For Immediate Release: July 30, 2020

CWC ENERGY SERVICES CORP. ANNOUNCES SECOND QUARTER 2020 OPERATIONAL AND FINANCIAL RESULTS

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces the release of its operational and financial results for the three and months ended June 30, 2020. The Financial Statements and Management Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2020 are filed on SEDAR at www.sedar.com.

Financial and Operational Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended June 30, 2020	2019	Change %	Six months ended June 30, 2020	2019	Change %
FINANCIAL RESULTS						
Revenue						
Contract Drilling	1,318	3,388	(61%)	13,989	12,508	12%
Production Services	2,648	15,358	(83%)	23,517	37,496	(37%)
	3,966	18,746	(79%)	37,506	50,004	(25%)
Other income	1,788	-	n/m[2]	1,788	-	n/m[2]
Adjusted EBITDA[1]	(1,397)	115	n/m[2]	4,111	4,807	(14%)
Adjusted EBITDA margin (%)[1]	(35%)	1%		11%	10%	
Impairment of assets	-	-	n/m[2]	(25,451)	-	n/m[2]
Net loss	(3,734)	(565)	n/m[2]	(22,911)	(612)	n/m[2]
Net loss margin (%)[1]	(94%)	(3%)	(91%)	(61%)	(1%)	(60%)
Capital expenditures	720	1,902	(62%)	3,525	3,196	10%
Per share information:						
Weighted average number of shares outstanding – basic and diluted	507,543,333	510,978,053		502,393,883	511,823,718	
Adjusted EBITDA[1] per share - basic and diluted	$ (0.00)	$ 0.00		$ 0.01	$ 0.01	
Net loss per share - basic and diluted	$ (0.01)	$ (0.00)		$ (0.04)	$ (0.00)	

$ thousands, except ratios	June 30, 2020	December 31, 2019
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt)[1]	3,264	18,534
Working capital (excluding debt) ratio[1]	1.7:1	3.3:1
Total assets	196,565	243,398
Total long-term debt (including current portion)	25,788	40,552
Shareholders' equity	160,281	182,032

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

Working capital (excluding debt) for June 30, 2020 has decreased $15.3 million (82%) since December 31, 2019 driven by decreases in accounts receivable ($17.3 million (72%)) and prepaid expenses and deposits ($1.5 million (55%)) offset by a decrease in account payable ($3.4 million (42%)). Due to the seasonality of the oilfield services business in Canada, working capital typically peaks in Q1 and drops in Q2 as accounts receivable are collected. Long-term debt (including current portion) has decreased 36% from December 31, 2019 driven by the collection of accounts receivable combined with lower activity in Q2 2020 compared to Q4 2019. Shareholders' equity has decreased $21.8 million (12%) since December 31, 2019 primarily due to the net loss for the six months ended June 30, 2020 which included a charge for impairment of assets of $25.5 million partially offset by an unrealized gain on translation of foreign operations of $1.5 million.

Highlights for the Three Months Ended June 30, 2020

- Demand for crude oil declined in Q2 2020 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. During the quarter, the Company's exploration and production ("E&P") customers cut their capital expenditure programs leading to reduced demand for the Company's services. The duration of the negative impact from the COVID-19 health pandemic on the Company's operations is unknown and will depend on future economic developments, which cannot be predicted with confidence at this time. Therefore, the Company continues to pursue cash saving initiatives to preserve cash resources and maintain balance sheet strength as well as to retain its most valuable asset – its key employees. The Company has also enacted new safety protocols to protect the health and safety of its employees so that the Company can operate with confidence that its employees and customers are taking the necessary precautions.
- During Q2 2020, the Governments of Alberta and Saskatchewan announced the Alberta Site Rehabilitation Program ($1.0 billion) and the Saskatchewan Accelerated Site Closure Program ($400 million) respectively. Both of these programs 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. CWC's Production Services segment is well positioned to provide closure work on inactive wells and has already received Alberta grant approvals on 217 inactive wells.
- Average Q2 2020 crude oil price, as measured by West Texas Intermediate ("WTI"), of US$27.95/bbl was 39% lower than the Q1 2020 average price of US$45.57/bbl (Q2 2019: US$59.89/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$5.00/bbl to US$17.00/bbl during the second quarter of 2020. Natural gas prices, as measured by AECO, remained relatively unchanged from an average of $1.93/GJ in Q1 2020 to $1.90/GJ in Q2 2020 (Q2 2019 $1.06/GJ).
- CWC's Canadian drilling rig utilization in Q2 2020 of 11% (Q2 2019: 11%) exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 4%. Canadian activity levels in Q2 2020 of 68 drilling rig operating days from seven Canadian drilling rigs was consistent with Q2 2019 activity levels of 72 drilling rig operating days. Average revenue per operating day of $19,382 resulted in revenue of $1.3 million (Q2 2019: $1.6 million) from the Canadian drilling operations. As a result of the COVID-19 health pandemic and the travel restrictions implemented between Canada and the U.S., CWC's two U.S. drilling rigs, which operate with Canadian rig crews, did not see any operating days in Q2 2020 (Q2 2019: 25 drilling rig operating days) and, therefore, did not generate any revenue in the quarter (Q2 2019: $1.8 million). Service rig utilization in Q2 2020 of 8% (Q2 2019: 39%) was driven by 4,037 operating hours which were 83% lower than the 23,129 operating hours in Q2 2019; a result of the significant drop off in activity levels due to COVID-19 and the corresponding steep drop in oil prices.
- Revenue of $4.0 million, a decrease of $14.8 million (79%) compared to $18.8 million in Q2 2019.
- Other income of $1.8 million in Q2 2020 consists of Government of Canada grants, which the Company received under the Canada Emergency Wage Subsidy ("CEWS").
- Adjusted EBITDA(1) of $(1.4 million), a decrease of $1.5 million compared to $0.1 million in Q2 2019. The COVID-19 health pandemic put an end to CWC's 27 consecutive quarters of positive Adjusted EBITDA(1) dating back to Q2 2013.
- Net loss of $3.7 million, an increase of $3.1 million compared to $0.6 million in Q2 2019.
- Total long-term debt (including current portion) of $25.8 million is the lowest long-term debt amount in 13 years of CWC's total 15 years of existence.
- During Q2 2020, 1,708,000 (Q2 2019: 623,000) common shares were purchased under the Normal Course Issuer Bid ("NCIB") and 1,718,000 (Q2 2019: 744,000) common shares were cancelled and returned to treasury.

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

Highlights for the Six Months Ended June 30, 2020

- CWC's Canadian drilling rig utilization for the first six months of 2020 of 32% (2019: 31%) exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 19%. Canadian activity levels for the first six months of 2020 decreased 9% to 412 drilling rig operating days from seven Canadian drilling rigs (2019: 454 drilling rig operating days). Average revenue per operating day of $22,277 resulted in revenue of $9.2 million from the Canadian drilling operations. U.S. drilling rig activity levels for the first six months of 2020 were 144 drilling rig operating days from two U.S. drilling rigs for a utilization of 40% (2019: 7%). U.S. Contract Drilling revenue of $4.8 million represented 34% of CWC's total Contract Drilling revenue in the first six months of 2020 with the average revenue per operating day of US$25,139 from U.S. operations. CWC's service rig utilization for the first six months of 2020 of 32% (2019: 46%) was driven by 34,479 operating hours which were 36% lower than the 54,004 operating hours in 2019; a result of the significant drop off in activity levels due to COVID-19 and the corresponding steep drop in oil prices.
- Revenue of $37.5 million, a decrease of $12.5 million (25%) compared to $50.0 million in the first six months of 2019.
- Adjusted EBITDA(1) of $4.1 million, a decrease of $0.7 million (14%) compared to $4.8 million in the first six months of 2019.
- Net loss of $22.9 million, an increase of $22.3 million compared to $0.6 million in the first six months of 2019. The increase in net loss is primarily due to a charge for impairment of assets of $25.5 million taken in Q1 2020.
- For the six months ended June 30, 2020, the Company purchased 5,382,500 (2019: 2,673,500) common shares under the Normal Course Issuer Bid ("NCIB") and 5,482,000 (2019: 2,536,000) common shares 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 also operates in select United States basins including the 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.

OPERATING HIGHLIGHTS	Three months ended Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018
Drilling Rigs – Canada								
Total drilling rigs, end of period	7	7	7	7	7	9	9	9
Revenue per operating day (1)	$19,382	$22,849	$22,161	$20,685	$22,750	$23,895	$26,642	$21,263
Drilling rig operating days	68	344	232	130	72	382	491	500
Drilling rig utilization %(2)	11%	54%	36%	19%	11%	47%	59%	60%
CAODC industry average utilization %	4%	35%	23%	23%	18%	29%	28%	30%
Wells drilled	4	26	18	12	10	39	34	41
Average days per well	17.1	13.2	12.9	10.9	8.0	9.8	14.4	12.2
Meters drilled (thousands)	20.2	99.6	75.6	39.6	26.7	119.8	127.8	155.2
Meters drilled per day	295	290	326	304	373	314	261	310
Average meters per well	5,053	3,831	4,199	3,300	2,966	3,070	3,708	3,786
Drilling Rigs – United States								
Total drilling rigs, end of period	2	2	2	2	2	-	-	-
Revenue per operating day (US$)(1)	-	$25,139	$34,448(3)	$27,159	$54,188 (3)	-	-	-
Drilling rig operating days	-	144	56	155	25	-	-	-
Drilling rig utilization %(2)	-	79%	31%	84%	69%	-	-	-
Wells drilled	-	10	5	16	1	-	-	-
Average days per well	-	14.4	11.3	9.7	16.6	-	-	-
Meters drilled (thousands)	-	40.5	14.5	50.7	2.9	-	-	-
Meters drilled per day	-	282	258	327	177	-	-	-
Average meters per well	-	4,053	2,942	978	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 $1.3 million for Q2 2020 (Q2 2019: $1.6 million) was achieved with a utilization rate of 11% (Q2 2019: 11%), compared to the CAODC industry average of 4%. CWC completed 68 Canadian drilling rig operating days with seven drilling rigs in Q2 2020, comparable to the 72 Canadian drilling rig operating days in Q2 2019.

As a result of the COVID-19 health pandemic and the travel restrictions implemented between Canada and the U.S., CWC's two U.S. drilling rigs, which operate with Canadian rig crews, did not see any operating days in Q2 2020 (Q2 2019: 25 drilling rig operating days) and, therefore, did not generate any revenue in the quarter (Q2 2019: $1.8 million).

Production Services

With a fleet of 145 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 75 single, 56 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. CWC has chosen to park 63 of its service rigs and focus its sales and operational efforts on the remaining 82 active service rigs due to the reduction in the number of service rigs currently required to service the WCSB.

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. On March 17, 2020, the Company discontinued operations of its coil tubing division and wrote down the value of the assets to their estimated disposal value. The Company will look at monetizing the coil tubing assets when market conditions in the oil and gas industry stabilize.

CWC's fleet of 12 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 seven of its swabbing rigs and focus its sales and operational efforts on the remaining five active swabbing rigs.

OPERATING HIGHLIGHTS	Three months ended Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018
Service Rigs								
Active service rigs, end of period	82	83	84	84	92	93	92	102
Inactive service rigs, end of period	63	62	62	64	56	55	56	46
Total service rigs, end of period	145	145	146	148	148	148	148	148
Operating hours	4,037	30,442	33,656	29,528	23,129	30,875	31,232	42,316
Revenue per hour	$619	$666	$664	$644	$646	$671	$663	$628
Revenue per hour excluding top volume customers	$653	$673	$682	$660	$687	$690	$696	$664
Service rig utilization %(1)	8%	56%	62%	52%	39%	53%	51%	63%
Coil Tubing Units								
Active coil tubing units, end of period	0	0	7	8	8	8	8	8
Inactive coil tubing units, end of period	9	9	2	1	1	1	1	1
Total coil tubing units, end of period	9	9	9	9	9	9	9	9
Operating hours	-	486	448	318	301	1,730	1,647	898
Revenue per hour	-	$545	$646	$730	$830	$555	$625	$731
Coil tubing unit utilization %(1)	-	11%	10%	6%	6%	34%	31%	17%
Swabbing Rigs								
Active swabbing rigs, end of period	5	5	5	5	8	8	8	9
Inactive swabbing rigs, end of period	7	7	8	8	5	5	5	4
Total swabbing rigs, end of period	12	12	13	13	13	13	13	13
Operating hours	513	1,088	1,141	865	661	1,655	2,313	881
Revenue per hour	$288	$300	$282	$284	$262	$288	$283	$273
Swabbing rig utilization %(1)	16%	33%	35%	19%	13%	47%	41%	15%

(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 were removed from service for greater than 90 days were excluded from the utilization calculation until their first day back in field service.

Production Services revenue of $2.7 million in Q2 2020, down $12.7 million (83%) compared to $15.4 million in Q2 2019. The revenue decrease in Q2 2020 was a direct result of the rapid decrease in crude oil prices, which started in March 2020, as the global health solutions to slow the spread of the COVID-19 virus resulted in a significant drop in demand for crude oil.

CWC's service rig utilization in Q2 2020 of 8% (Q2 2019: 39%) was driven by 4,037 operating hours being 83% lower than the 23,129 operating hours in Q2 2019. In addition, the Q2 2020 average revenue per hour of $619 was $27 per hour (4%) lower than the $646 per hour in Q2 2019 as a result of customer discounts during the quarter. Q2 2020 average revenue per hour of $653 excluding the Company's top volume customers was $34 per hour (5%) lower than Q2 2019 average revenue per hour of $687.

As a result of the lower customer demand, the Company discontinued operations of its coil tubing division on March 17, 2020 and wrote down the value of these assets to their estimated disposal value. The Company will look at monetizing the coil tubing assets when market conditions in the oil and gas industry stabilize.

CWC swabbing rig utilization in Q2 2020 of 16% (Q2 2019: 13%) with 513 operating hours was 22% lower than the 661 operating hours in Q2 2019 as CWC had three less swabbing rigs active during the quarter compared to the prior year due to lower customer demand from continued low natural gas prices. Average revenue per hour for swabbing rigs of $288 in Q2 2020 was 10% higher compared to $262 in Q2 2019.

Capital Expenditures

$ thousands	Three months ended June 30, 2020	2019	Change $	Change %	Six months ended June 30, 2020	2019	Change $	Change %
Capital expenditures								
Contract drilling	308	1,164	(856)	(74%)	1,094	1,258	(164)	(13%)
Production services	412	692	(280)	(40%)	2,405	1,877	528	28%
Other equipment	-	46	(46)	(100%)	26	61	(35)	(57%)
	720	1,902	(1,182)	(62%)	3,525	3,196	329	10%
Growth capital	232	-	232	n/m[1]	1,017	-	1,017	n/m[1]
Maintenance and infrastructure capital	488	1,902	(1,414)	(74%)	2,508	3,196	(688)	(22%)
Total capital expenditures	720	1,902	(1,182)	(62%)	3,525	3,196	329	10%

(1) Not meaningful.

Capital expenditures of $0.7 million in Q2 2020, a decrease of $1.2 million (62%) compared to $1.9 million in Q2 2019.

Capital expenditures of $3.5 million for the six months ended June 30, 2020, an increase of $0.3 million (10%) compared to $3.2 million in the same period of 2019.

The 2020 capital expenditure budget of $6.7 million was approved by the Board of Directors on December 12, 2019 comprised of maintenance and infrastructure capital related to recertifications, additions and upgrades to field equipment for the drilling rig and service rig divisions as well as information technology infrastructure and growth capital to upgrade one of the drilling rigs. Given the current economic environment as a result of the COVID-19 health pandemic, the Company has reduced its 2020 capital expenditure budget by $1.9 million (28%) to $4.9 million. As $3.5 million of the 2020 capital expenditure budget has been incurred in the first six months of 2020, the Company is effectively suspending any further capital expenditures, other than those in progress, for the remainder of 2020.

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 during Q2 2020 including closure of non-essential businesses, restricting travel and encouraging its 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 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+ agreed to cut crude oil production by 9.7 million bbls/day for May and June 2020, reducing to 7.6 million bbls/day from July to December 2020 and then to 5.6 million bbls/day from January 2021 to April 2022. In addition, the U.S., Canada and Brazil have cut crude oil production by 3.7 million bbls/day with other G20 oil producing nations contributing 1.3 million bbls/day. Together OPEC+ and the G20 oil producing nations are expected to reduce crude oil production by 12.6 million bbls/day for the remainder of 2020 for an global average crude oil supply of 87.4 million bbls/day. The International Energy Agency ("IEA") forecasts that global crude oil demand will increase in Q3 2020 averaging 94.3 million bbls/day, thereby reducing the amount of global crude oil currently in storage. As such crude oil prices have rebounded from the low US$20/bbl in April 2020 to the low US$40/bbl in July 2020 as governments around the world have started removing economic restrictions related to COVID-19 and gradually re-opened businesses. As consumer demand and business confidence increases for the remainder of 2020 and 2021, so too will be the demand for crude oil and a return to increased oilfield service activity in Canada and the U.S.

In the meantime, CWC has made significant changes to its cost structure including laying off employees, reducing compensation, eliminating discretionary expenses and reducing capital expenditures, to better match our cost structure to current operating activity levels resulting in $10.7 million in annualized cash savings. The Company has reduced its head count by 49% through departures and layoffs of its employees and contractors and incurred $0.1 million in severance costs related to these layoffs in the first half of 2020. CWC now has 316 employees as at June 30, 2020. In addition, CWC has applied for and received $1.9 million in grants from the Government of Canada CEWS program to date. With the recent Government of Canada announcement that the CEWS program will be extended to December 19, 2020, the Company believes that the CEWS program will further enhance our ability to manage through the current slowdown in oilfield services activity with an estimated additional $2.3 million in grants.

On April 17, 2020, the Government of Canada announced a $1.7 billion funding package to the Government of Alberta, Saskatchewan, British Columbia and the Alberta Orphan Well Association for well decommissioning and reclamation of abandoned and inactive wells. As the largest service rig company in Canada, CWC will be a net beneficiary of this funding as the Company pivots from workover and maintenance work on producing wells to performing a greater percentage of its work on well decommissioning in its Production Services segment. Subsequent to June 30, 2020, CWC received grant approvals for 217 inactive wells under the Alberta Site Rehabilitation Program and has been approved as a vendor under the Saskatchewan Accelerated Site Closure Program.

The Company continues to be in regular contact with its four member banking syndicate and has received positive indications that they will continue to support CWC through these turbulent times.

Looking out to a medium and longer term, CWC is optimistic about the future of the oil and gas industry in Canada. On March 31, 2020, the Government of Alberta announced they will be investing $1.5 billion into the Keystone XL pipeline and provide a $6.0 billion loan guarantee to TC Energy to start construction of the pipeline immediately, which is expected to be operational by 2023. This pipeline will carry 830,000 bbls/day of crude oil to Gulf Coast refineries. Along with the anticipated completion of Enbridge's Line 3 pipeline in late 2020, which will carry 760,000 bbls/day to Minnesota and eastern refineries and the Trans Mountain expansion project carrying 890,000 bbls/day by late 2022 to the west coast for oversea markets, Canada should have sufficient capacity to resume growth in crude oil production. With the current reduction in Canadian crude oil production of approximately 1.0 million bbls/day as a result of lower global demand from the COVID-19 economic restrictions, Canada may have inadvertently solved its issues of insufficient capacity on its existing pipeline infrastructure until the three additional pipelines are completed and operational. As such, CWC will remain focused on its operational and financial performance in the short-term, but recognize the need to pursue opportunities that have inevitably been created in this heavily discounted market 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.

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 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".

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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 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 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 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 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 June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
NON-IFRS MEASURES				
Adjusted EBITDA[(1)]:				
Net loss	(3,734)	(565)	(22,911)	(612)
Add:				
Stock based compensation	139	197	272	426
Finance costs	780	658	1,464	1,390
Depreciation and amortization	2,595	3,002	5,767	6,735
Impairment of assets	-	-	25,451	-
Loss (gain) on sale of equipment	(77)	(55)	974	(78)
Income tax expense	(1,100)	(3,122)	(6,906)	(3,054)
Adjusted EBITDA[(1)]	(1,397)	115	4,111	4,807
Adjusted EBITDA per share – basic and diluted[(1)]	$ 0.00	$ 0.00	$ 0.01	$ 0.01
Adjusted EBITDA margin (Adjusted EBITDA/Revenue)[(1)]	(35%)	1%	11%	10%
Weighted average number of shares outstanding - basic and diluted	507,543,333	510,978,053	509,239,883	511,823,718
Gross margin:				
Revenue	3,966	18,746	37,506	50,004
Less: Direct operating expenses	3,999	14,923	27,614	37,261
Gross margin[(2)]	(33)	3,823	9,892	12,743
Gross margin percentage[(2)]	(1%)	20%	26%	25%

$ thousands	June 30, 2020	December 31, 2019
Working capital (excluding debt):		
Current assets	7,452	26,642
Less: Current liabilities	(5,070)	(9,249)
Add: Current portion of long-term debt	882	1,141
Working capital (excluding debt)[(3)]	3,264	18,534
Net debt:		
Long-term debt	24,906	39,411
Less: Current assets	(7,452)	(26,642)
Add: Current liabilities	5,070	9,249
Net debt[(4)]	22,524	22,018

(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 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.