CWC ENERGY SERVICES

For Immediate Release: July 29, 2022

CWC ENERGY SERVICES CORP. ANNOUNCES RECORD SECOND QUARTER AND YEAR-TO-DATE 2022 OPERATIONAL AND FINANCIAL RESULTS AND AMENDMENT AND EXTENSION OF ITS CREDIT FACILITIES

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces the release of its operational and financial results for the three and six months ended June 30, 2022. The Financial Statements and Management Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2022 are filed on SEDAR at www.sedar.com.

Financial Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended June 30, 2022	2021	Change %	Six months ended June 30, 2022	2021	Change %
FINANCIAL RESULTS						
Revenue						
Contract Drilling	22,718	3,424	563%	39,430	10,742	267%
Production Services	19,963	13,073	53%	44,082	30,424	45%
	42,681	16,497	159%	83,512	41,166	103%
Other income	-	(2,579)	(100%)	-	(3,644)	(100%)
Adjusted EBITDA(1)	7,600	2,489	205%	16,026	7,343	118%
Adjusted EBITDA margin (%)(1)	18%	15%		19%	18%	
Net income (loss)	2,664	(759)	n/m(3)	6,103	(312)	n/m(3)
Net income (loss) margin (%)(2)	6%	(5%)	11%	7%	(1%)	8%
Capital expenditures	12,682	1,434	784%	15,473	2,709	471%
Per share information:						
Weighted average number of shares outstanding – basic	509,786,609	504,534,525		509,459,831	505,286,936	
Weighted average number of shares outstanding - diluted	523,123,662	504,534,525		520,768,461	505,286,936	
Adjusted EBITDA(1) per share - basic and diluted	$ 0.01	$ 0.00		$ 0.03	$ 0.01	
Net income per share - basic and diluted	$ 0.01	$ (0.00)		$ 0.01	$ (0.00)	

$ thousands, except ratios	June 30, 2022	December 31, 2021
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt)(1)	23,305	18,966
Working capital (excluding debt) ratio(1)	3.2:1	3.1:1
Total assets	241,827	226,645
Total long-term debt (including current portion)	49,773	45,847
Shareholders' equity	170,976	163,269

(1) Please refer to the "Non-GAAP and Other Financial Measures" section for further information.
(2) Net income margin is a Non-GAAP Measure which is calculated as net income divided by total revenue.
(3) Not meaningful.

Working capital (excluding debt) for June 30, 2022 has increased $4.3 million (23%) since December 31, 2021 driven by increases in accounts receivable ($6.4 million (24%)) offset by decreases in prepaid expenses and deposits ($0.4 million (26%)) and increases in accounts payable ($1.6 million (17%)). Long-term debt (including current portion) of $49.8 million has increased $3.9 million (9%) from December 31, 2021 primarily due to the purchase of three (3) triple drilling rigs in June 2022 and partially offset by the payment of long-term debt from operating cash flows in the first six months of 2022.

Highlights for the Three Months Ended June 30, 2022

- Record Q2 2022 revenue in CWC's seventeen (17) year history of $42.7 million, an increase of $26.2 million (159%) compared to $16.5 million in Q2 2021. Revenue increased $19.3 million (563%) in the Contract Drilling segment and $6.9 million (53%) in the Production Services segment in Q2 2022 compared to Q2 2021.
- Record Q2 2022 Adjusted EBITDA(1) of $7.6 million, an increase of $5.1 million (205%) compared to $2.5 million in Q2 2021, which was the previous Q2 record.
- Record Q2 2022 net income of $2.7 million, an increase of $3.5 million compared to net loss of $0.8 million in Q2 2021.
- Purchase of three (3) triple drilling rigs and critical spare components for US$7.4 million (approximately C$9.6 million) on June 24, 2022.
- Drilled Alberta's first lithium evaluation well showing the diversity and versatility of our equipment.
- First Canadian drilling and well services company to publicly report our Scope 1 and 2 emissions in our 2022 ESG Report.

(1) Please refer to the "Non-GAAP and Other Financial Measures" section for further information.

Highlights for the Six Months Ended June 30, 2022

- Record revenue for the first six months of 2022 in CWC's seventeen (17) year history of $83.5 million, an increase of $42.3 million (103%) compared to $41.2 million in the first six months of 2021. Revenue increased $28.7 million (267%) in the Contract Drilling segment and $13.7 million (45%) in the Production Services segment compared to the first six months of 2021.
- Record Adjusted EBITDA(1) for the first six months of 2022 of $16.0 million, an increase of $8.7 million (118%) compared to $7.3 million in the first six months of 2021.
- Record net income for the first six months of 2022 of $6.1 million, an increase of $6.4 million compared to a net loss of $0.3 million in the first six months of 2021.

(1) Please refer to the "Non-GAAP and Other Financial Measures" section for further information.

Credit Facilities

On July 29, 2022, the Company exercised the accordion feature to expand the Credit Facility to an $80.3 million Bank Loan comprised of a $50.7 million Canadian syndicated facility, a US$12.0 million (C$15.6 million) U.S. syndicated facility, a $7.5 million Canadian operating facility and a US$5.0 million (C$6.5 million) U.S. operating facility. The company further amended the Credit Facility to extend the maturity to July 31, 2025.

Industry Overview

Average crude oil and natural gas prices

	Three months ended							
	Jun. 30, 2022	**Mar. 31, 2022**	**Dec. 31, 2021**	**Sep. 30, 2021**	**Jun. 30, 2021**	**Mar. 31, 2021**	**Dec. 31, 2020**	**Sep. 30, 2020**
Crude oil								
West Texas Intermediate (US$/bbl)	108.41	94.29	77.19	70.56	66.12	57.79	42.75	40.92
Western Canadian Select (US$/bbl)	93.05	81.49	60.44	57.64	54.68	45.39	33.48	31.79
Natural gas								
AECO (C$/mcf)	6.92	4.66	4.89	3.75	3.05	2.91	2.84	2.25

Source: GLJ Ltd price forecasts.

Russia's invasion of Ukraine and the western world's response with trade sanctions against Russia, including sanctions on crude oil and natural gas by certain countries, have resulted in a significant increase in crude oil and natural gas prices in the first six months of 2022. In addition, the continued re-opening of the global economy after being significantly slowed down in 2020 and 2021 due to the COVID-19 health pandemic, has resulted in a steady rise in global demand without a significant corresponding increase in global supply for crude oil and natural gas, further justifying the higher prices experienced in the first six months of 2022. However, significant inflationary increases and rising interest rates have sparked fears of a global recession, which has recently pulled WTI back to a range of US$95 to US$100/bbl. Despite recessionary fears, discussion about energy security is on the top of many governmental agendas, which should bode well for North American oil and gas activity and oilfield service companies for the foreseeable future.

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 operational locations in Nisku, Grande Prairie, Slave Lake, Sylvan Lake, Drayton Valley, Lloydminster, Provost and Brooks, Alberta and U.S. offices in Denver, Colorado and Casper, Wyoming. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

The Contract Drilling division operates under the trade name CWC Ironhand Drilling and is comprised of thirteen (13) electric triple drilling rigs with depth ratings from 3,600 to 7,600 metres and nine (9) telescopic double drilling rigs with depth ratings from 3,200 to 5,000 metres. All twenty-two (22) rigs have top drives, seventeen (17) have pad rig moving systems, eight (8) have 7,500 psi pumping systems, three (3) have carbon reduction bi-fuel capabilities, and two (2) have high line power capabilities. All of the drilling rigs are ideally 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, and select United States basins including the Permian, Eagle Ford, Niobrara, Denver-Julesburg ("DJ"), Powder River and Bakken.

The Production Services division operates under the trade name CWC Well Services. With a fleet of 143 service rigs, CWC is one of Canada's largest well servicing companies as measured by active fleet and operating hours. CWC's service rig fleet consists of 75 single, 54 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 2022, CWC chose to park 79 of its service rigs and focus its sales and operational efforts on the remaining 64 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.

Results of Operations

$ thousands, except per share amounts	Three months ended June 30, 2022	Three months ended June 30, 2021	Change $	Change %	Six months ended June 30, 2022	Six months ended June 30, 2021	Change $	Change %
Revenue	42,681	16,497	26,184	159%	83,512	41,166	42,346	103%
Direct operating expenses	30,262	13,116	17,146	131%	57,575	30,664	26,911	88%
Gross margin [1]	12,419	3,381	9,038	267%	25,937	10,502	15,435	147%
Other income	-	2,579	(2,579)	(100%)	-	3,644	(3,644)	(100%)
Selling and administrative expenses	4,819	3,471	1,348	39%	9,911	6,803	3,108	46%
Adjusted EBITDA[1]	7,600	2,489	5,111	205%	16,026	7,343	8,683	118%
Stock based compensation	231	167	64	38%	462	343	119	35%
Finance costs	605	246	359	146%	993	505	488	97%
Depreciation and amortization	2,982	2,581	401	16%	5,908	5,277	631	12%
Loss on disposal of equipment	227	418	(191)	(46%)	564	206	358	174%
Impairment of assets	-	-	-	n/m[2]	-	1,296	(1,296)	(100%)
Income (loss) before income taxes	3,555	(923)	4,478	(485%)	8,099	(284)	8,383	n/m[2]
Deferred income tax expense (recovery)	891	(164)	1,055	n/m[2]	1,996	28	1,968	n/m[2]
Net income (loss)	2,664	(759)	3,423	n/m[2]	6,103	(312)	6,415	n/m[2]
Net income (loss) per share								
Basic and diluted	$ 0.01	$ (0.00)	$ 0.00	n/m[2]	$ 0.01	$ (0.00)	$ 0.01	n/m[2]

(1) Please refer to the "Non-GAAP and Other Financial Measures" section for further information.
(2) Not meaningful.

Contract Drilling – Canada and United States

$ thousands, except margins, number of rigs, revenue per operating day, and utilization	Three months ended June 30, 2022	2021	Change $	Change %	Six months ended June 30, 2022	2021	Change $	Change %
Revenue								
Canada	7,784	1,323	6,461	488%	20,573	8,465	12,108	143%
United States	14,934	2,101	12,833	611%	18,857	2,277	16,580	728%
	22,718	3,424	19,294	563%	39,430	10,742	28,688	267%
Direct operating expenses								
Canada	5,848	1,417	4,431	313%	14,832	6,663	8,169	123%
United States	11,009	1,701	9,308	547%	13,769	1,848	11,921	645%
	16,857	3,118	13,739	441%	28,601	8,511	20,090	236%
Gross margin (1)								
Canada	1,936	(94)	2,030	n/m(4)	5,741	1,802	3,939	219%
United States	3,925	400	3,525	881%	5,088	429	4,659	1,086%
	5,821	306	5,555	1,815%	10,829	2,231	8,598	385%
Gross margin percentage (1)								
Canada	25%	(7%)	n/a	32%	28%	21%	n/a	7%
United States	26%	19%	n/a	7%	27%	19%	n/a	8%
	26%	9%	n/a	17%	27%	21%	n/a	6%
Total drilling rigs, end of period								
Canada	7	7	-	0%	7	7	-	0%
United States	15	2	13	650%	15	2	13	650%
	22	9	13	144%	22	9	13	144%
Revenue per operating day(2)								
Canada	$28,693	$22,817	$5,876	26%	$28,513	$24,500	$4,013	16%
United States (US$)	US$28,920	US$29,790	US$(870)	(3%)	US$29,347	US$28,450	US$897	3%
Drilling rig operating days								
Canada	273	54	219	406%	717	371	346	93%
United States	398	60	338	563%	511	62	449	724%
	671	114	557	489%	1,228	433	795	184%
Drilling rig utilization %(3)								
Canada	43%	9%	n/a	34%	57%	29%	n/a	28%
United States	21%	33%	n/a	(12%)	24%	17%	n/a	7%
	39%	14%	n/a	25%	36%	27%	n/a	9%

(1) Please refer to the "Non-GAAP and Other Financial Measures" section for further information.
(2) 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.
(3) Drilling rig utilization is calculated based on operating days (i.e. spud to rig release basis). Drilling rigs requiring their Level IV 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.

Canadian Contract Drilling revenue of $7.8 million for Q2 2022 (Q2 2021: $1.3 million) was achieved with a utilization rate of 43% (Q2 2021: 9%), compared to the CAOEC industry average of 23% (Q2 2021: 15%). CWC completed 273 Canadian drilling rig operating days in Q2 2022, an increase of 219 operating days (406%) compared to 54 Canadian drilling rig operating days in Q2 2021.

Gross margin in the Canadian Contract Drilling segment was $1.9 million, an increase of $2.0 million from a negative gross margin of $0.1 million in Q2 2021. The gross margin increase is a result of a 406% increase in Canadian drilling rig operating days and a 26% increase in average revenue per operating day while the increase in direct operating expenses, primarily related to inflationary increases in field labour, fuel and supplies cost, was successfully recovered from customers.

U.S. Contract Drilling revenue of $14.9 million for Q2 2022 (Q2 2021: $2.1 million) was achieved with 398 U.S. drilling rig operating days (Q2 2021: 60 U.S. drilling rig operating days). During Q2 2022, CWC had five (5) triple drilling rigs and two (2) double drilling rigs working in the U.S.

Gross margin in the U.S. Contract Drilling segment was $3.9 million, an increase of $3.5 million from $0.4 million in Q2 2021. The gross margin increase is a result of a 563% increase in U.S. drilling rig operating days partially offset by a 3% decrease in average revenue per operating day.

Total Contract Drilling's gross margin percentage of 26% in Q2 2022 is higher than the 9% gross margin percentage in Q2 2021 as the Company was successful in increasing pricing and recovering inflationary increases for field labour, fuel and supplies costs from customers.

Production Services – Canada

$ thousands, except margins, number of rigs, revenue per operating hour, and utilization	Three months ended June 30, 2022	Three months ended June 30, 2021	Change $	Change %	Six months ended June 30, 2022	Six months ended June 30, 2021	Change $	Change %
Revenue	19,963	13,073	6,890	53%	44,082	30,424	13,658	45%
Direct operating expenses	13,405	9,998	3,407	34%	28,974	22,153	6,821	31%
Gross margin [(1)]	6,558	3,075	3,483	113%	15,108	8,271	6,837	83%
Gross margin percentage [(1)]	33%	24%	n/a	9%	34%	27%	n/a	7%
Service rigs, end of period								
Active service rigs	64	68	(4)	(6%)	64	68	(4)	(6%)
Inactive service rigs	79	77	2	3%	79	77	2	3%
Total service rigs	143	145	(2)	(1%)	143	145	(2)	(1%)
Revenue per hour	$848	$623	$225	36%	$813	$627	$186	30%
Service rig operating hours	23,536	20,463	3,073	15%	54,192	47,550	6,642	14%
Service rig utilization %[(2)]	57%	47%	n/a	10%	65%	55%	n/a	10%

(1) Please refer to the "Non-GAAP and Other Financial Measures" section for further information.

(2) In accordance with CAOEC methodology, service rig utilization is 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 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.

Production Services revenue of $20.0 million in Q2 2022, an increase of $6.9 million (53%) compared to $13.1 million in Q2 2021 as both activity levels and pricing increased. CWC's service rig utilization in Q2 2022 of 57% (Q2 2021: 47%) with 23,536 operating hours was 15% higher than the 20,463 operating hours in Q2 2021. Average revenue per hour of $848 in Q2 2022 was $225 (36%) higher than the $623 per hour in Q2 2021 as the Company implemented pricing adjustments to partially offset higher inflationary field labour, fuel and supplies costs.

During Q2 2022, the Company earned $1.3 million (Q2 2021: $1.7 million) in revenue on 59 oil and gas sites (Q2 2021: 115) requiring well decommissioning under the Alberta Site Rehabilitation Program ("SRP") and 6 oil and gas sites (Q2 2021: 13) 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 March 31, 2023. CWC's Production Services segment is well positioned to continue to provide well decommissioning work on these inactive wells.

Capital Expenditures

$ thousands	Three months ended June 30, 2022	2021	Change $	Change %	Six months ended June 30, 2022	2021	Change $	Change %
Capital expenditures								
Contract drilling	11,227	1,040	10,187	980%	13,129	1,995	11,134	558%
Production services	1,455	390	1,065	273%	2,229	710	1,519	214%
Other equipment	-	4	(4)	(100%)	115	4	111	2,775%
	12,682	1,434	11,248	784%	15,473	2,709	12,764	471%
Growth capital	9,994	734	9,260	1,262%	11,530	991	10,539	1,063%
Maintenance and infrastructure capital	2,688	700	1,988	284%	3,943	1,718	2,225	130%
Total capital expenditures	12,682	1,434	11,248	784%	15,473	2,709	12,764	471%

Capital expenditures of $12.7 million in Q2 2022, an increase of $11.2 million compared to $1.4 million in Q2 2021. The increase in Q2 2022 is primarily due to the purchase of three (3) triple drilling rigs for US$7.4 million (C$9.6 million) and recertifications of equipment.

Outlook

The outlook for contract drilling and well servicing in Canada and the U.S. continues to improve as the removal of economic restrictions due to the COVID-19 health pandemic has created an increased demand for crude oil and natural gas without a sufficient corresponding increase in global supply. This supply/demand imbalance, along with Russia's invasion of Ukraine, has resulted in increases in the crude oil and natural gas prices that we have seen for the first half of 2022. Discussion about energy security is on the top of many governmental agendas, which should bode well for North American oil and gas activity and oilfield service companies for the foreseeable future. CWC believes North American oilfield service activity will continue to increase in the back half of 2022 and into 2023.

CWC experienced a very strong Q2 2022 with both activity and prices increasing, which led to the Company achieving record second quarter and first half revenue, Adjusted EBITDA and net income in the Company's seventeen (17) year history. The Company believes that demand for our contract drilling and well servicing will increase for the remainder of 2022 and into 2023 buoyed by the addition of our thirteen (13) triple drilling rigs in the U.S. CWC currently has work for all seven (7) of seven (7) drilling rigs in Canada and eight (8) of twelve (12) drilling rigs in the U.S. The three (3) newly acquired U.S. triple drilling rigs are currently undergoing Level IV recertifications and upgrades and are expected to be marketable in Q4 2022. 52 of the 64 active service rigs in Canada are crewed and have work for the back half of 2022 and into 2023. CWC has been successful in recruiting new field employees and crewing both our drilling and service rigs. The Company now employs over 640 employees; a higher employee count than our February 2020 pre-COVID-19 employment level. However, the primary constraint for how quickly the industry and CWC can grow continues to be the available labour market for rig crews, which remains extremely tight. This limited availability of rig crews has resulted in inflationary pressure on field labour costs as well as fuel and supplies, which have been and will continue to be, passed on to our E&P customers through further price increases in the back half of 2022.

While CWC expects a continuation of the strong operational and financial results for the remainder of 2022, various global uncertainties may derail the Company's expected positive path. Russia's invasion of Ukraine has elicited a strong global response of sanctions against Russia from many western countries. Such sanctions may have a negative effect on the global economy through supply chain disruptions and volatile commodity prices. In addition, many global economies are experiencing high levels of inflation resulting in central banks increasing interest rates at a rapid pace, which is intended to slow the pace of inflation. If interest rates increase too rapidly, or rise to a high enough level whereby economic activity slows significantly resulting in a global recession, CWC may be negatively impacted.

In June 2022, CWC released its 2022 Environmental, Social and Governance ("ESG") Report. Since the release of our inaugural report last year, we've made numerous strides in our ESG journey, including being leaders in the Canadian drilling and well services sector by publicly reporting our Scope 1 and 2 emissions. We are committed to advancing these efforts further in future years as we work on emission reductions and setting targets with our customers to reduce our collective environmental impact. 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 and converting a service rig to a Tier 4 engine. As we progress through 2022, we are deepening our commitment to ESG excellence and look forward to sharing our initiatives and progress with our stakeholders. CWC is honoured to have worked with one of our customers on drilling Alberta's first lithium evaluation well. We are proud of the versatility of our equipment and are not just limited to working strictly in the oil and gas fields. CWC has worked on carbon capture, helium, potash and saltwater disposal wells in the past, thereby reflecting the diversity and versatility of the nature of work for our drilling rigs. Management is confident that CWC will continue to be regarded as a leader in ESG and sustainability matters in the oilfield services industry as the nature of the work for our equipment evolves.

About CWC Energy Services Corp.

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 operational locations in Nisku, Grande Prairie, Slave Lake, Sylvan Lake, Drayton Valley, Lloydminster, Provost and Brooks, Alberta and U.S. offices in Denver, Colorado and Casper, Wyoming. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

For more information, please contact:

CWC Energy Services Corp.
2910, 605 – 5th Avenue SW
Calgary, Alberta T2P 3H5
Telephone: (403) 264-2177
Email: info@cwcenergyservices.com

Duncan T. Au, FCPA, FCA, CFA, ICD.D
President & Chief Executive Officer

Stuart King, CPA, CA
Chief Financial Officer

Forward-Looking Information

This News Release contains certain forward-looking information and statements (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. Certain statements contained in this News Release, including 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 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 industry and Company activity levels in various areas, expectations on the sustainability of future cash flow and earnings, expectations with respect to crude oil and natural gas prices, 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 our customer base, and expectations regarding the business, operations, revenue and debt levels of the Company in addition to general economic conditions including industry labor shortages, inflationary pressures and a rising interest rate environment and the impact of those conditions on the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of CWC's businesses include, among other things: risks and assumptions associated with operations, such as CWC's ability to successfully implement its strategic initiatives and achieve expected benefits therefrom; assumptions concerning operational reliability; the ability to access sufficient capital from internal and external sources including debt and equity capital; risks inherent in CWC's Canadian and U.S. operations; CWC's ability to generate sufficient cash flow from operations to meet its current and future obligations; risks associated with the failure to finalize formal agreements with counterparties in certain circumstances; CWC's ability to make capital investments and the amounts of capital investments; increases in maintenance, operating or financing costs; the realization of the anticipated benefits of transactions; the possibility that CWC is unable to identify or consummate any acceptable strategic alternatives; the availability and price of labour, equipment and construction materials; the status, credit risk and continued existence of customers having contracts with CWC and its affiliates; availability of energy commodities; volatility of and assumptions regarding prices of energy commodities; competitive factors, including competition from third parties in the areas in which CWC operates or intends to operate, pricing pressures and supply and demand in the drilling and service rig business; fluctuations in currency and interest rates; inflation; risks of war (including the war in Ukraine), hostilities, civil insurrection, *pandemics (including COVID-19), instability and political and economic conditions in or affecting jurisdictions in which CWC and its affiliates operate; severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to CWC's business; the risks associated with existing and potential or threatened future lawsuits, legal proceedings and regulatory actions against CWC and its affiliates; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals or land access rights and maintenance of support of such approvals and rights; the effects and impacts of the COVID-19 pandemic on CWC's business and general economic and business conditions and markets; and such other risks and uncertainties described in the Annual MD&A under the section entitled "Risk Factors" and from time to time in CWC's reports and filings with the Canadian securities authorities. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and CWC's future course of action depends on management's assessment of all information available at the relevant time. You can find a discussion of those risks and uncertainties in the Annual MD&A under the section entitled "Risk Factors" and in CWC's other securities filings at www.sedar.com.*

Readers are cautioned that the foregoing list of assumptions, risks, uncertainties and factors is not exhaustive. See also the section entitled "Risks and Uncertainties" for further risk factors. The forward-looking statements contained in this News Release are made as of the date of this News Release and, except to the extent expressly required by applicable securities laws and regulations, CWC assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this News Release and all subsequent forward-looking statements, whether written or oral, attributable to CWC or persons acting on CWC's behalf are expressly qualified in their entirety by these cautionary statements. Any forward-looking statements made previously may be inaccurate now.

Non-GAAP and Other Financial Measures

$ thousands, except shares, per share amounts and margins	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
NON-GAAP MEASURES				
Adjusted EBITDA:				
Net income (loss)	2,664	(759)	6,103	(312)
Add:				
Stock based compensation	231	167	462	343
Finance costs	605	246	993	505
Depreciation and amortization	2,982	2,581	5,908	5,277
Impairment of assets	-	-	-	1,296
Loss on sale of equipment	227	418	564	206
Income tax expense (recovery)	891	(164)	1,996	28
Adjusted EBITDA(1)	7,600	2,489	16,026	7,343
Adjusted EBITDA per share – basic and diluted(1)	$ 0.01	$ 0.00	$ 0.03	$ 0.01
Adjusted EBITDA margin (Adjusted EBITDA/Revenue)(1)	18%	15%	19%	18%
Weighted average number of shares outstanding - basic	509,786,609	504,534,525	509,459,831	505,286,936
Weighted average number of shares outstanding - diluted	523,123,662	504,534,525	520,768,461	505,286,936
Gross margin:				
Revenue	42,681	16,497	83,512	41,166
Less: Direct operating expenses	30,262	13,116	57,575	30,664
Gross margin(2)	12,419	3,381	25,937	10,502
Gross margin percentage(2)	29%	20%	31%	26%

$ thousands	June 30, 2022	December 31, 2021
Working capital (excluding debt):		
Current assets	33,803	27,911
Less: Current liabilities	(11,233)	(9,709)
Add: Current portion of long-term debt	735	764
Working capital (excluding debt) (3)	23,305	18,966
Working capital (excluding debt) ratio(3)	3.2:1	3.1:1
Net debt:		
Long-term debt	49,038	45,083
Less: Current assets	(33,803)	(27,911)
Add: Current liabilities	11,233	9,709
Net debt (4)	26,468	26,881

(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, transaction costs, 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 the 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-GAAP 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.