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 October 28, 2021 and should be read in conjunction with unaudited condensed interim consolidated financial statements ("Financial Statements") for the three and nine months ended September 30, 2021, the audited annual consolidated financial statements for the year ended December 31, 2020 ("Annual Financial Statements"), and the annual management's discussion and analysis for the year ended December 31, 2020 ("Annual MD&A"). Additional information regarding CWC can be found in the Company's latest Annual Information Form ("AIF"). The condensed interim consolidated 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 is available on SEDAR at www.sedar.com.

Financial Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended September 30, 2021	2020	Change %	Nine months ended September 30, 2021	2020	Change %
FINANCIAL RESULTS						
Revenue						
Contract Drilling	8,437	543	1,454%	19,179	14,532	32%
Production Services	19,339	9,779	98%	49,763	33,296	49%
	27,776	10,322	169%	68,942	47,828	44%
Other income	1,118	2,635	(58%)	4,762	4,423	8%
Adjusted EBITDA[1]	5,394	1,953	176%	12,737	6,064	110%
Adjusted EBITDA margin (%)[1]	19%	19%		18%	13%	
Impairment of assets	-	-	n/m[3]	(1,296)	(25,451)	(95%)
Net income (loss)	2,019	(810)	n/m[3]	1,707	(23,721)	n/m[3]
Net income (loss) margin (%)[2]	7%	(8%)	15%	2%	(50%)	52%
Capital expenditures	1,530	1,022	50%	4,239	4,547	(7%)
Per share information:						
Weighted average number of shares outstanding – basic	504,764,797	507,543,333		505,110,980	509,239,883	
Weighted average number of shares outstanding - diluted	513,738,573	507,543,333		512,715,415	509,239,883	
Adjusted EBITDA[1] per share - basic	$ 0.01	$ 0.00		$ 0.03	$ 0.01	
Adjusted EBITDA[1] per share - diluted	$ 0.01	$ 0.00		$ 0.02	$ 0.01	
Net income (loss) per share - basic and diluted	$ 0.00	$ (0.00)		$ 0.00	$ (0.05)	

$ thousands, except ratios	September 30, 2021	December 31, 2020
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt)[1]	16,235	12,069
Working capital (excluding debt) ratio[1]	3.1:1	2.9:1
Total assets	200,777	202,223
Total long-term debt (including current portion)	24,688	30,231
Shareholders' equity	159,953	157,977

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

[2] Net income (loss) margin is a Non-IFRS Measure which is calculated as net income (loss) divided by total revenue.

[3] Not meaningful.

Working capital (excluding debt) for September 30, 2021 has increased $4.2 million (35%) since December 31, 2020 driven by increases in accounts receivable ($7.0 million (43%)) offset by decreases in prepaid expenses and deposits ($1.3 million (67%)) and increases in accounts payable ($1.4 million (23%)). Long-term debt (including current portion) of $24.7 million has decreased $5.5 million (18%) from December 31, 2020 due to cash inflows from operating activities.

Highlights for the Three Months Ended September 30, 2021

- Average Q3 2021 crude oil price, as measured by West Texas Intermediate ("WTI"), of US$70.64/bbl was 7% higher than the Q2 2021 average price of US$66.19/bbl (Q3 2020: US$40.90/bbl) and the price differential between Canadian heavy crude oil, as represented by Western Canadian Select ("WCS"), and WTI maintained a differential in the range of US$11.84/bbl to US$13.68/bbl during the third quarter of 2021. Natural gas prices, as measured by AECO of $3.42/GJ was 16% higher than the Q2 2021 average of $2.94/GJ (Q3 2020: $2.14/GJ).
- CWC's Canadian drilling rig utilization in Q3 2021 of 46% (Q3 2020: 4%) was higher than the Canadian Association of Energy Contractors ("CAOEC") industry average of 27% (Q3 2020: 9%). Canadian activity levels were higher in Q3 2021 with 296 drilling rig operating days (Q3 2020: 28 drilling rig operating days) from seven Canadian drilling rigs as global demand for crude oil and natural gas returned when public health measures to slow the spread of COVID-19 were relaxed as a result of vaccinations becoming readily available. Average revenue per operating day of $22,061 resulted in revenue of $6.5 million (Q3 2020: $0.5 million) from the Canadian drilling operations. CWC's two U.S. drilling rigs had 58 operating days in Q3 2021 (Q3 2020: nil operating days) resulting in U.S. Contract Drilling revenue of $1.9 million with an average revenue per operating day of US$26,806, as travel restrictions implemented between Canada and the U.S. eased and our Canadian rig crews were able to return to the U.S. Service rig utilization in Q3 2021 of 64% (Q3 2020: 29%) was driven by 28,293 operating hours which were 78% higher than the 15,859 operating hours in Q3 2020.
- Revenue of $27.8 million, an increase of $17.5 million (169%) compared to $10.3 million in Q3 2020. During Q3 2021, the Company earned $1.4 million in revenue on 98 oil and gas sites requiring well decommissioning under the Alberta Site Rehabilitation Program ("SRP") and 13 oil and gas sites under the Saskatchewan Accelerated Site Closure Program ("ASCP"). The $1.0 billion Alberta SRP, the $400 million ASCP and the $100 million B.C. Dormant Sites Reclamation Program ("DSRP") provide grants to eligible oilfield service contractors to perform well, pipeline, and oil and gas site closure and reclamation work, creating jobs and supporting the environment until December 31, 2022. CWC's Production Services segment is well positioned to provide well decommissioning work on these inactive wells.
- Adjusted EBITDA(1) of $5.4 million, an increase of $3.4 million (176%) compared to $2.0 million in Q3 2020.
- Net income of $2.0 million, an increase of $2.8 million compared to a net loss of $0.8 million in Q3 2020.
- On August 27, 2021, CWC announced the sale of its swabbing rig assets and business for gross proceeds of $0.7 million, thereby further focusing the Company on its core assets and services of drilling rigs and service rigs.

Highlights for the Nine Months Ended September 30, 2021

- CWC's Canadian drilling rig utilization for the first nine months of 2021 of 35% (2020: 23%) exceeded the CAOEC industry average of 23% (2020: 19%). Canadian activity levels for the first nine months of 2021 increased by 52% to 667 drilling rig operating days from seven Canadian drilling rigs (2020: 440 drilling rig operating days). Average revenue per operating day of $22,495 resulted in revenue of $15.0 million from the Canadian drilling operations. U.S. drilling rig activity levels for the first nine months of 2021 were 121 drilling rig operating days (2020: 144 drilling rig operating days) from two U.S. drilling rigs for a utilization of 22% (2020: 26%). U.S. Contract Drilling revenue of $4.2 million represented 22% of CWC's total Contract Drilling revenue in the first nine months of 2021 with an average revenue per operating day of US$28,025. CWC's service rig utilization for the first nine months of 2021 of 58% (2020: 31%) was driven by 75,843 operating hours, which were 51% higher than the 50,338 operating hours in the first nine months of 2020.
- Revenue of $68.9 million, an increase of $21.1 million (44%) compared to $47.8 million in the first nine months of 2020.
- Adjusted EBITDA(1) of $12.7 million, an increase of $6.7 million (110%) compared to $6.1 million in the first nine months of 2020.
- Net income of $1.7 million, an increase of $25.4 million compared to a net loss of $23.7 million in the first nine months of 2020. The increase is primarily due to a charge for impairment of assets of $25.5 million taken in Q1 2020.

- For the nine months ended September 30, 2021, the Company purchased 2,249,500 (2020: 7,787,500) common shares under the Normal Course Issuer Bid ("NCIB") which were cancelled and returned to treasury (2020: 7,831,000 common shares were cancelled and returned to treasury).

(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 Canada and the United States with a complementary suite of oilfield services including drilling rigs and service rigs. The Company's corporate office is located in Calgary, Alberta, with a U.S. office in Denver, Colorado and operational locations in Nisku, Grande Prairie, Slave Lake, Sylvan Lake, Drayton Valley, Lloydminster, Provost and Brooks, Alberta. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

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, three have pad rig walking systems, three have 7,500 psi pumping systems and two have carbon reduction bi-fuel capabilities. 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. The Company also operates in select United States basins including the Eagle Ford, Denver-Julesburg and Bakken. One of the Company's strategic initiatives is to continue to increase the capabilities of its existing fleet to meet the growing demands of E&P customers for faster drilling times and more environmentally friendly solutions at a cost effective price while providing a sufficient internal rate of return for CWC's shareholders.

OPERATING HIGHLIGHTS	Three months ended Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Drilling Rigs – Canada								
Total drilling rigs, end of period	7	7	7	7	7	7	7	7
Revenue per operating day[1]	$22,061	$24,392	$22,497	$21,452	$19,214	$19,382	$22,849	$22,161
Drilling rig operating days	296	54	317	248	28	68	344	232
Drilling rig utilization %[2]	46%	9%	50%	39%	4%	11%	54%	36%
CAOEC industry average utilization %	27%	15%	27%	16%	9%	4%	35%	23%
Wells drilled	25	7	28	23	4	4	26	18
Average days per well	11.9	9.0	11.3	10.8	7.1	17.1	13.2	12.9
Meters drilled (thousands)	101.2	22.0	112.4	88.5	13.7	20.2	99.6	75.6
Meters drilled per day	341	405	354	356	483	295	290	326
Average meters per well	4,048	3,664	4,014	3,848	3,412	5,053	3,831	4,199
Drilling Rigs – United States								
Total drilling rigs, end of period	2	2	2	2	2	2	2	2
Revenue per operating day (US$)[1]	$26,806	$28,196	$80,000[3]	-	-	-	$25,139	$34,448[3]
Drilling rig operating days	58	61	2	-	-	-	144	56
Drilling rig utilization %[2]	31%	33%	1%	-	-	-	79%	31%
Wells drilled	6	5	-	-	-	-	10	5
Average days per well	9.6	12.1	-	-	-	-	14.4	11.3
Meters drilled (thousands)	11.8	19.3	-	-	-	-	40.5	14.5
Meters drilled per day	205.1	319	-	-	-	-	282	258
Average meters per well	1,969	3,867	-	-	-	-	4,053	2,942

(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).
(3) Revenue is enhanced by one-time recovery of mobilization costs.

Canadian Contract Drilling revenue of $6.5 million for Q3 2021 (Q3 2020: $0.5 million) was achieved with a utilization rate of 46% (Q3 2020: 4%), compared to the CAOEC industry average of 27% (Q3 2020: 9%). CWC completed 296 Canadian drilling rig operating days in Q3 2021, compared to 28 Canadian drilling rig operating days in Q3 2020 as global demand for crude oil and natural gas returned when public health measures to slow the spread of COVID-19 were relaxed as a result of vaccinations becoming readily available.

U.S. Contract Drilling revenue of $1.9 million for Q3 2021 (Q3 2020: $nil) was achieved with a utilization rate of 31% with 58 U.S. drilling rig operating days (Q3 2020: nil) as travel restrictions implemented between Canada and the U.S. eased and our Canadian rig crews were able to return to the U.S.

Production Services

With a fleet of 144 service rigs, CWC is one of the largest well servicing companies in Canada as measured by active fleet and operating hours. CWC's service rig fleet consists of 75 single, 55 double, and 14 slant rigs providing services which include completions, maintenance, workovers and well decommissioning with depth ratings from 1,500 to 5,000 metres. In 2021, CWC chose to park 77 of its service rigs and focus its sales and operational efforts on the remaining 67 active service rigs due to the reduction in the number of service rigs currently required to service the WCSB and the tight labour market experienced in the industry for service rig crews.

	Three months ended							
OPERATING HIGHLIGHTS	**Sep. 30, 2021**	**Jun. 30, 2021**	**Mar. 31, 2021**	**Dec. 31, 2020**	**Sep. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**
Service Rigs								
Active service rigs, end of period	67	68	66	81	82	82	83	84
Inactive service rigs, end of period	77	77	79	64	63	63	62	62
Total service rigs, end of period	144	145	145	145	145	145	145	146
Operating hours	28,293	20,463	27,087	22,273	15,859	4,037	30,442	33,656
Revenue per hour	$675	$623	$630	$645	$605	$619	$666	$664
Revenue per hour excluding top volume customers	$704	$663	$668	$659	$623	$653	$673	$682
Service rig utilization %(1)	64%	47%	64%	42%	29%	8%	56%	62%
Swabbing Rigs(2)								
Active swabbing rigs, end of period	-	5	5	5	5	5	5	5
Inactive swabbing rigs, end of period	-	5	7	7	7	7	7	8
Total swabbing rigs, end of period	-	10	12	12	12	12	12	13
Operating hours	849	1,137	976	1,339	686	513	1,088	1,141
Revenue per hour	$275	$282	$286	$280	$271	$288	$300	$282
Swabbing rig utilization %(1)	26%	35%	30%	41%	21%	16%	33%	35%

(1) Effective September 1, 2019, the CAOEC changed its methodology on how it calculates service rig utilization. Service rig and swabbing rig utilization is now calculated based on 10 operating hours a day x number of days per quarter x 5 days a week divided by 7 days in a week to reflect maximum utilization available due to hours of service restrictions on rig crews. Service and swabbing 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) During Q3 2021 the swabbing rig division had 5 active rigs in operation. On September 10, 2021 the Company closed the sale of the swabbing rig assets and business. The information shown relates to the operating results of the swabbing rig division prior to its disposition.

Production Services revenue of $19.3 million in Q3 2021, up $9.6 million (98%) compared to $9.8 million in Q3 2020. The revenue increase in Q3 2021 was a result of the global demand for crude oil and natural gas returning when public health measures to slow the spread of COVID-19 were relaxed as a result of vaccinations becoming readily available.

CWC's service rig utilization in Q3 2021 of 64% (Q3 2020: 29%) with 28,293 operating hours was 78% higher than the 15,859 operating hours in Q3 2020. Average revenue per hour of $675 in Q3 2021 was $70 per hour (12%) higher than the $605 per hour in Q3 2020 as the Company implemented pricing adjustments to offset increased labour costs in response to continued industry labour shortages. Q3 2021 average revenue per hour of $704 excluding the Company's top volume customers was $81 per hour (13%) higher than Q3 2020 average revenue per hour of $623.

CWC's swabbing rig utilization in Q3 2021 of 26% (Q3 2020: 21%) with 849 operating hours was 24% higher than the 686 operating hours in Q3 2020. Average revenue per hour for swabbing rigs of $275 in Q3 2021 was $4 per hour (1%) higher compared to $271 in Q3 2020. On August 27, 2021, CWC announced the sale of its non-core swabbing rig assets and business for total gross proceeds of $0.7 million. The sale of the swabbing rig division allows CWC to focus on its core business of drilling rigs and service rigs.

Outlook

In March 2020, the World Health Organization declared a global health pandemic due to COVID-19. In response to the COVID-19 outbreak, governments around the world implemented measures to control the spread of the virus from Q2 2020 through Q4 2021 including closure of non-essential businesses, restricting travel and encouraging citizens to stay-at-home. These government actions contributed to a significant deterioration in the global economy including a material decline in the demand for crude oil, which initially resulted in a significant decrease in oil prices. The decline in oil prices negatively affected current and forecasted drilling and production service activities in Canada and the United States. In response to the decline in oil prices, OPEC+ and G20 oil producing nations reduced crude oil production resulting in a rebound in crude oil prices from the low US$20/bbl in April 2020 to over US$80/bbl in October 2021. In June 2021, Canadian provincial governments began to loosen their economic restrictions as the rising number of vacinated Canadians helped reduce the number of active cases of COVID-19. Although optimism for the global economy rebounding has begun, caution remains as the number of active COVID-19 cases in certain areas of the world have recently increased as a result of the emergence of more infectious variants of the virus and the lower vaccination rates in certain countries. Such cautious optimism is reflected in the July 2021 OPEC+ agreement to add back approximately 4 million barrels per day of curtailed production in increments of 400,000 barrels per day each month into 2022, thereby eliminating the remaining COVID-19 induced production curtailments. With OPEC+'s measured monthly supply approach to gradually increase crude oil production, oil prices will likely remain strong as crude oil demand continues to increase into 2022. As a result, the North American oilfield services industry will likely experience increased activity for the remainder of 2021 and into 2022 as it is anticipated that E&P companies will increase their 2022 capital expenditure budgets compared to 2021.

CWC is experiencing a strong start to Q4 2021 with both the number of drilling rigs and service rigs back to the peak activity levels experienced this past winter in Q1 2021. As activity levels increase in the fourth quarter of 2021, CWC believes the labour market for rig crews will continue to be extremely limited resulting in increased pressure on field labour costs, which will need to be offset by further rate increases for our drilling and well services.

In June 2021, CWC released its inaugural Environmental, Social and Governance ("ESG") Report. Our commitment to ESG and sustainability has shown improvement over the last three years as outlined in our report. We will continue to work towards advancing these efforts further in future years, especially in the area of emission reductions and establishing goals and targets. One of the initial steps CWC has taken towards meeting its ESG targets has been to convert some of our field equipment to have carbon reduction bi-fuel capabilities. In addition, CWC is proud to announce that it has successfully secured work to drill helium, carbon capture and salt water disposal wells using current equipment for four new customers in 2021 and 2022, thereby reflecting the diversity and versatility of the nature of work for CWC's drilling rigs. Management is confident that CWC will continue to be regarded as a leader on ESG and sustainability matters in the oilfield services industry.

CWC continues to remain focused on its operational and financial performance in the short-term, but recognizes the need to pursue opportunities to create medium and longer-term value for CWC's shareholders. With the support of the Board of Directors, management continues to actively pursue consolidation opportunities in North America. CWC cautions that there can be no guarantees that strategic opportunities will result in a transaction, or if a transaction is undertaken, as to its terms or timing.

Discussion of Financial Results

Revenue, Direct Operating Expenses and Gross Margin

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Revenue								
Contract Drilling	8,437	543	7,894	1,454%	19,179	14,532	4,647	32%
Production Services	19,339	9,779	9,560	98%	49,763	33,296	16,467	49%
	27,776	10,322	17,454	169%	68,942	47,828	21,114	44%
Direct operating expenses								
Contract Drilling	6,746	510	6,236	1,223%	15,257	9,736	5,521	57%
Production Services	12,710	6,947	5,763	83%	34,863	25,335	9,528	38%
	19,456	7,457	11,999	161%	50,120	35,071	15,049	43%
Gross margin (1)								
Contract Drilling	1,691	33	1,658	n/m(2)	3,922	4,796	(874)	(18%)
Production Services	6,629	2,832	3,797	134%	14,900	7,961	6,939	87%
	8,320	2,865	5,455	190%	18,822	12,757	6,065	48%
Gross margin percentage (1)								
Contract Drilling	20%	6%	n/a	14%	20%	33%	n/a	(13%)
Production Services	34%	29%	n/a	5%	30%	24%	n/a	6%
	30%	28%	n/a	2%	27%	27%	n/a	0%

(1) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.
(2) Not meaningful

Q3 2021 revenue of $27.8 million, an increase of $17.5 million (169%) compared to $10.3 million in Q3 2020. Revenue increased $7.9 million (1,454%) in the Contract Drilling segment and $9.6 million (98%) in the Production Services segment in Q3 2021 compared to Q3 2020. The revenue increase in Q3 2021 was a result of the increase in industry activity as global demand for crude oil and natural gas returned when public health measures to slow the spread of COVID-19 were relaxed as a result of vaccinations becoming readily available.

During Q3 2021, CWC provided services to two customers who each accounted for greater than 10% of our consolidated revenue during the quarter (Q3 2020: one customer).

Revenue contribution from the Company's top ten customers decreased from 58% for the first nine months of 2020 to 56% in the first nine months of 2021.

For the nine months ended September 30, 2021, approximately 74% of revenue (2020: 81%) was from work on crude oil wells, 25% (2020: 19%) was from natural gas wells and 1% (2020: 0%) was from other wells. Further, approximately 33% of revenue (2020: 36%) was related to drilling and completions work, 53% of revenue (2020: 49%) from maintenance and workovers on producing wells and 14% of revenue (2020: 15%) from well decommissioning.

Many direct operating expenses, including labour costs related to field operating employees, 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. Contract Drilling's gross margin percentage of 20% in Q3 2021 is higher when compared to the 6% gross margin percentage in Q3 2020 and Production Services' gross margin percentage of 34% in Q2 2021 is higher than the 29% in Q3 2020 as industry activity levels returned to more normal levels in Q3 2021 compared to the COVID-19 induced activity level slowdown experienced in Q3 2020.

Other Income

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Other income	1,118	2,635	(1,517)	(58%)	4,762	4,423	339	8%

Other income consists of Government of Canada grants received under the Canda Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subisidy ("CERS") programs. CEWS is a program to assist employers facing financial hardship, as measured by certain monthly revenue declines compared to the prior year as a result of the COVID-19 health pandemic. CERS is a program to assist businesses who have experienced a drop in revenue due to the COVID-19 health pandemic to cover part of their commercial rent, mortgage interest and property expenses.

Other income of $1.1 million in Q3 2021, a decrease of $1.5 million (58%) compared to $2.6 million in Q3 2020. The decrease is primarily a result of higher revenue in Q3 2021, which resulted in a reduced subsidy amount compared to Q3 2020.

Other income of $4.8 million for the nine months ended September 30, 2021, an increase of $0.3 million (8%) compared to $4.4 million in 2020 primarily as a result of the Company qualified for nine months of CEWS in 2021 compared to six months of CEWS in 2020.

Selling and Administrative Expenses

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Selling and administrative expenses	4,044	3,547	497	14%	10,847	11,116	(269)	(2%)

Selling and administrative expenses of $4.0 million in Q3 2021, an increase of $0.5 million (14%) compared to $3.5 million in Q3 2020 as the cash saving initiatives, including reduced head counts and compensation reductions implemented in Q2 2020, were lessened in Q3 2021 in response to increased activity levels.

Selling and administrative expenses of $10.8 million for the first nine months ended September 30, 2021, a decrease of $0.3 million (2%) compared to $11.1 million in 2020 as the Company continues to benefit in 2021 from the lower cost structure implemented in Q2 2020 with its cash saving initiatives.

Adjusted EBITDA(1)

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Adjusted EBITDA(1)								
Contract Drilling	1,471	(170)	1,641	n/m(2)	3,378	3,991	(613)	(15%)
Production Services	5,277	3,355	1,922	57%	12,742	5,665	7,077	125%
Corporate	(1,354)	(1,232)	(122)	(10%)	(3,383)	(3,592)	209	6%
	5,394	1,953	3,441	176%	12,737	6,064	6,673	110%
Adjusted EBITDA margin (%) (1)	19%	19%	n/a	0%	18%	13%	n/a	5%

(1) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.
(2) Not meaningful

Management uses Adjusted EBITDA(1) as a measure of the cash flow generated by the Company. Positive Adjusted EBITDA(1) provides the cash flow needed to grow the business through purchase of equipment or business acquisitions, fund working capital, service and reduce outstanding long-term debt, or repurchase outstanding common shares under the NCIB.

Adjusted EBITDA(1) of $5.4 million for Q2 2021, an increase of $3.4 million compared to $2.0 million in Q3 2020.

Adjusted EBITDA(1) of $12.7 million for the first nine months of 2021, an increase of $6.7 million compared to $6.1 million in the same period of 2020. The increases in Adjusted EBITDA for the three and nine months ended September 30, 2021 compared to the same periods in 2020 were primarily due to increased activity levels as the economy began to recover from the effects of the measures taken to combat the COVID-19 health pandemic.

Stock Based Compensation

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Stock based compensation	176	137	39	28%	519	409	110	27%

Stock based compensation is primarily a function of outstanding stock options and restricted share units ("RSUs") being expensed over their vesting periods.

Stock based compensation of $0.2 million for Q3 2021 was consistent with $0.1 million for Q3 2020.

Stock based compensation of $0.5 million in the first nine months of 2021, is consistent with $0.4 million in the same period in 2020.

Finance Costs

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Finance costs	287	362	(75)	(21%)	792	1,826	(1,034)	(57%)

Finance costs of $0.3 million in Q3 2021, a decrease of $0.1 million (21%) compared to $0.4 million in Q3 2020.

For the nine months ended September 30, 2021, finance costs of $0.8 million, a decrease of $1.0 million (57%) from $1.8 million for the same period in 2020. The decreases in finance costs for the three and nine months ended September 30, 2021 compared to the same periods in 2020 were primarily due to lower long-term debt levels compared to Q3 2020.

Depreciation and Amortization

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Depreciation and amortization								
Contract Drilling	846	762	84	11%	2,505	2,677	(172)	(6%)
Production Services	1,520	1,686	(166)	(10%)	4,916	5,084	(168)	(3%)
Corporate	146	134	12	9%	368	588	(220)	(37%)
	2,512	2,582	(70)	(3%)	7,789	8,349	(560)	(7%)

Depreciation and amortization of $2.5 million in Q3 2021, a decrease of $0.1 million (3%) compared to $2.6 million in Q3 2020.

Depreciation and amortization of $7.8 million in the first nine months of 2021, a decrease of $0.6 million (7%) compared to $8.4 million for the same period in 2020 primarily due to the lower depreciable asset base.

Impairment of Assets and Assets Held for Sale

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Impairment of assets and assets held for sale								
Contract Drilling	-	-	-	-	-	24,000	(24,000)	n/m[1]
Production Services	-	-	-	-	1,296	1,451	(155)	(11%)
Corporate	-	-	-	-	-	-	-	-
	-	-	-	-	1,296	25,451	(24,155)	95%

Impairment of assets and assets held for sale of $1.3 million in the first nine months of 2021, a decrease of $24.2 million (95%) compared to $24.5 million for the same period in 2020.

During the nine months ended September 30, 2021, the Company transferred production services equipment (coil tubing units and swabbing rigs) with a carrying amount of $3.1 million to assets held for sale and recognized an impairment charge of $1.3 million in respect of these assets. These assets were subsequently sold for proceeds of $1.3 million resulting in a loss on disposal of $0.6 million.

(Gain) Loss on Disposal of Equipment

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
(Gain) loss on disposal of equipment	(249)	(114)	(135)	(118%)	(43)	860	(903)	n/m[1]

[1] Not meaningful

Management continually monitors the asset mix and equipment needs of the Company and divests assets as needed to optimize operations.

For the nine months ended September 30, 2021, gain on disposal of equipment of $0.04 million was primarily the result of the disposals of ancillary equipment and vehicles with proceeds on sale of $1.0 million (2020: $2.2 million) and the disposal of assets held for sale for proceeds of $1.3 million.

Deferred Income Tax Expense (Recovery)

$ thousands	Three months ended September 30, 2021	2020	Nine months ended September 30, 2021	2020
Net income (loss) before income taxes	2,668	(1,014)	2,384	(30,831)
Deferred income tax expense (recovery)	649	(204)	677	(7,110)
Deferred income tax expense (recovery) as a % of net income (loss) before income taxes	24%	20%	28%	23%
Expected statutory income tax rate	23.7%	26.5%	23.7%	26.5%

Income taxes are a function of taxable income and are calculated differently than tax provisions on accounting income. Differences between accounting income and taxable income include such things as gains or losses on disposal of fixed assets, stock based compensation, differences between income tax estimates and actual tax filings, and other differences.

The deferred income tax expense in Q3 2021 of $0.6 million (Q3 2020: income tax recovery of $0.2 million) and the deferred income tax expense of $0.7 million for the first nine months of 2021 (2020: deferred income tax recovery of $7.1 million) is a result of the net income (loss) before income taxes in each period.

The Company has substantial tax pools and non-capital losses available to reduce future taxable income in Canada such that the Company does not expect to pay any Canadian cash taxes for the next several years.

Net Income (Loss) and Comprehensive Income (Loss)

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Net income (loss)	2,019	(810)	2,829	n/m(1)	1,707	(23,721)	25,428	n/m(1)
Unrealized gain (loss) on translation of foreign operations	401	(319)	720	n/m(1)	77	1,201	(1,124)	(94%)
Comprehensive income (loss)	2,420	(1,129)	3,549	n/m(1)	1,784	(22,520)	24,304	n/m(1)

(1) Not meaningful

Net income of $2.0 million in Q3 2021, an increase of $2.8 million compared to a net loss of $0.8 million in Q3 2020. Comprehensive income of $2.4 million in Q3 2021, an increase of $3.5 million compared to comprehensive loss of $1.1 million in Q3 2020.

For the first nine months ended September 30, 2021, net income of $1.7 million, an increase of $25.4 million compared to a net loss of $23.7 million for the same period in 2020. Comprehensive income of $1.8 million in the first nine months of 2021, an increase of $24.3 million compared to a comprehensive loss of $22.5 million for the same period in 2020. The increase in net income and comprehensive income were primarily due to a reduction in impairment charges compared to 2020 and the overall increase in industry activity as the measures taken to reduce the spread of COVID-19 globally were eased.

Liquidity and Capital Resources

Source of Funds

The Company's liquidity needs in the short and long-term can be sourced in several ways including: funds from operations, borrowing against existing 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 credit facilities, acquire common shares under the NCIB and fund capital requirements.

During the first nine months of 2021, the Company's operating cash flow of $8.5 million and proceeds on disposal of equipment of $2.2 million were used to fund a $5.7 million reduction in long-term debt, $3.8 million of capital expenditures, $1.0 million of interest on long-term debt, finance costs and lease payments, and $0.3 million in acquisitions of common shares under the NCIB.

At September 30, 2021 the Company had working capital (excluding debt) of $16.2 million, an increase of $4.2 million (35%) from $12.1 million at December 31, 2020. (Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.) The increase in working capital (excluding debt) is due to higher accounts receivable offset by higher accounts payable due to increased activity levels in Q3 2021 versus Q4 2020. Typically, as activity levels increase or decrease working capital will also increase or decrease.

On March 4, 2021, CWC and its syndicated lenders completed an extension of its credit facilities and certain other amendments to provide financial security and flexibility to July 31, 2024. At the request of the Company, the credit facilities were reduced from $60 million to $50 million to reduce borrowing costs and standby charges. The covenant for Consolidated Debt to EBITDA ratio is as follows:

For the Quarter Ended	Previously	Currently
September 30, 2021	3.00 : 1.00	3.50 : 1.00
December 31, 2021	3.00 : 1.00	3.50 : 1.00
March 31, 2022	3.00 : 1.00	3.50 : 1.00
June 30, 2022	3.00 : 1.00	3.50 : 1.00
September 30, 2022 and thereafter	n/a	3.50 : 1.00

The amendments further provide the Company access to a Covenant Amendment Option. This option was negotiated to provide CWC with covenant flexibility should a significant industry slowdown occur. Upon being exercised and approved by the syndicate lenders, the covenant for Consolidated Debt to EBITDA ratio is as follows:

For the Quarter Ended	Currently	Upon Exercise of Covenant Amendment Option
September 30, 2021	3.50 : 1.00	4.00 : 1.00
December 31, 2021	3.50 : 1.00	4.25 : 1.00
March 31, 2022	3.50 : 1.00	4.25 : 1.00
June 30, 2022	3.50 : 1.00	4.00 : 1.00
September 30, 2022 and thereafter	3.50 : 1.00	3.50 : 1.00

The Company is in compliance with each of the financial covenants at September 30, 2021. As of September 30, 2021, the applicable rates under the Bank Loan are: bank prime rate plus 1.25%, bankers' acceptances rate plus a stamping fee of 2.25%, and standby fee rate of 0.56%.

The Company's Mortgage Loan is a loan maturing on September 28, 2023 that is amortized over 22 years with blended monthly principal and interest payments of $86 thousand. At maturity, approximately $9.9 million of principal will become payable assuming only regular monthly payments are made. On July 27, 2018 the Company entered into an interest rate swap to exchange the floating rate interest payments for fixed rate interest payments, which fix the Bankers' Acceptance-Canadian Dollar Offered Rate components of its interest payment on the outstanding term debt. Under the interest rate swap agreement, the Company pays a fixed rate of 2.65% per annum plus the applicable credit spread of 1.35%, for an effective fixed rate of 4.0%. The fair value of the interest rate swap arrangement is the difference between the forward interest rates and the discounted contract rate. As of September 30, 2021, the mark-to-market value of the interest rate swap of $0.3 million is included within accounts payable and accrued liabilities on the Consolidated Statements of Financial Position (December 31, 2020: $0.6 million).

Capital Requirements

On December 3, 2020, the Company announced its capital expenditure budget for 2021 of $3.9 million, $2.7 million of which is maintenance and infrastructure capital related to re-certifications, additions and upgrades to field equipment for the drilling rig and service rig divisions as well as information technology infrastructure, with the remaining $1.2 million being growth capital to upgrade two of the drilling rigs. On April 29, 2021, the Board of Directors approved an additional $0.7 million of growth capital to further upgrade one of the drilling rigs. CWC intends to finance its 2021 capital expenditure budget from operating cash flows and the sale of non-core assets.

The Company's 2021 capital expenditure is detailed in the section below titled "Capital Expenditure". In the future, additional discretionary capital expenditures will be required in order to continue to grow the Company's assets and revenue. It is anticipated future cash requirements for capital expenditures will be met through a combination of funds from operations and borrowing against existing credit facilities as required. However, additional funds may be raised by new debt instruments, equity issuances and proceeds from the sale of assets.

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:

	October 28, 2021	September 30, 2021	December 31, 2020
Common shares	504,898,644	504,764,797	505,620,916
Stock options	11,493,000	11,493,000	16,038,000
Restricted share units	13,041,334	13,175,181	14,954,562

During the nine months ended September 30, 2021, 4,250,000 stock options expired and 295,000 were forfeited. In addition, 1,393,381 Restricted Share Units were exercised and 386,000 were forfeited.

On April 15, 2020, the Company commenced a normal course issuer bid which expired on April 14, 2021. Under this NCIB the Company was entitled to purchase, from time to time as it considered advisable, up to 25,340,742 issued and outstanding common shares through the facilities of the TSXV or other recognized marketplaces. CWC made these NCIB purchases through an Automatic Securities Purchase Plan ("ASPP") with Raymond James.

For the nine months ended September 30, 2021, 2,249,500 (2020: 7,787,500) common shares purchased under the NCIB were cancelled and returned to treasury (2020: 7,701,500 common shares were cancelled and returned to treasury).

Capital Expenditures

$ thousands	Three months ended September 30, 2021	2020	Change $	Change %	Nine months ended September 30, 2021	2020	Change $	Change %
Capital expenditures								
Contract drilling	1,020	620	400	65%	3,015	1,714	1,301	76%
Production services	510	402	108	27%	1,220	2,807	(1,587)	(57%)
Other equipment	-	-	-	-	4	26	(22)	(85%)
	1,530	1,022	508	50%	4,239	4,547	(308)	(7%)
Growth capital	738	472	266	(56%)	1,729	1,489	240	16%
Maintenance and infrastructure capital	792	550	242	44%	2,510	3,058	(548)	(18%)
Total capital expenditures	1,530	1,022	508	50%	4,239	4,547	(308)	(7%)

Capital expenditures of $1.5 million in Q3 2021, an increase of $0.5 million compared to $1.0 million in Q3 2020.

Capital expenditures of $4.2 million for the nine months ended September 30, 2021, a decrease of $0.3 million compared to $4.6 million in the same period of 2020.

As part of its continued focus on its ESG initiative to reduce the Company's carbon footprint, in Q3 2021, CWC committed to converting two boilers to have carbon reduction bi-fuel capabilities.

Commitments and Contractual Obligations

Under the terms of the Company's amended Bank Loan, the borrowings under the Bank Loan are due in full on July 31, 2024. The Company is committed to monthly payments of interest and bank charges until July 31, 2024. The Company's Mortgage Loan is being amortized over 22 years with blended monthly principal and interest payments and matures on June 28, 2023. Management believes that there will be sufficient cash flows generated from operations to service the interest on the debt and finance the required capital expenditures of the Company for the remainder of 2021.

Summary and Analysis of Quarterly Data

$ thousands, except per share amounts Three months ended	2021 Sep. 30	 Jun. 30	 Mar. 31	2020 Dec. 31	 Sep. 30	 Jun. 30	 Mar. 31	2019 Dec. 31
Revenue	27,776	16,497	24,669	20,065	10,322	3,966	33,540	30,667
Adjusted EBITDA[1]	5,394	2,489	4,854	5,034	1,953	(1,397)	5,508	3,491
Net income (loss)	2,019	(759)	447	(769)	(810)	(3,734)	(19,177)	(854)
Net income (loss) per share: basic and diluted	0.00	0.00	0.00	(0.01)	(0.00)	(0.00)	(0.04)	(0.00)
Total assets	200,777	193,127	202,191	202,223	199,421	196,565	221,110	243,398
Total long-term debt	24,688	21,187	29,285	30,231	27,960	25,788	43,337	40,552
Shareholders' equity	159,953	157,242	158,108	157,977	158,959	160,281	164,802	182,032

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

The table above summarizes CWC's quarterly results for the previous eight financial quarters. CWC's operations are carried out in western Canada and the United States. 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 in Canada. 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 equipment, changes in the day and hourly billing rate, and the increase in the number of drilling rigs and service rigs over the period as detailed in the section titled "Operational Overview".

Other significant impacts have been a result of:

- Q3 2021 saw the continuation of higher activity levels as crude oil prices continued to rise towards US$80/bbl. A continuation of a shortage of field labour or rig crews in the industry during the quarter resulted in a further increase to wages, which led to higher pricing for the Company's well servicing work.
- Q2 2021 saw the continuation of higher activity levels adjusted for seasonality as crude oil prices continued to rise to over US$70/bbl. Shortage of available field labour or rig crews in the industry during the quarter became a constraint to higher growth, which is expected to lead to higher pricing for the Company's drilling and well servicing work in future quarters.
- Q1 2021 saw the continuation of a recovery in Canadian oilfield service activity compared to Q4 2020 as the belief of the return to normalcy as a result of the rollout of the COVID-19 vaccines provided support for an increased forecast of global crude oil demand for the remainder of 2021. As such, oil prices continued to rise during the quarter to over US$60/bbl. During Q1 2021, 2,249,500 common shares were purchased, cancelled and returned to treasury under the NCIB.
- Q4 2020 saw a modest recovery in oilfield service activity compared to Q3 2020 as the lower demand for crude oil amid the global economic downturn as a result of the COVID-19 health pandemic and the measures put in place to slow the spread of the virus continued. Crude oil prices continued to modestly increase in Q4 2020 to an average of US$42.63/bbl as the introduction of vaccines to combat the virus were distributed globally toward the end of the quarter, thereby increasing E&P customers' confidence to increase drilling and production activities. During Q4 2020, 1,196,500 common shares were purchased under the NCIB and 1,282,500 common shares were cancelled and returned to treasury.
- Q3 2020 saw a continuation of low economic activity in the oilfield services sector as a result of lower demand for crude oil amid the global economic downturn as a result of the COVID-19 health pandemic and the measures put in place to slow the spread of the virus. However, oil prices recovered in Q3 2020 from the lows experienced in Q2 2020 to an average of US$40.90/bbl. This oil price recovery caused a gradual increase in the utilization of service

rigs, but was not enough to increase drilling rig activity from its historical lows. During Q3 2020, 2,405,000 common shares were purchased under the NCIB and 2,349,000 common shares were cancelled and returned to treasury.

- Q2 2020 demand for crude oil declined amid the global economic downturn as a result of the COVID-19 health pandemic and the measures put in place to slow the spread of the virus. The impact this had on the Company resulted in a 79% decline in revenue compared to Q2 2019 and the Company posting its first negative Adjusted EBITDA(1) in 27 quarters. During Q2 2020, 1,708,000 common shares were purchased under the NCIB and 1,718,000 common shares were cancelled and returned to treasury.
- Q1 2020 saw the combined effects of the reduction in global demand for crude oil due to the COVID-19 health pandemic and the increase in global supply of crude oil resulting in a rapid and uneconomic decline in oil prices. This negatively affected current and future drilling and production levels in Canada and the U.S. resulting in decreased demand for drilling and production services by our E&P customers in mid-March 2020. The Company acted quickly to implement cash saving initiatives to preserve cash resources and maintain balance sheet strength as well as retaining our most valuable asset – our key employees. The Company reduced its head count by 43% through departures and layoffs of its employees and contractors and incurred $0.1 million in severance costs related to these layoffs in Q1 2020. During Q1 2020, 3,674,500 common shares were purchased under the NCIB and 3,764,000 common shares were cancelled and returned to treasury.
- Q4 2019 saw the WTI-WCS differential widen to over US$20.00/bbl, compared to a historical normal range of US$10-$15/bbl. Despite this widening differential, CWC saw increased activity in its service rig division with 33,656 hours compared to the 29,528 hours in Q3 2019. Drilling rig operating days were impacted by the movement of one drilling rig from Texas to Wyoming which resulted in approximately 21 days of lost revenue. During Q4 2019, 1,453,500 common shares were purchased under the NCIB and 1,342,000 common shares were cancelled and returned to treasury.

Critical Accounting Estimates and Judgments

This MD&A of the Company's financial condition and results of operations is based on the consolidated financial statements which are prepared in accordance with IFRS. The preparation of the consolidated financial statements in conformity with IFRS 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 consolidated 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.

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, 2021 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 annual filings; and
- That based upon their knowledge, the annual filings, together with the other financial information included in the annual 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 at the present time 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 December 31, 2020 Management's Discussion and Analysis which is available under the Company's profile at www.sedar.com.

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, expectations with respect to crude oil and natural gas prices, activity levels in various areas, expectations regarding the level and type of drilling and production and related drilling and well services activity in the WCSB and U.S. basins, expectations regarding entering into long term drilling contracts and expanding its customer base, and expectations regarding the business, operations, revenue and debt levels 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 including the implications of the COVID-19 health pandemic on the Company's business, operations and personnel. These factors and risks include, but are not limited to, the risks associated with the COVID-19 health pandemic and their implications on the demand and supply in the drilling and oilfield services sector (i.e. 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), significant expansion measures to stop the spread of COVID-19 further restricting or prohibiting the operations of the Company's facilities and operations, actions to ensure social distancing due to COVID-19, the Company's cash saving initiatives, 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. 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 shares, per share amounts and margins	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
NON-IFRS MEASURES				
Adjusted EBITDA:				
Net income (loss)	2,019	(810)	1,707	(23,721)
Add:				
Stock based compensation	176	137	519	409
Finance costs	287	362	792	1,826
Depreciation and amortization	2,512	2,582	7,789	8,349
Impairment of assets	-	-	1,296	25,451
(Gain) loss on sale of equipment	(249)	(114)	(43)	860
Income tax expense (recovery)	649	(204)	677	(7,110)
Adjusted EBITDA(1)	5,394	1,953	12,737	6,064
Adjusted EBITDA per share – basic(1)	$ 0.01	$ 0.00	$ 0.03	$ 0.01
Adjusted EBITDA per share – diluted(1)	$ 0.01	$ 0.00	$ 0.02	$ 0.01
Adjusted EBITDA margin (Adjusted EBITDA/Revenue)(1)	19%	19%	18%	13%
Weighted average number of shares outstanding - basic	504,764,797	507,543,333	505,110,980	509,239,883
Weighted average number of shares outstanding - diluted	513,738,573	507,543,333	512,715,415	509,239,883
Gross margin:				
Revenue	27,776	10,322	68,942	47,828
Less: Direct operating expenses	19,456	7,457	50,120	35,071
Gross margin(2)	8,320	2,865	18,822	12,757
Gross margin percentage(2)	30%	28%	27%	27%

$ thousands	September 30, 2021	December 31, 2020
Working capital (excluding debt):		
Current assets	23,933	18,323
Less: Current liabilities	(8,468)	(7,004)
Add: Current portion of long-term debt	770	750
Working capital (excluding debt) (3)	16,235	12,069
Working capital (excluding debt) ratio(3)	3.1:1	2.9:1
Net debt:		
Long-term debt	23,918	29,481
Less: Current assets	(23,933)	(18,323)
Add: Current liabilities	8,468	7,004
Net debt (4)	8,453	18,162

(1) Adjusted EBITDA (earnings before interest and finance costs, income tax expense, depreciation, amortization, gain or loss on disposal of asset, impairment of assets, goodwill impairment, stock based compensation and other one-time non-cash gains and losses) is not a recognized measure under IFRS. Management believes that in addition to net income, 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, 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) 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 (loss) 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 calculated based on long-term debt less current assets plus current liabilities. 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.