For Immediate Release: May 11, 2016

CWC Energy Services Corp. Announces First Quarter 2016 Operational and Financial Results

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces the release of its operational and financial results for the three months ended March 31, 2016. The interim Financial Statements and Management Discussion and Analysis ("MD&A") for the three months ended March 31, 2016 are filed on SEDAR at www.sedar.com.

Highlights for the Three Months Ended March 31, 2016

- CWC's drilling rig utilization of 26% in Q1 2016 (Q1 2015: 44%) was 3% higher than Q4 2015 of 23% and exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 20%. The lower activity level in Q1 2016 compared to Q1 2015 reflects the significantly lower commodity prices during the quarter.

- CWC's industry leading service rig utilization of 40% in Q1 2016 (Q1 2015: 29%) was 4% higher than Q4 2015 of 36%. CWC's utilization in Q1 2016 reflects an impressive increase of 41% in operating hours from Q1 2015 despite CAODC total industry operating hours declining 36% from Q1 2015. The Company's increased market share can be attributed to its modern fleet of 74 service rigs, exceptional sales and operational management, and experienced rig crews performing work safely and efficiently. Customer appreciation and acceptance of our high quality equipment is strong and has been a differentiating factor for CWC.

- Revenue of $19.7 million, a decrease of $8.0 million (29%) compared to $27.8 million in Q1 2015. The decline from Q1 2015 is predominately due to lower year-over-year rates charged to E&P customers resulting from lower commodity prices and a significant decline in drilling rig activity.

- EBITDAS[(1)] of $2.6 million, a decrease of $2.7 million (51%) compared to $5.3 million in Q1 2015. Lower EBITDAS is a direct result of lower day and hourly rig rates partly offset by lower variable and fixed costs from the Company's cash saving initiatives.

- Net loss of $1.4 million, a decrease of $1.5 million compared to net income of $38 thousand in Q1 2015. The year-over-year reduction in net income is due to lower EBITDAS, offset by a reduction in non-cash Stock Based Compensation, Deferred Income Tax and Depreciation & Amortization expenses.

- On April 25, 2016, the Company extended its credit agreement with its banking syndicate to include, among other things, the following terms:

    - the maturity date of the credit facilities were extended to July 31, 2018;
    - the credit facilities were voluntarily reduced from $75.0 million to $65.0 million with the ability to increase the credit facilities by an additional $60.0 million through an accordion feature, subject to approval by the banking syndicate;
    - a reduction in the minimum liquidity required from $12.5 million to $10.0 million;
    - amendments to the quarterly financial covenants for Consolidated Debt to Consolidated EBITDA ratio; and
    - the inclusion of an equity cure provision which allows the Company to apply the proceeds of equity offerings in the calculation of Consolidated EBITDA towards the Consolidated Debt to Consolidated EBITDA ratio until March 31, 2018, subject to certain conditions as follows:

        - an equity cure may be utilized in no more than two quarters during such period;
        - an equity cure may not be utilized in consecutive quarters; and
        - an equity cure utilized in any quarter is not to exceed the greater of 50% of total Consolidated EBITDA over the prior twelve month period or $15.0 million.

- On April 25, 2016, CWC announced a rights offering of its common shares. Each registered shareholder of common shares on the record date of May 2, 2016 will receive one right for each common share held. Three rights plus the subscription price of $0.15 will entitle the rights holder to subscribe for one common share. If fully subscribed, the gross proceeds from the rights offering is estimated to be $14.6 million and is expected to close on May 31, 2016. CWC's largest shareholder, Brookfield Capital Partners Ltd. which controls approximately 70% of the outstanding common shares, has confirmed that it will participate in the rights offering to the fullest extent possible.

(1) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.

Financial and Operational Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended March 31, 2016	2015	% Change
FINANCIAL RESULTS			
Revenue			
Contract drilling	4,119	10,973	(62%)
Production services	15,621	16,857	(7%)
	19,740	27,830	(29%)
EBITDAS (1)	2,557	5,254	(51%)
EBITDAS margin (%) (1)	13%	19%	(6%)
Funds from operations (1)	2,557	5,254	(51%)
Net income (loss)	(1,430)	38	n/m(2)
Net income (loss) margin (%)	(7%)	0%	n/m(2)
Dividends declared	-	1,421	n/m(2)
Per share information			
Weighted average number of shares outstanding – basic	292,636,578	277,658,060	
Weighted average number of shares outstanding – diluted	292,636,578	279,649,105	
EBITDAS (1) per share – basic and diluted	$0.01	$0.02	
Net income (loss) per share - basic and diluted	$0.00	$0.00	
Dividends declared per share	$0.00	$0.005	

$ thousands, except ratios	March 31, 2016	December 31, 2015
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) (1)	12,150	11,822
Working capital (excluding debt) ratio (1)	3:1	3:1
Total assets	218,765	222,428
Total long-term debt (including current portion)	50,765	52,241
Shareholders' equity	146,116	147,462

(1) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.

(2) Not meaningful.

Operational Overview

Contract Drilling

CWC Ironhand Drilling, the Company's Contract Drilling segment has a fleet of nine telescopic double drilling rigs with depth ratings from 3,200 to 4,500 metres, eight of nine rigs have top drives and the rig fleet has an average age of seven years. In 2015, drilling rig #3 was upgraded to include a Pad Rig Walking System. All of the drilling rigs are well suited for the most active depths for horizontal drilling in the WCSB, including the Montney, Cardium, Duvernay and other deep basin horizons. Given the current downturn in the industry, CWC has chosen to park one of its drilling rigs and focus its sales and operational efforts on the remaining eight drilling rigs.

	Three months ended							
OPERATING HIGHLIGHTS	**Mar. 31, 2016**	**Dec. 31, 2015**	**Sep. 30, 2015**	**Jun. 30, 2015**	**Mar. 31, 2015**	**Dec. 31, 2014**	**Sep. 30, 2014**	**Jun. 30, 2014[3]**
Drilling Rigs								
Active drilling rigs, end of period	8	9	9	9	9	9	9	8
Inactive drilling rigs, end of period	1	-	-	-	-	-	-	-
Total drilling rigs, end of period	9	9	9	9	9	9	9	8
Revenue per operating day [1]	$21,565	$24,996	$24,740	$26,661	$30,553	$29,305	$27,715	$30,258
Drilling rig operating days	191	191	379	99	359	693	551	107
Drilling rig utilization % [2]	26%	23%	46%	12%	44%	84%	75%	29%
CAODC industry average utilization %	20%	20%	24%	13%	34%	45%	46%	26%

[1] Revenue per operating day is calculated based on operating days (i.e. spud to rig release basis). New drilling rigs are added based on the first day of field service.
[2] Drilling rig utilization is calculated based on operating days (i.e. spud to rig release basis) in accordance with the methodology prescribed by the CAODC.
[3] CWC entered into the contract drilling business on May 15, 2014, results are included May 16, 2014 onward.

During Q1 2016, Contract Drilling revenue of $4.1 million was achieved with a utilization rate of 26% compared to the CAODC industry average of 20%. Overall, Q1 2016 Contract Drilling revenue was 62% lower than Q1 2015 as the impact of low commodity prices has reduced industry activity and pricing. Approximately 52% of the year-over-year reduction in revenue is due to activity (drilling rig operating days), while 48% is due to pricing as measured by average revenue per day in Q1 2016 of $21,565 which is 29% lower than Q1 2015 pricing.

The ongoing commodity price uncertainty is being driven by record global production levels, growing storage levels, and persistent demand concerns. This uncertainty has forced WCSB E&P companies to conserve cash resources by reducing wells drilled, amongst other measures, until commodity prices improve.

Production Services

CWC is the second largest service rig provider in the WCSB, based on our modern fleet of 74 service rigs as at March 31, 2016 which consists of 41 single, 27 double, and 6 slant rigs. CWC's fleet is amongst the newest in the WCSB and provide services which include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. Given the current downturn in the industry, CWC has chosen to park nine of its service rigs and focus its sales and operational efforts on the remaining 65 service rigs.

CWC's Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres. As at March 31, 2016, the Company's fleet of nine coil tubing units consists of five Class I, three Class II and one Class III coil tubing units. In light of competitive challenges for CWC's Class III coil tubing unit, the Company has chosen to focus its sales and operational efforts on its eight Class I and II coil tubing units which are better suited at servicing SAGD wells, which are shallower in depth and more appropriate for these coil tubing operations.

OPERATING HIGHLIGHTS	Three months ended Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014	Jun. 30, 2014
Service Rigs								
Active service rigs, end of period	65	64	65	66	66	69	68	68
Inactive service rigs, end of period	9	10	9	8	7	3	3	3
Total service rigs, end of period	74	74	74	74	73	72	71	71
Operating hours	23,466	21,008	16,676	14,051	16,580	28,644	26,354	20,399
Revenue per hour	$580	$615	$657	$668	$769	$790	$756	$752
Service rig utilization % (1)	40%	36%	27%	23%	29%	45%	42%	33%
Coil Tubing Units								
Active coil tubing units, end of period	8	8	8	8	8	9	9	7
Inactive coil tubing units, end of period	1	1	1	1	1	0	0	0
Total coil tubing units, end of period	9	9	9	9	9	9	9	7
Operating hours	3,034	1,665	1,048	2,111	4,351	2,631	2,056	1,403
Revenue per hour	$662	$657	$771	$724	$885	$825	$894	$784
Coil tubing units utilization % (2)	42%	23%	14%	29%	60%	32%	29%	22%

(1) Service rig utilization is calculated based on 10 hours a day, 365 days a year. New service rigs are added based on the first day of field service. Service rigs requiring their 24,000 hour recertification, refurbishment or have been otherwise removed from service for greater than 90 days are excluded from the utilization calculation until their first day back in field service.

(2) Coil tubing unit utilization is calculated based on 10 hours a day, 365 days a year. New coil tubing units are added based on the first day of field service.

Production Services revenue was $15.6 million in Q1 2016 down $1.2 million (7%) when compared to Q1 2015 as increased activity was more than offset by the impact of lower pricing, as measured by revenue per hour. The Company's service rig activity exceeded management's expectation despite above average winter temperatures and soft ground conditions and the continued impact of lower crude oil and natural gas prices on E&P companies capital spending. The Company's operating hours were the highest amongst all CAODC registered service rig companies in Q1 2016 with operating hours of 23,466 hours, exceeding 16,580 hours in Q1 2015 by 42% and 21,008 hours in Q4 2015 by 12%. Increased activity is offset by a 25% decline in revenue per hour from Q1 2015 and 6% from Q4 2015. CWC's increased utilization since Q3 2015 is a result of: (i) a focus on production work; (ii) an increase in market share with a select number of senior E&P customers; (iii) an aggressive pricing strategy initiated in September 2015; and (iv) a service rig fleet, amongst the newest in the WCSB, which stands out in an industry characterized by ageing equipment and infrastructure. Coil tubing utilization was 42% in Q1 2016 compared to 60% in Q1 2015 as the low commodity prices delayed normal winter activities, particularly at intermediate depths. The decrease of 25% in coil tubing units' average hourly rate from Q1 2015 is a function of less SAGD work in Q1 2016 compared to Q1 2015 and overall pricing pressures from our E&P customers.

In March 2015, CWC suspended its non-core Well Testing business, which contributed Q1 2015 revenue of $2.9 million and EBITDAS of $0.3 million with no corresponding amounts in Q1 2016. These Well Testing assets along with other non-core Production Service assets were disposed of in October 2015.

Capital Expenditures

$ thousands	Three months ended March 31, 2015	2015	$ Change
Contract drilling	26	1,770	(1,744)
Production services	240	3,241	(3,001)
Total capital expenditure	266	5,011	(4,745)
Growth capital	-	3,831	(3,831)
Maintenance and infrastructure capital	266	1,180	(914)
Total capital expenditure	266	5,011	(4,745)

Capital expenditures in Q1 2016 of $0.3 million is $4.7 million (95%) lower than $5.0 million in Q1 2015. Capital expenditures in Q1 2016 consist of a vehicle and minor recertification costs. This compares to Q1 2015 capital expenditures largely related

to costs associated with completion of slant service rigs #505 and #506 and costs incurred prior to the decision to delay the upgrade of drilling rig #2 and completion of a new drilling rig #10.

A 2016 capital expenditure budget of $2.6 million was approved by the Board of Directors on December 8, 2015 comprised entirely of maintenance and infrastructure capital related to recertifications, additions and upgrades to field equipment for the drilling rigs, service rigs and coil tubing divisions as well as for information technology.

Outlook

The impact of lower crude oil and natural gas prices negatively impacted the oilfield services industry again in Q1 2016. Crude oil, as represented by WTI, reached a low of US$26.19/bbl on February 11, 2016 before rebounding to ended Q1 2016 at US$36.94/bbl; 1% lower than its closing price on December 31, 2015. Natural gas prices did not fare much better during the quarter as AECO closed Q1 2016 at $0.92/GJ; its lowest close since February 1995 and 63% lower than December 31, 2015. Prospects for any significant global supply and demand rebalance in 2016 is becoming increasingly unlikely. On April 18, 2016, CAODC forecasted a 2016 drilling rig utilization of 21% (2015: 24%) with 4,728 wells being drilled (2015: 5,394 wells). On April 28, 2016, Petroleum Services Association of Canada ("PSAC") revised its 2016 forecast to 3,315 wells being drilled; 36% lower than its initial November 2015 forecast. Based on these industry forecasts, activity levels in the WCSB will likely be lower in 2016 compared to 2015. Despite the challenging industry environment, CWC has, to date, outperformed its peers and believes it can continue to do so for the remainder of the year.

On April 25, 2016, CWC signed an agreement with its banking syndicate to extend the maturity of its credit facilities to July 31, 2018 and to amend the Consolidated Debt to Consolidated EBITDA ratios and calculations through to Q2 2018. With these amendments to the credit facilities, the Company anticipates that it will be in compliance with its financial covenant ratios through the date of maturity. The Company also anticipates that the resulting increased financial flexibility will allow CWC to focus on its business operations and strategic initiatives through a prolonged industry downturn and demonstrates the continued strong support of its banking syndicate.

Also on April 25, 2016, CWC announced a rights offering of its common shares. Each registered shareholder of common shares on the record date of May 2, 2016 will receive one right for each common share held. Three rights plus the subscription price of $0.15 will entitle the rights holder to subscribe for one common share. If fully subscribed, the gross proceeds from the rights offering is estimated to be $14.6 million and is expected to close on May 31, 2016. CWC's largest shareholder, Brookfield Capital Partners Ltd. which controls approximately 70% of the outstanding common shares, has confirmed that it will participate in the rights offering to the fullest extent possible.

While CWC maintains focus on its cost structure in a lower oilfield services activity environment, it is also mindful of taking advantage of opportunities as they arise. Management continues to evaluate strategic opportunities and pursue those it believes will fundamentally position CWC well for the future with the overriding criteria of being able to create long-term shareholder value.

About CWC Energy Services Corp.

CWC Energy Services Corp. is a premier contract drilling and well servicing company operating in the WCSB with a complementary suite of oilfield services including drilling rigs, service rigs and coil tubing units. The Company's corporate office is located in Calgary, Alberta, with operational locations in Nisku, Grande Prairie, Slave Lake, Red Deer, Drayton Valley, Lloydminster, Provost and Brooks, Alberta. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

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This news release contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this news release including most of those contained in the section titled "Outlook" and including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking statements including management's assessment of future plans and operations, planned levels of capital expenditures, expectations as to activity levels, expectations on the sustainability of future cash flow and earnings and the ability to pay dividends, expectations with respect to crude oil and natural gas prices, activity levels in various areas, continuing focus on cost saving measures, expectations regarding the level and type of drilling and production and related drilling and well services activity in the WCSB, expectations regarding entering into long term drilling contracts and expanding its customer base, and expectations regarding the business, operations and revenue of the Company in addition to general economic conditions. Although the Company believes that the expectations and assumptions on which such forward-looking information and statements are based are reasonable, undue reliance should not be placed on the forward-looking information and statements because the Company can give no assurances that they will prove to be correct. Since forward-looking information and statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the drilling and oilfield services sector (ie. demand, pricing and terms for oilfield drilling and services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations, stock market volatility and the inability to access sufficient capital from external and internal sources and the inability to pay dividends. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through SEDAR at www.sedar.com. The forward-looking information and statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Any forward-looking statements made previously may be inaccurate now.

Reconciliation of Non-IFRS Measures

$ thousands except margin, share and per share amounts	Three months ended March 31, 2016	2015
NON-IFRS MEASURES		
EBITDAS:		
Net (loss) income	(1,430)	38
Add:		
Depreciation	3,671	4,184
Finance costs	577	574
Deferred income tax expense (recovery)	(490)	100
Stock based compensation	84	323
Loss on sale of equipment	145	35
EBITDAS (1)	2,557	5,254
EBITDAS per share – basic and diluted(1)	$0.01	$0.02
EBITDAS margin (EBITDAS/Revenue)(1)	13%	19%
Weighted average number shares outstanding - basic	292,636,578	277,658,060
Weighted average number shares outstanding - diluted	292,636,578	279,649,105
Funds from operations:		
Cash flows from operating activities	2,229	17,488
Add (deduct): Change in non-cash working capital	328	(12,234)
Funds from operations (2)	2,557	5,254
Gross margin:		
Revenue	19,740	27,830
Less: Direct operating expenses	14,116	18,219
Gross margin (3)	5,624	9,611
Gross margin percentage (3)	28%	35%

$ thousands	March 31, 2016	December 31, 2015
Working capital (excluding debt):		
Current assets	17,310	17,333
Less: Current liabilities	(5,387)	(5,716)
Add: Current portion of long term debt	227	205
Working capital (excluding debt) (4)	12,150	11,822
Working capital (excluding debt) ratio (4)	3:1	3:1
Net debt:		
Long term debt	50,538	52,036
Less: Current assets	(17,310)	(17,333)
Add: Current liabilities	5,387	5,716
Net debt (5)	38,615	40,419

(1) EBITDAS (Earnings before interest and finance costs, income tax expense, depreciation, amortization, (gain) loss on disposal of asset, transaction costs, goodwill impairment and stock based compensation) is not a recognized measure under IFRS. Management believes that in addition to net earnings, EBITDAS is a useful supplemental measure as it provides an indication of the Company's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes, pay dividends, repurchase common shares under the Normal Course Issuer Bid, and fund capital programs. Investors should be cautioned, however, that EBITDAS should not be construed as an alternative to net (loss) income and comprehensive (loss) income determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating EBITDAS may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities. EBITDAS margin is calculated as EBITDAS divided by revenue and provides a measure of the percentage of EBITDAS per dollar of revenue. EBITDAS per share is calculated by dividing EBITDAS by the weighted average number of shares outstanding as used for calculation of earnings per share.

(2) Funds from operations is not a recognized measure under IFRS. Management believes that in addition to cash flow from operations, funds from operations is a useful supplemental measure as it provides an indication of the cash flow generated by the Company's principal business activities prior to consideration of changes in working capital. Investors should be cautioned, however, that funds from operations should not be construed as an alternative to cash flow from operations determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating funds from operations may differ from other entities and accordingly, funds from operations may not be comparable to measures used by other entities. Funds from operations is equal to cash flow from operations before changes in non-cash working capital items related to operations.

(3) Gross margin is calculated from the statement of comprehensive income as revenue less direct operating costs and is used to assist management and investors in assessing the Company's financial results from operations excluding fixed overhead costs. Gross margin percentage is calculated as gross margin divided by revenue. The Company believes the relationship between revenue and costs expressed by the gross margin percentage is a useful measure when compared over different financial periods as it demonstrates the trending relationship between revenue, costs and margins. Gross margin and gross margin percentage are non-IFRS measures and do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies.

(4) Working capital (excluding debt) is calculated based on current assets less current liabilities excluding the current portion of long-term debt. Working capital (excluding debt) is used to assist management and investors in assessing the Company's liquidity. Working capital (excluding debt) does not have any meaning prescribed under IFRS and may not be comparable to similar measures provided by other companies. Working capital (excluding debt) ratio is calculated as current assets divided by the difference of current liabilities less the current portion of long term debt.

(5) Net debt is not a recognized measure under IFRS and does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies. Management believes net debt is a useful indicator of a company's debt position.