For Immediate Release: November 1, 2019

CWC ENERGY SERVICES CORP. ANNOUNCES THIRD QUARTER 2019 FINANCIAL AND OPERATIONAL RESULTS

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces the release of its operational and financial results for the three and nine months ended September 30, 2019. The Financial Statements and Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2019 are filed on SEDAR at www.sedar.com.

Financial Highlights

$ thousands, except shares, per share amounts and margins	Three months ended September 30, 2019	2018	Change %	Nine months ended September 30, 2019	2018	Change %
FINANCIAL RESULTS						
Revenue						
Contract Drilling	8,284	10,633	(22%)	20,792	25,143	(17%)
Production Services	19,491	27,480	(29%)	56,987	84,140	(32%)
	27,775	38,113	(27%)	77,779	109,283	(29%)
Adjusted EBITDA (1)	3,868	6,002	(36%)	8,675	13,511	(36%)
Adjusted EBITDA margin (%) (1)	14%	16%		11%	12%	
Net (loss) income	(234)	326	(172%)	(846)	(1,545)	(45%)
Net (loss) income margin (%)	(1%)	1%	(2%)	(1%)	(1%)	0%
Capital expenditures	968	2,696	(64%)	4,164	9,770	(57%)
Per share information:						
Weighted average number of shares outstanding – basic	510,358,460	520,463,960		511,329,933	521,271,741	
Weighted average number of shares outstanding - diluted	510,358,460	524,754,635		511,329,933	521,271,741	
Adjusted EBITDA (1) per share - basic and diluted	$ 0.01	$ 0.01		$ 0.02	$ 0.03	
Net (loss) income per share - basic and diluted	$ (0.00)	$ 0.00		$ (0.00)	$ (0.00)	

$ thousands, except ratios	September 30, 2019	December 31, 2018
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) (1)	18,036	19,028
Working capital (excluding debt) ratio (1)	4.2:1	3.4:1
Total assets	243,647	252,665
Total long-term debt (including current portion)	41,549	44,896
Shareholders' equity	183,621	184,231

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

(2) Not meaningful.

Highlights for the Three Months Ended September 30, 2019

- Average Q3 2019 crude oil pricing, as measured by WTI, of US$56.40/bbl was 6% lower than the Q2 2019 average price of US$59.89/bbl (Q3 2018: US$69.61/bbl). The price differential in Q3 2019 between Canadian heavy crude oil, as represented by WCS, and WTI maintained a differential in the range of US$10.00/bbl to US$15.00/bbl as the Government of Alberta mandated crude oil production curtailment was reduced from 175,000 bbls/day at the start of Q3 2019 to 125,000 bbls/day by the end of Q3 2019. Additionally, on August 20, 2019 the Government of Alberta announced adjustments to the production curtailment including moving the curtailment end date to December 31, 2020 and effectively reducing the number of Alberta E&P companies affected by the production curtailment by increasing the exemption limit from 10,000 to 20,000 bbls/day starting October 1, 2019. Natural gas prices, as measured by AECO, decreased 8% from an average of $1.06/GJ in Q2 2019 to $0.97/GJ in Q3 2019 (Q3 2018 $1.20/GJ), remaining very low in historical terms.
- CWC's Canadian drilling rig utilization in Q3 2019 of 19% (Q3 2018: 60%) was below the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 23%, as CWC's customers continued to reduce or delay their drilling programs in the quarter. Canadian activity levels in Q3 2019 decreased 74% to 130 drilling rig operating days from seven Canadian drilling rigs (Q3 2018: 500 drilling rig operating days from nine Canadian drilling rigs). U.S. drilling rig activity level in Q3 2019 was 155 drilling rig operating days from two U.S. drilling rigs for a utilization of 84% (Q3 2018: nil). U.S Contract Drilling revenue of $5.6 million represented 68% of CWC's total Contract Drilling revenue for the quarter with the average revenue per operating day from U.S. operations being US$36,097 as CWC realized its first full quarter of U.S. drilling operations. CWC's service rig utilization in Q3 2019 of 52% (Q3 2018: 63%) was driven by 29,528 operating hours being 30% lower than the 42,316 operating hours in Q3 2018, which was a Company record for Q3 activity. The significant drop in Q3 2019 activity level for both the drilling rigs and our production-oriented service rigs was a direct result of wet weather conditions combined with a lower crude oil price during the quarter, compared to a year ago. In addition, the Government of Alberta mandated production curtailment continued to temporarily slow down the need for newly drilled wells and workover and maintenance work on producing wells. These lower activity levels resulted in lower revenue, Adjusted EBITDA(1) and net loss in Q3 2019 compared to Q3 2018.
- Revenue of $27.8 million, a decrease of $10.3 million (27%) compared to $38.1 million in Q3 2018.
- Adjusted EBITDA(1) of $3.9 million, a decrease of $2.1 million (36%) compared to $6.0 million in Q3 2018. CWC has achieved 25 consecutive quarters of positive Adjusted EBITDA(1) since Q2 2013.
- Net loss of $0.2 million, a decrease of $0.5 million compared to net income of $0.3 million in Q3 2018.
- On September 27, 2019, 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, 2022. At the request of the Company, the credit facilities were reduced from $75 million to $60 million to reduce borrowing costs and standby charges. The amendments further provide the Company access to another equity cure under the same terms and conditions and a reduction in the minimum liquidity from $10.0 million to $5.0 million. Additionally, the amendments exclude the Mortgage Loan from the consolidated debt definition used in calculating the quarterly financial covenants. The covenant for Consolidated Debt to EBITDA ratio is as follows:

For the Quarter Ended	Previously	Currently
September 30, 2019	4.00 : 1.00	3.75 : 1.00
December 31, 2019	4.00 : 1.00	3.75 : 1.00
March 31, 2020	4.00 : 1.00	3.75 : 1.00
June 30, 2020	4.00 : 1.00	3.75 : 1.00
September 30, 2020	n/a	3.50 : 1.00
December 31, 2020	n/a	3.50 : 1.00
March 31, 2021	n/a	3.25 : 1.00
June 30, 2021	n/a	3.25 : 1.00
September 30, 2021 and thereafter	n/a	3.00 : 1.00

- During Q3 2019, 405,000 common shares (Q3 2018: 1,175,500) were purchased under the Normal Course Issuer Bid ("NCIB") and 524,500 common shares (Q3 2018: 1,309,000) were cancelled and returned to treasury.

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

Highlights for the Nine Months Ended September 30, 2019

- CWC's Canadian drilling rig utilization in the first nine months of 2019 of 23% (2018: 46%) exceeded the CAODC industry average of 22% (2018: 29%). CWC's U.S. drilling rig utilization in the first nine months of 2019 was 82% (Q3 2018: n/a) as CWC started its U.S. drilling operations in mid-June 2019. CWC's service rig utilization in the first nine months of 2019 was 48% compared to 61% in the same period in 2018. Activity levels in both the drilling rig and service rig divisions dropped in 2019 as a result of CWC's exploration and production ("E&P") customers reducing or delaying their drilling and well maintenance programs as a result of lower crude oil prices and the Government of Alberta mandated production curtailment temporarily slowing down the need for newly drilled wells and workover and maintenance work on producing wells.
- Revenue of $77.8 million, a decrease of $31.5 million (29%) compared to $109.3 million in the first nine months of 2018.
- Adjusted EBITDA(1) of $8.7 million, a decrease of $4.8 million (36%) compared to $13.5 million in the first nine months of 2018.
- Net loss of $0.8 million, a decrease of $0.7 million (47%) compared to $1.5 million in the first nine months of 2018.
- For the nine months ended September 30, 2019, the Company purchased 3,078,500 common shares (2018: 3,593,000) under its NCIB and 3,060,500 common shares (2018: 3,563,000) were cancelled and returned to treasury.

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

Operational Overview

Contract Drilling

CWC Ironhand Drilling, the Company's Contract Drilling segment, has a fleet of nine telescopic double drilling rigs with depth ratings from 3,200 to 5,000 metres. Eight of nine rigs have top drives and three have pad rig walking systems. 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. The Company has expanded its drilling rig services into select United States basins including the Permian, Eagle Ford, Denver-Julesburg ("DJ") 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 deeper depths at a cost effective price while providing a sufficient internal rate of return for CWC's shareholders.

	Three months ended							
OPERATING HIGHLIGHTS	**Sep. 30, 2019**	**Jun. 30, 2019**	**Mar. 31, 2019**	**Dec. 31, 2018**	**Sep. 30, 2018**	**Jun. 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2017**
Drilling Rigs – Canada								
Total drilling rigs, end of period	7	7	9	9	9	9	9	9
Revenue per operating day (1)	$20,685	$22,750	$23,895	$26,642	$21,263	$21,227	$23,485	$23,572
Drilling rig operating days	130	72	382	491	500	133	498	463
Drilling rig utilization % (2)	19%	11%	47%	59%	60%	16%	61%	56%
CAODC industry average utilization %	23%	18%	29%	28%	30%	17%	52%	28%
Wells drilled	12	10	39	34	41	11	45	30
Average days per well	10.9	8.0	9.8	14.4	12.2	12.1	11.1	15.0
Meters drilled (thousands)	39.6	26.7	119.8	127.8	155.2	41.0	161.7	128.1
Meters drilled per day	304	373	314	261	310	309	325	277
Average meters per well	3,300	2,966	3,070	3,708	3,786	3,724	3,593	4,270

(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).

OPERATING HIGHLIGHTS	Three months ended Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017
Drilling Rigs - United States								
Total drilling rigs, end of period	2	2	-	-	-	-	-	-
Revenue per operating day (US$)[(1)]	$36,097	$54,188 [(3)]	-	-	-	-	-	-
Drilling rig operating days	155	25	-	-	-	-	-	-
Drilling rig utilization % [(2)]	84%	69%	-	-	-	-	-	-
Wells drilled	16	1	-	-	-	-	-	-
Average days per well	9.7	16.6	-	-	-	-	-	-
Meters drilled (thousands)	50.7	2.9	-	-	-	-	-	-
Meters drilled per day	327	177	-	-	-	-	-	-
Average meters per well	3,171	2,939	-	-	-	-	-	-

(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 $2.7 million for Q3 2019 (Q3 2018: $10.6 million) was achieved with a utilization rate of 19% (Q3 2018: 60%), compared to the CAODC industry average of 23%, as CWC's customers continued to reduce or delay their drilling programs in the quarter. CWC completed 130 Canadian drilling rig operating days with seven drilling rigs in Q3 2019, a 74% decrease from the 500 Canadian drilling rig operating days with nine drilling rigs in Q3 2018. The Q3 2019 average revenue per operating day of $20,685 was a decrease of 3% from $21,263 in Q3 2018. The significant reduction in Q3 2019 activity level was a direct result of wet weather conditions combined with a lower crude oil price during the quarter, compared to a year ago, and the Government of Alberta mandated production curtailment, which continued to temporarily slow down the need for newly drilled wells. CWC estimates that 53 Canadian drilling rig operating days (Q3 2018: 57 Canadian drilling rig operating days) of lost activity were due to wet weather conditions in Q3 2019 out of a possible total 644 Canadian drilling rig operating days (Q3 2018: 828).

U.S. Contract Drilling revenue of $5.6 million for Q3 2019 (Q3 2018: nil) was achieved with a utilization rate of 84% (Q3 2018: nil) with 155 U.S. drilling rig operating days completed. Q3 2019 average revenue per operating day in the U.S. was US$36,097. CWC intends to move two more drilling rigs into the United States by the end of 2020, subject to obtaining contracts with U.S. customers.

Production Services

With a fleet of 148 service rigs, CWC is the largest well servicing company in Canada as measured by active fleet and operating hours. CWC's service rig fleet consists of 77 single, 57 double, and 14 slant rigs providing services which include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. CWC has chosen to park 64 of its service rigs and focus its sales and operational efforts on the remaining 84 active service rigs due to the reduction in the number of service rigs currently required to service the WCSB, in part as a result of the Government of Alberta's mandated crude oil production curtailments.

CWC's fleet of nine coil tubing units consist of six Class I and three Class II coil tubing units having depth ratings from 1,500 to 3,200 metres. While the Company continues to service steam-assisted gravity drainage ("SAGD") wells that are shallower in depth and more appropriate for coil tubing operations, it has recently shifted its sales and operational focus on decommissioning of abandoned wells.

CWC's fleet of 13 swabbing rigs operate under the trade name CWC Swabtech. The swabbing rigs are used to remove liquids from the wellbore and allow reservoir pressures to push the commodity up the tubing. The Company has chosen to park eight of its swabbing rigs and focus its sales and operational efforts on the remaining five active swabbing rigs.

OPERATING HIGHLIGHTS	Three months ended Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017
Service Rigs								
Active service rigs, end of period	84	92	93	92	102	107	108	111
Inactive service rigs, end of period	64	56	55	56	46	41	41	38
Total service rigs, end of period	148	148	148	148	148	148	149	149
Operating hours	29,528	23,129	30,875	31,232	42,316	28,831	53,979	40,879
Revenue per hour	$644	$646	$671	$663	$628	$642	$637	$606
Revenue per hour excluding top volume customers	$660	$687	$690	$696	$664	$677	$681	$645
Service rig utilization % (1)	52%	39%	53%	51%	63%	41%	78%	64%
Coil Tubing Units								
Active coil tubing units, end of period	8	8	8	8	8	8	8	9
Inactive coil tubing units, end of period	1	1	1	1	1	1	1	1
Total coil tubing units, end of period	9	9	9	9	9	9	9	10
Operating hours	318	301	1,730	1,647	898	1,212	3,007	1,978
Revenue per hour	$730	$830	$555	$625	$731	$762	$724	$725
Coil tubing unit utilization % (1)	6%	6%	34%	31%	17%	23%	54%	33%
Swabbing Rigs								
Active swabbing rigs, end of period	5	8	8	8	9	8	8	9
Inactive swabbing rigs, end of period	8	5	5	5	4	5	5	4
Total swabbing rigs, end of period	13	13	13	13	13	13	13	13
Operating hours	865	661	1,655	2,313	881	958	2,258	1,063
Revenue per hour	$284	$262	$288	$283	$273	$265	$310	$286
Swabbing rig utilization % (1)	19%	13%	32%	41%	15%	18%	44%	27%

(1) Effective September 1, 2019, the CAODC changed its methodology on how it calculates service rig utilization. Service rig, coil tubing unit 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. Utilization percentages have been retroactively updated to reflect this new CAODC methodology. 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. Coil tubing units that have been removed from service for greater than 90 days are excluded from the utilization calculation until their first day back in field service.

Production Services revenue was $19.5 million in Q3 2019, down $8.0 million (29%) compared to $27.5 million in Q3 2018. The significant drop in Q3 2019 activity level for our production-oriented service rigs was a direct result of wet weather conditions combined with a lower crude oil price during the quarter, compared to a year ago. CWC estimates that 6,704 service rig operating hours (Q3 2018: 4,024 operating hours) of lost activity were due to wet weather conditions in Q3 2019 out of a total 56,693 operating hours. In addition, the Government of Alberta mandated production curtailment continued to temporarily slow down the need for workover and maintenance work on producing wells. During the quarter, CWC chose to park an additional eight service rigs due to the lower industry demand. Should demand improve and rig crews are available, CWC would be able to activate 19 of the 64 inactive service rigs with minimal capital expenditure resulting in a 103 active service rig fleet.

CWC's service rig utilization in Q3 2019 of 52% (Q3 2018: 63%) was driven by 29,528 operating hours being 30% lower than the 42,316 operating hours in Q3 2018. However, the Q3 2019 average revenue per hour of $644 increased $16 per hour (3%) over the $628 per hour in Q3 2018 suggesting the loss in CWC's service rig operating hours in Q3 2019 compared to Q3 2018 were primarily from CWC's top volume customers who were the most affected by the Government of Alberta's mandated production curtailment. Q3 2019 average revenue per hour excluding the top volume customers of $660 was $4 per hour (1%) lower than Q3 2018 average revenue per hour of $664 suggesting that CWC has been successful in maintaining service rig pricing with its customers despite significantly lower rates being offered by some of CWC's competitors.

CWC's coil tubing utilization in Q3 2019 of 6% (Q3 2018: 17%) with 318 operating hours was 65% lower than the 898 operating hours in Q3 2018. Average revenue per hour for coil tubing services of $730 in Q3 2019 is relatively unchanged from $731 in Q3 2018. The lower utilization reflects the continuing challenge of low natural gas prices and lower crude oil prices during the quarter, compared to a year ago, as well as the Government of Alberta mandated production curtailments temporarily slowing down the need for work on SAGD wells.

CWC swabbing rig utilization in Q3 2019 of 19% (Q3 2018: 15%) with 865 operating hours was 2% lower than the 881 operating hours in Q3 2018 as CWC parked three more swabbing rigs during the quarter due to lower customer demand as a result of the continuing challenge of low natural gas prices during the quarter compared to a year ago. Average revenue per hour for swabbing rigs of $284 in Q3 2019 is 4% higher than $273 in Q3 2018 as CWC has been successful in maintaining swabbing rig pricing with its customers despite the depressed natural gas price.

Capital Expenditures

$ thousands	Three months ended September 30, 2019	Three months ended September 30, 2018	Change $	Change %	Nine months ended September 30, 2019	Nine months ended September 30, 2018	Change $	Change %
Capital expenditures								
Contract drilling	195	1,586	(1,391)	(88%)	1,453	6,702	(5,249)	(78%)
Production services	583	1,110	(527)	(47%)	2,460	3,040	(580)	(19%)
Other equipment	190	-	190	n/m[1]	251	28	223	796%
	968	2,696	(1,728)	(64%)	4,164	9,770	(5,606)	(57%)
Growth capital	386	1,581	(1,195)	(76%)	386	5,859	(5,473)	(93%)
Maintenance and infrastructure capital	582	1,115	(533)	(48%)	3,778	3,911	(133)	(3%)
Total capital expenditures	968	2,696	(1,728)	(64%)	4,164	9,770	(5,606)	(57%)

(1) Not meaningful.

Capital expenditures of $1.0 million in Q3 2019, a decrease of $1.7 million (64%) compared to $2.7 million in Q3 2018.

Capital expenditures of $4.2 million for the nine months ended September 30, 2019, a decrease of $5.6 million (57%) compared to $9.8 million in the same period in 2018.

The 2019 capital expenditure budget of $5.4 million was approved by the Board of Directors on January 16, 2019 and is comprised entirely of maintenance and infrastructure capital related to recertifications, additions and upgrades to field equipment for the drilling rigs, service rigs and coil tubing divisions as well as information technology infrastructure.

Outlook

Crude oil, as represented by WTI, averaged US$56.40/bbl in Q3 2019, a decrease of 6% compared to Q2 2019 average price of US$59.89/bbl (Q3 2018: US$69.61/bbl). Natural gas prices, as measured by AECO, decreased 8% from an average of $1.06/GJ in Q2 2019 to $0.97/GJ in Q3 2019 (Q3 2018 $1.20/GJ), which remains very low in historical terms. The price differential in Q3 2019 between Canadian heavy crude oil, as represented by WCS, and WTI maintained a differential in the range of US$10.00/bbl to US$15.00/bbl as the Government of Alberta mandated crude oil production curtailment was reduced from 175,000 bbls/day at the start of Q3 2019 to 125,000 bbls/day by the end of Q3 2019. Additionally, on August 20, 2019 the Government of Alberta announced adjustments to the production curtailment including moving the curtailment end date to December 31, 2020 and effectively reducing the number of Alberta E&P companies affected by the production curtailment by increasing the exemption limit from 10,000 to 20,000 bbls/day starting October 1, 2019. These reductions in the production curtailment will allow CWC's E&P customers to increase their production capacity, which in turn will gradually increase CWC's activity levels for both its Contract Drilling and Production Services segments.

With the recent re-election of the Liberal government in Canada, we now have clarity that the regulatory environment in Canada for the energy industry will likely be similar to before the election. The new Liberal minority government reconfirmed they will continue to move forward with the construction of the Trans Mountain pipeline expansion project. This expansion will help ease the egress problems facing our Canadian E&P customers, providing additional capacity to ship crude oil to tidewater on the west coast. Additional capacity will allows the E&Ps to increase their drilling and well servicing activities, which in turn may increase CWC's contract drilling and production services utilization.

As we move into Q4 2019, CWC is seeing utilization of both drilling rigs and service rigs increasing and believe that although we will continue to operate in a challenging environment, the outlook for Q4 2019 through to Q1 2020 spring breakup is better than recent quarters.

While Canadian oilfield service activity currently remains muted and the United States energy industry has slowed down from its exponential growth experienced in recent years, CWC continues to believe that more profitable opportunities for its drilling rig fleet will be in the United States. CWC established a U.S. drilling rig presence in mid-June 2019 when it began operations in the Eagle Ford basin in Texas and DJ basin in Wyoming. Since the completion of the drilling program in October 2019 for a multi-national E&P company in Texas, CWC has now moved this drilling rig to Wyoming to begin another drilling program for another customer. Currently, the two U.S. drilling rigs are in Wyoming and the Bakken basin in North Dakota. It is the Company's intent to move an additional two drilling rigs to the U.S. in 2020 subject to signing customer contracts such that CWC positions up to four of its nine drilling rig fleet (44%) in the U.S. CWC believes these moves will help the Company achieve higher utilization, revenue and Adjusted EBITDA[(1)] for its Contract Drilling segment over a longer-term period.

While CWC remains focused on its operational and financial performance, it also recognizes the need to pursue opportunities that create long-term shareholder value. With the support of the Board of Directors, management continues to actively pursue business combinations in North America and globally in the drilling and well servicing industry. CWC cautions that there are no guarantees that strategic opportunities will result in a transaction, or if a transaction is undertaken, as to its terms or timing.

About CWC Energy Services Corp.

CWC Energy Services Corp. is a premier contract drilling and well servicing company operating in the WCSB and the United States with a complementary suite of oilfield services including drilling rigs, service rigs, swabbing rigs and coil tubing units. The Company's corporate office is located in Calgary, Alberta, with a U.S. office in Houston, Texas 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".

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Forward-Looking Information

This news release contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this news release, including most of those contained in the section titled "Outlook" and including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking statements including management's assessment of future plans and operations, planned levels of capital expenditures, expectations as to activity levels, expectations on the sustainability of future cash flow and earnings, 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 the United States, 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. These include, but are not limited to, the risks associated with the drilling and oilfield services sector (ie. demand, pricing and terms for oilfield drilling and services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations, stock market volatility and the inability to access sufficient capital from external and internal sources. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through SEDAR at www.sedar.com. The forward-looking information and statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Any forward-looking statements made previously may be inaccurate now.

Reconciliation of Non-IFRS Measures

$ thousands, except shares, per share amounts and margins	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
NON-IFRS MEASURES				
Adjusted EBITDA:				
Net (loss) income	(234)	326	(846)	(1,545)
Add:				
Depreciation	3,250	4,670	9,985	12,588
Finance costs	525	616	1,915	1,899
Income tax expense	161	206	(2,893)	(290)
Stock based compensation	166	241	592	763
Loss (gain) on sale of equipment	-	(57)	(78)	96
Adjusted EBITDA(1)	3,868	6,002	8,675	13,511
Adjusted EBITDA per share – basic and diluted (1)	$ 0.01	$ 0.01	$ 0.02	$ 0.03
Adjusted EBITDA margin (Adjusted EBITDA / Revenue) (1)	14%	16%	11%	12%
Weighted average number of shares outstanding - basic	510,358,460	520,463,960	511,329,933	521,271,741
Weighted average number of shares outstanding - diluted	510,358,460	524,754,635	511,329,933	521,271,741
Gross margin:				
Revenue	27,775	38,113	77,779	109,283
Less: Direct operating expenses	19,545	27,946	56,806	82,196
Gross margin (2)	8,230	10,167	20,973	27,087
Gross margin percentage (2)	30%	27%	27%	25%

$ thousands	September 30, 2019	December 31, 2018
Working capital (excluding debt):		
Current assets	23,733	26,893
Less: Current liabilities	(6,963)	(8,793)
Add: Current portion of long term debt	1,266	928
Working capital (excluding debt) (3)	18,036	19,028
Working capital (excluding debt) ratio(3)	4.2:1	3.4:1
Net debt:		
Long term debt	40,283	43,968
Less: Current assets	(23,733)	(26,893)
Add: Current liabilities	6,963	8,793
Net debt (4)	23,513	25,868

(1) Adjusted EBITDA (Earnings before interest and finance costs, income tax expense, depreciation, amortization, gain or loss on disposal of asset, goodwill impairment, stock based compensation and other one-time gains and losses) is not a recognized measure under IFRS. Management believes that in addition to net 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, pay dividends, repurchase common shares under the Normal Course Issuer Bid, and fund capital programs. Investors should be cautioned, however, that Adjusted EBITDA should not be construed as an alternative to net income (loss) 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 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 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.