For Immediate Release: August 10, 2018

CWC ENERGY SERVICES CORP. ANNOUNCES SECOND QUARTER 2018 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 six months ended June 30, 2018. The Financial Statements and Management Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2018 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, 2018	2017	Change %	Six months ended June 30, 2018	2017	Change %
FINANCIAL RESULTS						
Revenue						
Contract drilling	2,824	3,042	(7%)	14,509	14,178	2%
Production services	19,421	12,072	61%	56,661	33,444	69%
	22,245	15,114	47%	71,170	47,622	49%
Adjusted EBITDA [1]	31	228	(86%)	7,509	5,378	40%
Adjusted EBITDA margin (%) [1]	0%	2%		11%	11%	
Funds from operations	31	228	(86%)	7,509	5,378	40%
Net loss and comprehensive loss	(3,067)	(2,677)	15%	(1,871)	(3,045)	(39%)
Net loss and comprehensive loss margin (%)	(14%)	(18%)	n/m[2]	(3%)	(6%)	n/m[2]
Per share information:						
Weighted average number of shares outstanding – basic and diluted	521,289,658	392,935,814		521,682,326	392,604,720	
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)	($0.01)		($0.00)	($0.01)	

$ thousands, except ratios	June 30, 2018	December 31, 2017
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) [1]	7,327	19,543
Working capital (excluding debt) ratio [1]	1.6:1	2.6:1
Total assets	250,039	264,354
Total long-term debt (including current portion)	36,803	49,810
Shareholders' equity	184,834	186,519

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

Highlights for the Three Months Ended June 30, 2018

- Average Q2 2018 crude oil pricing, as measured by WTI, of US$67.97/bbl was 8% higher than Q1 2018 average price of US$62.89/bbl. However, the price differential between Canadian heavy crude oil, as represented by WCS, and WTI widened at times during the quarter from US$20 to US$25/bbl compared to the historical normalized range of US$10/bbl to US$15/bbl causing E&P companies to shorten their drilling program. Natural gas prices, as measured by AECO, decreased 45% from an average of $2.06/GJ in Q1 2018 to $1.14/GJ in Q2 2018 (Q2 2017: $2.64/GJ), and is extremely low in historically terms.

- CWC's drilling rig utilization of 16% in Q2 2018 (Q2 2017: 19%) was consistent with the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 17%. Activity levels decreased 14% in Q2 2018 compared to Q2 2017 due to a longer than expected spring breakup with significant rain in some key operating areas in June 2018, as well as exploration and production ("E&P") companies shortening their drilling programs due to the widening price differential in Q2 2018 between WTI and WCS along with low natural gas prices. However, average revenue per operating day of $21,227 increased 8% over the comparable year ago quarter. In addition, significant customer driven improvements and upgrades to Rig #2 and Rig #4 were made during Q2 2018 which delayed these rigs from being in active service. The upgrades are expected to increase these two drilling rigs' capacity resulting in higher expected utilization for future quarters.

- CWC's service rig utilization of 30% in Q2 2018 (Q2 2017: 33%) was achieved with a Q2 Company record setting 28,831 operating hours, 44% higher than the 20,047 operating hours in Q2 2017 as a result of the additional service rigs acquired from C&J Energy Production Services-Canada Ltd ("C&J Canada"), while average revenue per hour of $642 increased 17% over the comparable year ago quarter. Q2 2018 spring breakup faced wetter weather conditions compared to the immediate two prior years, which provided equipment downtime to complete scheduled repairs and maintenance. During Q2 2018, CWC sold one inactive service rig for gross proceeds of $0.8 million.

- CWC's coil tubing utilization of 17% in Q2 2018 (Q2 2017: 19%) with 1,212 operating hours, 22% lower than the 1,557 operating hours in Q2 2017. While average revenue per hour of $762 increased 16% over the comparable year ago quarter. Q2 2018 operating hours were negatively impacted by the continuation of extremely low natural gas prices and the widening differential between WTI and WCS in the second quarter causing delays in allocation and commitment of capital by our E&P customers, as well as from unexpected repairs and maintenance to equipment causing delays in revenue generation.

- Revenue of $22.2 million, an increase of $7.1 million (47%) compared to $15.1 million in Q2 2017. The increase is primarily a result of the addition of the service rig assets of C&J Canada.

- Adjusted EBITDA (1) of $0.03 million in Q2 2018, a decrease of $0.2 million (-86%) compared to $0.2 million in Q2 2017. The decrease in Adjusted EBITDA in Q2 2018 is due to lower Contract Drilling rig activity and gross margins when compared to Q2 2017 and higher selling and administrative costs due to the C&J Canada acquisition. These are offset by a higher gross margin from the Production Services business, on higher operating hours. CWC has achieved 20 continuous quarters of positive Adjusted EBITDA since Q2 2013.

- Net loss of $3.1 million, an increase of $0.4 million (18%) compared to a net loss of $2.7 million in Q2 2017. The change in net loss is primarily due to the lower Adjusted EBITDA, higher finance and stock based compensation costs and losses on disposal of equipment, offset by lower depreciation and deferred income tax recovery.

- On June 29, 2018 the Company obtained a new five year credit facility (the "Mortgage Loan") in the principal amount of $12.8 million. The Mortgage Loan is secured by, among other things, a collateral mortgage from the Company in favour of the bank over properties located in Sylvan Lake, Brooks and Slave Lake Alberta. These new borrowing arrangements significantly reduce the Company's overall borrowing costs by reducing standby charges on the syndicated credit facilities (the "Bank Loan") and realizing a lower interest rate on the term Bank Loan. The Mortgage Loan has been amortized over 22 years with blended monthly principal and interest payments. Subsequent to June 30, 2018 the Company entered into an interest rate swap to effectively fix the interest rate at 4.00% until June 28, 2023.

- At the request of the company the Bank Loan was reduced from $100 million to $75 million to reduce borrowing costs and standby charges.

- On April 10, 2018, the Company renewed its Normal Course Issuer Bid (“NCIB”) as an Automatic Securities Purchase Plan (“ASPP”) with Raymond James Ltd., which now expires on April 9, 2019. During Q2 2018, 1,023,000 (Q2 2017: 1,404,000) common shares were purchased under the ASPP and 935,500 common shares were cancelled and returned to treasury.

Highlights for the Six Months Ended June 30, 2018

- CWC’s drilling rig utilization in the first six months of 2018 of 39% (2017: 42%) exceeded the CAODC industry average of 29%. Activity levels in 2018 have decreased 8% compared to 2017 due to exploration and production (“E&P”) companies shortening their drilling programs due to widening price differential between WCS and WTI and low natural gas prices. Year-to-date 2018 operating days of 630 (2017: 687 operating days) is the second most active since the acquisition of Ironhand Drilling Inc. in May 2014.

- For the first six months of 2018, CWC's service rig utilization was 43% compared to 44% in the same period in 2017. Activity levels in 2018 continue to set new Company records by increasing 56% to 82,809 operating hours (2017: 53,043 operating hours). The increase resulted from the additional service rigs acquired from C&J Canada.

- For the first six months of 2018, CWC’s coil tubing utilization was 29% compared to 36% in 2017. Activity levels in 2018 have decreased 27% to 4,219 operating hours (2017: 5,780 operating hours). Operating hours were negatively impacted by the continuation of low natural gas prices and the widening differential between WTI and WCS causing delays in allocation and commitment of capital by our E&P customers as well as from unexpected repairs and maintenance to equipment. During the first half of 2018, CWC sold one inactive coil tubing unit and one picker unit for gross proceeds of $0.8 million.

- Revenue of $71.2 million, an increase of $23.6 million (49%) compared to $47.6 million in the first six months of 2017. The increase is primarily a result of the addition of the service rig and swabbing rig assets of C&J Canada.

- Adjusted EBITDA [1] of $7.5 million, an increase of $2.1 million (40%) compared to $5.4 million in the first six months of 2017. The increase in Adjusted EBITDA is consistent with increased activity ($3.6 million) from Production Services due to the C&J Canada acquisition, offset by a decrease in Adjusted EBITDA in Contract Drilling ($0.3 million) and corporate expense of ($1.2 million).

- Net loss of $1.9 million, a decrease of $1.1 million (-39%) compared to a net loss of $3.0 million in the first six months of 2017. The decrease in net loss is due primarily to an increase in Adjusted EBITDA from Production Services as a result of increased activity from the C&J Canada acquisition.

- For the six months ended June 30, 2018, the Company purchased 2,417,500 (2017: 1,686,500) common shares under its NCIB and 2,254,000 (2017: 1,647,000) common shares were cancelled and returned to treasury.

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 WCSB, including the Montney, Cardium, Duvernay and other deep basin horizons. Part 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, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017	Jun. 30, 2017	Mar 31, 2017	Dec. 31, 2016	Sep. 30, 2016
Drilling Rigs								
Active drilling rigs, end of period	9	9	9	9	9	9	9	9
Inactive drilling rigs, end of period	-	-	-	-	-	-	-	-
Total drilling rigs, end of period	9	9	9	9	9	9	9	9
Revenue per operating day [(1)]	$21,227	$23,485	$23,572	$19,424	$19,575	$20,942	$20,623	$16,835
Drilling rig operating days	133	498	463	522	155	532	257	301
Drilling rig utilization % [(2)]	16%	61%	56%	63%	19%	66%	31%	37%
CAODC industry average utilization %	17%	52%	28%	29%	17%	40%	24%	17%
Wells drilled	11	45	30	29	17	41	21	21
Average days per well	12.1	11.1	15.0	18.0	9.1	13.0	12.2	14.3
Meters drilled (thousands)	41.0	161.7	128.1	112.2	45.6	151.8	82.0	70.0
Meters drilled per day	309	325	277	215	294	285	319	232
Average meters per well	3,724	3,593	4,270	3,869	2,684	3,702	3,906	3,332

(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) in accordance with the methodology prescribed by the CAODC.

Contract Drilling revenue of $2.8 million for Q2 2018 (Q2 2017: $3.0 million) was achieved with a utilization rate of 16% (Q2 2017: 19%), compared to the CAODC industry average of 17%. CWC had 133 drilling rig operating days in Q2 2018, a 14% decrease from the 155 drilling rig operating days in Q2 2017, which was the most drilling rig operating days in Q2 that CWC has had since its purchase of Ironhand Drilling Inc. in May 2014. The reduced operating days were due to a longer than expected spring breakup with significant rain in some key operating areas in June 2018, as well as E&P companies shortening their drilling programs due to the widening price differential in Q2 2018 between WTI and WCS along with low natural gas prices. However, Q2 2018 average revenue per operating day of $21,227 increased 8% over the $19,575 per day in Q2 2017. In addition, significant customer driven improvements and upgrades to Rig #2 and Rig #4 were made during Q2 2018 which delayed these rigs from being in active service. The upgrades are expected to increase these two drilling rigs' capacity resulting in higher expected utilization for future quarters.

Production Services

With a fleet of 148 service rigs, CWC is the largest well servicing company in Canada as measured by operating hours. CWC's service rig fleet consist of 77 single, 57 double, and 14 slant rigs providing services which include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. CWC has chosen to park 41 of its service rigs and focus its sales and operational efforts on the remaining 107 active service rigs.

CWCs fleet of nine coil tubing units consist of four Class I and five Class II coil tubing units having depth ratings from 1,500 to 3,200 metres. The Company continues to focus its sales and operational efforts on servicing SAGD wells that are shallower in depth and more appropriate for coil tubing operations.

CWC's fleet of 13 swabbing rigs were acquired as part of the C&J Canada acquisition and 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 casing. The Company has chosen to park five of its swabbing rigs and focus its sales and operational efforts on the remaining eight active swabbing rigs.

OPERATING HIGHLIGHTS	Three months ended Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sep. 30, 2016
Service Rigs								
Active service rigs, end of period	107	108	111	66	66	66	67	66
Inactive service rigs, end of period	41	41	38	8	8	8	7	8
Total service rigs, end of period	148	149	149	74	74	74	74	74
Operating hours	28,831	53,979	40,879	28,320	20,047	32,997	27,091	22,927
Revenue per hour	$642	$637	$606	$559	$551	$584	$536	$543
Service rig utilization % (1)	30%	56%	46%	47%	33%	56%	45%	38%
Coil Tubing Units								
Active coil tubing units, end of period	8	8	9	9	9	9	8	8
Inactive coil tubing units, end of period	1	1	1	1	1	1	2	1
Total coil tubing units, end of period	9	9	10	10	10	10	10	9
Operating hours	1,212	3,007	1,978	1,783	1,557	4,243	2,349	2,160
Revenue per hour	$762	$724	$728	$688	$657	$491	$507	$458
Coil tubing units utilization % (2)	17%	39%	24%	22%	19%	52%	32%	29%
Swabbing Rigs								
Active Swabbing rigs, end of period	8	8	9					
Inactive swabbing rigs, end of period	5	5	4					
Total swabbing rigs, end of period	13	13	13					
Operating hours	958	2,258	1,063					
Revenue per hour	$265	$310	$286					
Swabbing rig utilization % (1)	13%	31%	19%					

(1) Service and swabbing rig utilization is calculated based on 10 hours a day, 365 days a year. New service and swabbing rigs are added based on the first day of field service. Service and swabbing rigs requiring their 24,000 hour recertification, refurbishment or have been otherwise removed from service for greater than 90 days are excluded from the utilization calculation until their first day back in field service.

(2) Coil tubing unit utilization is calculated based on 10 hours a day, 365 days a year. New coil tubing units are added based on the first day of field service. Coil tubing units that have been removed from service for greater than 90 days are excluded from the utilization calculation until their first day back in field service.

Production Services revenue was $19.4 million in Q2 2018, up $7.3 million (61%) compared to $12.1 million in Q2 2017 primarily as a result of adding an additional 39 active service rigs and 8 active swabbing rigs from the C&J Canada acquisition. CWC's achieved service rig utilization of 30% in Q2 2018 (Q2 2017: 33%) with 28,831 operating hours (a new Q2 Company record) being 43% higher than the 20,047 operating hours in Q2 2017,while Q2 2018 average revenue per hour of $642 increased 17% over the $551 per hour in Q2 2017. Q2 2018 spring breakup faced wetter weather conditions compared to the immediate two prior years, which provided equipment downtime to complete scheduled repairs and maintenance.

CWC's coil tubing utilization of 17% in Q2 2018 (Q2 2017: 19%) with 1,212 operating hours being 22% lower than the 1,557 operating hours in Q2 2017. Q2 2018 operating hours were negatively impacted by the continuation of extremely low natural gas prices and the widening differential between WTI and WCS in the second quarter causing delays in allocation and commitment of capital by our E&P customers, as well as from unexpected repairs and maintenance to equipment causing delays in revenue generation. Average revenue per hour for coil tubing services of $762 in Q2 2018 is 15% higher than $657 in Q2 2017, which reflects some modest price improvements, but is primarily due to a higher mix of deeper Class II units, compared to lower priced Class I shallow units compared to Q2 2017.

CWC achieved swabbing rig utilization of 13% in Q2 2018 (Q2 2017: nil) with 958 operating hours. The low activity level reflects the continuation of extremely low natural gas prices as CWC's swabbing rigs are used primarily to remove liquids from shallow natural gas wellbores.

Capital Expenditures

	Three months ended June 30,				Six months ended June 30,			
$ thousands	**2018**	**2017**	**Change $**	**Change %**	**2018**	**2017**	**Change $**	**Change %**
Contract drilling	4,986	1,138	3,848	338%	5,116	1,284	3,832	298%
Production services	1,123	1,283	(160	(12%)	1,930	1,789	141	8%
Corporate	-	3	(3)	(100%)	28	9	19	211%
Total capital expenditures	6,109	2,424	3,685	152%	7,074	3,082	3,992	130%
Growth capital	4,278	372	3,906	1,050%	4,278	372	3,906	1,050%
Maintenance and infrastructure capital	1,831	2,052	(211)	11%	2,796	2,710	86	3%
Total capital expenditures	6,109	2,424	3,685	152%	7,074	3,082	3,992	130%

Capital expenditures for the first six months of 2018 of $7.1 million are $4.0 million higher than $3.1 million in 2017 and primarily consist of drilling rig upgrades, recertification costs, replacement components and leased vehicles. Growth capital of $4.3 million in Q2 2018 consists primarily of customer driven upgrades to drilling Rig #2 and Rig #4. Rig #2 upgrades of $1.0 million included a new mast, rising cylinders, catwalk and top drive integration. Drilling Rig #4 upgrades of $2.7 million in Q2 2018, with a further $0.8 million in July 2018 will provide a pad rig walking system, increase drilling capacity, torque, pump pressure and dual fuel engine capabilities while operating on a smaller footprint. These upgrades are expected to increase these two drilling rigs' capacity resulting in higher expected utilization for future quarters. Rig #2 and Rig #4's upgrades align with our strategic initiatives and meet our E&P customers' demands for deeper depths at cost effective prices while providing a sufficient internal rate of return for CWC's shareholders.

Outlook

The second quarter typically represents the seasonal low point during the year in activity, financial results and cash flow in the Canadian oilfield services sector as the thaw of frozen ground combined with typical wet weather conditions limits the ability to move heavy equipment to E&P customers' well sites. The steady rise in crude oil prices throughout 2017 and Q1 2018 carried on during Q2 2018 as WTI stayed between US$62/bbl and US$75/bbl in the second quarter. Crude oil, as represented by WTI, averaged US$67.97/bbl in Q2 2018, an increase of 8% over Q1 2018 average price of US$62.89/bbl and 41% higher than US$48.15/bbl in Q2 2017. However, the price differential between Canadian heavy crude oil, as represented by WCS, and WTI widened at times during the first half of 2018 to a range of US$20 to US$25/bbl compared to the historical normalized range of US$10/bbl to US$15/bbl causing E&P companies to shorten their drilling programs. Natural gas prices, as represented by AECO, averaged $1.14/GJ, a 45% decrease from Q1 2018 average of $2.06/GJ, and 57% lower than $2.64/GJ in Q2 2017. With the backdrop of an improving crude oil price and a depressed natural gas price, the Petroleum Services Association of Canada ("PSAC") on July 31, 2018 updated its 2018 forecast of number of wells drilled to 6,900 wells; a decrease of 500 wells or 6% compared to their January 31, 2018 forecast, and less than the 7,550 wells drilled in 2017.

CWC is currently experiencing continued strong utilization in our drilling rig and service rig business units. The Company expects to have nine of nine (100%) drilling rigs working in August 2018 once capital expenditure upgrades are completed on Rig #4. The Company's service rigs are anticipated to see continued strong industry demand and operate at utilization levels similar to 2017. CWC believes modest pricing increases will continue in the second half of 2018, but will be constrained by intense pricing from our competitors, which will put a cap on how high we will be able to increase our day and hourly rates. CWC has sustainably positioned itself by providing its E&P customers with the highest quality service from the highest quality people at reasonable prices. However, uncertainties around the proposed Government of Canada's Bill 69 legislation on the creation of the Canadian Energy Regulator and the Impact Assessment Act, which may impact the ability to develop new pipelines, will continue to negatively affect investment capital and growth in Canada's oil and gas industry in the near term. However, investment capital and growth could return if a positive result came from a final investment decision being made by proponents of a liquefied natural gas process facility in northeast British Columbia. CWC believes it would be very well positioned to benefit in the long-term should such a liquefied natural gas processing facility come to fruition.

While CWC remains focused on its operational and financial performance, it also recognizes the need to pursue opportunities that create long-term shareholder value. With the support of the Board of Directors, management continues to actively pursue opportunities to achieve higher utilization and EBITDA margins on its existing fleet while evaluating opportunities to consolidate the North American drilling and well servicing industry. CWC cautions that there are no guarantees that strategic opportunities will result in a transaction, or if a transaction is undertaken, as to its terms or timing.

About CWC Energy Services Corp.

CWC Energy Services Corp. is a premier contract drilling and well servicing company operating in the WCSB 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 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 MD&A contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this MD&A, including most of those contained in the section titled "Outlook" and including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project", "view" and similar expressions are intended to identify forward-looking information or statements. In particular, this MD&A contains forward-looking statements including management's assessment of future plans and operations, planned levels of capital expenditures, expectations as to activity levels, expectations on the sustainability of future cash flow and earnings and the ability to pay dividends, 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, expectations regarding entering into long-term drilling contracts and expanding its customer base, and expectations regarding the business, operations, revenue and debt levels of the Company in addition to general economic conditions. Although the Company believes that the expectations and assumptions on which such forward-looking information and statements are based are reasonable, undue reliance should not be placed on the forward-looking information and statements because the Company can give no assurances that they will prove to be correct. Since forward-looking information and statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the drilling and oilfield services sector (ie. demand, pricing and terms for oilfield drilling and services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations, stock market volatility and the inability to access sufficient capital from external and internal sources and the inability to pay dividends. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through SEDAR at www.sedar.com. The forward-looking information and statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Any forward-looking statements made previously may be inaccurate now.

Reconciliation of Non-IFRS Measures

$ thousands except share and per share amounts	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
NON-IFRS MEASURES				
Adjusted EBITDA:				
Net loss and comprehensive loss	(3,067)	(2,677)	(1,871)	(3,045)
Add:				
Depreciation	2,905	3,022	7,918	7,780
Finance costs	593	570	1,283	1,115
Deferred income tax recovery	(1,044)	(907)	(496)	(940)
Stock based compensation	237	226	522	426
Loss (gain) on sale of equipment	407	(6)	153	42
Adjusted EBITDA (1)	31	228	7,509	5,378
Adjusted EBITDA per share – basic and diluted (1)	$0.00	$0.00	$0.01	$0.01
Adjusted EBITDA margin (Adjusted EBITDA/Revenue) (1)	0%	2%	11%	11%
Weighted average number shares outstanding – basic and diluted	521,289,658	392,935,814	521,682,326	392,604,720
Gross margin:				
Revenue	22,245	15,114	71,170	47,622
Less: Direct operating expenses	17,904	11,764	54,250	35,782
Gross margin (2)	4,341	3,350	16,920	11,840
Gross margin percentage (2)	20%	22%	24%	25%

$ thousands	June 30, 2018	December 31, 2017
Working capital (excluding debt):		
Current assets	20,402	31,745
Less: Current liabilities	(13,916)	(12,378)
Add: Current portion of long term debt	841	176
Working capital (excluding debt) (3)	7,327	19,543
Working capital (excluding debt) ratio (3)	1.6:1	2.6:1
Net debt:		
Long term debt	35,962	49,634
Less: Current assets	(20,402)	(31,745)
Add: Current liabilities	13,916	12,378
Net debt (4)	29,476	30,267

(1) Adjusted EBITDA (Earnings before interest and finance costs, income tax expense, depreciation, amortization, gain or loss on disposal of asset, goodwill impairment, stock based compensation and other one-time gains and losses) is not a recognized measure under IFRS. Management believes that in addition to net income, Adjusted EBITDA is a useful supplemental measure as it provides an indication of the Company's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes, pay dividends, repurchase common shares under the Normal Course Issuer Bid, and fund capital programs. Investors should be cautioned, however, that Adjusted EBITDA should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating Adjusted EBITDA may differ from other entities and accordingly, Adjusted EBITDA may not be comparable to measures used by other entities. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue and provides a measure of the percentage of Adjusted EBITDA per dollar of revenue. Adjusted EBITDA per share is calculated by dividing Adjusted EBITDA by the weighted average number of shares outstanding as used for calculation of earnings per share.

(2) Gross margin is calculated from the statement of comprehensive loss as revenue less direct operating costs and is used to assist management and investors in assessing the Company's financial results from operations excluding fixed overhead costs. Gross margin percentage is calculated as gross margin divided by revenue. The Company believes the relationship between revenue and costs expressed by the gross margin percentage is a useful measure when compared over different financial periods as it demonstrates the trending relationship between revenue, costs and margins. Gross margin and gross margin percentage are non-IFRS measures and do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies.

(3) Working capital (excluding debt) is calculated based on current assets less current liabilities excluding the current portion of long-term debt. Working capital (excluding debt) is used to assist management and investors in assessing the Company's liquidity. Working capital (excluding debt) does not have any meaning prescribed under IFRS and may not be comparable to similar measures provided by other companies. Working capital (excluding debt) ratio is calculated as current assets divided by the difference of current liabilities less the current portion of long term debt.

(4) Net debt is not a recognized measure under IFRS and does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies. Management believes net debt is a useful indicator of a company's debt position.