MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Management's Discussion and Analysis ("MD&A") is a review of the results of operations and liquidity and capital resources of CWC Energy Services Corp. (unless the context indicates otherwise, a reference in this MD&A to "CWC", the "Company", "we", "us", or "our" means CWC Energy Services Corp.). The following discussion and analysis provided by CWC is dated November, 24, 2015 and should be read in conjunction with unaudited condensed interim financial statements for the three and nine months ended September 30, 2015, the audited annual financial statements for the year ended December 31, 2014 ("Annual Financial Statements"), the annual management's discussion and analysis for the year ended December 31, 2014 ("Annual MD&A"). Additional information regarding CWC can be found in the Company's latest Annual Information Form ("AIF"). The condensed interim financial statements are prepared in accordance with IFRS and IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Additional information relating to CWC, including the AIF, is available on SEDAR at www.sedar.com.

Highlights for the Three Months Ended September 30, 2015

- The steady increase in activity levels experienced at the end of Q2 2015 when crude oil prices as represented by West Texas Intermediate ("WTI") was at approximately US$60/bbl continued into Q3 2015. CWC's drilling rig utilization averaged 52% and 55% and service rig utilization was 29% and 31% in July and August 2015 respectively. In mid August 2015 the price of crude oil started declining to a six year low of approximately US$38/bbl. This decline combined with unusually wet weather conditions resulted in September 2015 activity levels declining significantly adding competitive pressures for further pricing decreases for our exploration and production ("E&P") customers. Average drilling rig revenue per operating day has decreased 11% while average service rig revenue per hour has decreased 13% in Q3 2015 compared to Q3 2014.

- CWC's industry leading drilling rig utilization of 46% in Q3 2015 (Q3 2014: 75%) significantly exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 24%. Service rig utilization was 27% in Q3 2015 (Q3 2014: 42%).

- CWC improved its operations in Q3 2015 by expanding into Drayton Valley, AB with its service rigs to complement its drilling rig fleet in the region; closed its service rig operations in Weyburn, SK; identified non-core assets, including the Well Testing division, which were monetized in October 2015; and continued to right size salaries and wages for all of its employees as well as reducing the employee count to approximately 340 employees, a reduction of 45% since the beginning of the year. 95% of CWC's field employees are paid on an hourly rate basis as opposed to a salary, resulting in a high variable based cost structure as opposed to a fixed cost structure (i.e. hourly field employees do not get paid if there is no activity).

- Revenue of $21.1 million, a decrease of $17.7 million (46%) compared to $38.8 million in Q3 2014. The revenue decrease is primarily due to lower activity levels from E&P customers as a result of lower commodity prices due to a global oversupply of crude oil and regional oversupply of natural gas in North America.

- EBITDAS[1] of $3.7 million, a decrease of $6.2 million (63%) compared to $9.9 million in Q3 2014. The EBITDAS decrease is a direct result of the lower activity levels and pricing, which was partly offset by lower costs as a result of the Company's 2015 cash saving initiatives.

- CWC recorded a $17.3 million charge for impairment of goodwill and assets held for sale due to the continuation of low crude oil and natural gas prices and the reduced outlook for contract drilling activity levels and pricing through the remainder of 2015 and 2016.

- Net loss of $18.1 million, a decrease of $20.3 million compared to net income of $2.3 million in Q3 2014. The increase in the net loss is due primarily from the impairment of goodwill and assets held for sale of $17.3 million combined with the impact of lower activity levels and pricing.

- The Company has a Dividend Reinvestment Plan ("DRIP") and a Stock Dividend Program ("SDP") in place. Shareholders of approximately 70% of the total outstanding common shares elected to participate in the DRIP or SDP for the September 30, 2015 dividend resulting in a cash savings of $0.5 million.

- In November 2015, the Company amended its credit agreement with its banking syndicate. The amendments are as follows:

  - the credit facility was reduced from $100.0 million to $75.0 million with the ability to increase the credit facility through an accordion feature of $50.0 million subject to approval by the banking syndicate;
  - the financial covenants for Consolidated Debt to Consolidated EBITDA ratio changed to 5.0:1 for December 31, 2015, increasing to 5.25:1 for March 31, 2016 and June 30, 2016, increasing to 5.5:1 for September 30, 2016, decreasing to 5.0:1 for December 31, 2016 and decreasing to 3.0:1 thereafter. Other debt covenants remain unchanged; and
  - the Company must maintain a minimum liquidity of at least $12.5 million undrawn on the credit facility.

Highlights for the Nine Months Ended September 30, 2015

- Revenue for the first nine months of 2015 was $62.5 million, a decrease of $35.2 million (36%) compared to $97.7 million in the prior year. The Production Services segment decrease of $39.7 million was partially offset by a $4.5 million increase in revenue in the Contract Drilling segment as it commenced operations on May 16, 2014 representing only 4.5 months of revenue in 2014.

- EBITDAS(1) for the first nine months of 2015 was $9.7 million, a decrease of $10.8 million (53%) compared to $20.5 million in the prior year. EBITDAS for the Production Services segment declined $15.6 million from lower activity and pricing when compared to 2014. This decline was partially offset by a $1.0 million increase in EBITDAS for the Contract Drilling segment and $3.8 million decrease in Corporate costs due to the 2015 cash saving initiatives.

- Net loss for the first nine months of 2015 was $22.4 million, a decrease of $24.7 million compared to a net income of $2.3 million in the prior year. The net loss is comprised primarily of a $17.3 million impairment of goodwill and assets held for sale combined with the impact of lower activity levels and pricing.

- $5.8 million in cash dividends has been saved in 2015 through the reduction of the quarterly dividend to $0.0025 per common share and the implementation of the DRIP and SDP. Although these plans are dilutive to shareholders who elect to receive a cash dividend it has provided the Company additional financial flexibility to navigate these difficult times while continuing to provide shareholders a return on their investment.

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

Corporate Overview

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. 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".

Financial and Operational Highlights

$ thousands, except shares, per share amounts, margins and ratios	Three months ended September 30, 2015	2014(1)	% Change	Nine months ended September 30, 2015	2014(1)	% Change
FINANCIAL RESULTS						
Revenue						
Contract drilling(1)	9,377	15,271	(39%)	22,989	18,511	24%
Production services	11,758	23,575	(50%)	39,484	79,196	(50%)
	21,135	38,846	(46%)	62,473	97,707	(36%)
EBITDAS (2)	3,679	9,886	(63%)	9,710	20,518	(53%)
EBITDAS margin (%) (2)	17%	25%	(8%)	16%	21%	(5%)
Funds from operations (2)	3,679	9,886	(63%)	9,710	19,730	(51%)
Net income (loss)	(18,103)	2,246	n/m(3)	(22,359)	2,309	n/m(3)
Net income (loss) margin (%)	(86%)	6%	n/m(3)	(36%)	2%	n/m(3)
Dividends declared	723	4,848	(85%)	3,579	12,342	(71%)
Per share information						
Weighted average number of shares outstanding – basic	286,626,800	270,344,750		283,435,832	213,489,814	
Weighted average number of shares outstanding – diluted	286,626,800	276,398,591		283,435,832	219,278,506	
EBITDAS (2) per share – basic	$0.01	$0.04		$0.03	$0.10	
EBITDAS (2) per share – diluted	$0.01	$0.04		$0.03	$0.09	
Net income (loss) per share - basic and diluted	($0.06)	$0.01		($0.08)	$0.01	
Dividends declared per share	$0.0025	$0.0175		$0.0125	$0.05125	

$ thousands, except margins and ratios	September 30, 2015	December 31, 2014
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) (2)	15,421	20,603
Working capital (excluding debt) ratio (2)	3.7:1	2.2:1
Total assets	236,246	275,353
Total Long-term debt (including current portion)	57,519	65,666
Shareholders' equity	153,503	172,705

(1) CWC entered into the contract drilling business on May 15, 2014, through the acquisition of Ironhand Drilling Inc. and results are included May 16, 2014 onward.

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

(3) Not meaningful.

Working capital (excluding debt) and total assets have decreased since December 31, 2014 as a result of collection of accounts receivables combined with lower revenue from reduced activity levels and pricing reductions. In addition, total assets are lower following the impairment of goodwill associated with the acquisition of Ironhand Drilling Inc. ("Ironhand"). Long-term debt (including current portion) has decreased as Funds from Operations and collection of accounts receivable exceeded capital expenditures, interest and dividends for the nine months ended September 30, 2015.

Shareholders' equity has decreased since December 31, 2014 as net loss, primarily as a result of impairment in goodwill and assets held for sale, and dividends have more than offset the additional equity issued under the Company's stock option plan, restricted share award plan, and the DRIP and SDP.

Operational Overview

The acquisition of Ironhand on May 15, 2014 resulted in the aggregation of the well servicing and other oilfield services segments into the Production Services segment, as this acquisition shifted the Company's internal financial reporting and operational management structure. Management concluded that the well servicing and other oilfield services segments share similar economic characteristics and are also similar in other respects in accordance with IFRS 8.12.

Contract Drilling

Ironhand was acquired on May 15, 2014 and renamed CWC Ironhand Drilling representing our Contract Drilling segment. Our 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 six years. In Q2 2015 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 Western Canadian Sedimentary Basin ("WCSB"), including the Montney, Cardium, Duvernay and other deep basin horizons.

	Three months ended					
OPERATING HIGHLIGHTS	**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	9	9	9	9	9	8
Revenue per operating day (1)	$24,740	$26,661	$30,553	$29,305	$27,715	$30,258
Drilling rig operating days	379	99	359	693	551	107
Drilling rig utilization % (2)	46%	12%	44%	84%	75%	29%
CAODC industry average utilization %	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) Ironhand was acquired on May 15, 2014, as such the Contract Drilling Segment includes the results for the period commencing May 16, 2014.

Contract Drilling revenue of $9.4 million for the quarter and $23.0 million year-to-date 2015 was achieved with a utilization rate of 46% and 34% respectively compared to the CAODC industry average of 24% for each of the same periods. Drilling activity levels continue to be affected by the global oversupply of crude oil and corresponding collapse in oil prices of 55% which has led our E&P customers to reduce drilling, completions and production maintenance programs to conserve their cash resources until commodity prices recover.

Production Services

CWC is the third largest service rig provider in the WCSB, having a modern fleet of 74 service rigs as at September 30, 2015. The Company's service rig fleet consists of 41 single, 27 double, and 6 slant rigs. CWC's fleet is amongst the newest in the WCSB. Rig services 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 September 30, 2015, the Company's fleet of nine coil tubing units consist of five Class I, three Class II and one Class III coil tubing units. The market for the Class III deep coil tubing unit has become extremely competitive with an increased supply of new deep coil tubing units over the last several years having an adverse affect on industry utilization and pricing. In light of these competitive challenges for CWC's one 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 steam-assisted gravity drainage ("SAGD") wells, which are shallower in depth and more appropriate for these coil tubing units.

OPERATING HIGHLIGHTS	Three months ended Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013
Service Rigs								
Active service rigs, end of period	65	66	66	69	68	68	69	71
Inactive service rigs, end of period	9	8	7	3	3	3	2	0
Total service rigs, end of period	74	74	73	72	71	71	71	71
Operating hours	16,676	14,051	16,580	28,644	26,354	20,399	37,652	33,828
Revenue per hour	$657	$668	$769	$790	$756	$752	$820	$786
Service rig utilization % (1)	27%	23%	29%	45%	42%	33%	61%	52%
Coil Tubing Units								
Active coil tubing units, end of period	8	8	8	9	9	7	8	8
Inactive coil tubing units, end of period	1	1	1	0	0	0	0	0
Total coil tubing units, end of period	9	9	9	9	9	7	8	8
Operating hours	1,048	2,111	4,351	2,631	2,056	1,403	4,600	2,106
Revenue per hour	$771	$724	$885	$825	$894	$784	$967	$1,129
Coil tubing units utilization % (2)	14%	29%	60%	32%	29%	22%	64%	29%

(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 $11.8 million for the quarter, $39.5 million year-to-date, down $11.8 million (50%) and $39.7 million (50%) respectively year-over-year. Service rig revenue was severely impacted by a reduction in Q3 2015 activity levels to 27% compared to 42% in Q3 2014. E&P customers asked for and were given significant pricing reductions to help them become more competitive given the current commodity price environment and our competitors are working at lower rates to maintain or increase utilizations. Service rig average hourly rates have decreased approximately 13% compared to Q3 2014. Coil tubing utilization was 14% in Q3 2015 compared to 29% in Q3 2014 as lower demand and wet weather conditions delayed start dates on planned customer projects. The decrease of 14% in coil tubing units' average hourly rate is a function of less SAGD work in Q3 2015 compared to Q3 2014 and overall pricing pressures from our E&P customers. In September 2014, the Company sold its Snubbing assets and business which contributed year-to-date 2014 revenue of $3.0 million and EBITDAS of $0.8 million with no corresponding amounts in year-to-date 2015. In March 2015, CWC suspended its non-core Well Testing business, which contributed year-to-date 2014 revenue of $1.1 million and EBITDAS of ($53) thousand. These Well Testing assets along with other non-core Production Services assets were disposed of in October 2015 resulting in a write down to fair market value and were reclassified on CWC's balance sheet as assets held for sale.

Outlook

Activity levels in the Canadian oil and natural gas industry continue to be affected by low commodity price as a result of global and regional oversupply of both crude oil and natural gas respectively. WTI started July 2015 at approximately US$60/bbl before dropping to a six year low of approximately US$38/bbl in August 2015 before recovering to approximately US$45/bbl by the end of September 2015. The drop in oil prices during Q3 2015 resulted in reduced activity for drilling and well servicing as our E&P customers delayed their drilling, completions, maintenance and abandonment programs. As oil prices are still approximately US$45/bbl today, Q4 2015 activity levels are not experiencing the traditional ramp up in winter activity as we would normally see at this time of year. Unless crude oil prices increase to the US$60/bbl level over the winter, CWC anticipates Q4 2015 and Q1 2016 activity levels to be similar to Q3 2015. On November 3, 2015 PSAC released its 2016 Canadian Drilling Activity Forecast of 5,150 wells, down 190 wells (3.5%) from its 2015 forecast of 5,340 wells, confirming a relatively flat outlook for 2016.

In response to the lower activity levels and pricing pressures from our E&P customers, CWC has been proactive in reducing our cost structure and cash requirements throughout 2015. Compared to 2014, annualized cash savings initiatives of approximately $32.2 million have been implemented comprised of dividend reductions and DRIP/SDP programs ($12.9 million); capital expenditure reductions ($13.6 million); employee layoffs and compensation reductions ($5.4 million) and reduced selling and administrative expense and interest expense ($0.3 million). These cash saving initiatives are significant and will ensure CWC is able to withstand the current slowdown in our industry.

In November 2015, the Company amended its credit agreement with its banking syndicate to relax the financial covenants for Consolidated Debt to Consolidated EBITDA ratio for the remainder of 2015 and 2016. The Company's debt level increased in 2014 following the acquisition of Ironhand and the subsequent increase in 2014 capital expenditure program. In 2015, lower working capital and cash saving initiatives contributed to a reduction of 12% in the total long-term debt at September 30, 2015. The revised debt covenant suggests our banking syndicate continues to be supportive of CWC during these challenging times in our industry.

While CWC maintains focus on its cost structure in a lower oilfield services activity environment, it is also mindful of taking advantage of opportunities that may be created during these times in the commodity cycle. Management will continue to evaluate strategic growth 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.

Discussion of Financial Results

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
Revenue								
Contract Drilling [1]	9,377	15,271	(5,894)	(39%)	22,989	18,511	4,478	n/m [3]
Production Services	11,758	23,575	(11,817)	(50%)	39,484	79,196	(39,712)	(50%)
	21,135	38,846	(17,711)	(46%)	62,473	97,707	(35,234)	(36%)
Direct operating expenses								
Contract Drilling	6,145	9,028	(2,883)	(32%)	14,479	11,362	3,117	n/m [3]
Production Services	8,046	15,328	(7,282)	(48%)	27,642	53,533	(25,891)	(48%)
	14,191	24,356	(10,165)	(42%)	42,121	64,895	(22,774)	(35%)
Gross margin [2]								
Contract Drilling	3,232	6,243	(3,011)	(48%)	8,510	7,149	1,361	n/m [3]
Production Services	3,712	8,247	(4,535)	(55%)	11,842	25,663	(13,821)	(54%)
	6,944	14,490	(7,546)	(52%)	20,352	32,812	(12,460)	(38%)
Gross margin percentage [2]								
Contract Drilling	34%	41%		(7%)	37%	39%		(2%)
Production Services	32%	35%		(3%)	30%	32%		(2%)
	33%	37%		(4%)	33%	34%		(1%)

(1) CWC entered into the contract drilling business on May 15, 2014, through the acquisition of Ironhand and results are included May 16, 2014 onward.
(2) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.
(3) Not meaningful.

Revenue

Revenue has declined year-over-year both for the quarter and year-to-date. Year-to-date revenue in Contract Drilling has increased as a result of the acquisition of Ironhand on May 15, 2014. Both Contract Drilling and Production Services segments experienced reduced utilization and reduced day and hourly rates resulting in lower revenue consistent with declines seen throughout the industry.

Many direct operating expenses are variable in nature and increase or decrease with activity levels such that changes in operating costs generally correspond to changes in revenue or activity levels. Labour is the largest cost incurred by the Company, the majority related to field operating employees and, as such, predominately variable in nature. Both Contract Drilling and Production Services segments experienced reductions to field labour costs to offset declining revenue rates. Year-over-year gross margin percentages have decreased for the quarter and year-to-date as a result of lower customer pricing outpacing lower operating costs (ie. insurance, repairs, recertifications) and field labour wage reductions. CWC has implemented further field labour wage reductions in Q4 2015 and as such gross margins may marginally improve in subsequent quarters.

Selling and Administrative Expenses and Transaction Costs

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
Selling and administrative expenses	3,265	4,604	(1,339)	(29%)	10,642	12,294	(1,652)	(13%)
Transaction costs	-	-	-	-	-	788	(788)	n/m [1]

[1] Not meaningful.

The reduction in activity and corporate focus on reducing discretionary costs has positively impacted expenses in both the three and nine month periods. Q3 2015 selling and administrative expenses of $3.3 million are 29% lower than Q3 2014. The decrease both in the quarter and year-to-date is a result of the impact of cash savings initiatives undertaken in 2015, including the salary reductions by all salaried staff, layoffs and suspension of bonus accruals. Offsetting this is higher bad debt expense in 2015 and additional selling and administrative expenses related to additional employees and expenses as a result of the acquisition of Ironhand in Q2 2014.

Most selling and administrative expenses, such as building and office rent, and office staff salaries are fixed in nature and not subject to significant fluctuation on a quarterly basis. Other costs such as professional and legal fees can fluctuate depending on specific services received in the period.

EBITDAS

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
EBITDAS [1]								
Contract Drilling	2,887	5,878	(2,991)	(51%)	7,568	6,574	994	n/m [2]
Production Services	1,717	8,807	(7,090)	(81%)	5,767	21,324	(15,557)	(73%)
Corporate	(925)	(4,799)	3,874	(81%)	(3,625)	(7,380)	3,755	(51%)
	3,679	9,886	(6,207)	(63%)	9,710	20,518	(10,808)	(53%)
EBITDAS margin (%) [1]	17%	25%	n/a	(8%)	16%	21%	n/a	(5%)

[1] Please refer to the “Reconciliation of Non-IFRS Measures” section for further information.
[2] Not meaningful.

Management uses EBITDAS as a measure of the cash flow generated by the Company. Positive EBITDAS provides the cash flow needed to grow our business through purchase of new equipment or business acquisitions, pay a dividend, repurchase outstanding common shares under a NCIB, and service and reduce outstanding long-term debt.

EBITDAS for Q3 2015 was $3.7 million in comparison to $9.9 million in Q3 2014. The $6.2 million decrease year-over-year is a result of a $3.0 million decrease in the Contract Drilling segment, $7.1 million decrease in Production Services, offset by a $3.9 million decrease in Corporate segment expenses. Year-over-year, EBITDAS of $9.7 million has declined $11.0 million from the nine months ended September 30, 2014. Contract Drilling EBITDAS of $7.6 million has increased $1.0 million as a result of the decrease in activity being offset by a full nine months of operations compared to four and a half months in 2014. Production Services EBITDAS of $5.8 million has declined $15.6 million from $21.3 million year-to-date September 30, 2014. The decline in EBITDAS is a result of the year-over-year decline in service rig utilization and pricing. Corporate costs decreased for the quarter and year-to-date as a result of effective cash saving initiatives implemented throughout 2015.

Stock-Based Compensation

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
Stock based compensation	234	498	(264)	(53%)	808	1,135	(327)	(29%)

Stock based compensation is primarily a function of the outstanding stock options and restricted share units (“RSUs”) being expensed over their vesting term. As a generalization, a higher trading price for our common shares will increase the value of stock options and RSUs at their grant date which is the value used for expensing stock based compensation. The year-over-year decrease in annual stock based compensation expense is a result of stock options and RSUs granted in May 2014 being 1/3 vested at the end of the third quarter and the more recent stock options and RSUs issued in December 2014 being issued at a lower exercise price of $0.45 per common share.

Finance Costs

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
Finance costs	545	588	(43)	(7%)	1,644	1,554	90	6%

Finance costs for Q3 2015 have decreased by 7% from Q3 2014 as debt averaged $2.8 million less in 2015 ($57.5 million in Q3 2015 versus $60.3 million in September 30, 2014). Year-to-date finance costs have increased year-over-year as debt levels increased in Q2 2014 to fund the purchase of the Contract Drilling division and lower interest rates were in effect as a result of the pricing schedule being tied to the Consolidated Debt to Consolidated EBITDA ratio. The lower EBITDAS in 2015 has resulted in interest rates increasing according to the credit agreement's sliding scale from bank prime rate plus 0.875%; bankers acceptances rate plus a stamping fee of 1.875% and a standby fee rate of 0.42% to the rates at September 30, 2015 being bank prime rate plus 1.5%, bankers acceptances rate plus a stamping fee of 2.5% and a standby fee rate of 0.57%.

Depreciation

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
Depreciation								
Contract Drilling	1,447	2,124	(677)	(32%)	3,307	2,603	704	n/m [1]
Production Services	2,730	3,452	(722)	(21%)	8,145	10,814	(2,669)	(25%)
Corporate	100	132	(32)	(24%)	287	377	(90)	(24%)
	4,277	5,708	(1,431)	(25%)	11,739	13,794	(2,055)	(15%)

[1] Not meaningful.

Depreciation for drilling rigs and service rigs are based on hours of work. There can be significant variation in the historical cost basis for our service rigs based on type of rig and our newest service rigs, which have the highest cost and depreciation rate per hour, also typically have higher utilization. Coil tubing units are depreciated straight line resulting in consistent depreciation expense regardless of utilization or hours of use.

Depreciation in both the Contract Drilling and Production Services segments for the quarter decreased year-over-year as a result of the lower activity levels reducing the depreciation expense on the assets that are depreciated on an hourly basis. Depreciation in the Contract Drilling segment increased year-to-date as the decrease in activity was offset by the segment being in operation for a full nine months as compared to four and a half months in 2014.

(Gain) Loss on Disposal of Equipment

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
(Gain) loss on disposal of equipment	(63)	(129)	66	n/m[1]	251	(242)	493	n/m[1]

[1] Not meaningful

Management continually monitors the asset mix and equipment needs and invests and divests assets as needed to optimize our operations. During the first nine months of 2015, the loss on disposal of equipment was the result of the sale of equipment and the regular replacement of crew trucks resulting in proceeds on sale of $0.4 million.

Impairment of Goodwill and Assets Held for Sale

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
Impairment of goodwill and assets held for sale	17,322	-	17,322	n/m[1]	17,322	-	17,322	n/m[1]

[1] Not meaningful

CWC recorded a $17.3 million impairment of goodwill and assets held for sale due to the continuation of low crude oil and natural gas prices and the reduced outlook for contract drilling activity levels and pricing through the remainder of 2015 and throughout 2016.

Income Taxes

$ thousands	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Net (loss) income before income taxes	(18,636)	3,221	(22,054)	3,489
Deferred income tax expense (recovery)	(533)	975	305	1,180
Deferred income tax expense (recovery) as a % of net (loss) income before income taxes	3%	30%	(1%)	34%
Expected statutory income tax rate	26%	25%	26%	25%

The decrease in deferred income tax expense (recovery) in the current period is a result of the year-over-year decrease in net (loss) income before income taxes partially offset by a 2% increase in the Alberta corporate income tax rate effective July 1, 2015 and the resulting revaluation of net deferred income tax liability. The net loss in 2015 is predominantly made up of the impairment of goodwill and assets held for sale of $17.3 million which is not deductible for income tax purposes and, as such, is added back to the net loss before income taxes in arriving at deferred income tax expense (recovery). The Company has substantial tax pools and non-capital losses available to reduce future taxable income such that no cash taxes are expected to be payable until 2018.

Net (Loss) Income and Comprehensive (Loss) Income

$ thousands	Three months ended September 30, 2015	2014	Change $	Change %	Nine months ended September 30, 2015	2014	Change $	Change %
Net (loss) income and comprehensive (loss) income	(18,103)	2,246	(20,349)	n/m[1]	(22,359)	2,309	(24,668)	n/m[1]

[1] Not meaningful

Net (loss) income and comprehensive (loss) income decreased $20.3 million year-over-year for the quarter and $24.7 million year-to-date as a result of the impairment of goodwill and assets held for sale of $17.3 million coupled with reduced operating activities in Contract Drilling and Production Services and an increase in the deferred income tax expense (recovery) resulting from the Q2 2015 increase in the Alberta corporate income tax rate.

Liquidity and Capital Resources

Source of Funds:
The Company's liquidity needs in the short-term and long-term can be sourced in several ways including: funds from operations, borrowing against existing debt credit facilities, new debt instruments, equity issuances and proceeds from the sale of assets. Cash inflows are used to repay outstanding amounts on the Company's debt credit facility, fund capital requirements or pay dividends.

During the first nine months of 2015, the Company had operating cash flows of $19.5 million. Of the $19.5 million in cash flows from operations, $8.0 million was used to fund capital expenditures net of proceeds on disposition, $9.7 million was paid to reduce the outstanding debt and pay interest expense and $2.3 million was returned to shareholders in the form of cash dividends.

As at September 30, 2015 the Company had working capital excluding debt of $15.4 million compared to $20.6 million at December 31, 2014 and $16.6 million at September 30, 2014. (Please refer to the "Reconciliation of Non-IFRS Measures" section for further information). The decline in working capital is consistent with the lower activity levels and pricing reductions. Typically, as activity levels increase working capital will also increase.

The current industry slowdown in activity combined with the increased pressure to reduce day and hourly rates from E&P customers has reduced the Company's projections regarding operating cash flows for 2015. As a result, the Company instituted cash saving initiatives throughout 2015 which will result in annual cash savings of approximately $32.2 million compared to 2014. The Company has taken significant steps to ensure the Company has sufficient liquidity to cover future financial obligations.

In November 2015, the Company amended its credit agreement with its banking syndicate. The amendments are as follows:

- the credit facility was reduced from $100.0 million to $75.0 million with the ability to increase the credit facility through an accordion feature of $50.0 million subject to approval by the banking syndicate;

- the financial covenants for Consolidated Debt to Consolidated EBITDA ratio changed to 5.0:1 for December 31, 2015, increasing to 5.25:1 for March 31, 2016 and June 30, 2016, increasing to 5.5:1 for September 30, 2016, decreasing to 5.0:1 for December 31, 2016 and decreasing to 3.0:1 thereafter. Other debt covenants remain unchanged; and
- the Company must maintain a minimum liquidity of at least $12.5 million undrawn on the credit facility.

The credit facility is secured by a general security agreement and a first charge security interest covering all of the assets of the Company. Under the terms of the credit facility, the Company is required to comply with certain financial covenants. As of September 30, 2015, the Company is in compliance with each of those financial covenants. No principal payments are required under the credit facility until June 21, 2017, at which time any amounts outstanding are due and payable. As at September 30, 2015, drawings under the credit facility totaled $57.6 million.

At September 30, 2015 the applicable rates under the credit agreement are: bank prime rate plus 1.5%, bankers acceptances rate plus a stamping fee of 2.5% and a standby fee rate of 0.57%.

Capital Requirements:
Over the past three years the Company has been increasing its asset base of drilling rigs and service rigs. Given the Company's relatively young fleet of equipment many capital expenditures are discretionary in nature and are incurred with a view to increase the size and revenue generating capacity of the business as opposed to being required in order to maintain the current business operations. In 2014, the Company initiated a plan that would result in spending approximately $3.0 million annually over the next several years to recertify the oldest of its service rigs due for their Level IV recertification. With the current downturn the Company has decided to delay the program to preserve cash flows. Because these recertifications are based on hours of service, the reduced activity currently being experienced in 2015 will prolong the time before recertification is required. Once utilizations return to pre-2015 activity levels, the Level IV recertification program will be reinstated to ensure that future operations are not negatively impacted by rigs "houring out". As at September 30, 2015, the Company has capital spending plans as noted in the section titled "Capital Expenditures". Additional discretionary capital expenditures will be required in order to continue to grow the Company's assets and revenue in the future. It is anticipated future cash requirements for capital expenditures will be met through a combination of funds generated from operations and bank debt from the Company's existing credit facility as required. However, additional funds may be raised by additional bank debt, other forms of debt, the sale of assets or the issue of equity.

CWC may require additional financing in the future to implement its strategies and business objectives. It is possible that such financing will not be available, or if available, will not be available on favorable terms. If CWC issues any shares in the future to finance its operations or implement its strategies, the current shareholders of CWC may incur a dilution of their interest.

Common Shares and Dividends

The following table summarizes outstanding share data and potentially dilutive securities:

	November 24, 2015	September 30, 2015	December 31, 2014
Common shares	292,048,008	289,303,662	270,762,224
Stock options	8,825,000	8,825,000	13,020,012
Restricted share units	1,945,000	1,945,000	2,065,000

During the nine months ended September 30, 2015, 2,630,002 options were exercised, 120,000 RSUs were exercised and 15,791,436 shares were issued under the DRIP/SDP. In addition 1,565,010 options and 75,000 RSUs were forfeited. Subsequent to Q3 2015, 2,744,346 shares were issued under the DRIP and SDP.

On December 23, 2014, the Company introduced a DRIP and SDP as a prudent cash resource measure given the volatility and uncertainty in the oil price environment. Participation in the DRIP or the SDP is optional and will not affect shareholders' cash dividends unless they elect to participate in the DRIP or SDP. The adoption of the DRIP and SDP provides CWC with additional cash resources while ensuring that it continues to maintain its balance sheet flexibility. Shares issued under DRIP and SDP had a dilutive effect to shareholders that elected to receive a cash dividend.

Since the introduction of the DRIP and SDP on December 23, 2014, the following shares have been issued under the respective plans:

	October 15, 2015	July 15, 2015	April 15, 2015	January 15, 2015
Dividend declared per common shares	$0.0025	$0.005	$0.005	$0.0175
Common shares issued under DRIP	2,702,219	4,025,934	3,275,513	7,982,080
Common shares issued under SDP	42,126	61,592	145,291	301,026
% of dividend settled through the issuance of shares	70.0%	69.7%	72.1%	69.2%
Cash savings (in thousands)	$ 506	$ 994	$ 1,006	$ 3,281

The following table summarizes dividends declared since December 31, 2014:

Declaration Date	Record Date	Payment Date	Dividend per Common Share
March 9, 2015	March 31, 2015	April 15, 2015	$0.0050
May 13, 2015	June 30, 2015	July 15, 2015	$0.0050
August 10, 2015	September 30, 2015	October 15, 2015	$0.0025

Given the current uncertainty in the oilfield services sector, on November 24, 2015, the Board of Directors have suspended the Company's quarterly dividend.

The Company renewed its NCIB effective May 22, 2015, to purchase from time to time, as it considered advisable, up to 14,229,807of its issued and outstanding common shares through the facilities of the TSX Venture Exchange ("TSXV") or other recognized marketplaces. The price that the Company will pay for any common share under the NCIB will be the prevailing market price on the TSXV or such other recognized marketplace at the time of such purchase. During 2014, 1,145,000 common shares were purchased and returned to treasury and cancelled under the NCIB for total proceeds including commissions of $0.9 million. No purchases were made in the first nine months of 2015. The NCIB expires on May 21, 2016 unless renewed.

Capital Expenditures

$ thousands	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Contract Drilling	947	5,656	4,209	7,461
Production Services	303	6,588	4,185	12,027
Total capital expenditures	1,250	12,244	8,394	19,488
Growth capital	246	9,539	4,400	12,983
Maintenance and infrastructure capital	1,004	2,705	3,994	6,505
Total capital expenditure	1,250	12,244	8,394	19,488

Year-to-date growth capital spending of $4.4 million was primarily incurred to complete slant service rigs #505 and #506 and supporting equipment in order to further expand our growth in heavy oil and SAGD wells. Additional growth capital was incurred to complete upgrades to Drilling Rig #2 and settle longer lead items on Drilling Rig #10. Maintenance capital spending of $3.9 million has been primarily directed at adding new drill pipe, a Pad Rig Walking System for Drilling Rig #3, required drilling and service rig recertification costs and upgrades, additions to field equipment for the service rig and coil tubing divisions and information technology infrastructure.

CWC revised 2015 capital expenditure budget is expected to be $8.8 million, a 19% decrease from the previously disclosed budget of $10.8 million. The revised capital expenditure budget is comprised of $4.4 million of growth capital and $4.4 million of maintenance and infrastructure capital. The following table summarizes the 2015 revised capital expenditure budget, the capital incurred for the nine months ended September 30, 2015 and the remaining capital expenditure budget expected to be incurred for the remainder of 2015:

$ thousands	2015 Budget at Mar. 9, 2015	Reductions	Revised 2015 Budget at Nov. 11, 2015	Nine months ended Sep. 30, 2015 Capital Expenditures	2015 Capital Expenditure Budget Remaining
Growth capital	$6,100	($1,700)	$4,400	$4,400	$ -
Maintenance & infrastructure capital	4,700	(300)	4,400	3,994	406
Total capital expenditures	$10,800	$2,000	$8,800	$8,394	$406

Commitments and Contractual Obligations

Under the terms of the Company's amended credit facility, the Bank Loan is due in full on June 21, 2017. The Company is committed to monthly payments of interest and bank charges until June 21, 2017. There have been no significant changes in commitments or contractual obligations since December 31, 2014. Management believes that, despite the lower activity levels anticipated for its services combined with the cash saving initiatives planned for 2015, there will be sufficient cash flows generated from operations to service the interest on the debt and finance the required maintenance capital of the Company.

Summary and Analysis of Quarterly Data

$ thousands, except per share amounts	**2015**			**2014**				**2013**
	Sept.	**June**	**March**	**Dec.**	**Sept.**	**June**	**March**	**Dec.**
Three months ended	**30**	**30**	**31**	**31**	**30**	**30**	**31**	**31**
Revenue	21,135	13,508	27,830	45,959	38,846	20,488	38,373	31,515
EBITDAS	3,679	777	5,254	13,540	9,886	1,176	9,456	7,598
Net income (loss)	(18,103)	(4,294)	38	(15,760)	2,246	(3,182)	3,245	2,196
Net income (loss) per share: basic and diluted	(0.06)	(0.02)	0.00	(0.06)	0.01	(0.01)	0.02	0.01
Total assets	236,246	249,544	258,835	275,353	288,011	277,679	151,661	148,999
Total long-term debt	57,519	51,618	55,096	65,666	60,313	51,324	43,547	44,009
Shareholders' equity	153,503	171,100	174,925	172,705	193,151	195,851	92,202	91,344

The table above summarizes CWC's quarterly results for the previous eight financial quarters. All of CWC's operations are carried out in western Canada. The second quarter is typically expected to be the weakest financial and operating quarter for the Company due to ground conditions being impacted by spring breakup. The ability to move heavy equipment in the Canadian crude 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 breakup has a direct impact on the Company's activity levels. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen enough to support equipment. As a result, late March through May is traditionally the Company's slowest time, and as such the revenue, operating costs, and financial results of the Company will vary on a quarterly basis.

Through the eight quarters presented, the amount of revenue and net income (loss), adjusted for the effects of seasonality, have fluctuated primarily due to changes in the utilization of our equipment generally and the increase in the number of drilling rigs, service rigs and coil tubing units over the period as detailed in the section titled "Operational Overview".

Other significant impacts have been a result of:

- Q3 2015 saw slight increases in utilizations resulting in a 56% increase in revenue. EBITDAS increased 373% as a result of the increased utilization during the quarter compared to Q2 2015 and reductions to employee compensation. Q3 2015 net loss includes a $17.3 million impairment in goodwill and assets held for sale. Goodwill arose on the purchase of Ironhand in Q2 2014.
- Q2 2015 continued to be negatively impacted by global market conditions resulting in a 34% decline in both revenue and EBITDAS. Net loss was further impacted by the 2% increase to the Alberta corporate tax rate;
- Q1 2015 was impacted by the global oversupply of oil and the 2014 decision by OPEC not to curtail production which resulted in significant decreases in revenue in both Contract Drilling and Production Services. Decreases in rates were demanded by E&P customers, which further impacted revenue negatively. The result was a 27% and 44% decline in revenue and EBITDAS respectively, year-over-year;
- Q4 2014 represented another record revenue quarter for CWC since the Company's inception. The Contract Drilling segment, acquired in the second quarter of 2014, represented 44% of the Company's Q4 2014 revenue;
- Q4 2014 saw revenue in the Production Services segment decline on a year-over-year basis by 19%. Of the $5.9 million decrease in revenue, $1.9 million is a result of a decrease in the snubbing assets and business as it was sold in Q3 2014 with the remaining $4.0 million decline in revenue a result of reduced activity level with several of CWC's largest E&P customers. Q4 2014 service rig utilization declined by 7% compared to Q4 2013;

- Q4 2014 net loss includes $20.9 million goodwill impairment. Goodwill arose on the purchase of Ironhand in Q2 2014. At the time of purchase, the current economic downturn had not yet emerged and all indications were that CWC would continue to grow the Contract Drilling segment with the completion of Rig #9 and building an additional Rig #10 in 2015. In Q1 2015, revised predictions of lower drilling activity were released by CAODC and PSAC and analysts were predicting that 2015 would be a significantly challenging year for oilfield service companies. Although the Company anticipates the decline in the Contract Drilling segment revenue to be less than others in the industry, the anticipated decline was sufficient to indicate an impairment to the Goodwill;
- Q3 2014 represented the first full three month period with the Contract Drilling segment which represented 39% of the Company's Q3 2014 revenue;
- Q3 2014 included a gain on disposal of equipment of $0.2 million in net income as a result of the sale of the snubbing assets and business;
- Q2 2014 increase to total assets and shareholders' equity reflects the acquisition of Ironhand and related equity financing. Ironhand was acquired for a total purchase consideration of $128.7 million;
- Q2 2014, $0.8 million in transaction costs were incurred relating to the acquisition of Ironhand;

Critical Accounting Estimates and Judgments

This MD&A of the Company's financial condition and results of operations is based on the financial statements which are prepared in accordance with IFRS. The preparation of the financial statements requires that certain estimates and judgments be made with respect to the reported amounts of revenue and expenses and the carrying amounts of assets and liabilities. These estimates are based on historical experience and management's judgment. Anticipating future events involves uncertainty and consequently the estimates used by management in the preparation of the financial statements may change as future events unfold, additional experience is acquired or the Company's operating environment changes. In many cases the use of judgment is required to make estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Further details of the nature of these estimates and assumptions may be found in the relevant notes to the Annual Financial Statements and the interim unaudited financial statements for the three and nine months ended September 30, 2015 and the section titled "Critical Accounting Estimates and Judgments" in the Annual MD&A. There have been no significant or material changes in the nature of critical accounting estimates and judgments since December 31, 2014.

New Accounting Pronouncements

A number of new standards, amendments to standards and interpretations have been issued by the IASB and are not yet effective for the year ended December 31, 2015. The new standards, amendments to standards and interpretations have not been applied in preparing these condensed interim financial statements. None of these are expected to have a significant effect on the annual financial statements, except for:

> IFRS 15, Revenue from Contracts with Customers, which provides guidance on revenue recognition and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to annual reporting periods beginning on or after January 1, 2018, with early adoption permitted under IFRS. The Company has not yet assessed the impact this standard will have on the financial statements.

CEO and CFO Certifications

The CEO and CFO of TSX Venture Exchange listed companies, such as CWC, are not required to certify they have designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Instead, an optional form of certification has been made available to TSX Venture Exchange listed companies and has been used by CWC's certifying officers for the September 30, 2015 interim filings. The certification reflects what the Company considers to be a more appropriate level of CEO and CFO certification given the size and nature of the Company's operations. This certification requires that the certifying officer's state:

- They have reviewed the interim financial report and MD&A;

- That, based on their knowledge, they have determined there is no untrue statement of a material fact, or any omission of material fact required to be stated which would make any statement not misleading in light of the circumstances under which it was made within the interim filings; and

- That based upon their knowledge, the interim filings, 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 Company as of the date and for the periods presented in the interim filings.

Risks and Uncertainties

Certain activities of the Company are affected by factors that are beyond its control or influence. Additional risks and uncertainties that management may be unaware of, or that they determine to be immaterial, may also become important factors which affect the Company. Along with the risks discussed in this MD&A, other business risks faced by the Company may be found under "Risk Factors" in the Company's most recent Annual Information Form which is available under the Company's profile at www.sedar.com or by contacting the Company.

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 everything 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 level of capital expenditures, expectations as to changes in activity levels, expectations on the sustainability of future cash flow and earnings and the ability to pay dividends, expectations with respect to oil and natural gas prices and price levels necessary for increases in oil and natural gas activity levels, activity levels in various areas, continuing focus on cash 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 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, including the Ironhand Acquisition, 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 September 30, 2015	2014	Nine months ended September 30, 2015	2014
NON-IFRS MEASURES				
EBITDAS:				
Net (loss) income	(18,103)	2,246	(22,359)	2,309
Add:				
Depreciation	4,277	5,708	11,739	13,794
Finance costs	545	588	1,644	1,554
Transaction costs	-	-	-	788
Income tax expense (recovery)	(533)	975	305	1,180
Stock based compensation	234	498	808	1,135
Goodwill impairment	17,322	-	17,322	-
Loss (gain) on sale of equipment	(63)	(129)	251	(242)
EBITDAS (1)	3,679	9,886	9,710	20,518
EBITDAS per share – basic(1)	$0.01	$0.04	$0.03	$0.10
EBITDAS per share – diluted(1)	$0.01	$0.04	$0.03	$0.09
EBITDAS margin (EBITDAS/Revenue) (1)	17%	25%	16%	21%
Weighted average number shares outstanding - basic	283,626,800	270,344,750	283,435,832	213,489,814
Weighted average number shares outstanding - diluted	283,626,800	276,398,591	283,435,832	219,278,506
Funds from operations:				
Cash flows from operating activities	(3,894)	2,491	19,463	25,573
Add (deduct): Change in non-cash working capital	7,573	7,395	(9,753)	(5,843)
Funds from operations (2)	3,679	9,886	9,710	19,730
Gross margin:				
Revenue	21,135	38,846	62,473	97,707
Less: Direct operating expenses	14,191	24,356	42,121	64,895
Gross margin (3)	6,944	14,490	20,352	32,812
Gross margin percentage (3)	33%	37%	33%	34%

$ thousands	September 30, 2015	December 31, 2014
Working capital (excluding debt):		
Current Assets	21,160	38,405
Less: Current Liabilities	(5,937)	(18,003)
Add: Current portion of long term debt	198	201
Working capital (excluding debt) (4)	15,421	20,603
Working capital (excluding debt) ratio (4)	3.7:1	2.2:1
Net debt:		
Long term debt	57,321	65,465
Less: Current assets	(21,160)	(38,405)
Add: Current liabilities	5,937	18,003
Net debt (5)	42,098	45,063

(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.