For Immediate Release: March 1, 2023

CWC ENERGY SERVICES CORP. ANNOUNCES RECORD FOURTH QUARTER AND YEAR END 2022 OPERATIONAL AND FINANCIAL RESULTS AND INCREASE TO 2023 CAPITAL EXPENDITURE BUDGET

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. (“CWC” or the “Company”) announces the release of its operational and financial results for the three months and year ended December 31, 2022. The Financial Statements and Management Discussion and Analysis (“MD&A”) for the three months and year ended December 31, 2022 are filed on SEDAR at www.sedar.com.

Financial Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended December 31, 2022	2021	Change $	Change %	Twelve months ended December 31, 2022	2021	2020
FINANCIAL RESULTS							
Revenue							
Contract Drilling	35,249	12,533	22,716	181%	110,574	31,712	19,859
Production Services	24,790	21,160	3,630	17%	94,758	70,923	48,034
	60,039	33,693	26,346	78%	205,332	102,635	67,893
Other income (expense)	-	(927)	927	(100%)	-	3,835	6,786
Adjusted EBITDA(1)	13,736	6,135	7,601	124%	45,931	18,872	11,098
Adjusted EBITDA margin (%)(1)	23%	18%			22%	18%	16%
Impairment (reversal) of assets	(23,261)	-	(23,261)	n/m(3)	(23,261)	1,296	25,451
Net income (loss)	26,040	2,866	23,174	809%	41,660	4,573	(24,490)
Net income (loss) margin (%)(2)	43%	9%		34%	20%	4%	(36%)
Capital expenditures	5,724	25,039	(19,315)	(77%)	26,041	29,278	5,138
Per share information:							
Weighted average number of shares outstanding – basic	514,082,344	506,011,580			511,284,083	505,337,978	507,104,004
Weighted average number of shares outstanding - diluted	531,620,255	513,877,389			528,821,994	513,203,787	507,104,004
Adjusted EBITDA(1) per share - basic and diluted	$ 0.03	$ 0.01			$ 0.09	$ 0.04	$ 0.02
Net income (loss) per share - basic and diluted	$ 0.05	$ 0.01			$ 0.08	$ 0.01	$ (0.05)

$ thousands, except ratios	As at December 31, 2022	2021	2020
FINANCIAL POSITION AND LIQUIDITY			
Working capital (excluding debt)(1)	35,942	18,966	12,069
Working capital (excluding debt) ratio(1)	3.6:1	3.1:1	2.9:1
Total assets	287,552	226,645	202,223
Total long-term debt (including current portion)	43,004	45,847	30,231
Shareholders' equity	210,381	163,269	157,977

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

Working capital (excluding debt) for December 31, 2022, has increased $17.0 million (90%) since December 31, 2021, driven by increases in accounts receivable ($19.7 million (75%)) and prepaid expenses and deposits ($2.3 million (143%)) offset by increases in accounts payable ($5.0 million (56%)). Long-term debt (including current portion) of $43.0 million has decreased $2.9 million (6%) from December 31, 2021, primarily due to the repayment of long-term debt from operating cash flows in 2022.

Highlights for the Three Months Ended December 31, 2022

- Q4 2022 saw the Company achieve a new milestone for the fourth quarter with Q4 record revenue, Adjusted EBITDA and net income in CWC's eighteen (18) year history.
- Record Q4 2022 revenue of $60.0 million, an increase of $26.3 million (78%) compared to $33.7 million in Q4 2021. Revenue increased $22.7 million (181%) in Q4 2022 for the Contract Drilling segment and $3.6 million (17%) for the Production Services segment compared to Q4 2021.
- Record Q4 2022 Adjusted EBITDA(1) of $13.7 million, an increase of $7.6 million (124%) compared to $6.1 million in Q4 2021.
- Record Q4 2022 net income of $26.0 million, an increase of $23.2 million compared to $2.9 million in Q4 2021. The increase is primarily due to a $23.3 million reversal of an impairment charge to assets taken in 2015 and 2020.
- During Q4 2022, 210,000 (Q4 2021: nil) common shares were purchased under the Normal Course Issuer Bid ("NCIB") which were cancelled and returned to treasury.

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

Highlights for the Year Ended December 31, 2022

- The year ended December 31, 2022 saw the Company achieve a new milestone with record revenue, Adjusted EBITDA(1) and net income in CWC's eighteen (18) year history.
- Record revenue for 2022 of $205.3 million, an increase of $102.7 million (100%) compared to $102.6 million in 2021, surpassing the previous annual record revenue of $144.8 million for the year ended 2018. Revenue increased $78.9 million (249%) in the Contract Drilling segment and $23.8 million (34%) in the Production Services segment compared to 2021.
- Record Adjusted EBITDA(1) for 2022 of $45.9 million, an increase of $27.0 million (143%) compared to $18.9 million in 2021, surpassing the previous annual record Adjusted EBITDA of $34.1 million for the year ended 2014.
- Record net income for 2022 of $41.7 million, an increase of $37.1 million compared to $4.6 million in 2021, surpassing the previous annual record net income of $12.7 million for the year ended 2011.
- On June 24, 2022, purchased three (3) triple drilling rigs and critical spare components for US$7.4 million (C$9.6 million).
- 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.
- On November 16, 2022, the Company reinstated its NCIB with an Automatic Securities Purchase Plan ("ASPP") with Raymond James Ltd., which expires on November 15, 2023. For the year ended December 31, 2022, the Company purchased 210,000 (2021: 2,249,500) common shares under the NCIB which were cancelled and returned to treasury.

- Drilled Alberta's first lithium brine evaluation well in June 2022, showing the diversity and versatility of our equipment.
- First Canadian drilling and well servicing company to publicly report our Scope 1 and 2 emissions in our 2022 ESG Report in June 2022.

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

2023 Capital Expenditure Budget

On March 1, 2023 the Board of Directors approved an additional $0.3 million of maintenance capital and $3.7 million of growth capital, the bulk of which will be used to purchase real estate in the United States, bringing the total capital expenditure budget for 2023 to $30.3 million. The Company intends to finance its 2023 capital expenditure budget from operating cash flows.

Industry Overview

Average crude oil and natural gas prices

	Three months ended							
	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Crude oil								
West Texas Intermediate (US$/bbl)	82.65	91.55	108.41	94.29	77.19	70.56	66.12	57.79
Western Canadian Select (US$/bbl)	54.48	70.95	93.05	81.49	60.44	57.64	54.68	45.39
Natural gas								
AECO (C$/mcf)	6.00	5.00	6.92	4.66	4.89	3.75	3.05	2.91

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 significant increases in crude oil and natural gas prices in 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 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$70 to US$80/bbl. Despite recessionary fears, discussion about energy security is at 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, nine (9) 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.

For the year ended December 31, 2022, approximately 88% of revenue (2021: 71%) was from work on crude oil wells, 11% (2021: 27%) was from natural gas wells and 1% was from other wells comprised of carbon capture and lithium brine wells (2021: 2% was from other wells comprised of carbon capture, helium, and salt water disposal wells). Further, approximately 60% of revenue (2021: 36%) was related to drilling and completions work, 29% of revenue (2021: 47%) was from maintenance and workovers on producing wells and 11% of revenue (2021: 17%) was from well decommissioning.

Results of Operations

$ thousands, except per share amounts	Three months ended December 31, 2022	2021	Change $	Change %	Twelve months ended December 31, 2022	2021	Change $	Change %
Revenue	60,039	33,693	26,346	78%	205,332	102,635	102,697	100%
Direct operating expenses	39,565	22,168	17,397	78%	136,947	72,288	64,659	89%
Gross margin [1]	20,474	11,525	8,949	78%	68,385	30,347	38,038	125%
Other income (expense)	-	(927)	927	(100%)	-	3,835	(3,835)	(100%)
Selling and administrative expenses	6,738	4,463	2,275	51%	22,454	15,310	7,144	47%
Adjusted EBITDA[1]	13,736	6,135	7,601	124%	45,931	18,872	27,059	143%
Stock based compensation	356	263	93	35%	1,049	782	267	34%
Finance costs	855	294	561	191%	2,558	1,086	1,472	136%
Depreciation	3,033	2,774	259	9%	12,162	10,563	1,599	15%
(Gain) loss on disposal of equipment	(27)	(208)	181	(87%)	50	(251)	301	120%
Impairment (reversal) of assets	(23,261)	-	(23,261)	n/m[2]	(23,261)	1,296	(24,557)	(1,895%)
Income before income taxes	32,780	3,012	29,768	988%	53,373	5,396	47,977	889%
Current tax expense	114	-	114	n/m[2]	114	-	114	n/m[2]
Deferred tax expense	6,626	146	6,480	4,438%	11,599	823	10,776	1,309%
Income tax expense	6,740	146	6,594	4,516%	11,713	823	10,890	1,323%
Net income	26,040	2,866	23,174	809%	41,660	4,573	37,087	811%
Net income per share								
Basic and diluted	$ 0.05	$ 0.01	$ 0.04	400%	$ 0.08	$ 0.01	$ 0.07	700%

(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 December 31, 2022	2021	Change $	Change %	Twelve months ended December 31, 2022	2021	Change $	Change %
Revenue								
Canada	12,432	9,755	2,677	27%	47,279	24,710	22,569	91%
United States	22,817	2,778	20,039	721%	63,295	7,002	56,293	804%
	35,249	12,533	22,716	181%	110,574	31,712	78,862	249%
Direct operating expenses								
Canada	8,256	6,810	1,446	21%	32,445	18,833	13,612	72%
United States	15,786	2,060	13,726	666%	44,602	5,294	39,308	743%
	24,042	8,870	15,172	171%	77,047	24,127	52,920	219%
Gross margin (1)								
Canada	4,176	2,945	1,231	42%	14,834	5,877	8,957	152%
United States	7,031	718	6,313	879%	18,693	1,708	16,985	994%
	11,207	3,663	7,544	206%	33,527	7,585	25,942	342%
Gross margin percentage (1)								
Canada	34%	30%	n/a	4%	31%	24%	n/a	7%
United States	31%	26%	n/a	5%	30%	24%	n/a	6%
	32%	29%	n/a	3%	30%	24%	n/a	6%
Total drilling rigs, end of period								
Canada	7	7	-	0%	7	7	-	0%
United States	15	12	3	25%	15	12	3	25%
	22	19	3	16%	22	19	3	16%
Revenue per operating day(2)								
Canada	$31,959	$25,103	$6,856	27%	$29,904	$23,433	$6,471	28%
United States (US$)	US$29,847	US$28,425	US$1,422	5%	US$28,200	US$28,198	US$2	0%
Drilling rig operating days								
Canada	389	387	2	1%	1,581	1,054	527	50%
United States	563	79	484	613%	1,707	198	1,509	762%
	952	466	486	104%	3,288	1,252	2,036	163%
Drilling rig utilization %(3)								
Canada	61%	60%	n/a	1%	62%	41%	n/a	21%
United States	51%	11%	n/a	40%	39%	16%	n/a	23%
	55%	56%	n/a	(1%)	47%	38%	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 $12.4 million in Q4 2022, an increase of $2.7 million (27%) compared to $9.8 million in Q4 2021, was achieved with a utilization rate of 61% (Q4 2021: 60%), compared to the CAOEC industry average of 38% (Q4 2021: 29%). CWC completed 389 Canadian drilling rig operating days in Q4 2022, an increase of 2 operating days (1%) compared to 387 Canadian drilling rig operating days in Q4 2021 as all seven (7) Canadian drilling rigs were working during the quarter.

Gross margin in the Canadian Contract Drilling segment was $4.2 million, an increase of $1.2 million from $2.9 million in Q4 2021. The gross margin increase is a result of a 27% 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 $22.8 million in Q4 2022, an increase of $20.0 million (721%) compared to $2.8 million in Q4 2021, was achieved with 563 U.S. drilling rig operating days (Q4 2021: 79 U.S. drilling rig operating days). During Q4 2022, CWC had eight (8) of twelve (12) marketable drilling rigs working in the U.S.

Gross margin in the U.S. Contract Drilling segment was $7.0 million, an increase of $6.3 million compared to $0.7 million in Q4 2021. The gross margin increase is a result of a 613% increase in U.S. drilling rig operating days.

Total Contract Drilling's gross margin percentage of 32% in Q4 2022 is higher than the 29% gross margin percentage in Q4 2021 as the Company was successful in increasing pricing and recovering inflationary increases for field labour, fuel and supplies cost from customers.

Production Services – Canada

$ thousands, except margins, number of rigs, revenue per operating hour, and utilization	Three months ended December 31, 2022	Three months ended December 31, 2021	Change $	Change %	Twelve months ended December 31, 2022	Twelve months ended December 31, 2021	Change $	Change %
Revenue	24,790	21,160	3,630	17%	94,758	70,923	23,835	34%
Direct operating expenses	15,523	13,298	2,225	17%	59,900	48,161	11,739	24%
Gross margin (1)	9,267	7,862	1,405	18%	34,858	22,762	12,096	53%
Gross margin percentage (1)	37%	37%	n/a	0%	37%	32%	n/a	5%
Service rigs, end of period								
Active service rigs	64	67	(3)	(4%)	64	67	(3)	(4%)
Inactive service rigs	79	77	2	3%	79	77	2	3%
Total service rigs	143	144	(1)	(1%)	143	144	(1)	(1%)
Revenue per hour	$923	$712	$211	30%	$860	$672	$188	28%
Service rig operating hours	26,854	29,732	(2,878)	(10%)	110,241	105,570	4,675	4%
Service rig utilization %(2)	64%	68%	n/a	(4%)	66%	60%	n/a	6%

(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 $24.8 million in Q4 2022, an increase of $3.6 million (17%) compared to $21.2 million in Q4 2021 as the Company was successful in implementing pricing adjustments to partially offset higher inflationary field labour, fuel and supply costs as evident from the average revenue per hour of $923 in Q4 2022 increasing $211 per hour (30%) compared to the $712 per hour in Q4 2021. CWC's service rig utilization in Q4 2022 of 64% (Q4 2021: 68%) with 26,854 operating hours was 10% lower than the 29,732 operating hours in Q4 2021 as extremely cold weather conditions in December 2022 and budget exhaustion from our E&P customers resulted in reduced activity in Q4 2022 compared to Q4 2021.

During Q4 2022, the Company earned $0.7 million (Q4 2021: $1.3 million) in revenue on 34 oil and gas sites (Q4 2021: 87) requiring well decommissioning under the Alberta Site Rehabilitation Program ("SRP") and 8 oil and gas sites (Q4 2021: 2) under the Saskatchewan Accelerated Site Closure Program ("ASCP") as the Company appropriately pivoted away from well decommissioning work to production-oriented maintenance and workover work. The $1.0 billion Alberta SRP, the $400 million ASCP and the $100 million B.C. Dormant Sites Reclamation Program ("DSRP") provided grants until February 14, 2023 to eligible oilfield service contractors to perform well, pipeline, and oil and gas site closure and reclamation work, creating jobs and supporting the environment.

Capital Expenditures

$ thousands	Three months ended December 31, 2022	2021	Change $	Change %	Twelve months ended December 31, 2022	2021	Change $	Change %
Capital expenditures								
Contract drilling	4,433	24,778	(20,345)	(82%)	21,493	27,793	(6,300)	(23%)
Production services	1,290	250	1,040	416%	4,420	1,470	2,950	201%
Other equipment	1	11	(10)	(91%)	128	15	113	753%
	5,724	25,039	(19,315)	(77%)	26,041	29,278	(3,237)	(11%)
Growth capital	4,267	23,664	(19,397)	(82%)	19,559	25,393	(5,834)	(23%)
Maintenance and infrastructure capital	1,457	1,375	82	8%	6,482	3,885	2,597	67%
Total capital expenditures	5,724	25,039	(19,315)	(77%)	26,041	29,278	(3,237)	(11%)

Capital expenditures of $5.7 million in Q4 2022, a decrease of $19.3 million compared to $25.0 million in Q4 2021. The decreased capital expenditures for Q4 2022 was primarily due to the purchase of ten (10) triple drilling rigs and ancillary equipment for US$18.5 million (C$23.5 million) in Q4 2021 with no comparable purchase in Q4 2022.

Capital expenditures of $26.0 million for the year ended December 31, 2022, a decrease of $3.2 million compared to $29.3 million in 2021. The decreased capital expenditure for 2022 compared to 2021 was primarily due to the purchase of three (3) triple drilling rigs and critical spare components for US$7.4 million (C$9.6 million) and upgrades and Level IV re-certifications of these three (3) triple drilling rigs spent in 2022 of $4.6 million, which was less than the amount spent to purchase ten (10) triple drilling rigs and ancillary equipment for US$18.5 million (C$23.5 million) in 2021.

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 saw in 2022. Discussion about energy security is at 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. Analysts forecast North American drilling activity will continue to rise under a favourable crude oil and natural gas price environment, although at a sustainable and measured pace given the capital discipline instilled upon E&P companies by their debt and equity stakeholders for return of capital through debt reduction, dividends and share buybacks. These sustainable and measured increases in oilfield activity levels should bode well for CWC as E&P customers gradually increase their drilling programs and complete maintenance on existing wells to increase their production.

Barring a severe global recession, some analysts believe that global crude oil prices could continue to move higher to US$100/bbl[(1)] in 2023 based on the following factors:

- Increased demand for crude oil as a result of the re-opening of China's economy from COVID-19 lockdown;
- OPEC announced in October 2022 a crude oil production cut of 2.0 million bbls/day throughout 2023;
- Sanctions on the purchase of Russian crude oil by European Union ("EU") members and G7 nations, which took effect in December 2022, with EU members capping the purchase price of Russian crude oil at $60/bbl;
- Russia announced in February 2023 a crude oil production cut of 500,000 bbls/day in response to western nation sanctions; and
- U.S. Strategic Petroleum Reserve ("SPR") inventory is at one of its lowest levels in four (4) decades as a result of the U.S. approving a release of 180 million bbls over six (6) months that ended in October 2022 as a response to Russia's invasion of Ukraine and the resultant increase in crude oil prices. The U.S. administration intends to replenish its SPR inventory in 2023 when WTI is at a price of $72/bbl or lower.

(1) Source: Goldman Sachs

CWC believes the increased global demand and decreased global supply should result in an upward movement in crude oil prices, which could translate into increased North American oilfield services activity in 2023.

2022 was a record year for CWC in its eighteen (18) year history. The Company has been successful in recruiting new field employees and crewing both its drilling and service rigs. As at December 31, 2022 the Company employed 665 employees; a higher employee count than its February 2020 pre-COVID-19 employment level of 620 employees. 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 in 2022, which have been and will continue to be passed on to E&P customers if further price increases arise in 2023.

While CWC expects a continuation of its strong operational and financial results for 2023, 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 economic growth and 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 its inaugural report in 2021, the Company has made numerous strides in its ESG journey, including as a leader in the Canadian drilling and well services sector by publicly reporting its Scope 1 and 2 emissions. CWC is committed to further advancing these efforts in future years as the Company works with its customers on emission reductions and setting targets to reduce its collective environmental impact. One of the initial steps CWC has taken towards meeting its ESG targets has been to convert some field equipment to have carbon reduction bi-fuel capabilities and converting a service rig to a Tier 4 engine. As the Company moves into 2023, CWC is deepening its commitment to ESG excellence and to sharing these initiatives and progress with its stakeholders. In 2022, CWC was honoured to have worked with a customer on drilling Alberta's first lithium brine evaluation well. CWC is proud of the versatility of its equipment which is not 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 its 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 CWC's equipment evolves.

About CWC Energy Services Corp.

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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 December 31, 2022	2021	Twelve months ended December 31, 2022	2021	2020
NON-GAAP MEASURES					
Adjusted EBITDA:					
Net income (loss)	26,040	2,866	41,660	4,573	(24,490)
Add:					
Stock based compensation	356	263	1,049	782	1,094
Finance costs	855	294	2,558	1,086	2,135
Depreciation	3,033	2,774	12,162	10,563	11,001
Impairment (reversal) of assets	(23,261)	-	(23,261)	1,296	25,451
(Gain) loss on disposal of equipment	(27)	(208)	50	(251)	844
Income tax expense (recovery)	6,740	146	11,713	823	(4,937)
Adjusted EBITDA(1)	13,736	6,135	45,931	18,872	11,098
Adjusted EBITDA per share – basic and diluted(1)	$ 0.03	$ 0.01	$ 0.09	$ 0.04	$ 0.02
Adjusted EBITDA margin (Adjusted EBITDA/Revenue)(1)	23%	18%	22%	18%	16%
Weighted average number of shares outstanding - basic	514,082,344	506,011,580	511,284,083	505,337,978	507,104,004
Weighted average number of shares outstanding - diluted	531,620,255	513,877,389	528,821,994	513,203,787	507,104,004
Gross margin:					
Revenue	60,039	33,693	205,332	102,635	67,893
Less: Direct operating expenses	39,565	22,168	136,947	72,288	49,149
Gross margin(2)	20,474	11,525	68,385	30,347	18,744
Gross margin percentage(2)	34%	34%	33%	30%	28%

$ thousands	December 31, 2022	December 31, 2021	December 31, 2020
Working capital (excluding debt):			
Current assets	49,925	27,911	18,323
Less: Current liabilities	(14,848)	(9,709)	(7,004)
Add: Current portion of long-term debt	865	764	750
Working capital (excluding debt) (3)	35,942	18,966	12,069
Working capital (excluding debt) ratio(3)	3.6:1	3.1:1	2.9:1
Net debt:			
Long-term debt	42,139	45,083	29,481
Less: Current assets	(49,925)	(27,911)	(18,323)
Add: Current liabilities	14,848	9,709	7,004
Net debt (4)	7,062	26,881	18,162

(1) Adjusted EBITDA (earnings before interest and finance costs, income tax expense, depreciation, 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.