program, and a Leadership Development Program for new and experienced leaders to hone and expand their management and leadership skills.



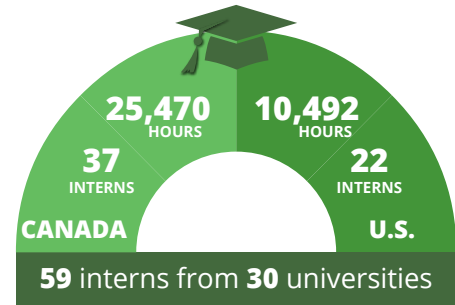
PD UNIVERSITY

In 2018, we created PD University, an online hub where employees can access training resources through our new centralized learning and development resources. We enhanced it in 2019 and are currently enjoying its benefits in 2020.

Our proactive talent management strategy helps us maintain a strong, agile workforce when the industry experiences manpower shortages during peak operating periods. In 2019, we onboarded over 1,191 new employees. Between Precision's technical centres and traveling field coaches, we have trained 5,488 employees and performed approximately 3,560 rig-based competency assessments.

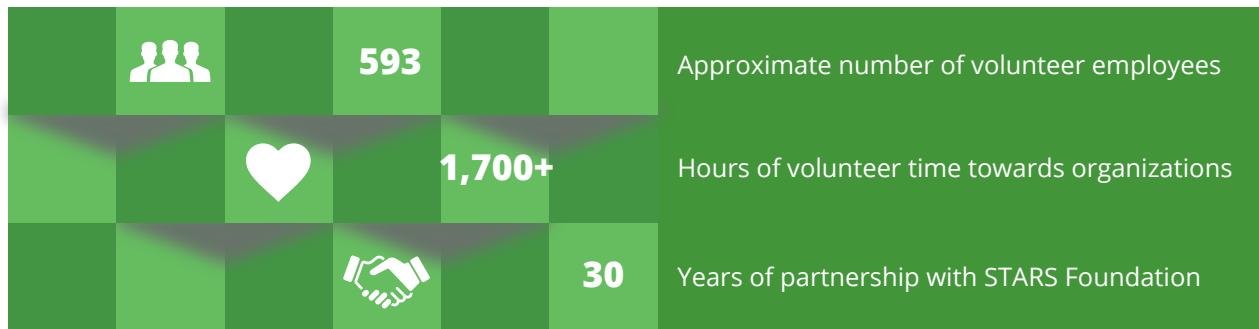
High School and University Internship Programs

Precision continues to initiate high school industry exposure efforts to broaden students' technical education and familiarity through Career Days, STEM Day projects and manages a comprehensive summer internship program. In 2019, we hosted 59 interns from 30 universities working in Canada and the U.S with nationalities represented from North and South America, Western and Southern Africa, Southeast Asia, and Northern Europe. We believe our summer internship program provides an important talent pool for our permanent hires and provides participants with practical experience that cannot be obtained in the classroom and is an excellent entry into the oil and natural gas industry. We suspended our internship program in 2020 due to pandemic-related office closures but we are looking forward to resuming the program in 2021.



Philanthropy & Community Engagement

We are proud to invest in causes that are important to our employees, customers and the communities where we operate. Throughout 2019, our corporate giving program contributed to several exceptional health and human














services organizations and youth programs. For nearly 30 years, one of our proudest partnerships in Canada has been with the **Shock Trauma Air Rescue Services (STARS) Foundation** which provides rapid and specialized emergency care and transportation for critically ill and injured patients. STARS operate 24/7 bases in Calgary, Edmonton, Grande Prairie, Regina, Saskatoon and Winnipeg which are well aligned to provide critical support to remote field operations and employees both on and off the job residing across Western Canada.

We continued our multi-year partnership with the **Heritage Park Society of Calgary** to support the Natural Resources Project, "Keeping Alberta's Story Alive". The Heritage Park Society restores, builds and creates programs in the Natural Resources Area for the education of nearly 700,000 attendees and students at Heritage Park. Additionally, we have continued our longstanding partnership with the Heart and Stroke Foundation of Canada supporting the **Jump-Rope-For-Heart Program** which impacts over one million children annually in 4,000 schools across Canada. This program focuses on promoting health, saving lives and enhancing recovery and provides funding to support medical breakthroughs that tangibly improve Canadians' heart and brain health. In 2020, Precision continued to provide support by donating to the Jump-Rope-For-Heart Program.

In 2019, we partnered with the **University of Calgary** in sponsoring their 2019 Drillbotics team at the SPE Drilling Systems Automation Technical Section's International Student Competition. Students receive hands-on manufacturing and programming experience through this competition to **design a drilling rig and related equipment to autonomously drill a vertical well as quickly as possible while maintaining borehole quality and integrity of the drilling rig and drill string.** We also sponsored the 2019 University of Calgary Chancellor's Ride which provides scholarships to students drawn from the best and brightest across the country advancing excellence in research at the undergraduate level.

A few of our other financial commitments in 2019 included:

- 
Girls, Inc. of Greater Houston to advocate on behalf of girls and deliver life-changing programs and experiences
- 
Children's Fund Inc. to support children focused charities in Texas with small budgets, minimal fund-raising ability, small administrative departments, lack of government or other charity support, and lack of exposure to the business community to help them grow and succeed
- 
Good Samaritan Community Services to support the Good Sam Sonora Summer Camp, a summer youth enrichment program located in South Texas
- 
Spindletop Charities of Houston to provide aid programs targeting child abuse prevention, pediatric medical research, drug and alcohol abuse prevention and rehabilitation, education and scholarships, school safety, therapeutic services and after-school programs, and family health
- 
Texas Children's Hospital to provide world-class care to every child who comes to them for help no matter the financial circumstances
- 
Kids Cancer Care Foundation of Alberta to provide programs to meet the needs of the whole family at each stage of the cancer journey, from diagnosis through treatment and beyond
- 
Unlocking Potential Foundation of Calgary to provide unparalleled education and community outreach programs to equip individuals with the knowledge and skills to deal with issues and live life to its' fullest
- 
Fraser Institute to improve the quality of life for Canadians, their families, and future generations by studying, measuring, and broadly communicating the effects of government policies, entrepreneurship, and choice on their well-being
- 
Calgary Urban Project Society to support their program of over 8,000 vulnerable Calgarians to improve their quality of life through housing, development and emotional support programs
- 
Canada: Powered by Women a national initiative to empower and mobilize women voters across Canada,
- 
KidSport to support children to remove the financial barriers that prevent them from playing organized sport in 166 communities across Canada.



Volunteering in the Community

We understand the value of volunteering our time and have a desire to do more in the communities where we work. We continue to find new ways to obtain and attract new talent and establish a more purpose-driven and engaged workforce. We encourage our employees to participate in company-sponsored volunteer opportunities. In 2019, approximately 593 employees volunteered over 1,700 hours of time towards numerous organizations aligned with our giving philosophy.

A few of our high impact initiatives in 2019 included:



donation drives for the **Houston Food Bank** and the **Calgary Foodbank** to provide nutritious food to school-aged children at-risk of hunger and to families and individuals facing crisis



completed the annual spring clean-up at **Camp Kindle for the Kids Cancer Foundation of Alberta** to create camp experiences for children with cancer



participated in the **MS150**, an annual bike ride from Houston to Austin raising funds for the **National Multiple Sclerosis Society**



held blood drives for **Calgary Blood Services** to ensure life-saving blood products are delivered to hundreds of people across the country each day



prepared meals and donated funds to **Inn from the Cold** in Calgary for shelter residents



held an annual hockey tournament for employees and customers in Calgary with proceeds donated to the **Highbanks Society** to provide affordable housing and a nurturing community where young families can learn and grow



held clothing drives to obtain lightly used professional wear to support people in need who are re-entering the work force after homelessness and addiction struggles through the **Calgary Dreams Centre**



donated over 200 children's toys, toiletries, and educational items as well as help fund the bussing to deliver gifts to underprivileged children through the **Magic of Christmas** so they can enjoy the holiday season



donated over 600 items to the **Ronald McDonald House of Houston** including pantry items, toiletries and gift cards



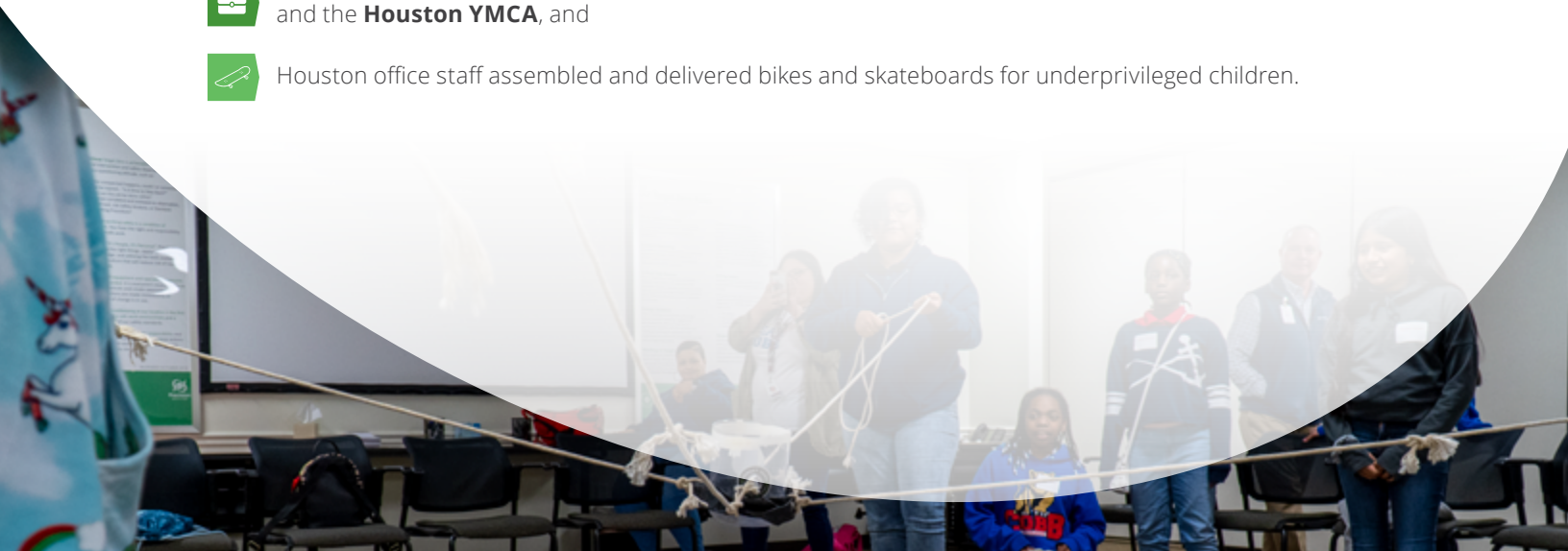
prepared soup with the **Soup Sisters Program** in Calgary for delivery to the **Awo Taan Healing Lodge** which provides services and programs to women and children from all cultures, who have suffered from family violence and all forms of abuse, in a uniquely Aboriginal atmosphere



donated school supplies and assembled backpacks for children through the **Calgary Board of Education** and the **Houston YMCA**, and



Houston office staff assembled and delivered bikes and skateboards for underprivileged children.



Scholarship Program

Precision recognizes the value of post-secondary education and supports the children of our employees in their efforts to further their education. Precision has a long-standing scholarship program to assist children of employees who plan to continue their educational journey in college or vocational school programs. Precision partners with Scholarship America to administer the application process and all scholarships are granted without regard to race, color, creed, religion, sexual orientation, age, gender, disability, or national origin. In 2019, scholarships were provided to the children of 30 of our employees. Precision also recognizes the legacy of numerous long-serving employees who have retired from the company by funding annual scholarships with several education institutions across North America in the name of the retiree.

We have also been a long-standing contributor to the Houston Livestock Show and Rodeo scholarship program. As one of the largest scholarship providers in the U.S., the Rodeo has presented more than 19,000 scholarships valued at \$230 million since 1957.

Corporate Culture

We believe our greatest asset is our people and we are committed to providing a work environment where employees feel respected, satisfied and appreciated. We understand the importance of building a culture that will not only make our company stand out from others but will also give us a competitive advantage. Our Board champions and holds management accountable for our highly collaborative culture through active oversight and input on initiatives driven by management. In 2019, through a series of training sessions, operational meetings and townhalls, we asked our employees in the field and our offices to provide insights about our culture. Over 1,000 employees participated in this process, which resulted in the identification of key focus areas to continue to foster and grow Precision's positive culture in 2020.



Our highly collaborative culture is driven by our greatest asset, our passionate people! Our **Core Values, Key Beliefs and Target Zero Rules** are the foundation of our culture and focus our people to deliver on our **High Performance, High Value** service delivery promise to our customers and make Precision stand out from the competition.



Darren Ruhr
Chief Administrative Officer



Our Board

The Board provides comprehensive oversight of the management and governance of Precision. During 2020, our Board had eight members. The CGNRC performs an annual evaluation of Precision's director criteria, Board diversity profiles, skills and experience.



Steve W. Krablin ^{1, 2, 3}
Private Investor,
Director of Hornbeck Offshore Services,
Inc. and Chart Industries, Inc.



Michael R. Culbert ^{1, 3}
Vice Chairman of PETRONAS Energy Canada Ltd.



William T. Donovan ^{1, 2}
Private equity investor, Director
of Silgan Holdings



Brian J. Gibson ^{1, 2}
Retired Senior Vice President, Public Equities
and Hedge Funds of Alberta Investment
Management Corp. (AIMCo) Director of Duff &
Phelps, INFOR Acquisition Corp, MacDonald,
Dettwiler and Associates Ltd., Viterra Inc.,
Westjet Airlines Ltd. and Westaim Corporation



Susan M. MacKenzie ^{2, 3, 4}
Corporate Director, Director of FortisAlberta
Inc., Safe Haven Foundation of Canada,
Calgary Women's Emergency Shelter
and Foothills Academy Society



Dr. Kevin O. Meyers ^{2, 3, 4}
Independent energy consultant and
corporate director. Director of Denbury
Resources Inc., Hess Corporation, and
Hornbeck Offshore Services, Inc.

Board of Directors' Committees

- ¹Audit
- ²Corporate Governance, Nominating & Risk
- ³Human Resources and Compensation
- ⁴HSE and Corporate Responsibility Council



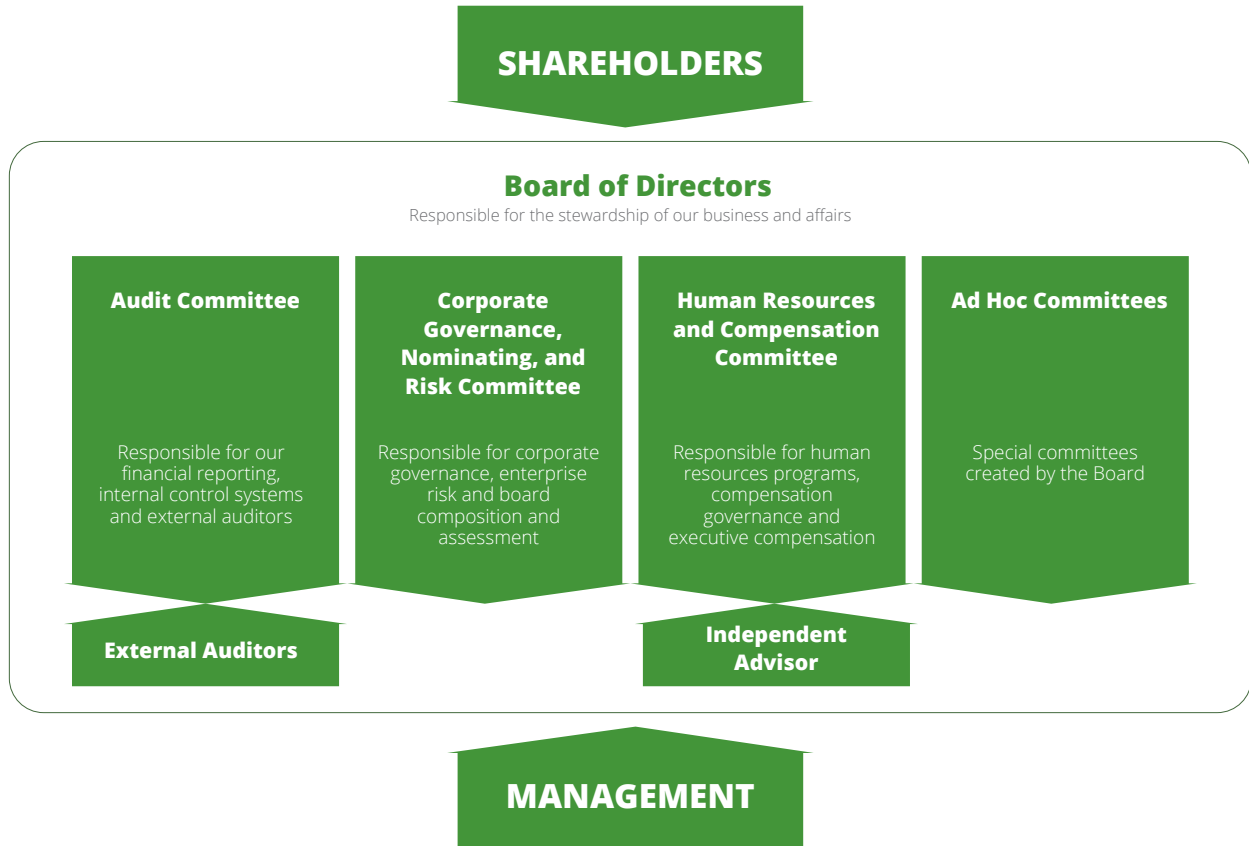
David W. Williams ^{1, 3}
Retired Chairman, President and Chief
Executive Office of Noble Corporation



Kevin A. Neveu
President & Chief Executive Officer
of Precision Drilling Corporation

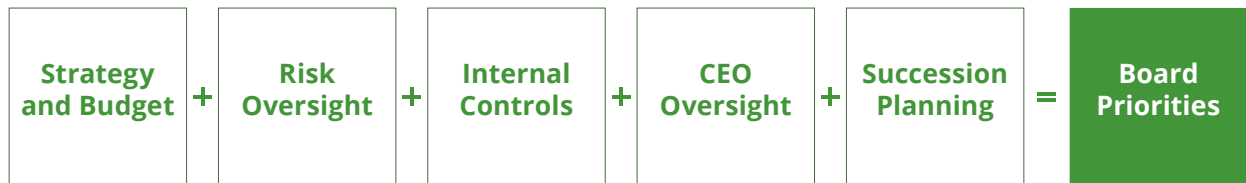
Our by-laws provide that the Board has full, absolute and exclusive power, control, authority and discretion to manage Precision’s business and affairs, subject to the rights of our shareholders.

Directors are elected at each annual meeting of shareholders for a one-year term or, subject to our constating documents and applicable laws, appointed by the Board to hold office until the next annual meeting.



Board Priorities

The Precision Board has clear priorities to ensure a sustainable long term value to all shareholders:



The Board is responsible for our strategic direction and approves our strategic plan and the budget associated with its execution. As part of our strategic plan, the Board has overall responsibility for risk oversight. Risks identified and mitigation strategies are renewed by our internal audit team and discussed quarterly with our Board. The Board is also responsible for overseeing the integrity of our internal controls and financial reporting. The Board ensures that our CEO has specific annual objectives and that his compensation is tied to his performance. Finally, the HRCC oversees succession planning for the CEO and other key roles to ensure that there is a well-trained and highly-capable talent pool to help us build a sustainable and productive organization.

The Corporate Governance, Nominating and Risk Committee implements a comprehensive process for assessing board, committee, and director effectiveness annually. This is a key mechanism for board renewal because it involves evaluating the performance, skills, and contribution of each director. Through action plans, feedback and monitoring of progress, the CGNRC and Board can ensure continuous improvement of the Board's effectiveness.

BOARD ASSESSMENT

The chair of the Corporate Governance, Nominating and Risk Committee conducts formal assessments of the Board and committees and interviews each director. The committee chair interviews the Chair of the Board and discusses the following:

- Ideal qualities and skills of an effective Board
- Board Charter
- Position description of the Chair of the Board.

COMMITTEE ASSESSMENT

Each committee completes a self-assessment of its:

- Ideal qualities and skills of an effective Committee
- Performance against the goals it set for the year.

The Corporate Governance, Nominating and Risk Committee reviews the committee charters and position descriptions for the committee chairs and approves any changes.

DIRECTOR ASSESSMENT

The chair of the Corporate Governance, Nominating and Risk Committee conducts the assessment of the directors and they also assess each other.

Director assessment has three components:

- Individual interviews with the Chair of the Corporate Governance, Nominating and Risk Committee
- The committee's review of each director's competencies, skills, personal qualities and contributions, and any significant changes in their main occupation and other directorships
- A self-assessment.

The chair of the Corporate Governance, Nominating, and Risk Committee meets with each director with the goal of maximizing their individual contributions. The committee chair:

- Uses a checklist to discuss short- and long-term goals
- Establishes action items so directors can enhance their personal contributions and overall effectiveness
- Shares peer feedback and reviews the director's progress on action items from the previous year.

Directors offer input on ways to enhance the effectiveness of their peers and the Board.

FEEDBACK

The chair of the Corporate Governance, Nominating, and Risk Committee summarizes his findings for the committee and the Board. The Chair of the Board then discusses the results of the individual evaluations with each committee chair. Directors receive personal feedback on their progress over the year and peer feedback from the Chair of the Board, as described above.

Our principles for sustainability are built on a foundation of ethics and integrity. Precision is committed to ethical behavior through the oversight provided by our Board, our Code of Business Conduct (the Code), our employment policies and practices and our internal audit function. Our internal audit function reports directly to the Audit Committee of the Board.

Diversity and Inclusion

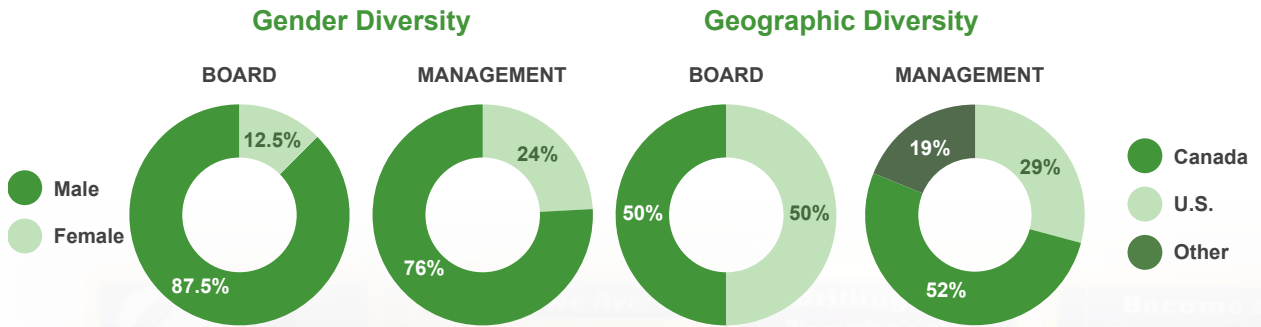
We believe in building a team of exceptional employees who bring a wide range of ideas, perspectives, skills and cultures to our company. Precision has made a commitment to be a workplace free from discrimination, harassment, workplace violence and retaliation. Our diversity and inclusion policy prohibits discrimination of any kind and promotes diversity and inclusivity among our employees, management team and board members.

Board Diversity

When recruiting new directors, the CGNRC considers candidates on merit. It considers our vision and business strategy, the skills and competencies of the current directors, any gaps in Board skills, and the attributes, knowledge and experience new directors should have to best enhance our business plan and strategies. The CGNRC also considers diversity as part of this process, including the level of female representation on the Board. When assessing Board composition or identifying suitable candidates for appointment to the Board, the CGNRC will include a slate of minority candidates for all open Board seats.

Management Diversity

The executive leadership team reviews the talent pool regularly and considers the individual's development, industry experience, background, race, gender and other factors before recommending executive appointments to the Board for approval. The Board also considers the representation of women and geographic diversity, amongst other factors, in executive positions when reviewing the management succession plan and approving executive appointments. We do not have specific gender targets as we believe merit of the candidate and needs of the organization must be paramount.



Business Ethics

We believe ethical behavior is fundamental to the way we do business. Our Code of Business Conduct and Ethics (the Code) ensures every director, executive officer, manager, employee, and contractor represents Precision's values. The full text of the Code is available at www.precisiondrilling.com.

The Code addresses the following key areas, among others:

- financial reporting and accountability
- maintaining confidentiality
- avoiding conflicts of interest
- complying with laws
- safeguarding corporate assets
- reporting illegal or unethical behavior
- fair dealing
- disclosure
- anti-retaliation
- data and privacy security
- bribery and corruption
- harassment and discrimination

Every director, executive officer, manager, and employee must annually acknowledge that they have read, understood and will abide by the Code. Each member of the senior management team must also certify quarterly whether they are aware of any breaches of the Code. In-person and online training is provided annually to all permanent employees and covers an array of topics related to business conduct and ethics.

An independent hotline is available for anyone within or outside of Precision to confidentially and anonymously report any suspected illegal or unethical conduct or breach of our policies. With the oversight of the Audit and HRCC Committees, there were no ethics incidents that required disclosure and 100% of the issues reported through the hotline were reviewed and resolved. Reports are reviewed by our legal, internal audit and human resources groups, investigated by the appropriate department based on the type of allegation, and reported quarterly to the Audit Committee, or the HRCC, depending on the nature of the allegation.

The CGNRC monitors Board diversity and prepares an annual report for the Board that includes information about factors to consider when recruiting new directors.

Anti-Bribery and Anti-Corruption

We recognize that we operate in some countries with a low ranking on the Corruption Perception Index, as compiled by Transparency International. Precision has an Anti-Bribery and Anti-Corruption Policy that sets out the Corporation's standards for detecting and preventing corruption. Our Compliance Department provides mandatory, comprehensive training annually on issues dealing with bribery and corruption for key groups of employees. Additionally, in-person training is delivered throughout the organization and scheduled as needed. There have been no internal or external investigations regarding non-compliance with anti-bribery and corruption laws or our policies and there are currently none underway. Our Compliance Department continually monitors intermediaries through internal reviews and assistance from a third-party vendor. Our due diligence procedures generate a risk score for intermediaries. Based on the results, due diligence recommendations are completed and monitored through an intermediary database.



Avoiding Conflicts of Interest

The Board is committed to making decisions in the best interests of Precision and considers the interests of our shareholders, securityholders, customers, employees, suppliers, communities where we operate, the environment, governments, regulators and the general public.

From time to time, directors will face potential conflicts of interest related to our business. Some directors may hold management or director positions with customers or with other oilfield services providers that may be in direct competition with us. Some may also be involved with entities that periodically provide financing or make equity investments in companies that compete with us. Any conflicts are subject to the procedures and remedies set out under the Business Corporations Act (Alberta). If directors find themselves in a conflict of interest, they advise the Chairman of the Board, abstain from participating in any discussions and voting on the matter or excuse themselves from the meeting.

Our employees are also required to disclose any potential conflicts of interest. The conflicts disclosed are reviewed by our Audit and Compliance departments and resolved in accordance with the Code.

Public Policy & Lobbying

Precision is politically neutral and does not engage in political activities or make political contributions. We may not use company funds or assets for political purposes. However, we are active members of various associations that conduct lobbying on behalf of the oil and natural gas industry, and we allow lobbying on behalf of Precision's interests, in accordance with all federal and provincial regulations. The CEO must approve all such requests for financial support for these associations.



At Precision, **integrity and ethical principles guide our behaviors beyond mere compliance with law and regulation.** We have worked hard over many

years to earn our reputation as a responsible company and a good corporate citizen, without compromising our integrity or standards. We endeavor to create a governance framework and policies that are integrity-based that are aligned with our **Key Beliefs** and drive accountability throughout the organization.

All Precision employees are required to know, understand, and apply these principles in our daily work, regardless of function or level in the company.



Veronica Foley

Senior Vice President, General Counsel
and Chief Compliance Officer

Feedback

We believe in building a feedback rich culture and encourage ongoing engagement with our employees, shareholders and other stakeholders. Please contact us at investorrelations@precisiondrilling.com with your feedback.

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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”).

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: the fluctuation in oil prices may pressure customers into reducing or limiting their drilling budgets; the impact of the COVID-19 global pandemic on our operations; 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; and the general stability of the economic and political environments in the jurisdictions where we operate.

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; the success of our response to the COVID-19 global pandemic; 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; 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, 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 forgoing 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, 2019, which may be accessed on Precision’s SEDAR profile at www.sedar.com 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 statements or information, whether as a result of new information, future events or otherwise, except as required by law.

