UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
Pursuant to Section 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of, July 2023

Commission File Number: 001-14534

Precision Drilling Corporation
(Exact name of registrant as specified in its charter)

800, 525 - 8 Avenue S.W.
Calgary, Alberta
Canada T2P 1G1
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F ______ Form 40-F __X__

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: **July 28, 2023**

PRECISION DRILLING CORPORATION

By: /s/Carey T Ford
Name: Carey T Ford
Title: Chief Financial Officer

Exhibit	DESCRIPTION
31.1	Certification of Chief Executive Officer, Kevin Neveu, regarding the *"Certification of Interim Filings"* pursuant to Form 52-109F2.
31.2	Certification of Chief Financial Officer, Carey Ford, regarding the *"Certification of Interim Filings"* pursuant to Form 52-109F2.
99.1	Management's Discussion and Analysis for the period ended June 30, 2023.
99.2	Consolidated Financial Statements for the period ended June 30, 2023.

Exhibit 31.1

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS

I, Kevin A. Neveu, President and Chief Executive Officer of Precision Drilling Corporation, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Precision Drilling Corporation (the "issuer"), for the interim period ended June 30, 2023.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

    (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

        (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

        (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

    (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (1992) and the Control Objectives for Information and Related Technologies (COBIT).

5.2 ***ICFR – material weakness relating to design:*** N/A.

5.3 ***Limitation on scope of design:*** N/A.

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on **April 1, 2023** and ended on **June 30, 2023** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: **July 28, 2023**

By: */s/Kevin A Neveu*
Name: Kevin A. Neveu
Title: President and Chief Executive Officer

Exhibit 31.2

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS

I, Carey T. Ford, Chief Financial Officer of Precision Drilling Corporation, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Precision Drilling Corporation (the "issuer"), for the interim period ended June 30, 2023.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (1992) and the Control Objectives for Information and Related Technologies (COBIT).

5.2 ***ICFR – material weakness relating to design:*** N/A.

5.3 ***Limitation on scope of design:*** N/A.

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on **April 1, 2023** and ended on **June 30, 2023** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: **July 28, 2023**

By: */s/Carey T. Ford*
Name: Carey T. Ford
Title: Chief Financial Officer

PRECISION DRILLING CORPORATION

Second Quarter Report for the three and six months ended June 30, 2023 and 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

*This report contains "forward-looking information and statements" within the meaning of applicable securities laws. For a full disclosure of the forward-looking information and statements and the risks to which they are subject, see the "Cautionary Statement Regarding Forward-Looking Information and Statements" later in this report. This report contains references to certain Financial Measures and Ratios, including Adjusted EBITDA (earnings before income taxes, loss (gain) on investments and other assets, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, gain on asset disposals and depreciation and amortization), Funds Provided by (Used in) Operations, Net Capital Spending and Working Capital. These terms do not have standardized meanings prescribed under International Financial Reporting Standards (**IFRS**) and may not be comparable to similar measures used by other companies, see "Financial Measures and Ratios" later in this report.*

Precision Drilling announces 2023 second quarter financial results:

- Revenue was $426 million compared with $326 million in the second quarter of 2022 as our drilling rigs continued to reprice at higher day rates, increasing 25% in Canada and 39% in the U.S. year over year.
- Achieved second quarter Adjusted EBITDA(1) of $142 million, significantly surpassing the $64 million reported in 2022. Adjusted EBITDA included idle but contracted rig revenue of US$5 million and share-based compensation of $3 million, compared with US$1 million and $5 million, respectively, in 2022.
- Net earnings were $27 million or $1.97 per share compared to a net loss of $25 million of $1.81 per share in 2022.
- We continued to deliver *High Performance, High Value* service, expanding daily operating margins(2), maintaining strict cost control and scaling our Alpha™ digital technologies and EverGreen™ suite of environmental solutions across our *Super Triple* rig fleet, growing revenue from these offerings by over 60% from the second quarter of 2022.
- Revenue per utilization day increased to $33,535 in Canada and US$35,576 in the U.S., while daily operating margins were $12,203 in Canada and US$16,613 in the U.S.
- We strengthened our contract book, signing take-or-pay term contracts with several new customers including large U.S. independents and major oil and gas companies and increasing fourth quarter rigs under take-or-pay term contracts in the U.S. from 18 to 27 and in Canada from 15 to 25.
- Averaged 42 active rigs in Canada, an increase of 12% over the second quarter of 2022, and 51 rigs in the U.S., representing an 8% decline from the second quarter of 2022.
- Generated $213 million of cash from operations, repaid $178 million of debt, including all amounts drawn on our Senior Credit Facility and repurchased US$30 million of 2026 unsecured senior notes. Additionally, we returned $8 million to shareholders through share repurchases under our Normal Course Issuer Bid (**NCIB**).
- As at June 30, 2023, we have reduced total debt by $100 million since the beginning of the year and remain on track to meet our 2023 debt reduction target of at least $150 million. We remain committed to achieving a normalized Net Debt to Adjusted EBITDA(1) ratio of less than 1.0 times by the end of 2025.
- Ended the quarter with $23 million of cash and more than $575 million of available liquidity.
- Completion and Production Services generated revenue of $46 million and Adjusted EBITDA of $8 million, representing increases of 40% and 55%, respectively, from the second quarter of 2022.
- Internationally, we have six rigs currently active in the Middle East, increasing to eight in the third quarter. These eight contracts are expected to generate stable predictable cash flow that will stretch into 2028.

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

SELECT FINANCIAL AND OPERATING INFORMATION

Financial Highlights

(Stated in thousands of Canadian dollars, except per share amounts)	For the three months ended June 30, 2023	2022	% Change	For the six months ended June 30, 2023	2022	% Change
Revenue	**425,622**	326,016	30.6	**984,229**	677,355	45.3
Adjusted EBITDA(1)	**142,093**	64,099	121.7	**345,312**	100,954	242.0
Net earnings (loss)	**26,900**	(24,611)	(209.3)	**122,730**	(68,455)	(279.3)
Cash provided by (used in) operations	**213,460**	135,174	57.9	**241,816**	69,880	246.0
Funds provided by operations(1)	**136,959**	60,373	126.9	**296,612**	90,328	228.4
Cash used in investing activities	**44,062**	36,782	19.8	**122,879**	67,125	83.1
Capital spending by spend category(1)						
Expansion and upgrade	**9,615**	15,530	(38.1)	**25,960**	25,145	3.2
Maintenance and infrastructure	**35,099**	23,906	46.8	**69,549**	50,693	37.2
Proceeds on sale	**(6,261)**	(6,849)	(8.6)	**(14,026)**	(9,696)	44.7
Net capital spending(1)	**38,453**	32,587	18.0	**81,483**	66,142	23.2
Net earnings (loss) per share:						
Basic	**1.97**	(1.81)	(208.8)	**8.98**	(5.06)	(277.5)
Diluted	**1.63**	(1.81)	(190.1)	**7.22**	(5.06)	(242.7)

(1) See "FINANCIAL MEASURES AND RATIOS."

Operating Highlights

	For the three months ended June 30, 2023	2022	% Change	For the six months ended June 30, 2023	2022	% Change
Contract drilling rig fleet	**225**	226	(0.4)	**225**	226	(0.4)
Drilling rig utilization days:						
U.S.	**4,626**	5,037	(8.2)	**10,008**	9,627	4.0

Canada	**3,795**	3,376	12.4	**9,963**	9,029	10.3
International	**452**	546	(17.2)	**885**	1,086	(18.5)
Revenue per utilization day:						
U.S. *(US$)*	**35,576**	25,547	39.3	**35,247**	24,951	41.3
Canada *(Cdn$)*	**33,535**	26,746	25.4	**32,773**	25,192	30.1
International *(US$)*	**50,551**	54,612	(7.4)	**51,139**	52,436	(2.5)
Operating costs per utilization day:						
U.S. *(US$)*	**18,963**	18,864	0.5	**19,667**	18,628	5.6
Canada *(Cdn$)*	**21,332**	19,010	12.2	**19,731**	16,749	17.8
Service rig fleet	**119**	93	28.0	**119**	93	28.0
Service rig operating hours	**39,709**	30,389	30.7	**98,050**	68,654	42.8

Financial Position

(Stated in thousands of Canadian dollars, except ratios)	**June 30, 2023**	December 31, 2022
Working capital(1)	**134,839**	60,641
Cash	**22,919**	21,587
Long-term debt	**964,103**	1,085,970
Total long-term financial liabilities	**1,042,188**	1,206,619
Total assets	**2,732,694**	2,876,123
Long-term debt to long-term debt plus equity ratio (1)	**0.42**	0.47

(1) See "FINANCIAL MEASURES AND RATIOS."

Summary for the three months ended June 30, 2023:

- Revenue of $426 million was 31% higher than 2022 due to the further strengthening of North American drilling and service revenue rates, partially offset by lower U.S. and international activity. Drilling rig utilization days increased 12% in Canada, while U.S. and international activity decreased by 8% and 17%, respectively. Our service rig operating hours increased 31% to 39,709 hours as compared with 2022.
- Adjusted EBITDA was $142 million, $78 million higher than 2022 due to increased North America revenue rates, continued strict cost control and lower share-based compensation. Share-based compensation was $3 million as compared with $5 million in 2022. Please refer to "Other Items" later in this report for additional information on share-based compensation charges.
- Adjusted EBITDA as a percentage of revenue was 33% as compared with 20% in 2022.
- Our U.S. revenue per utilization day was US$35,576 compared with US$25,547 in 2022. The increase was primarily the result of higher fleet average day rates and higher idle but contracted rig revenue, offset by lower turnkey activity. We recognized revenue from idle but contracted rigs and turnkey projects of US$5 million and nil, respectively as compared with US$1 million and US$9 million in 2022. Revenue per utilization day, excluding the impact of idle but contracted rigs and turnkey projects was US$34,396, compared to US$23,590 in 2022, an increase of US$10,806 or 46%. Revenue per utilization day, excluding idle but contracted rigs and turnkey revenue, increased US$796 from the first quarter of 2023.
- Our U.S. operating costs per utilization day increased slightly to US$18,963 compared with US$18,864 in 2022. The increase was primarily due to higher rig operating costs offset by lower turnkey costs. Operating costs per utilization day, excluding turnkey activity, were US$18,941 compared with US$16,517 in 2022. Sequentially, excluding the impact of turnkey activity, operating costs per utilization day decreased US$458.
- In Canada, revenue per utilization day was $33,535 compared with $26,746 in 2022. The increase was a result of higher average day rates and customer cost recoveries. Sequentially, revenue per utilization day increased $1,231 due to rig mix.
- Our Canadian operating costs per utilization day increased to $21,332, compared with $19,010 in 2022, due to higher field wages and costs that were recovered from our customers. Sequentially, our daily operating costs increased $2,586 due to higher repairs and maintenance costs spread over fewer activity days and rig mix.
- Completion and Production Services revenue and Adjusted EBITDA were $46 million and $8 million, respectively, compared with $33 million and $5 million in 2022.
- We realized US$23 million of international contract drilling revenue compared with US$30 million in 2022.
- General and administrative expenses were $23 million as compared with $21 million in 2022. The increase was primarily due to higher labour-related costs and the impact of the weakening Canadian dollar on our translated U.S. dollar-denominated costs.
- Net finance charges were $21 million, consistent with 2022.
- Cash provided by operations was $213 million compared with $135 million in 2022. We generated $137 million of funds provided by operations compared with $60 million in 2022. Our increased day rates, revenue efficiency and operational leverage contributed to higher cash generation in the current quarter.
- Capital expenditures were $45 million compared with $39 million in 2022. Capital spending by spend category (see "FINANCIAL MEASURES AND RATIOS") included $10 million for expansion and upgrades and $35 million for the maintenance of existing assets, infrastructure, and intangible assets.
- Repaid $178 million of debt, including all amounts drawn on our Senior Credit Facility and repurchased US$30 million of 2026 unsecured senior notes. Additionally, we returned $8 million to shareholders through share repurchases under our NCIB.
- We ended the quarter with $23 million of cash and more than $575 million of available liquidity.
- Subsequent to June 30, 2023, we completed our $5 million equity investment in CleanDesign Income Corp. (**CleanDesign**). CleanDesign is a key supplier of Precision's EverGreenTM Battery Energy Storage Systems (**BESS**) and this investment provides access to key BESS and power management technologies.

Summary for the six months ended June 30, 2023:

- Revenue for the first six months of 2023 was $984 million, an increase of 45% from 2022.
- Adjusted EBITDA for the period was $345 million as compared with $101 million in 2022. Our higher Adjusted EBITDA was attributable to increased North American drilling and service activity, strengthening of day rates and lower share-based compensation charges.
- General and administrative costs were $39 million, a decrease of $38 million from 2022 primarily due to lower share-based compensation charges, partially offset by higher labour related costs and the impact of the weakening Canadian dollar on our translated U.S. dollar-denominated costs.
- Net finance charges were $44 million, an increase of $3 million from 2022 due to the impact of the weakening of the Canadian dollar on our U.S. dollar-denominated interest expense.
- Cash provided by operations was $242 million as compared with $70 million in 2022. Funds provided by operations in 2023 were $297 million, an increase of $206 million from the comparative period.
- Capital expenditures were $96 million in 2023, an increase of $20 million from 2022. Capital spending by spend category included $26 million for expansion and upgrades and $70 million for the maintenance of existing assets, infrastructure, and intangible assets.
- Year-to-date, we have reduced our total debt by $100 million through the full repayment of our Senior Credit Facility and the repurchase of US$30 million of our 2026 unsecured senior notes. In addition, we repurchased and canceled 193,616 common shares for $13 million under our NCIB.

STRATEGY

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

Precision's 2023 strategic priorities and the progress made during the second quarter are as follows:

1. **Deliver *High Performance, High Value* service through operational excellence.**

- Grew our average active rig count by 12% in Canada as compared with the same period last year.
- Increased service rig operating hours 31% over the second quarter of 2022. With the successful integration of High Arctic Inc.'s well servicing business, Precision is now the leading provider of high-quality and reliable services in Canada.
- Reinvested $45 million into our equipment and infrastructure, bringing our year-to-date investment to $96 million as we progress toward our total expected 2023 investment of $195 million.

2. **Maximize free cash flow by increasing Adjusted EBITDA margins, revenue efficiency, and growing revenue from Alpha TM technologies and EverGreenTM suite of environmental solutions.**

- Realized second quarter daily operating margins of $12,203 in Canada and US$16,613 in the U.S., representing increases of 58% and 149%, respectively, compared with 2022.
- Grew combined AlphaTM technologies and EverGreenTM suite of environmental solutions second quarter revenue by over 60% compared with 2022.
- Ended the quarter with 73 of our AC *Super Triple* rigs equipped with AlphaTM technologies, representing a 38% increase over the same quarter last year.
- Continued to scale our EverGreenTM suite of environmental solutions, adding one EverGreenTM BESS, two EverGreenTM Integrated Power and Emissions Monitoring Systems and 14 high mast LED lighting systems to our fleet during the quarter.

3. **Reduce debt by at least $150 million and allocate 10% to 20% of free cash flow before debt repayments for share repurchases. Long-term debt reduction target of $500 million between 2022 and 2025 and sustained Net Debt to Adjusted EBITDA ratio of below 1.0 times by the end of 2025.**

- Generated significant second quarter cash from operations of $213 million which allowed us to reduce debt by $178 million during the quarter, including the full repayment of our Senior Credit Facility and the repurchase of US$30 million of 2026 unsecured senior notes.
- Returned $8 million of capital to shareholders by repurchasing and cancelling 126,543 common shares. For the first six months of the year, we have allocated $13 million of free cash flow to share repurchases.
- For the first six months of the year, we have reduced total debt by $100 million. We remain committed to reducing debt by at least $150 million in 2023 and expect to reach a Net Debt to Adjusted EBITDA ratio of between 1.25 and 1.50 times by year end.

OUTLOOK

Energy industry fundamentals continue to support drilling activity for oil and natural gas despite broad economic concerns and geopolitical instability. Oil prices are supported by demand growth reemerging in China, while OPEC cutting production quotas and years of under investment and capital discipline by producers have limited supply growth. We therefore expect drilling activity to improve in the second half of the year as customers seek to generate appropriate investment returns, maintain production levels and replenish inventories. Natural gas has demonstrated short-term price weaknesses, however, this lower-carbon energy source is becoming increasingly favorable as countries around the world stress the importance of sustainability, decarbonization and energy security. With demand for Liquified Natural Gas (**LNG**) exports growing and the next wave of North America LNG projects expected to begin coming online in 2025 (including LNG Canada), we anticipate a sustained period of elevated natural gas drilling activity in both the U.S. and Canada.

In Canada, Precision's activity is expected to continue to surpass 2022 levels, supported by imminent hydrocarbon export capacity increases with the Trans Mountain oil pipeline and the Coastal GasLink pipeline, each expected to begin operations in early 2024. Northwestern Alberta and northeastern British Columbia natural gas developments are prime beneficiaries of the LNG Canada project and the January 2023 agreement between the British Columbia government and the Blueberry River First Nation has facilitated a significant increase in 2023 drilling license approvals, which should lead to more drilling activity in the region. Large pad drilling programs are ideally suited for *Super Triple* drilling rigs, resulting in strong customer interest for these rigs for the next several years. Our *Super Triple* fleet is currently fully utilized and we expect customer demand to continue to exceed supply, driving higher daily operating margins and longer-term take-or-pay contracts.

On the heavy oil side, we expect activity levels to remain strong as Canadian producers are benefitting from a favorable U.S. exchange rate and a significantly reduced heavy oil differential. Precision's *Super Single* rigs are well suited for long-term conventional heavy oil development in the oil sands and Clearwater formation. Looking at the second half of the year, we expect our *Super Single* pad capable rigs to be fully utilized, driving higher day rates.

In the U.S., drilling activity had been increasing since mid-2020 but began to weaken in early 2023 due to lower natural gas prices and uncertain oil prices. For the first six months of the year, the Baker Hughes' U.S. land rig count declined 14%. If oil prices remain stable around today's level, we expect demand to improve in the second half of the year as customers modestly increase rig counts to maintain production. Over the past few months, we have signed a number of contracts for rig reactivations later this year and into 2024.

Our AlphaTM technologies and EverGreenTM suite of environmental solutions continue to gain momentum and have become key competitive differentiators for our rigs as these offerings deliver exceptional value to our customers by reducing risks, well construction costs and carbon footprint. We currently have 10 EverGreenTM BESS deployed in the field and have commitments for three additional deployments in the second half of the year. Precision's EverGreen TM BESS has proven to be an economically viable emissions reduction solution for our customers and we anticipate continued demand for additional deployments through the remainder of the year. In April, we expanded our partnership with CleanDesign, a key supplier of EverGreenTM BESS, through a $5 million equity investment commitment. This partnership will ensure we can meet the expected demand for BESS and is aligned with our overall emissions reduction strategy.

Internationally, we currently have six rigs working on term contracts, three in Kuwait and three in the Kingdom of Saudi Arabia, increasing to eight before the end of the third quarter. These eight rig contracts provide stable and predictable cash flow and represent over $700 million in backlog revenue that stretches into 2028. We continue to bid our remaining idle rigs within the region and remain optimistic about our ability to secure rig reactivations.

With the successful acquisition of High Arctic's well servicing business in July 2022, Precision is now the leading provider of high-quality and reliable well services in Canada and the outlook for this business is positive. Customer demand for maintenance and completion activity is expected to exceed staffed service rigs available, supporting healthy activity and strong pricing into the foreseeable future.

Commodity Prices

Second quarter average West Texas Intermediate and Western Canadian Select oil prices decreased 32% and 39%, respectively, from 2022. Average Henry Hub and AECO natural gas prices declined 69% and 66%, respectively from 2022.

	For the three months ended June 30, 2023	2022	Year ended December 31, 2022
Average oil and natural gas prices			
Oil			
West Texas Intermediate (per barrel) (US$)	**73.77**	108.34	94.23
Western Canadian Select (per barrel) (US$)	**58.76**	95.62	78.15
Natural gas			
United States			
Henry Hub (per MMBtu) (US$)	**2.32**	7.47	6.51
Canada			
AECO (per MMBtu) (CDN$)	**2.43**	7.25	5.43

Contracts

The following chart outlines the average number of drilling rigs under term contract by quarter as at July 26, 2023. For those quarters ending after June 30, 2023, this chart represents the minimum number of term contracts from which we will earn revenue. We expect the actual number of contracted rigs to vary in future periods as we sign additional term contracts.

	Average for the quarter ended 2022				Average for the quarter ended 2023			
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
Average rigs under term contract as of July 26, 2023:								
U.S.	27	29	31	35	40	37	31	27
Canada	6	8	10	16	19	23	29	25
International	6	6	6	6	4	5	7	8
Total	39	43	47	57	63	65	67	60

The following chart outlines the average number of drilling rigs that we had under term contract for 2022 and the average number of rigs we have under term contract as at July 26, 2023.

	Average for the year ended 2022	2023
Average rigs under term contract as of July 26, 2023:		
U.S.	31	34
Canada	10	24
International	6	6
Total	47	64

In Canada, term contracted rigs normally generate 250 utilization days per year because of the seasonal nature of well site access. In most regions in the U.S. and internationally, term contracts normally generate 365 utilization days per year. Internationally, we expect to have eight rigs under long-term contract beginning in the second half of 2023.

Drilling Activity

The following chart outlines the average number of drilling rigs that we had working or moving by quarter for the periods noted.

	Average for the quarter ended 2022				Average for the quarter ended 2023	
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
Average Precision active rig count:						
U.S.	51	55	57	60	60	51
Canada	63	37	59	66	69	42
International	6	6	6	6	5	5
Total	120	98	122	132	134	98

According to industry sources, as at July 26, 2023, the U.S. active land drilling rig count has decreased 12% from the same point last year while the Canadian active land drilling rig count has increased 4%. To date in 2023, approximately 79% of the U.S. industry's active rigs and 59% of the Canadian industry's active rigs were drilling for oil targets, compared with 79% for the U.S. and 60% for Canada at the same time last year.

Capital Spending and Free Cash Flow Allocation

We remain committed to disciplined cash flow management, capital spending and returning capital to shareholders. Capital spending in 2023 is expected to be $195 million and by spend category includes $145 million for sustaining, infrastructure and intangibles and $50 million for expansion and upgrades. We expect that the $195 million will be split as follows: $181 million in the Contract Drilling Services segment, $11 million in the Completion and Production Services segment, and $3 million in the Corporate segment. Capital spending could increase this year with stronger demand for our services and customer contracted rig upgrades. As at June 30, 2023, Precision had capital commitments of approximately $201 million with payments expected through 2025.

SEGMENTED FINANCIAL RESULTS

Precision's operations are reported in two segments: Contract Drilling Services, which includes our drilling rig, oilfield supply and manufacturing divisions; and Completion and

Production Services, which includes our service rig, rental and camp and catering divisions.

(Stated in thousands of Canadian dollars)	For the three months ended June 30, 2023	2022	% Change	For the six months ended June 30, 2023	2022	% Change
Revenue:						
Contract Drilling Services	**380,958**	294,299	29.4	**867,034**	608,444	42.5
Completion and Production Services	**46,161**	33,041	39.7	**120,684**	71,279	69.3
Inter-segment eliminations	**(1,497)**	(1,324)	13.1	**(3,489)**	(2,368)	47.3
	425,622	326,016	30.6	**984,229**	677,355	45.3
Adjusted EBITDA:(1)						
Contract Drilling Services	**147,478**	70,429	109.4	**336,601**	141,603	137.7
Completion and Production Services	**7,507**	4,839	55.1	**24,913**	11,378	119.0
Corporate and Other	**(12,892)**	(11,169)	15.4	**(16,202)**	(52,027)	(68.9)
	142,093	64,099	121.7	**345,312**	100,954	242.0

(1) See “FINANCIAL MEASURES AND RATIOS.”

SEGMENT REVIEW OF CONTRACT DRILLING SERVICES

(Stated in thousands of Canadian dollars, except where noted)	For the three months ended June 30, 2023	2022	% Change	For the six months ended June 30, 2023	2022	% Change
Revenue	**380,958**	294,299	29.4	**867,034**	608,444	42.5
Expenses:						
Operating	**224,746**	215,676	4.2	**511,813**	445,727	14.8
General and administrative	**8,734**	8,194	6.6	**18,620**	21,114	(11.8)
Adjusted EBITDA(1)	**147,478**	70,429	109.4	**336,601**	141,603	137.7
Adjusted EBITDA as a percentage of revenue(1)	**38.7%**	23.9%		**38.8%**	23.3%	

(1) See “FINANCIAL MEASURES AND RATIOS.”

United States onshore drilling statistics:(1)	2023 Precision	2023 Industry(2)	2022 Precision	2022 Industry(2)
Average number of active land rigs for quarters ended:				
March 31	**60**	**744**	51	603
June 30	**51**	**700**	55	687
Year to date average	**55**	**722**	53	645

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

Canadian onshore drilling statistics:(1)	2023 Precision	2023 Industry(2)	2022 Precision	2022 Industry(2)
Average number of active land rigs for quarters ended:				
March 31	**69**	**221**	63	205
June 30	**42**	**117**	37	113
Year to date average	**55**	**169**	50	159

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

Revenue from Contract Drilling Services was $381 million, 29% higher than 2022, while Adjusted EBITDA increased 109% to $147 million. The increase in revenue and Adjusted EBITDA was primarily due to higher North American day rates and increased Canadian drilling activity, partially offset by lower U.S. and international activity.

Drilling rig utilization days (drilling days plus move days) in the U.S. were 4,626, 8% lower than 2022. Drilling rig utilization days in Canada were 3,795, 12% higher than 2022. The movement in utilization days in both the U.S. and Canada was consistent with changes in industry activity. Drilling rig utilization days in our international business were 452, a decrease of 17% from the comparable quarter, as drilling operations were paused while our Kuwait rigs began the recertification process in accordance with the 5-year contracts signed in 2022.

Revenue per utilization day in the U.S. increased 39% from 2022 and was primarily the result of higher fleet average day rates and higher idle but contracted rig revenue, offset by lower turnkey revenue. We recognized revenue from idle but contracted rigs and turnkey project of US$5 million and nil, respectively as compared with US$1 million and US$9 million in 2022. Drilling rig revenue per utilization day in Canada increased 25% due to higher average day rates and customer cost recoveries. Our international revenue per utilization day for the quarter was 7% lower than 2022 primarily due to our rig mix that was impacted by the timing of rig recertifications.

In the U.S., 66% of utilization days were generated from rigs under term contract as compared with 49% in 2022. In Canada, 39% of our utilization days were generated from rigs under term contract, compared with 19% in 2022.

U.S. operating costs per utilization day increased slightly from 2022 and was primarily due to higher rig operating costs offset by lower turnkey costs. U.S. operating costs per utilization day, excluding turnkey, was US$18,941 compared with US$16,516 in 2022. Our Canadian operating costs per utilization day increased 12% as compared with 2022 and was due to higher field wages and costs that were recovered from our customers.

Our general and administrative expenses increased $1 million as compared with 2022 and was primarily the result of higher translated U.S. dollar-denominated costs, partially offset by lower share-based compensation charges.

SEGMENT REVIEW OF COMPLETION AND PRODUCTION SERVICES

(Stated in thousands of Canadian	For the three months ended June 30,	For the six months ended June 30,

dollars, except where noted)	**2023**	2022	% Change	**2023**	2022	% Change
Revenue	**46,161**	33,041	39.7	**120,684**	71,279	69.3
Expenses:						
Operating	**36,921**	26,200	40.9	**91,713**	56,167	63.3
General and administrative	**1,733**	2,002	(13.4)	**4,058**	3,734	8.7
Adjusted EBITDA(1)	**7,507**	4,839	55.1	**24,913**	11,378	119.0
Adjusted EBITDA as a percentage of revenue(1)	**16.3%**	14.6%		**20.6%**	16.0%	
Well servicing statistics:						
Number of service rigs (end of period)	**119**	93	28.0	**119**	93	28.0
Service rig operating hours	**39,709**	30,389	30.7	**98,050**	68,654	42.8
Service rig operating hour utilization	**37%**	36%		**46%**	41%	

(1) See "FINANCIAL MEASURES AND RATIOS."

Completion and Production Services revenue increased to $46 million, as compared with $33 million in 2022. The higher revenue was primarily due to increased average service rates and activity, as our service rig operating hours increased 31% from 2022.

Completion and Production Services generated 8% of its revenue from U.S. operations compared with 13% in the comparative period.

Operating costs as a percentage of revenue were 80% compared with 79% in 2022. As compared to 2022, our second quarter general and administrative expenses decreased 13%. The lower expense for the quarter is primarily due to lower share-based compensation, partially offset by incremental costs resulting from our well servicing acquisition in the third quarter of 2022.

Adjusted EBITDA increased to $8 million, as compared with $5 million in 2022, primarily due to increased average service rates and activity.

SEGMENT REVIEW OF CORPORATE AND OTHER

Our Corporate and Other segment provides support functions to our operating segments. The Corporate and Other segment had negative Adjusted EBITDA of $13 million as compared with $11 million in 2022. Our lower current quarter Adjusted EBITDA was impacted by higher translated U.S. dollar-denominated costs, partially offset by lower share-based compensation charges.

OTHER ITEMS

Share-based Incentive Compensation Plans

We have several cash and equity-settled share-based incentive plans for non-management directors, officers, and other eligible employees. Our accounting policies for each share-based incentive plan can be found in our 2022 Annual Report.

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

	For the three months ended June 30,		For the six months ended June 30,	
(Stated in thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Cash settled share-based incentive plans	**2,081**	5,048	**(10,014)**	52,259
Equity settled share-based incentive plans	**653**	—	**1,133**	427
Total share-based incentive compensation plan expense (recovery)	**2,734**	5,048	**(8,881)**	52,686
Allocated:				
Operating	**923**	1,852	**(960)**	12,772
General and Administrative	**1,811**	3,196	**(7,921)**	39,914
	2,734	5,048	**(8,881)**	52,686

Cash settled share-based compensation expense for the quarter was $2 million as compared with $5 million in 2022. The lower expense in 2023 was primarily due to the continued vesting fewer outstanding cash-settled units, partially offset by our better share price performance as compared with 2022.

During the first quarter of 2023, we issued Executive Restricted Share Units (**Executive RSUs**) to certain senior executives. Accordingly, our equity-settled share-based compensation expense for the quarter was $1 million as compared with nil in 2022.

As at June 30, 2023, the majority of our share-based compensation plans were classified as cash-settled and will be impacted by changes in our share price. Although accounted for as cash-settled, Precision retains the ability to settle certain vested units in common shares at its discretion.

Finance Charges

Finance charges were $21 million, consistent with 2022. Despite our lower balance of long-term debt, our finance charges were negatively impacted by the weakening of the Canadian dollar on our U.S. dollar-denominated interest. Interest charges on our U.S. dollar-denominated long-term debt were US$14 million ($19 million) as compared with US$15 million ($19 million) in 2022.

Income Tax

Income tax expense for the quarter was $19 million as compared with $4 million in 2022. During the second quarter, we continued to not recognize deferred tax assets on certain Canadian and international operating losses.

LIQUIDITY AND CAPITAL RESOURCES

The oilfield services business is inherently cyclical in nature. To manage this, we focus on maintaining a strong balance sheet in order to have the financial flexibility to manage our growth and cash flow regardless of where we are in the business cycle. We maintain a variable operating cost structure so we can be responsive to changes in demand.

Our maintenance capital expenditures are tightly governed and highly responsive to activity levels with additional cost savings leverage provided through our internal manufacturing and supply divisions. Term contracts on expansion capital provide more certainty of future revenues and return on our capital investments.

Liquidity

Amount	Availability	Used for	Maturity
Senior Credit Facility (secured)			
US$447 million (extendible, revolving term credit facility with US$353 million accordion feature)	Nil drawn and US$56 million in outstanding letters of credit	General corporate purposes	June 18, 2025
Real estate credit facilities (secured)			
US$9 million	Fully drawn	General corporate purposes	November 19, 2025
$17 million	Fully drawn	General corporate purposes	March 16, 2026
Operating facilities (secured)			
$40 million	Undrawn, except $20 million in outstanding letters of credit	Letters of credit and general corporate purposes	
US$15 million	Undrawn	Short-term working capital requirements	
Demand letter of credit facility (secured)			
US$40 million	Undrawn, except US$21 million in outstanding letters of credit	Letters of credit	
Unsecured senior notes (unsecured)			
US$318 million – 7.125%	Fully drawn	Debt redemption and repurchases	January 15, 2026
US$400 million – 6.875%	Fully drawn	Debt redemption and repurchases	January 15, 2029

As at June 30, 2023, we had $979 million outstanding under our Senior Credit Facility, Real Estate Credit Facilities and unsecured senior notes as compared with $1,103 million at December 31, 2022. The current blended cash interest cost of our debt is approximately 7.0%.

During the quarter, we repaid all amounts borrowed under our Senior Credit Facility and repurchased and canceled US$30 million principal amount of our 2026 unsecured senior notes.

During the quarter, S&P Global Ratings raised our issuer credit rating and rating on our Unsecured Senior Notes to 'B+' from 'B'. In addition, Moody's Investor Service upgraded Precision's corporate rating to B1 from B2 and unsecured senior notes rating to B2 from B3.

<u>Senior Credit Facility</u>

Our Senior Credit Facility requires that we comply with certain covenants including a leverage ratio of consolidated senior debt to consolidated Covenant EBITDA of less than 2.5:1. For purposes of calculating the leverage ratio, consolidated senior debt only includes secured indebtedness. The Senior Credit Facility limits the redemption and repurchase of junior debt subject to a pro forma senior net leverage covenant test of less than or equal to 1.75:1.

During the quarter, we agreed with the lenders of our Senior Credit Facility to remove certain non-extending lenders from our facility, thereby reducing the total commitment from US$500 million to US$447 million.

The Senior Credit Facility matures on June 18, 2025.

<u>Unsecured Senior Notes</u>

The unsecured senior notes require that we comply with certain restrictive and financial covenants, including an incurrence based consolidated interest coverage ratio test of consolidated cash flow, as defined in the senior note agreements, to consolidated interest expense of greater than 2.0:1 for the most recent four consecutive fiscal quarters. In the event our consolidated interest coverage ratio is less than 2.0:1 for the most recent four consecutive fiscal quarters, the unsecured senior notes restrict our ability to incur additional indebtedness.

For further information, please see the unsecured senior note indentures which are available on SEDAR and EDGAR.

Covenants

As at June 30, 2023, we were in compliance with the covenants of our Senior Credit Facility and Real Estate Credit Facilities.

	Covenant	At June 30, 2023
Senior Credit Facility		
Consolidated senior debt to consolidated covenant EBITDA(1)	<2.50	0.05
Consolidated covenant EBITDA to consolidated interest expense	>2.50	6.30
Real Estate Credit Facilities		
Consolidated covenant EBITDA to consolidated interest expense	>2.50	6.30

(1) For purposes of calculating the leverage ratio consolidated senior debt only includes secured indebtedness.

Impact of foreign exchange rates

The following table summarizes the average and closing Canada-U.S. foreign exchanges rates.

	For the three months ended June 30,		For the six months ended June 30,		At December 31,
	2023	2022	**2023**	2022	2022
Canada-U.S. foreign exchange rates					
Average	**1.35**	1.28	**1.35**	1.27	—
Closing	**1.32**	1.29	**1.32**	1.29	1.36

Hedge of investments in foreign operations

We utilize foreign currency long-term debt to hedge our exposure to changes in the carrying value of our net investment in certain foreign operations as a result of changes in foreign exchange rates.

We have designated our U.S. dollar-denominated long-term debt as a net investment hedge in our U.S. operations and other foreign operations that have a U.S. dollar functional currency. To be accounted for as a hedge, the foreign currency denominated long-term debt must be designated and documented as such and must be effective at inception and on an ongoing basis. We recognize the effective amount of this hedge (net of tax) in other comprehensive income. We recognize ineffective amounts (if any) in net earnings (loss).

QUARTERLY FINANCIAL SUMMARY

(Stated in thousands of Canadian dollars, except per share amounts)	2022		**2023**	
Quarters ended	September 30	December 31	March 31	**June 30**
Revenue	429,335	510,504	558,607	**425,622**
Adjusted EBITDA(1)	119,561	91,090	203,219	**142,093**
Net earnings (loss)	30,679	3,483	95,830	**26,900**
Net earnings (loss) per basic share	2.26	0.27	7.02	**1.97**
Net earnings (loss) per diluted share	2.03	0.27	5.57	**1.63**
Funds provided by operations(1)	81,327	111,339	159,653	**136,959**
Cash provided by operations	8,142	159,082	28,356	**213,460**

(Stated in thousands of Canadian dollars, except per share amounts)	2021		2022	
Quarters ended	September 30	December 31	March 31	June 30
Revenue	253,813	295,202	351,339	326,016
Adjusted EBITDA(1)	45,408	63,881	36,855	64,099
Net loss	(38,032)	(27,336)	(43,844)	(24,611)
Net loss per basic and diluted share	(2.86)	(2.05)	(3.25)	(1.81)
Funds provided by operations(1)	33,525	62,681	29,955	60,373
Cash provided by (used in) operations	21,871	59,713	(65,294)	135,174

(1) See “FINANCIAL MEASURES AND RATIOS.”

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Because of the nature of our business, we are required to make judgements and estimates in preparing our Condensed Consolidated Interim Financial Statements that could materially affect the amounts recognized. Our judgements and estimates are based on our past experiences and assumptions we believe are reasonable in the circumstances. The critical judgements and estimates used in preparing the Condensed Consolidated Interim Financial Statements are described in our 2022 Annual Report.

EVALUATION OF CONTROLS AND PROCEDURES

Based on their evaluation as at June 30, 2023, Precision’s Chief Executive Officer and Chief Financial Officer concluded that the Corporation’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**)), are effective to ensure that information required to be disclosed by the Corporation in reports that are filed or submitted to Canadian and U.S. securities authorities is recorded, processed, summarized and reported within the time periods specified in Canadian and U.S. securities laws. In addition, as at June 30, 2023, there were no changes in the internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the three months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Corporation’s internal control over financial reporting. Management will continue to periodically evaluate the Corporation’s disclosure controls and procedures and internal control over financial reporting and will make any modifications from time to time as deemed necessary.

Based on their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements, and even those controls determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

FINANCIAL MEASURES AND RATIOS

Non-GAAP Financial Measures

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

Adjusted EBITDA

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

The most directly comparable financial measure is net earnings (loss).

	For the three months ended June 30,		For the six months ended June 30,	
(Stated in thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Adjusted EBITDA by segment:				
Contract Drilling Services	**147,478**	70,429	**336,601**	141,603
Completion and Production Services	**7,507**	4,839	**24,913**	11,378
Corporate and Other	**(12,892)**	(11,169)	**(16,202)**	(52,027)
Adjusted EBITDA	**142,093**	64,099	**345,312**	100,954
Depreciation and amortization	**74,088**	69,757	**145,631**	138,214
Gain on asset disposals	**(3,872)**	(10,800)	**(13,148)**	(13,914)

Foreign exchange	**(774)**	536	**(1,257)**	18
Finance charges	**21,408**	21,043	**44,328**	41,773
Gain on repurchase of unsecured notes	**(100)**	—	**(100)**	—
Loss (gain) on investments and other assets	**5,658**	4,346	**9,888**	(1,223)
Incomes taxes	**18,785**	3,828	**37,240**	4,541
Net earnings (loss)	**26,900**	(24,611)	**122,730**	(68,455)

Funds Provided by (Used in) Operations

We believe funds provided by (used in) operations, as reported in our Condensed Interim Consolidated Statements of Cash Flows, is a useful measure because it provides an indication of the funds our principal business activities generate prior to consideration of working capital changes, which is primarily made up of highly liquid balances.

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

Net Capital Spending

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

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

Net capital spending is calculated as follows:

	For the three months ended June 30,		For the six months ended June 30,	
(Stated in thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Capital spending by spend category				
Expansion and upgrade	**9,615**	15,530	**25,960**	25,145
Maintenance, infrastructure and intangibles	**35,099**	23,906	**69,549**	50,693
	44,714	39,436	**95,509**	75,838
Proceeds on sale of property, plant and equipment	**(6,261)**	(6,849)	**(14,026)**	(9,696)
Net capital spending	**38,453**	32,587	**81,483**	66,142
Business acquisitions	**—**	—	**28,000**	—
Purchase of investments and other assets	**2,016**	536	**2,071**	536
Changes in non-cash working capital balances	**3,593**	3,659	**11,325**	447
Cash used in investing activities	**44,062**	36,782	**122,879**	67,125

Working Capital

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

Working capital is calculated as follows:

	June 30,	December 31,
(Stated in thousands of Canadian dollars)	**2023**	2022
Current assets	**413,091**	470,670
Current liabilities	**278,252**	410,029
Working capital	**134,839**	60,641

Non-GAAP Ratios

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

Adjusted EBITDA % of Revenue

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

Long-term debt to long-term debt plus equity

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

Net Debt to Adjusted EBITDA

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

Supplementary Financial Measures

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

Capital Spending by Spend Category

We provide additional disclosure to better depict the nature of our capital spending. Our capital spending is categorized as expansion and upgrade, maintenance and infrastructure, or intangibles.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

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 2023;
- our capital expenditures, free cash flow allocation and debt reduction plan for 2023;
- anticipated activity levels, demand for our drilling rigs, day rates and daily operating margins in 2023;
- the average number of term contracts in place for 2023;
- customer adoption of AlphaTM technologies and EverGreenTM suite of environmental solutions;
- timing and amount of costs savings from acquired well servicing and rental assets;
- potential commercial opportunities and rig contract renewals; and
- our future debt reduction plans.

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 impact of an increase/decrease in capital spending; 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 level of oil and natural gas exploration and development activities;
- fluctuations in the demand for contract drilling, well servicing and ancillary oilfield services;
- our customers' inability to obtain adequate credit or financing to support their drilling and production activity;
- the success of vaccinations for COVID-19 worldwide;
- changes in drilling and well servicing technology, which could reduce demand for certain rigs or put us at a competitive advantage;
- shortages, delays and interruptions in the delivery of equipment supplies and other key inputs;
- liquidity of the capital markets to fund customer drilling programs;
- availability of cash flow, debt and equity sources to fund our capital and operating requirements, as needed;
- the impact of weather and seasonal conditions on operations and facilities;
- competitive operating risks inherent in contract drilling, well servicing and ancillary oilfield services;
- ability to improve our rig technology to improve drilling efficiency;
- general economic, market or business conditions;
- the availability of qualified personnel and management;
- a decline in our safety performance which could result in lower demand for our services;
- changes in laws or regulations, including changes in environmental laws and regulations such as increased regulation of hydraulic fracturing or restrictions on the burning of fossil fuels and greenhouse gas emissions, which could have an adverse impact on the demand for oil and natural gas;
- terrorism, 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, 2022, 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 report 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.

Exhibit 99.2

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(Stated in thousands of Canadian dollars)	June 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash	$ 22,919	$ 21,587
Accounts receivable	353,505	413,925
Inventory	36,667	35,158
Total current assets	413,091	470,670
Non-current assets:		
Income tax recoverable	682	1,602
Deferred tax assets	454	455
Property, plant and equipment	2,224,106	2,303,338
Intangibles	18,231	19,575
Right-of-use assets	60,496	60,032
Investments and other assets (Note 11)	15,634	20,451
Total non-current assets	2,319,603	2,405,453
Total assets	$ 2,732,694	$ 2,876,123
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 261,504	$ 392,053
Income taxes payable	1,623	2,991
Current portion of lease obligations	12,859	12,698
Current portion of long-term debt (Note 5)	2,266	2,287
Total current liabilities	278,252	410,029
Non-current liabilities:		
Share-based compensation (Note 7)	17,483	60,133
Provisions and other	7,149	7,538
Lease obligations	53,453	52,978
Long-term debt (Note 5)	964,103	1,085,970
Deferred tax liabilities	63,576	28,946
Total non-current liabilities	1,105,764	1,235,565
Shareholders' equity:		
Shareholders' capital (Note 8)	2,306,545	2,299,533
Contributed surplus	73,688	72,555
Deficit	(1,178,543)	(1,301,273)
Accumulated other comprehensive income	146,988	159,714
Total shareholders' equity	1,348,678	1,230,529
Total liabilities and shareholders' equity	$ 2,732,694	$ 2,876,123

See accompanying notes to condensed interim consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(Stated in thousands of Canadian dollars, except per share amounts)	2023	2022	2023	2022
Revenue (Note 3)	$ 425,622	$ 326,016	$ 984,229	$ 677,355
Expenses:				
Operating	260,170	240,552	600,037	499,526
General and administrative	23,359	21,365	38,880	76,875
Earnings before income taxes, loss (gain) on investments and other assets, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, gain on asset disposals, and depreciation and amortization	142,093	64,099	345,312	100,954
Depreciation and amortization	74,088	69,757	145,631	138,214
Gain on asset disposals	(3,872)	(10,800)	(13,148)	(13,914)
Foreign exchange	(774)	536	(1,257)	18
Finance charges (Note 6)	21,408	21,043	44,328	41,773
Gain on repurchase of unsecured senior notes	(100)	—	(100)	—
Loss (gain) on investments and other assets	5,658	4,346	9,888	(1,223)
Earnings (loss) before income taxes	45,685	(20,783)	159,970	(63,914)
Income taxes:				
Current	1,120	635	1,961	1,605
Deferred	17,665	3,193	35,279	2,936
	18,785	3,828	37,240	4,541
Net earnings (loss)	$ 26,900	$ (24,611)	$ 122,730	$ (68,455)
Net earnings (loss) per share: (Note 9)				
Basic	$ 1.97	$ (1.81)	$ 8.98	$ (5.06)
Diluted	$ 1.63	$ (1.81)	$ 7.22	$ (5.06)

See accompanying notes to condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

(Stated in thousands of Canadian dollars)	Three Months Ended June 30, 2023	2022	Six Months Ended June 30, 2023	2022
Net earnings (loss)	$ **26,900**	$ (24,611)	$ **122,730**	$ (68,455)
Unrealized gain (loss) on translation of assets and liabilities of operations denominated in foreign currency	**(31,718)**	44,638	**(35,858)**	27,667
Foreign exchange gain (loss) on net investment hedge with U.S. denominated debt	**20,459**	(33,831)	**23,132**	(21,063)
Comprehensive income (loss)	$ **15,641**	$ (13,804)	$ **110,004**	$ (61,851)

See accompanying notes to condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Stated in thousands of Canadian dollars)	Three Months Ended June 30, 2023	2022	Six Months Ended June 30, 2023	2022
Cash provided by (used in):				
Operations:				
Net earnings (loss)	$ **26,900**	$ (24,611)	$ **122,730**	$ (68,455)
Adjustments for:				
Long-term compensation plans	**1,740**	3,224	**(2,377)**	34,436
Depreciation and amortization	**74,088**	69,757	**145,631**	138,214
Gain on asset disposals	**(3,872)**	(10,800)	**(13,148)**	(13,914)
Foreign exchange	**(786)**	422	**(1,288)**	151
Finance charges	**21,408**	21,043	**44,328**	41,773
Income taxes	**18,785**	3,828	**37,240**	4,541
Other	**(220)**	275	**(220)**	275
Loss (gain) on investments and other assets	**5,658**	4,346	**9,888**	(1,223)
Gain on repurchase of unsecured senior notes	**(100)**	—	**(100)**	—
Income taxes paid	**(2,037)**	(2,576)	**(2,208)**	(2,803)
Income taxes recovered	**3**	—	**3**	—
Interest paid	**(4,827)**	(4,540)	**(44,202)**	(42,701)
Interest received	**219**	5	**335**	34
Funds provided by operations	**136,959**	60,373	**296,612**	90,328
Changes in non-cash working capital balances	**76,501**	74,801	**(54,796)**	(20,448)
	213,460	135,174	**241,816**	69,880
Investments:				
Purchase of property, plant and equipment	**(44,037)**	(39,436)	**(94,832)**	(75,838)
Purchase of intangibles	**(677)**	—	**(677)**	—
Proceeds on sale of property, plant and equipment	**6,261**	6,849	**14,026**	9,696
Business acquisitions	**—**	—	**(28,000)**	—
Purchase of investments and other assets	**(2,016)**	(536)	**(2,071)**	(536)
Changes in non-cash working capital balances	**(3,593)**	(3,659)	**(11,325)**	(447)
	(44,062)	(36,782)	**(122,879)**	(67,125)
Financing:				
Issuance of long-term debt	**—**	6,405	**139,049**	94,529
Repayments of long-term debt	**(177,677)**	(75,921)	**(239,021)**	(84,111)
Repurchase of share capital	**(7,958)**	(5,000)	**(12,951)**	(5,000)
Issuance of common shares on the exercise of options	**—**	4,766	**—**	6,162
Lease payments	**(2,042)**	(1,842)	**(4,003)**	(3,409)
	(187,677)	(71,592)	**(116,926)**	8,171
Effect of exchange rate changes on cash	**(421)**	739	**(679)**	127
Increase (decrease) in cash	**(18,700)**	27,539	**1,332**	11,053
Cash, beginning of period	**41,619**	24,102	**21,587**	40,588
Cash, end of period	$ **22,919**	$ 51,641	$ **22,919**	$ 51,641

See accompanying notes to condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(Stated in thousands of Canadian dollars)	Shareholders' Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Equity
Balance at January 1, 2023	$ 2,299,533	$ 72,555	$ 159,714	$ (1,301,273)	$ 1,230,529
Net earnings for the period	—	—	—	122,730	122,730
Other comprehensive loss for the period	—	—	(12,726)	—	(12,726)
Settlement of Executive Performance and Restricted Share Units	19,206	—	—	—	19,206
Share repurchases	(12,951)	—	—	—	(12,951)
Redemption of non-management directors share units	757	—	—	—	757
Share-based compensation expense	—	1,133	—	—	1,133
Balance at June 30, 2023	**$ 2,306,545**	**$ 73,688**	**$ 146,988**	**$ (1,178,543)**	**$ 1,348,678**

Accumulated
Other

(Stated in thousands of Canadian dollars)	Shareholders' Capital	Contributed Surplus	Comprehensive Income	Deficit	Total Equity
Balance at January 1, 2022	$ 2,281,444	$ 76,311	$ 134,780	$ (1,266,980)	$ 1,225,555
Net loss for the period	—	—	—	(68,455)	(68,455)
Other comprehensive income for the period	—	—	6,604	—	6,604
Share options exercised	8,843	(2,681)	—	—	6,162
Share repurchases	(5,000)	—	—	—	(5,000)
Share-based compensation reclassification	14,083	(219)	—	—	13,864
Share-based compensation expense	—	646	—	—	646
Balance at June 30, 2022	**$ 2,299,370**	**$ 74,057**	**$ 141,384**	**$ (1,335,435)**	**$ 1,179,376**

See accompanying notes to condensed interim consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Tabular amounts are stated in thousands of Canadian dollars except share numbers and per share amounts)

NOTE 1. DESCRIPTION OF BUSINESS

Precision Drilling Corporation (**Precision** or the **Corporation**) is incorporated under the laws of the Province of Alberta, Canada and is a provider of contract drilling and completion and production services primarily to oil and natural gas and geothermal exploration and production companies in Canada, the United States and certain international locations.

NOTE 2. BASIS OF PRESENTATION

(a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Corporation as at and for the year ended December 31, 2022.

These condensed interim consolidated financial statements were prepared using accounting policies and methods of their application are consistent with those used in the preparation of the Corporation's consolidated annual financial statements for the year ended December 31, 2022, except as noted in Note 2 (c).

These condensed interim consolidated financial statements were approved by the Board of Directors on July 26, 2023.

(b) Use of Estimates and Judgements

The preparation of the condensed interim consolidated financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingencies. These estimates and judgements are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The estimation of anticipated future events involves uncertainty and, consequently, the estimates used in preparation of the condensed interim consolidated financial statements may change as future events unfold, more experience is acquired, or the Corporation's operating environment changes.

Significant estimates and judgements used in the preparation of these condensed interim consolidated financial statements remained unchanged from those disclosed in the Corporation's consolidated annual financial statements for the year ended December 31, 2022.

(c) Significant Accounting Policies

Interests in equity-accounted investees

An associate is an entity for which the Corporation has significant influence and thereby has the power to participate in the financial and operational decisions but does not control or jointly control the investee. Investments in associates are accounted for using the equity method of accounting and are recognized at cost and subsequently adjusted for the proportionate share of the investee's net assets. The Corporation's consolidated financial statements include its share of the investee's net earnings (loss) and other comprehensive income (loss) until the date that significant influence ceases.

NOTE 3. REVENUE

(a) Disaggregation of revenue

The following table includes a reconciliation of disaggregated revenue by reportable segment. Revenue has been disaggregated by primary geographical market and type of service provided.

Three Months Ended June 30, 2023	**Contract Drilling Services**	**Completion and Production Services**	**Corporate and Other**	**Inter-Segment Eliminations**	**Total**
United States	**$ 221,189**	**$ 3,607**	**$ —**	**$ (3)**	**$ 224,793**
Canada	**129,088**	**42,554**	**—**	**(1,494)**	**170,148**
International	**30,681**	**—**	**—**	**—**	**30,681**
	$ 380,958	**$ 46,161**	**$ —**	**$ (1,497)**	**$ 425,622**
Day rate/hourly services	**$ 372,652**	**$ 46,161**	**$ —**	**$ (223)**	**$ 418,590**
Shortfall payments/idle but contracted	**6,358**	**—**	**—**	**—**	**6,358**
Turnkey drilling services	**—**	**—**	**—**	**—**	**—**

Other	1,948	—	—	(1,274)	674
	$ 380,958	$ 46,161	$ —	$ (1,497)	$ 425,622

Three Months Ended June 30, 2022	Contract Drilling Services	Completion and Production Services	Corporate and Other	Inter-Segment Eliminations	Total
United States	$ 164,174	$ 4,299	$ —	$ (27)	$ 168,446
Canada	92,073	28,742	—	(1,297)	119,518
International	38,052	—	—	—	38,052
	$ 294,299	$ 33,041	$ —	$ (1,324)	$ 326,016
Day rate/hourly services	$ 280,010	$ 33,041	$ —	$ (233)	$ 312,818
Shortfall payments/idle but contracted	630	—	—	—	630
Turnkey drilling services	11,842	—	—	—	11,842
Other	1,817	—	—	(1,091)	726
	$ 294,299	$ 33,041	$ —	$ (1,324)	$ 326,016

Six Months Ended June 30, 2023	**Contract Drilling Services**	**Completion and Production Services**	**Corporate and Other**	**Inter-Segment Eliminations**	**Total**
United States	**$ 475,327**	**$ 7,684**	**$ —**	**$ (17)**	**$ 482,994**
Canada	**330,766**	**113,000**	**—**	**(3,472)**	**440,294**
International	**60,941**	**—**	**—**	**—**	**60,941**
	$ 867,034	**$ 120,684**	**$ —**	**$ (3,489)**	**$ 984,229**
Day rate/hourly services	**$ 846,317**	**$ 120,684**	**$ —**	**$ (237)**	**$ 966,764**
Shortfall payments/idle but contracted	**7,241**	**—**	**—**	**—**	**7,241**
Turnkey drilling services	**8,988**	**—**	**—**	**—**	**8,988**
Other	**4,488**	**—**	**—**	**(3,252)**	**1,236**
	$ 867,034	**$ 120,684**	**$ —**	**$ (3,489)**	**$ 984,229**

Six Months Ended June 30, 2022	Contract Drilling Services	Completion and Production Services	Corporate and Other	Inter-Segment Eliminations	Total
United States	$ 305,439	$ 8,337	$ —	$ (28)	$ 313,748
Canada	230,590	62,942	—	(2,340)	291,192
International	72,415	—	—	—	72,415
	$ 608,444	$ 71,279	$ —	$ (2,368)	$ 677,355
Day rate/hourly services	$ 578,060	$ 71,279	$ —	$ (426)	$ 648,913
Shortfall payments/idle but contracted	630	—	—	—	630
Turnkey drilling services	26,580	—	—	—	26,580
Other	3,174	—	—	(1,942)	1,232
	$ 608,444	$ 71,279	$ —	$ (2,368)	$ 677,355

(b) Seasonality

Precision has operations that are carried on in Canada which represent approximately 45% (2022 – 43%) of consolidated revenue for the six months ended June 30, 2023 and 37% (2022 – 35%) of consolidated total assets as at June 30, 2023. The ability to move heavy equipment in Canadian oil and natural gas fields is dependent on weather conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. The duration of this "spring break-up" has a direct impact on Precision's activity levels. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The timing of freeze up and spring break-up affects the ability to move equipment in and out of these areas. As a result, late March through May is traditionally Precision's slowest time in this region.

NOTE 4. SEGMENTED INFORMATION

The Corporation has two reportable operating segments; Contract Drilling Services and Completion and Production Services. Contract Drilling Services includes drilling rigs, procurement and distribution of oilfield supplies, and manufacture, sale and repair of drilling equipment. Completion and Production Services includes service rigs, oilfield equipment rental and camp and catering services. The Corporation provides services primarily in Canada, the United States and certain international locations.

Three Months Ended June 30, 2023	**Contract Drilling Services**	**Completion and Production Services**	**Corporate and Other**	**Inter-Segment Eliminations**	**Total**
Revenue	**$ 380,958**	**$ 46,161**	**$ —**	**$ (1,497)**	**$ 425,622**
Earnings before income taxes, loss (gain) on investments and other assets, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, gain on asset disposals, and depreciation and amortization	**147,478**	**7,507**	**(12,892)**	**—**	**142,093**
Depreciation and amortization	**68,151**	**3,638**	**2,299**	**—**	**74,088**
Gain on asset disposals	**(3,706)**	**(148)**	**(18)**	**—**	**(3,872)**
Total assets	**2,449,323**	**161,403**	**121,968**	**—**	**2,732,694**
Capital expenditures	**41,375**	**2,442**	**897**	**—**	**44,714**

Three Months Ended June 30, 2022		Contract Drilling Services		Completion and Production Services		Corporate and Other		Inter-Segment Eliminations		Total
Revenue	$	294,299	$	33,041	$	—	$	(1,324)	$	326,016
Earnings before income taxes, loss (gain) on investments and other assets, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, gain on asset disposals, and depreciation and amortization		70,429		4,839		(11,169)		—		64,099
Depreciation and amortization		64,140		3,254		2,363		—		69,757
Gain on asset disposals		(10,581)		(219)		—		—		(10,800)
Total assets		2,446,080		124,838		133,768		—		2,704,686
Capital expenditures		37,821		1,558		57		—		39,436

Six Months Ended June 30, 2023		**Contract Drilling Services**		**Completion and Production Services**		**Corporate and Other**		**Inter-Segment Eliminations**		**Total**
Revenue	**$**	**867,034**	**$**	**120,684**	**$**	**—**	**$**	**(3,489)**	**$**	**984,229**
Earnings before income taxes, loss (gain) on investments and other assets, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, gain on asset disposals, and depreciation and amortization		**336,601**		**24,913**		**(16,202)**		**—**		**345,312**
Depreciation and amortization		**133,706**		**7,369**		**4,556**		**—**		**145,631**
Gain on asset disposals		**(12,286)**		**(714)**		**(148)**		**—**		**(13,148)**
Total assets		**2,449,323**		**161,403**		**121,968**		**—**		**2,732,694**
Capital expenditures		**90,199**		**4,225**		**1,085**		**—**		**95,509**

Six Months Ended June 30, 2022		Contract Drilling Services		Completion and Production Services		Corporate and Other		Inter-Segment Eliminations		Total
Revenue	$	608,444	$	71,279	$	—	$	(2,368)	$	677,355
Earnings before income taxes, loss (gain) on investments and other assets, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, gain on asset disposals, and depreciation and amortization		141,603		11,378		(52,027)		—		100,954
Depreciation and amortization		126,793		6,604		4,817		—		138,214
Gain on asset disposals		(12,463)		(1,389)		(62)		—		(13,914)
Total assets		2,446,080		124,838		133,768		—		2,704,686
Capital expenditures		73,049		2,558		231		—		75,838

A reconciliation of total segment earnings before income taxes, loss (gain) on investments and other assets, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, gain on asset disposals, depreciation and amortization to net earnings (loss) is as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
		2023		2022		**2023**		2022
Total segment earnings before income taxes, loss (gain) on investments and other assets, gain on repurchase of unsecured senior notes, finance charges, foreign exchange, gain on asset disposals, and depreciation and amortization	**$**	**142,093**	$	64,099	**$**	**345,312**	$	100,954
Deduct:								
Depreciation and amortization		**74,088**		69,757		**145,631**		138,214
Gain on asset disposals		**(3,872)**		(10,800)		**(13,148)**		(13,914)
Foreign exchange		**(774)**		536		**(1,257)**		18
Finance charges		**21,408**		21,043		**44,328**		41,773
Gain on repurchase of unsecured senior notes		**(100)**		—		**(100)**		—
Loss (gain) on investments and other assets		**5,658**		4,346		**9,888**		(1,223)
Income taxes		**18,785**		3,828		**37,240**		4,541
Net earnings (loss)	**$**	**26,900**	$	(24,611)	**$**	**122,730**	$	(68,455)

NOTE 5. LONG-TERM DEBT

	U.S. Denominated Facilities				Canadian Facilities and Translated U.S. Facilities			
		June 30, 2023		December 31, 2022		**June 30, 2023**		December 31, 2022
Current Portion of Long-Term Debt								
Canadian Real Estate Credit Facility	**US$**	**—**	US$	—	**$**	**1,333**	$	1,333
U.S. Real Estate Credit Facility		**704**		704		**933**		954
	US$	**704**	US$	704	**$**	**2,266**	$	2,287
Long-Term Debt								
Senior Credit Facility	**US$**	**—**	US$	44,000	**$**	**—**	$	59,620
Canadian Real Estate Credit Facility		**—**		—		**15,667**		16,334

U.S. Real Estate Credit Facility	**8,037**	8,389	**10,647**	11,368
Unsecured Senior Notes:				
7.125% senior notes due 2026	**317,765**	347,765	**420,927**	471,225
6.875% senior notes due 2029	**400,000**	400,000	**529,860**	542,004
	US$ 725,802	US$ 800,154	**977,101**	1,100,551
Less net unamortized debt issue costs and original issue discount			**(12,998)**	(14,581)
			$ 964,103	$ 1,085,970

	Senior Credit Facility	Unsecured Senior Notes	Canadian Real Estate Credit Facility	U.S. Real Estate Credit Facility	Debt Issue Costs and Original Issue Discount	Total
Current	$ —	$ —	$ 1,333	$ 954	$ —	$ 2,287
Long-term	59,620	1,013,229	16,334	11,368	(14,581)	1,085,970
December 31, 2022	59,620	1,013,229	17,667	12,322	(14,581)	1,088,257
Changes from financing cash flows:						
Proceeds from Senior Credit Facility	139,049	—	—	—	—	139,049
Repayment of unsecured senior notes	—	(39,837)	—	—	—	(39,837)
Repayment of Senior Credit Facility	(198,042)	—	—	—	—	(198,042)
Repayment of Real Estate Credit Facility	—	—	(667)	(475)	—	(1,142)
	627	973,392	17,000	11,847	(14,581)	988,285
Gain on repurchase of unsecured senior notes	—	(100)	—	—	—	(100)
Amortization of debt issue costs	—	—	—	—	1,580	1,580
Foreign exchange adjustment	(627)	(22,505)	—	(267)	3	(23,396)
June 30, 2023	**$ —**	**$ 950,787**	**$ 17,000**	**$ 11,580**	**$ (12,998)**	**$ 966,369**
Current	$ —	$ —	$ 1,333	$ 933	$ —	$ 2,266
Long-term	—	950,787	15,667	10,647	(12,998)	964,103
June 30, 2023	**$ —**	**$ 950,787**	**$ 17,000**	**$ 11,580**	**$ (12,998)**	**$ 966,369**

As at June 30, 2023, Precision was in compliance with the covenants of the Senior Credit Facility and Real Estate Credit Facilities.

NOTE 6. FINANCE CHARGES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	**2023**	2022
Interest:				
Long-term debt	**$ 19,660**	$ 19,516	**$ 40,873**	$ 38,677
Lease obligations	**909**	666	**1,771**	1,325
Other	**33**	101	**188**	186
Income	**(256)**	(11)	**(360)**	(45)
Amortization of debt issue costs, loan commitment fees and original issue discount	**1,062**	771	**1,856**	1,630
Finance charges	**$ 21,408**	$ 21,043	**$ 44,328**	$ 41,773

NOTE 7. SHARE-BASED COMPENSATION PLANS

Liability Classified Plans

	Restricted Share Units (a)	Performance Share Units (a)	Non-Management Directors' DSUs (b)	Total
December 31, 2022	$ 38,190	$ 100,858	$ 12,297	$ 151,345
Expensed during period	882	(6,810)	(4,087)	(10,015)
Settlement in shares	(2,102)	(17,104)	(757)	(19,963)
Payments and redemptions	(26,413)	(47,486)	(385)	(74,284)
Foreign exchange	482	794	—	1,276
June 30, 2023	**$ 11,039**	**$ 30,252**	**$ 7,068**	**$ 48,359**
Current	$ 8,830	$ 22,046	$ —	$ 30,876
Long-term	2,209	8,206	7,068	17,483
	$ 11,039	**$ 30,252**	**$ 7,068**	**$ 48,359**

(a) Restricted Share Units and Performance Share Units

A summary of the activity under the Restricted Share Unit (**RSU**) and the Performance Share Unit (**PSU**) plans are presented below:

	RSUs Outstanding	PSUs Outstanding
December 31, 2022	495,168	1,136,671
Granted	65,507	121,350

Redeemed	(265,456)	(434,615)
Forfeited	(7,913)	(10,403)
June 30, 2023	**287,306**	**813,003**

(b) Non-Management Directors – Deferred Share Units Plan

A summary of the activity under the non-management director Deferred Share Unit (**DSU**) plan is presented below:

	DSUs Outstanding
December 31, 2022	118,774
Granted	9,364
Redeemed	(18,830)
June 30, 2023	**109,308**

During the second quarter of 2023, 18,830 DSUs were redeemed upon the retirement of a non-management director. Precision elected to settle the redemption of DSUs through a combination of cash and common shares.

Equity Settled Plans

(c) Executive Restricted Share Units Plan

Precision granted Executive RSUs to certain senior executives with the intention of settling them in voting shares of the Corporation either issued from treasury or purchased in the open market. Granted units vest annually over a three-year term.

	Executive RSUs Outstanding		Weighted Average Fair Value
December 31, 2022	—	$	—
Granted	46,740		96.90
June 30, 2023	**46,740**	**$**	**96.90**

The per unit weighted average fair value of the Executive RSUs granted during 2023 was $96.90 estimated on the grant date using a Black-Scholes option pricing model with the following assumptions: average risk-free interest rate of 4%, average expected life of two years, expected forfeiture rate of 5% and expected volatility of 68%. Included in net earnings (loss) for the three and six months ended June 30, 2023 were expenses of $1 million (2022 – nil) and $1 million (2022 – nil) respectively.

(d) Option Plan

A summary of the activity under the option plan is presented below:

Canadian share options	Outstanding		Range of Exercise Price				Weighted Average Exercise Price	Exercisable
December 31, 2022 and June 30, 2023	**23,055**	**$**	**87.00**	**—**	**145.97**	**$**	**113.01**	**23,055**

U.S. share options	Outstanding		Range of Exercise Price (US$)				Weighted Average Exercise Price (US$)	Exercisable
December 31, 2022	141,748	$	51.20	—	111.47	$	84.84	141,748
Forfeited	(12,070)		64.20	—	100.40		74.62	
June 30, 2023	**129,678**	**$**	**51.20**	**—**	**111.47**	**$**	**85.79**	**129,678**

(e) Non-Management Directors – Deferred Share Unit Plan

As at June 30, 2023, there were 1,470 (2022 – 1,470) deferred share units outstanding.

NOTE 8. SHAREHOLDERS' CAPITAL

Common shares	Number	Amount
December 31, 2022	13,558,525	2,299,533
Settlement of PSUs and RSUs	230,336	19,206
Share repurchases	(193,616)	(12,951)
Redemption of non-management directors share units	12,494	757
June 30, 2023	**13,607,739**	**2,306,545**

NOTE 9. PER SHARE AMOUNTS

The following tables reconcile net earnings (loss) and weighted average shares outstanding used in computing basic and diluted net earnings (loss) per share:

	Three Months Ended June 30,				Six Months Ended June 30,			
		2023		2022		**2023**		2022
Net earnings (loss) - basic	**$**	**26,900**	$	(24,611)	**$**	**122,730**	$	(68,455)
Effect of share options and other equity compensation plans		**(2,902)**		—		**(15,469)**		—
Net earnings (loss) - diluted	**$**	**23,998**	$	(24,611)	**$**	**107,261**	$	(68,455)

(Stated in thousands)	Three Months Ended June 30, 2023	2022	Six Months Ended June 30, 2023	2022
Weighted average shares outstanding – basic	**13,672**	13,588	**13,661**	13,533
Effect of share options and other equity compensation plans	**1,075**	—	**1,196**	—
Weighted average shares outstanding – diluted	**14,747**	13,588	**14,857**	13,533

NOTE 10. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximates their fair value due to the relatively short period to maturity of the instruments. At the end of each reporting period, investments and other assets are measured at their estimated fair value, with changes in fair value recognized in profit or loss. Amounts drawn on the Senior Credit Facility and the Canadian and U.S. Real Estate Credit Facilities are measured at amortized cost and approximate fair value as this indebtedness is subject to floating rates of interest. The fair value of the unsecured senior notes at June 30, 2023 was approximately $939 million (December 31, 2022 – $965 million).

Financial assets and liabilities recorded or disclosed at fair value in the consolidated statement of financial position are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Hierarchical levels are based on the amount of subjectivity associated with the inputs in the fair value determination and are as follows:

Level I—Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level II—Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level III—Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The estimated fair value of unsecured senior notes is based on level II inputs. The fair value is estimated considering the risk-free interest rates on government debt instruments of similar maturities, adjusted for estimated credit risk, industry risk and market risk premiums.

NOTE 11. INVESTMENTS AND OTHER ASSETS

On April 6, 2023, Precision committed to a $5 million equity investment in CleanDesign Income Corp. (**CleanDesign**), a key supplier of Precision's EverGreen™ Battery Energy Storage Systems (**BESS**). The investment provides Precision with access to BESS and power management technologies and is aligned with the Company's overall emissions reduction strategy.

During the second quarter of 2023, Precision partially settled its $5 million commitment with a $2 million cash payment and converted $1 million of deposits held by CleanDesign. The remaining balance of $2 million was subsequently paid during the third quarter of 2023. Precision received common shares and warrants to acquire additional common shares. The investment in CleanDesign has been accounted for as an equity investment.

SHAREHOLDER INFORMATION

STOCK EXCHANGE LISTINGS
Shares of Precision Drilling Corporation are listed on the Toronto Stock Exchange under the trading symbol PD and on the New York Stock Exchange under the trading symbol PDS.

TRANSFER AGENT AND REGISTRAR
Computershare Trust Company of Canada
Calgary, Alberta

TRANSFER POINT
Computershare Trust Company NA
Canton, Massachusetts

Q2 2023 TRADING PROFILE
Toronto (TSX: PD)
High: $76.18
Low: $56.42
Close: $64.67
Volume Traded: 5,066,279

New York (NYSE: PDS)
High: US$56.68
Low: US$41.56
Close: US$48.75
Volume Traded: 3,543,500

ACCOUNT QUESTIONS
Precision's Transfer Agent can help you with a variety of shareholder related services, including:

- change of address
- lost unit certificates
- transfer of shares to another person
- estate settlement

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CORPORATE INFORMATION

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Kevin A. Neveu
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President and Chief Executive Officer

Veronica H. Foley
Chief Legal & Compliance Officer

Carey T. Ford
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Shuja U. Goraya
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ONLINE INFORMATION

To receive news releases by email, or to view this interim report online, please visit Precision's website at www.precisiondrilling.com and refer to the Investor Relations section. Additional information relating to Precision, including the Annual Information Form, Annual Report and Management Information Circular has been filed with SEDAR and is available at www.sedar.com and on the EDGAR website www.sec.gov

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