

ENSIGN ENERGY SERVICES INC.

MANDATE OF THE COMPENSATION COMMITTEE

Approved by: Board of Directors

Current Revision Date: August 5, 2016

Role and Objectives:

The Compensation Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Ensign Energy Services Inc. (the “**Corporation**”) established to assist the Board in discharging its oversight responsibility regarding the Corporation’s compensation and retention of key senior management employees with the skills and expertise needed to enable the Corporation to achieve its goals and strategies at fair and competitive compensation, including by:

- (a) Reviewing and recommending to the Board compensation payable, including appropriate performance incentives, to the President of the Corporation (“**President**”) and other Designated Employees (as defined below);
- (b) Overseeing the development, implementation and administration of the Corporation’s compensation and incentive plans; and
- (c) Reviewing executive and director compensation disclosure to be made in the management proxy circular prepared in connection with the Corporation’s annual meeting of shareholders and in other public disclosure as appropriate.

Membership of Committee:

1. The Committee shall be comprised of at least three (3) directors, none of whom are members of management of the Corporation and a majority of whom are “independent” directors (as defined from time to time under applicable securities laws and the rules of any stock exchange on which the Corporation’s securities are listed for trading).
2. At least 25% of the members of the Committee shall be Canadian residents.
3. Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board shall fill any vacancy if the membership of the Committee is less than three directors. Whenever there is a vacancy on the Committee, the remaining members may exercise its powers as long as a quorum remains in office. Subject to the foregoing, the members of the Committee shall be appointed by the Board annually and each member of the Committee shall remain on the Committee until his or her successor is appointed and qualified or his or her earlier resignation or removal.
4. The Board appoints the Committee Chair, who shall be an independent director. The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over meetings, making Committee assignments and reporting to the Board.

Meetings:

5. At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
6. A quorum for meetings of the Committee shall be a majority of its members.
7. The rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.
8. The Chair of the Committee shall designate a person who need not be a member of the Committee or a director to act as secretary or, if the Chair of the Committee fails to designate such a person, the secretary of the Corporation shall be secretary of the Committee. The agenda of Committee meetings will be prepared by the Chair of the Committee, working with the secretary of the Committee and, whenever reasonably practicable, circulated to each member prior to each meeting.
9. Minutes of all meetings of the Committee shall be taken by the secretary. The minutes of Committee meetings shall accurately record the discussions of and decisions made by the Committee, including all recommendations to be made by the Committee to the Board and shall be distributed to all Committee members.
10. Meetings of the Committee should be scheduled to take place at least four times per year, and more often as it deems necessary to perform the duties and discharge its responsibilities as described in this Mandate. Each meeting shall include an “in camera” session of independent directors.
11. The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities, its compliance with this Mandate and any recommendations made by the Committee to the Board.
12. The Committee may retain persons having special expertise and/or obtain independent professional advice as may be necessary to carry out its duties and responsibilities, at the expense of the Corporation and without any further approval of the Board.
13. If a Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, that member shall be responsible for alerting the Committee Chair. If the Committee Chair faces a potential or actual conflict of interest, the Committee Chair shall advise the chairman of the Board (the “**Chair**”). If the Committee Chair, or the Chair, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict shall disclose to the Committee his or her interest and shall not participate in consideration of the matter and shall not vote on the matter.

Powers:

14. The Committee shall be entitled to full access to all books, records, facilities, and personnel of the Corporation and its subsidiaries. The Committee may require such officers, directors and employees of the Corporation and its subsidiaries and others as it may see fit from time to time to provide any information

about the Corporation and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee.

15. The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.
16. The Committee may adopt policies and procedures for carrying out its responsibilities.

Mandate and Responsibilities of Committee:

The Committee shall:

Compensation of President and Designated Employees:

17. Review and approve periodically the Corporation's compensation philosophy and programs for executive officers and employees of the Corporation that:
 - (a) supports the Corporation's overall business strategy and objectives;
 - (b) attracts and retains key executives and employees;
 - (c) links compensation with business objectives and organizational performance; and
 - (d) provides competitive compensation opportunities.
18. Review and, as necessary, recommend to the Board for approval revisions to the position description of the President.
19. Recommend annual performance goals and criteria for the President and evaluate the performance of the President against such position description and such performance goals and criteria.
20. Review the President's evaluation of the performance of such employees of the Corporation or any subsidiary of the Corporation as the Committee or the Board may determine (collectively, the "**Designated Employees**") and review the President's recommendations with respect to the amount of compensation to be provided to the Designated Employees.
21. Review annually the competitiveness and appropriateness of the compensation packages of the President and Designated Employees, including salaries, bonuses, and incentive compensation plans. In conducting such review, the Committee shall consider:
 - (a) the compensation packages of, including incentive awards given to, the President and the Designated Employees, respectively, for the prior years;
 - (b) the Committee's evaluation of the performance of the President and the President's evaluation of the performance of the respective Designated Employees;

- (c) the Corporation's financial and operating performance, including absolute and relative shareholder return;
 - (d) whether the compensation package reflects an appropriate balance between short and longer-term incentives and alignment with the interests of shareholders;
 - (e) the competitiveness of the compensation package, including the value of similar incentive awards paid to equivalent officers and positions at comparable companies;
 - (f) internal pay equity analyses; and
 - (g) the results of any shareholder advisory vote on executive compensation.
22. Upon completion of its annual reviews and evaluations, recommend the compensation package for the President and the Designated Employees, respectively, to the Board for approval. The President or the applicable Designated Employee may not be present during voting or deliberations on his or her compensation arrangements.
23. Review and, if appropriate, recommend to the Board for approval any employment agreements with the President and the Designated Employees, and any material changes thereto, and shall review and, if appropriate, recommend to the Board for approval all arrangements which take effect upon the hiring or termination of employment of the President and the Designated Employees or upon a change of control of the Corporation.
24. Review and approve the composition and use of comparator groups used in assessing compensation payable to the President and Designated Employees.

Incentive Compensation Generally:

25. Review and approve any performance measures respecting incentive compensation payable to the Designated Employees and review and make recommendations to the Board any performance measures respecting incentive compensation payable to the President.
26. Subject to the terms of the Corporation's equity or other incentive compensation programs and plans, the Committee shall review and, if it determines appropriate, recommend to the Board for approval or, if authorized by the terms of such plan and applicable Board policies, approve, any proposals from management for the grant to employees of the Corporation of options, share appreciation rights or other incentive compensation pursuant to such programs and plans.

Compensation Policies:

27. Review and recommend to the Board for approval material compensation policies and processes (in particular those respecting the President and the Designated Employees) and any new material equity or other incentive compensation plans of the Corporation and, if appropriate, recommend to the Board or, if authorized by the terms of such plan, approve, amendments to such plans or awards thereunder.

28. Review the administration of all material equity or other incentive compensation plans of the Corporation, including any bonus plans, option plans, share acquisition plans and other equity arrangements and including as of the date of this Mandate, the Corporation's Stock Option Plan, as amended, and the Canadian Employee Savings Plan under which common shares of the Corporation may be acquired by executive officers and employees of the Corporation, in each case, with such authority and power as is set forth in such plans, subject to all applicable policies adopted by the Board.
29. Retain, as required, an independent compensation consultant, external legal counsel or other independent advisor to the Committee to assist the Committee in the discharge of its responsibilities, and review annually any such consultant's independence.
30. Receive advice from any such compensation consultant, legal counsel or other advisor that the Committee considers appropriate, including from a consultant, counsel or advisor that is not independent, but only after considering the degree of independence of such person.

Compensation Risks:

31. Review periodically the alignment of the Corporation's compensation programs, including incentive compensation programs and plans, with (a) the Corporation's strategic plans and risk profile, (b) desired performance measures, (c) overall Corporation performance, and (d) risk management principles, and consider stress test analyses in connection with such review.
32. Review requirements respecting executive ownership of Corporation shares and their equivalents and the levels of ownership achieved and policies regarding the hedging or monetization of such holdings and approve any changes to such requirements and policies.
33. Review and approve changes to the Corporation's compensation recoupment policy and oversee its administration.

Succession Planning:

34. Review the Corporation's succession planning processes and other steps being taken to assure the succession of qualified senior management at the Corporation.

Disclosure Requirements:

35. Review and approve the Corporation's compensation disclosure to be made in the management proxy circular prepared in connection with the Corporation's annual meeting of shareholders, including respecting the fees paid to any compensation consultant for such assistance as well as the nature of any other work performed by the compensation consultant to the Corporation and the fees paid for such other work, and other public disclosure as appropriate.

General:

36. Undertake on behalf of the Board such other compensation initiatives as may be necessary or desirable to contribute to the success of the Corporation and to enhance shareholder value.

37. The Committee shall review and reassess the adequacy of this Mandate periodically and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Mandate annually.