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CWC ENERGY SERVICES CORP. ANNOUNCES SECOND QUARTER 2017 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 and six months ended June 30, 2017. The interim Financial Statements and Management Discussion and Analysis ("MD&A") for the three months and six ended June 30, 2017 are filed on SEDAR at www.sedar.com.

Highlights for the Three Months Ended June 30, 2017

- In Q2 2017, the Company continued to experience strong utilization despite renewed uncertainty of future crude oil and natural gas prices. CWC's drilling rig utilization of 19% in Q2 2017 (Q2 2016: 9%) exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 17%. Activity levels increased 139% in Q2 2017 compared to Q2 2016 reflecting increased year-over-year industry activity, focused marketing effort on high quality E&P companies with ongoing drilling programs and the high quality of our equipment and people. CWC's Q2 2017 utilization of 19% was achieved on 155 drilling rig operating days (Q2 2016: 65 drilling rig operating days) resulted in the most active second quarter since the acquisition of Ironhand Drilling Inc. in May 2014.

- CWC's service rig utilization of 33% in Q2 2017 (Q2 2016: 36%) with 20,047 operating hours was 8% lower than the Company's record setting Q2 2016 activity of 21,724 operating hours. Q2 2016's record second quarter operating hours in the Company's twelve year history was facilitated by an unusually dry spring breakup allowing our equipment and people to get back in the field earlier than normal. Q2 2017 spring breakup faced normal wet weather conditions usually experienced during the second quarter and resulted in the Company achieving the fourth highest operating hours in a second quarter in the Company's twelve year history. This demonstrates the continued high demand by our E&P customers to do maintenance, workovers and abandonments on existing wells even in a lower commodity price environment.

- CWC's coil tubing utilization of 19% in Q2 2017 (Q2 2016: 16%) with 1,549 operating hours was 35% higher than the 1,147 operating hours in Q2 2016. Q2 2016 operating hours were negatively impacted by the May 2016 Fort McMurray wildfire.

- Revenue of $15.1 million, an increase of $1.2 million (9%) compared to $13.9 million in Q2 2016. The increase from Q2 2016 is a result of the year-over-year increase in drilling rig and coil tubing activity which was offset by lower year-over-year average pricing for active drilling rigs, and lower service rig activity. Overall customer pricing has increased modestly for drilling and service rigs from the lows experienced in Q3 2016.

- Adjusted EBITDA of $0.2 million in Q2 2017, a decrease of $0.8 million (-77%) compared to $1.0 million in Q2 2016. The decrease in Adjusted EBITDA in Q2 2017 is due to lower service rig activity when compared to the record operating hours in Q2 2016, lower Production Services gross profit margins and higher selling and administrative costs. These are offset by higher gross profit from the Contract Drilling business, on higher operating days. CWC has achieved 16 continuous quarters of positive Adjusted EBITDA since Q2 2013 demonstrating management's superior ability to reduce costs to combat lower revenue from reduced pricing and activity since the beginning of this industry downturn 2.5 years ago.

- Net loss of $2.7 million, an increase of $0.4 million (18%) compared to $2.3 million in Q2 2016. The change in net loss is primarily due to the lower Adjusted EBITDA and higher stock based compensation partially offset by lower finance costs, depreciation and deferred income tax recovery.

- On April 7, 2017, the Company renewed its Normal Course Issuer Bid ("NCIB") with an Automatic Securities Purchase Plan ("ASPP") with Raymond James Ltd., which now expires on April 6, 2018. During Q2 2017, 1,404,000 (Q2 2016: nil) common shares were purchased under the ASPP and 1,478,000 common shares were cancelled and returned to treasury.

- On May 4, 2017, CWC announced a process to review strategic alternatives with a view to maximizing shareholder value by capitalizing on CWC's strong financial and operational performance, market share and attractive fleet of modern assets. The Special Committee of the Board of Directors, their financial advisors and management of CWC continue to evaluate several potential alternatives and proposals received to date. The Company has not established a definitive timeline to complete its review and no decision on any particular alternative has been reached at this time. CWC does not intend to disclose developments with respect to the strategic alternatives process unless and until the Board of Directors approve a definitive transaction or other course of action or otherwise deem disclosure of developments is appropriate or otherwise required by law. CWC cautions that there are no guarantees that the strategic alternatives process will result in a transaction, or if a transaction is undertaken, as to its terms or timing.

- CWC and its syndicated lenders have agreed to an extension of its credit facilities and certain other amendments to provide financial security and flexibility to July 31, 2020, subject to execution of legal documentation. The amendments further provide the Company access to another equity cure under the same terms and conditions, a reduction in the minimum liquidity from $10.0 million to $5.0 million, and quarterly financial covenant for Consolidated Debt to Consolidated EBITDA ratio as follows:

For the Quarter Ended	Current	Amended
June 30, 2017	4.75 : 1	4.75:1
September 30, 2017	4.50 : 1	4.50:1
December 31, 2017	4.00 : 1	4.00:1
Thereafter	3.50 : 1	4.00:1

Highlights for the Six Months Ended June 30, 2017

- CWC's drilling rig utilization in the first six months of 2017 of 42% (2016: 18%) exceeded the CAODC industry average of 29%. Activity levels in 2017 have increased 169% compared to 2016 reflecting increased year-over-year industry activity, focused marketing effort on high quality E&P companies with ongoing drilling programs and the high quality of our equipment and people. Year-to-date 2017 operating days of 687 (2016: 256 operating days) is the most active since the acquisition of Ironhand Drilling Inc. in May 2014.

- Year to date, CWC's service rig utilization was 44% compared to 38% in 2016. Activity levels in 2017 have increased 17% to 53,043 hours (2016: 45,176). The increased activity reflects the strong Q1 2017 industry demand and optimism from higher commodity prices, partially offset by lower Q2 2017 operating hours from a normal wet weather spring break up compared to the unusually dry weather conditions in Q2 2016 resulting in the Company's record setting operating hours. CWC's continued above average service rig utilization is attributed to the modern fleet of 74 service rigs, exceptional sales and operational management, and experienced rig crews performing work safely and efficiently.

- Revenue of $47.6 million, an increase of $14.0 million (42%) compared to $33.6 million in the first six months of 2016. The increase is predominately due to significantly higher activity in all three business units, offset by lower year-over-year prices charged to E&P customers.

- Adjusted EBITDA of $5.4 million, an increase of $1.8 million (51%) compared to $3.6 million in 2016. The increase in Adjusted EBITDA is consistent with increased activity ($2.2 million) from Contract Drilling and lower corporate expenses ($0.4 million), offset by a decrease in Production Services revenue and gross profit margin and an increase in Production Services selling and administrative expenses incurred to support increased activity.

- Net loss of $3.0 million, a decrease of $0.7 million (-18%) compared to a net loss of $3.7 million in the first six months of 2016. The change in net loss is primarily an increase in Adjusted EBITDA and lower finance costs offset by higher stock based compensation, depreciation and amortization, selling and administrative expenses and lower deferred income tax recovery.

- For the six months ended June 30, 2017, the Company purchased 1,686,500 (2016: nil) common shares under its NCIB and 1,647,000 common shares were cancelled and returned to treasury.

(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 June 30, 2017	2016	Change %	Six months ended June 30, 2017	2016	Change %
FINANCIAL RESULTS						
Revenue						
Contract drilling	3,042	1,414	115%	14,178	5,533	156%
Production services	12,072	12,470	(3%)	33,444	28,091	19%
	15,114	13,884	9%	47,622	33,624	42%
Adjusted EBITDA [1]	228	999	(77%)	5,378	3,556	51%
Adjusted EBITDA margin (%) [1]	2%	7%		11%	11%	
Funds from operations	228	999	(77%)	5,378	3,556	51%
Net loss and comprehensive loss	(2,677)	(2,279)	n/m[2]	(3,045)	(3,709)	n/m[2]
Net loss and comprehensive loss margin (%)	(18%)	(16%)	n/m[2]	(6%)	(11%)	n/m[2]
Per share information:						
Weighted average number of shares outstanding – basic and diluted	392,935,814	324,840,096		392,604,720	308,738,337	
Adjusted EBITDA[1] per share- basic and diluted	$0.00	$0.00		$0.01	$0.01	
Net loss per share – basic and diluted	($0.01)	($0.01)		($0.01)	($0.01)	

$ thousands, except ratios	June 30, 2017	December 31, 2016
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) [1]	8,018	11,333
Working capital (excluding debt) ratio [1]	2.0:1	2.5:1
Total assets	203,265	210,750
Total long-term debt (including current portion)	28,887	33,142
Shareholders' equity	152,596	155,482

[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 5,000 metres, eight of nine rigs have top drives and two have pad rig walking systems. The drilling rig fleet has an average age of eight years. 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.

	Three months ended							
OPERATING HIGHLIGHTS	**Jun. 30, 2017**	**Mar. 31, 2017**	**Dec. 31, 2016**	**Sep. 30, 2016**	**Jun. 30, 2016**	**Mar. 31, 2016**	**Dec. 31, 2015**	**Sep. 30, 2015**
Drilling Rigs								
Active drilling rigs, end of period	9	9	9	9	8	8	9	9
Inactive drilling rigs, end of period	-	-	-	-	1	1	-	-
Total drilling rigs, end of period	9	9	9	9	9	9	9	9
Revenue per operating day (1)	$19,575	$20,942	$20,623	$16,835	$21,754	$21,565	$24,996	$24,740
Drilling rig operating days	155	532	257	301	65	191	191	379
Drilling rig utilization % (2)	19%	66%	31%	37%	9%	26%	23%	46%
CAODC industry average utilization %	17%	40%	24%	17%	7%	20%	20%	24%
Wells drilled	17	41	21	21	5	14	16	26
Average days per well	9.1	13.0	12.2	14.3	13.0	13.6	11.9	14.6
Meters drilled (thousands)	45.6	151.8	82.0	70.0	19.5	56.0	59.9	98.0
Meters drilled per day	294	285	319	232	300	293	314	259
Average meters per well	2,684	3,702	3,906	3,332	3,903	4,000	3,741	3,767

(1) Revenue per operating day is calculated based on operating days (i.e. spud to rig release basis). New or inactive 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.

Contract Drilling revenue of $3.0 million for Q2 2017 (Q2 2016: $1.4 million) was achieved with a utilization rate of 19% (Q2 2016: 9%), compared to the CAODC industry average of 17%. CWC achieved 155 drilling rig operating days in Q2 2017, a 139% increase from Q2 2016 reflecting increased year-over-year industry activity, focused marketing effort on high quality E&P companies with ongoing drilling programs and the high quality of our equipment and people. Q2 2017 revenue was 115% higher compared to Q2 2016 as increased activity more than offset a 10% reduction in revenue per operating day when compared to Q2 2016.

Contract Drilling revenue of $14.2 million for the six months ended June 30, 2017 (2016: $5.5 million) as a result of a 169% increase in drilling rig operating days to 687 days (2016: 256). CWC's utilization rate of 42% continues to exceed the CAODC industry average of 29% and has increased from 18% for the six months ended June 30, 2016 when CWC marketed only 8 of 9 drilling rigs. Increased activity was partially offset by average revenue per operating day of $20,643 in the first six months of 2017, 5% lower than the same period in 2016. Improved financial performance for the first six months of 2017 reflect higher industry activity due to higher average commodity pricing, despite the price volatility in Q2 2017, and to CWC having modern, relevant and well maintained drilling rigs as well as a reputation for safe and efficient operations, exceptional management and experienced drilling rig crews.

Production Services

CWC is the second largest service rig provider in the WCSB, based on our modern fleet of 74 service rigs as at June 30, 2017 which consists of 41 single, 27 double, and 6 slant rigs. At an average age of ten years old, CWC's fleet is amongst the newest in the WCSB and provides services which include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. CWC has chosen to park seven of its service rigs and focus its sales and operational efforts on the remaining 67 active service rigs with one temporarily taken out of service in the first half of 2017 to complete its Level IV recertification.

CWC's Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres. As at June 30, 2017, the Company's fleet of ten coil tubing units consists of six 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 nine 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 Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sep. 30, 2016	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015
Service Rigs								
Active service rigs, end of period	66	66	67	66	65	65	64	65
Inactive service rigs, end of period	8	8	7	8	9	9	10	9
Total service rigs, end of period	74	74	74	74	74	74	74	74
Operating hours	20,047	32,997	27,091	22,927	21,724	23,466	21,008	16,676
Revenue per hour	$551	$584	$536	$543	$548	$580	$615	$657
Service rig utilization % (1)	33%	56%	45%	38%	37%	40%	36%	27%
Coil Tubing Units								
Active coil tubing units, end of period	9	9	8	8	8	8	8	8
Inactive coil tubing units, end of period	1	1	2	1	1	1	1	1
Total coil tubing units, end of period	10	10	10	9	9	9	9	9
Operating hours	1,557	4,243	2,349	2,160	1,147	3,034	1,665	1,048
Revenue per hour	$657	$491	$507	$458	$508	$662	$657	$771
Coil tubing units utilization % (2)	19%	52%	32%	29%	16%	42%	23%	14%

(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 $12.1 million in Q2 2017, down $0.4 million (-3%) compared to $12.5 million in Q2 2016 primarily as a result of service rig utilization of 33% in Q2 2017 (Q2 2016: 36%) with 20,047 operating hours, 8% lower than the 21,724 operating hours in Q2 2016. Q2 2016's record second quarter operating hours in the Company's twelve year history was facilitated by an unusually dry spring breakup allowing our equipment and people to get back in the field earlier than normal. Q2 2017 spring breakup faced normal wet weather conditions usually experienced during the second quarter and resulted in the Company achieving the fourth highest operating hours in a second quarter in the Company's twelve year history demonstrating the continued high demand by our E&P customers to do maintenance, workovers and abandonments on existing wells even in a lower commodity price environment.

CWC's coil tubing utilization of 19% in Q2 2017 (Q2 2016: 16%) from 1,549 operating hours was 35% higher than the 1,147 operating hours in Q2 2016. The increase in activity from Q2 2016 is partially due to lost productivity in Q2 2016 due to the Fort McMurray wildfire. Average revenue per hour for coil tubing services of $657 in Q2 2017 is 30% higher than $508 in Q2 2016 which reflects some modest price improvements, but is primarily due to a higher mix of deeper Class II units, compared to lower priced Class I shallow units compared to Q2 2016.

For the six months ended June 30, 2017, Production Services revenue of $33.4 million was 19% higher than the $28.1 million achieved in the same six month period in 2016 driven by service rig utilization of 44% (2016: 38%) with 53,043 service rig operating hours in the first six months of 2017; a 17% increase to the 45,176 operating hours for the same period in 2016. In addition for the first six months of 2017, coil tubing unit operating hours increased 38% to 5,776 operating hours (2016: 4,180 operating hours) which helped contribute to the increased Production Services revenue year to date in 2017 compared to 2016. Strong Q1 2017 industry demand and optimism from improved commodity prices was partially offset by lower Q2 2017 service rig operating hours driven by normal spring breakup wet weather conditions compared to the unusually dry weather which allowed equipment and people to return to the field earlier than normal in Q2 2016.

Capital Expenditures

$ thousands	Three months ended June 30, 2017	2016	Change $	Change %	Six months ended June 30, 2017	2016	Change $	Change %
Contract drilling	1,138	268	870	325%	1,284	294	990	337%
Production services	1,283	100	1,183	n/m[(1)]	1,789	340	1,449	426%
Corporate	3	7	(4)	(57%)	9	7	2	29%
Total capital expenditures	2,424	375	2,049	546%	3,082	641	2,441	381%
Growth capital	372	-	372	n/m[(1)]	372	-	372	n/m[(1)]
Maintenance and infrastructure capital	2,052	375	1,677	447%	2,710	641	2069	323%
Total capital expenditures	2,424	375	2,047	546%	3,082	641	2,441	381%

[(1)] Not meaningful.

Capital expenditures for the first six months of 2017 of $3.1 million are $2.5 million higher than $0.6 million in 2016 and primarily consist of drilling rig upgrades, recertification costs, replacement components and leased vehicles. This compares to 2016 capital expenditures consisting of recertification costs and one leased vehicle. Growth capital of $0.4 million in Q2 2017 is for upgrades to drilling rig #4 which began in Q2 2017 and is expected to be completed in July 2017 at a total cost of approximately $1.1 million. The upgrade will increase hook-load, racking capacity, and pumping power as well as an improvement to the well control.

The 2017 capital expenditure budget of $5.9 million was approved by the Board of Directors on December 6, 2016 comprised of $5.4 million 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 and $0.5 million of growth capital.

Outlook

The second quarter typically represents the seasonal low point during the year in activity, financial results and cash flow in the Canadian oilfield services sector as the thaw of frozen ground combined with typically wet weather conditions limits the ability to move heavy equipment to E&P customers' well sites. During Q2 2017, the optimism built up in Q1 2017 over improved crude oil and natural gas prices as a result of the November 30, 2016 decision by OPEC to curtail production, turned to uncertainty as U.S. drilling activity, production and inventory levels increased to offset the OPEC production cuts resulting in continued oversupply of global crude oil inventory. These uncertainties were reflected in the crude oil and natural gas prices during the quarter. In Q2 2017, average crude oil prices, as measured by WTI, of US$48.15/bbl was 7% lower than the Q1 2017 average price of US$51.85/bbl, but 5% higher than $45.70/bbl in Q2 2016. Natural gas prices, as measured by AECO, increased 3% to an average of $2.64/GJ in Q2 2017 from $2.57/GJ in Q1 2017 (Q2 2016: $1.34/GJ). Despite the increased uncertainty over commodity prices, on June 13, 2017 the CAODC revised its forecast of wells to be drilled in 2017 to 6,842, up 2,177 wells or 47% from its original November 22, 2016 forecast. This increased 2017 forecast by CAODC is consistent with the third upwardly revised forecast on July 31, 2017 by the Petroleum Services Association of Canada's ("PSAC") of 7,200 wells drilled in 2017 and is a significant improvement to its initial November 2016 forecast of 4,175 wells drilled in 2017 and the 4,084 actual wells drilled in 2016.

CWC is experiencing continued strong utilization in all three business units. The Company expects to have nine of its nine (100%) drilling rigs working in August 2017 and believes eight of the nine drilling rigs will be working steady with these E&P customers until Q2 2018 spring breakup. Similar to CWC's drilling rigs, the Company's service rigs and coil tubing units are anticipated to see continued strong industry demand and operate at utilization levels experienced prior to the industry downturn. CWC continues to experience aggressive price competition, but has been successful in modestly increasing pricing for all three of its business units for the second half of 2017. Given the industry's competitive pricing pressures on our day and hourly rates, CWC has sustainably positioned itself as a low cost contractor for its E&P customers providing the highest quality service from the highest quality people at reasonable prices. The Company has been able to do this by carefully managing fixed and discretionary costs on its relatively modern fleet of equipment with ongoing repairs and maintenance capital being low and predictable. As a result, CWC has demonstrated an ability to consistently generate positive Adjusted EBITDA and cash flow in each of its last 16 quarters, despite significantly reduced customer pricing over the last 2.5 years.

While CWC continues to maintain focus on its operational and financial performance, it also recognizes the need to pursue opportunities that create long-term shareholder value. On May 4, 2017, CWC announced a process to review strategic alternatives with a view to maximizing shareholder value by capitalizing on CWC's strong financial and operational performance, market share and attractive fleet of modern assets. The Special Committee of the Board of Directors, their financial advisors and management of CWC continue to evaluate several potential alternatives and proposals received to date. The Company has not

established a definitive timeline to complete its review and no decision on any particular alternative has been reached at this time. CWC does not intend to disclose developments with respect to the strategic alternatives process unless and until the Board of Directors approve a definitive transaction or other course of action or otherwise deem disclosure of developments is appropriate or otherwise required by law. CWC cautions that there are no guarantees that the strategic alternatives process will result in a transaction, or if a transaction is undertaken, as to its terms or timing.

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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Forward-Looking Information

This MD&A contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this MD&A, 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 MD&A 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 MD&A 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 share and per share amounts	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
NON-IFRS MEASURES				
Adjusted EBITDA:				
Net loss and comprehensive loss	(2,677)	(2,279)	(3,045)	(3,709)
Add:				
Depreciation	3,022	3,139	7,780	6,810
Finance costs	570	840	1,115	1,417
Deferred income tax recovery	(907)	(805)	(940)	(1,295)
Stock based compensation	226	135	426	219
Loss (gain) on sale of equipment	(6)	(31)	42	114
Adjusted EBITDA [1]	228	999	5,378	3,556
Adjusted EBITDA per share – basic and diluted[1]	$0.00	$0.00	$0.01	$0.01
Adjusted EBITDA margin (Adjusted EBITDA/Revenue) [1]	2%	7%	11%	11%
Weighted average number shares outstanding – basic and diluted	392,935,814	324,840,096	392,604,720	308,738,337
Gross margin:				
Revenue	15,114	13,884	47,622	33,624
Less: Direct operating expenses	11,764	9,886	35,782	24,002
Gross margin [2]	3,350	3,998	11,840	9,622
Gross margin percentage [2]	22%	29%	25%	29%

$ thousands	June 30, 2017	December 31, 2016
Working capital (excluding debt):		
Current assets	15,973	18,692
Less: Current liabilities	(8,113)	(7,535)
Add: Current portion of long term debt	158	176
Working capital (excluding debt) [3]	8,018	11,333
Working capital (excluding debt) ratio [3]	2.0:1	2.5:1
Net debt:		
Long term debt	28,729	32,966
Less: Current assets	(15,973)	(18,692)
Add: Current liabilities	8,113	7,535
Net debt [4]	20,869	21,809

[1] Adjusted EBITDA (Earnings before interest and finance costs, income tax expense, depreciation, amortization, gain or loss on disposal of asset, goodwill impairment, stock based compensation and other one-time gains and losses) is not a recognized measure under IFRS. Management believes that in addition to net earnings, Adjusted EBITDA 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 Adjusted EBITDA should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating Adjusted EBITDA may differ from other entities and accordingly, Adjusted EBITDA may not be comparable to measures used by other entities. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue and provides a measure of the percentage of Adjusted EBITDA per dollar of revenue. Adjusted EBITDA per share is calculated by dividing Adjusted EBITDA by the weighted average number of shares outstanding as used for calculation of earnings per share.

[2] 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.

[3] 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.

[4] 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.