For Immediate Release: November 3, 2016

CWC ENERGY SERVICES CORP. ANNOUNCES THIRD QUARTER 2016 OPERATIONAL AND FINANCIAL RESULTS

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces the release of its operational and financial results for the three and nine months ended September 30, 2016. The interim Financial Statements and Management Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2016 are filed on SEDAR at www.sedar.com.

Highlights for the Three Months Ended September 30, 2016

- CWC's drilling rig utilization of 37% in Q3 2016 (Q3 2015: 46%) exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 17%. The lower activity level in Q3 2016 compared to Q3 2015 reflects the persistent pressure on our exploration and production ("E&P") customers from the ongoing commodity price uncertainty. The Q3 2016 average crude price, as measured by WTI, of US$44.85/bbl was consistent with Q2 2016 average price of US$45.46/bbl and Q3 2015 average price of US$46.64/bbl.

- CWC's service rig utilization of 38% in Q3 2016 (Q3 2015: 27%) from 22,927 operating hours was 37% higher than the 16,676 operating hours in Q3 2015 despite unusually wet weather in its key operating areas during the quarter. This significant increase in utilization is even more impressive given that total CAODC industry operating hours in Q3 2016 declined 33% from Q3 2015 suggesting that CWC increased its Q3 2016 market share to 10% (Q3 2015: 7%) while only having 7% of the total actively registered rig fleet in the industry.

- Revenue of $18.5 million, a decrease of $2.6 million (-12%) compared to $21.1 million in Q3 2015. The decrease from Q3 2015 is a result of lower drilling rig activity and lower day rates charged to E&P customers as a result of lower commodity prices partially offset by a significant increase in service rig activity at lower hourly rates. Revenue was also negatively impacted in Q3 2016 by higher than normal rainfall in its key operating areas delaying the movement of equipment to drill or service wells. CWC estimates approximately 17 drilling rig operating days and 5,000 service rig operating hours were foregone due to the wet weather conditions resulting in lost revenue of approximately $3.0 million.

- EBITDAS [1] of $1.7 million, a decrease of $2.0 million (-53%) compared to $3.7 million in Q3 2015. Decreased EBITDAS is a direct result of lower drilling rig activity and lower day rates charged to E&P customers as a result of lower commodity prices partially offset by a significant increase in service rig activity at lower hourly rates and lower variable and fixed costs from the Company's cash savings initiatives which began in 2015 for which the benefits continue to be realized in 2016.

- Net loss of $2.0 million, a decrease of $16.1 million (-89%) compared to a net loss of $18.1 million in Q3 2015. The year-over-year reduction in net loss is primarily due to an impairment of goodwill and assets held for sale of $17.3 million in Q3 2015 with no similar impairment in Q3 2016, an increase in deferred income tax recovery, a decrease in depreciation and amortization expense and non-cash stock based compensation partially offset by lower Q3 2016 EBITDAS and an increase in finance costs.

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

Highlights for the Nine Months Ended September 30, 2016

- CWC's drilling rig utilization of 25% in the first nine months of 2016 (2015: 34%) exceeded the CAODC industry average of 15%. The lower activity level in 2016 compared to 2015 is a result of persistent pressure on our E&P customers from the ongoing commodity price uncertainty.
- CWC's service rig utilization was 38% for the first nine months of 2016 (2015: 26%). The Company's continuing increase in market share in 2016 can be attributed to its modern fleet of 74 service rigs, exceptional sales and operational management, and experienced rig crews performing work safely and efficiently. Customer appreciation and acceptance of our outstanding service and safety performance and high quality and well maintained equipment are strong and has been a key differentiating factor for CWC.
- Revenue of $52.1 million, a decrease of $10.4 million (-17%) compared to $62.5 million for the first nine months of 2015. The decline from the previous year is predominately due to lower drilling rig activity and lower day rates charged to E&P customers as a result of lower commodity prices partially offset by a significant increase in service rig activity at lower hourly rates.
- EBITDAS of $5.3 million, a decrease of $4.4 million (-45%) compared to $9.7 million for the first nine months of 2015. Decreased EBITDAS is a direct result of lower drilling rig activity and lower day rates charged to E&P customers as a result of lower commodity prices partially offset by a significant increase in service rig activity at lower hourly rates and lower variable and fixed costs from the Company's cash savings initiatives which began in 2015 for which the benefits continue to be realized in 2016.
- Net loss of $5.8 million, a decrease of $16.6 million (-74%) compared to a net loss of $22.4 million for the first nine months of 2015. The year-over-year reduction in net loss is due to an impairment of goodwill and assets held for sale of $17.3 million in 2015 with no similar impairment in 2016, an increase in deferred income tax recovery, a decrease in depreciation and amortization expense and non-cash stock based compensation partially offset by lower 2016 EBITDAS and increase in finance costs.

Financial and Operational Highlights

$ thousands, except shares, per share amounts, margins and ratios	Three months ended September 30, 2016	Three months ended September 30, 2015	% Change	Nine months ended September 30, 2016	Nine months ended September 30, 2015	% Change
FINANCIAL RESULTS						
Revenue						
Contract drilling	5,071	9,377	(46%)	10,604	22,989	(54%)
Production services	13,435	11,758	14%	41,526	39,484	5%
	18,506	21,135	(12%)	52,130	62,473	(17%)
EBITDAS [1]	1,741	3,679	(53%)	5,297	9,710	(45%)
EBITDAS margin (%) [1]	9%	17%	n/a	10%	16%	n/a
Funds from operations [1]	1,741	3,679	(53%)	5,297	9,710	(45%)
Net loss and comprehensive loss	(2,042)	(18,103)	(89%)	(5,751)	(22,359)	(74%)
Net loss and comprehensive loss margin (%)	(11%)	(86%)	75%	(11%)	(36%)	25%
Dividends declared	-	723	n/m[2]	-	3,579	n/m[2]
Per share information						
Weighted average number of shares outstanding – basic	390,319,009	286,626,800		336,130,388	283,435,832	
Weighted average number of shares outstanding – diluted	390,319,009	286,626,800		336,130,388	283,435,832	
EBITDAS [1] per share – basic and diluted	$0.00	$0.01		$0.02	$0.03	
Net loss per share - basic and diluted	($0.01)	($0.06)		($0.02)	($0.08)	
Dividends declared per share	$0.00	$0.0025		$0.00	$0.0125	

$ thousands, except ratios	September 30, 2016	December 31, 2015
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) [(1)]	10,709	11,822
Working capital (excluding debt) ratio [(1)]	2.6:1	3.1:1
Total assets	212,634	222,428
Total long-term debt (including current portion)	34,013	52,241
Shareholders' equity	156,605	147,462

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

(2) Not meaningful.

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 the rig fleet has an average age of seven years. In 2015, drilling rig #3 was upgraded to include a Pad Rig Walking System. 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. Given the current downturn in the industry, at the beginning of 2016, CWC chose to park one of its drilling rigs and focus its sales and operational efforts on the remaining eight drilling rigs. CWC found a customer for its one inactive drilling rig and as such all nine drilling rigs are active in Q3 2016.

	Three months ended							
OPERATING HIGHLIGHTS	**Sep. 30, 2016**	**Jun. 30, 2016**	**Mar. 31, 2016**	**Dec. 31, 2015**	**Sep. 30, 2015**	**Jun. 30, 2015**	**Mar. 31, 2015**	**Dec. 31, 2014**
Drilling Rigs								
Active drilling rigs, end of period	9	8	8	9	9	9	9	9
Inactive drilling rigs, end of period	-	1	1	-	-	-	-	-
Total drilling rigs, end of period	9	9	9	9	9	9	9	9
Revenue per operating day [(1)]	$16,835	$21,754	$21,565	$24,996	$24,740	$26,661	$30,553	$29,305
Drilling rig operating days	301	65	191	191	379	99	359	693
Drilling rig utilization % [(2)]	37%	9%	26%	23%	46%	12%	44%	84%
CAODC industry average utilization %	17%	7%	20%	20%	24%	13%	34%	45%

(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.

The commodity price uncertainty that was driven by record global production levels, growing storage levels, and persistent demand concerns continued throughout Q3 2016. This uncertainty has forced E&P companies to conserve cash resources by reducing wells drilled, amongst other measures, until commodity prices showed sustained improvement.

Contract Drilling revenue of $5.1 million for Q3 2016 and $9.4 million for the first nine months of 2016 was achieved with a utilization rate of 37% and 25% respectively, compared to the CAODC industry average of 17% and 15% for the same periods. Overall, revenue for Q3 2016 and the first nine months of 2016 in the Contract Drilling segment was 46% and 54% lower respectively when compared to the same periods in the prior year as the impact of low commodity prices continue to reduce industry activity and pricing. Approximately 43% of the first nine months year-over-year reduction in revenue resulted from reduced activity (drilling rig operating days), while 57% is due to pricing, as measured by average revenue per day in 2016 of $19,041, which is 31% lower than the 2015 average price of $27,431. The Western Canadian Sedimentary Basin ("WCSB") experienced significant rainfall in CWC's key operating areas during Q3 2016 which resulted in lost days and revenue due to the inability to move drilling equipment when our E&P customers had originally anticipated. CWC estimates during Q3 2016, approximately 17 drilling days and $0.3 million in revenue was foregone due to the unusually wet weather conditions.

Production Services

CWC is the second largest service rig provider in the WCSB, based on our modern fleet of 74 service rigs as at September 30, 2016 which consists of 41 single, 27 double, and 6 slant rigs. CWC's fleet is amongst the newest in the WCSB and provides services which include completions, maintenance, workovers and abandonments with depth ratings from 1,500 to 5,000 metres. Given the current downturn in the industry, CWC has chosen to park eight of its service rigs and focus its sales and operational efforts on the remaining 66 service rigs.

CWC's Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres. As at September 30, 2016, the Company's fleet of nine coil tubing units consists of five Class I, three Class II and one Class III coil tubing units. In light of competitive challenges for CWC's Class III coil tubing unit, the Company has chosen to focus its sales and operational efforts on its eight Class I and II coil tubing units which are better suited at servicing SAGD wells, which are shallower in depth and more appropriate for these coil tubing operations.

	Three months ended							
OPERATING HIGHLIGHTS	**Sep. 30, 2016**	**Jun. 30, 2016**	**Mar. 31, 2016**	**Dec. 31, 2015**	**Sep. 30, 2015**	**Jun. 30, 2015**	**Mar. 31, 2015**	**Dec. 31, 2014**
Service Rigs								
Active service rigs, end of period	66	65	65	64	65	66	66	69
Inactive service rigs, end of period	8	9	9	10	9	8	7	3
Total service rigs, end of period	74	74	74	74	74	74	73	72
Operating hours	22,927	21,724	23,466	21,008	16,676	14,051	16,580	28,644
Revenue per hour	$543	$548	$580	$615	$657	$668	$769	$790
Service rig utilization % (1)	38%	37%	40%	36%	27%	23%	29%	45%
Coil Tubing Units								
Active coil tubing units, end of period	8	8	8	8	8	8	8	9
Inactive coil tubing units, end of period	1	1	1	1	1	1	1	0
Total coil tubing units, end of period	9	9	9	9	9	9	9	9
Operating hours	2,160	1,147	3,034	1,665	1,048	2,111	4,351	2,631
Revenue per hour	$458	$508	$662	$657	$771	$724	$885	$825
Coil tubing units utilization % (2)	29%	16%	42%	23%	14%	29%	60%	32%

(1) Service rig utilization is calculated based on 10 hours a day, 365 days a year. New service rigs are added based on the first day of field service. 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.

(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.

Production Services revenue was $13.4 million in Q3 2016, up $1.6 million (14%) compared to $11.8 million in Q3 2015, as the impact of lower hourly rates was more than offset by an increase in activity for the Company's service rigs. Additionally, the Company estimates that approximately 5,000 operating hours and $2.7 million in revenue was lost due to unusually wet weather conditions in its key operating areas. The Company's Q3 2016 market share of 10%, based on CAODC reporting, was earned with 7% of the active industry rig fleet and is 3% higher than 7% market share in Q3 2015. The Company's operating hours were the second highest amongst all CAODC registered service rig companies in Q3 2016 with 22,927 operating hours. Increased activity during Q3 2016 was offset by an average revenue per hour of $543; a 17% decline from Q3 2015 and 1% from Q2 2016. CWC's strong market share is a result of: (i) a focus on production work; (ii) an increase in market share with a select number of senior E&P customers; (iii) an aggressive pricing strategy initiated in Q4 2015; and (iv) a service rig fleet, amongst the newest in the WCSB, which stands out in an industry characterized by ageing equipment and infrastructure.

Coil tubing utilization was 29% in Q3 2016 compared to 14% in Q3 2015. Higher utilization in Q3 2016 is due predominately to the impact of the Fort McMurray wild fires delaying Q2 2016 activity and the addition of new customers. The decrease of 41% in coil tubing units' average hourly rate from Q3 2015 is a combination of our shallow coil tubing units, which have a lower hourly rate working in Q3 2016 compared to intermediate depth rigs in Q3 2015 and continued overall pricing pressures from our E&P customers.

Capital Expenditures

$ thousands	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Contract Drilling	65	946	359	4,207
Production Services	198	390	545	4,309
Total capital expenditures	263	1,336	904	8,516
Growth capital	-	246	-	4,398
Maintenance and infrastructure capital	263	1,090	904	4,118
Total capital expenditure	263	1,336	904	8,516

Capital expenditures in the first nine months of 2016 of $0.9 million are $7.6 million (-89%) lower than $8.5 million in 2015 and primarily consist of recertification costs, leasehold improvements, and a vehicle. This compares to 2015 capital expenditures related to costs associated with completion of slant service rigs #505 and #506, the purchase of new drill pipe, the addition of a pad rig walking system to drilling rig #3, and costs incurred prior to the decision to delay the upgrade of drilling rig #2 and completion of a new drilling rig #10.

A 2016 capital expenditure budget of $2.6 million was approved by the Board of Directors on December 8, 2015 comprised entirely of maintenance and infrastructure capital related to recertifications, additions and upgrades to field equipment for the drilling rigs, service rigs and coil tubing divisions as well as for information technology. Management continually evaluates required capital expenditures and opportunities in the marketplace. CWC anticipates total 2016 capital expenditures to be approximately $1.6 million, $1.0 million lower than originally budgeted.

Outlook

Crude oil, as represented by WTI, averaged US$44.85/bbl in Q3 2016, consistent with Q2 2016 average price of US$45.46/bbl and US$46.64 in Q3 2015. Natural gas prices, as represented by AECO, averaged $2.22/GJ, 40% higher than the Q2 2016 average of $1.33/GJ. For the first nine months of 2016, approximately 79% of revenue is from work on crude oil wells, 19% was from natural gas wells, and 2% was other. Further, approximately 24% was related to drilling and completions work, 66% from maintenance and workovers on producing wells and 10% from abandonments. Higher commodity prices at the start of Q4 2016 has resulted in cautious optimism in the oilfield services industry. CWC has seen growing customer demand for our drilling, well servicing, and coil tubing services, and currently the company has five of nine drilling rigs (56%), 39 of 66 service rigs (59%) and five of eight coil tubing units (63%) working with additional rigs scheduled for reactivation in the coming months. As demand for services increase across the industry, it is becoming apparent that the deterioration in the skilled labour force due to the lack of work and layoffs that have occurred over the last two years will be a limiting factor as to how quickly oilfield service companies will be able to service their E&P customers. CWC is one of the most active drilling and service rig contractors in the WCSB allowing the Company to retain experienced, high quality rig crews. However, CWC is finding it increasingly difficult to find and hire qualified field employees as they have accepted work in other industries or have left the western provinces. The Company anticipates that if this tight labour market stays in the industry for several quarters, it should lead to increased pricing for our services and improved operating and cash flow margins in future quarters.

CWC's proactive and continued focus on targeted reductions to variable and fixed costs, headcount and wages, suspension of dividends and lowered capital expenditures has contributed to the Company being able to achieve positive EBITDAS and cash flow throughout 2016 despite competitive pricing pressures. CWC's financial stability, which was significantly enhanced in Q2 2016 with its rights offering and extension of its credit facilities with its banking syndicate, has been a competitive advantage for the Company as certain E&P companies focused on the financial health and stability of its service providers during the year. Throughout the downturn, CWC has made incremental investments in sales and safety programs in addition to ensuring maintenance programs on equipment are performed to ensure a high quality fleet that our E&P customers can rely on.

While CWC maintains focus on its cost structure in a lower oilfield services activity environment, it is also mindful of taking advantage of opportunities as they arise. Management continues to evaluate strategic opportunities and pursue those it believes will fundamentally position CWC well for the future with the overriding criteria of being able to create long-term shareholder value.

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 and coil tubing units. The Company's corporate office is located in Calgary, Alberta, with operational locations in Nisku, Grande Prairie, Slave Lake, Red Deer, 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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This news release contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this news release including most of those contained in the section titled "Outlook" and including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking statements including management's assessment of future plans and operations, planned levels of capital expenditures, expectations as to activity levels, expectations on the sustainability of future cash flow and earnings and the ability to pay dividends, expectations with respect to crude oil and natural gas prices, activity levels in various areas, continuing focus on cost saving measures, 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 and revenue 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 news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Any forward-looking statements made previously may be inaccurate now.

Reconciliation of Non-IFRS Measures

$ thousands except share and per share amounts	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
NON-IFRS MEASURES				
EBITDAS:				
Net loss and comprehensive loss	(2,042)	(18,103)	(5,751)	(22,359)
Add:				
Depreciation	3,705	4,277	10,515	11,739
Finance costs	596	545	2,013	1,644
Deferred income tax expense (recovery)	(699)	(533)	(1,994)	305
Stock based compensation	132	234	351	808
Impairment of goodwill and assets held for sale	-	17,322	-	17,322
Loss (gain) on sale of equipment	49	(63)	163	251
EBITDAS (1)	1,741	3,679	5,297	9,710
EBITDAS per share – basic and diluted(1)	$0.00	$0.01	$0.02	$0.03
EBITDAS margin (EBITDAS/Revenue) (1)	9%	17%	10%	16%
Weighted average number shares outstanding - basic	390,319,009	286,626,800	336,130,388	283,435,832
Weighted average number shares outstanding - diluted	390,319,009	286,626,800	336,130,388	283,435,832
Funds from operations:				
Cash flows from operating activities	(939)	(3,894)	6,410	19,463
Add (deduct): Change in non-cash working capital	2,680	7,573	(1,113)	(9,753)
Funds from operations (2)	1,741	3,679	5,297	9,710
Gross margin:				
Revenue	18,506	21,135	52,130	62,473
Less: Direct operating expenses	13,959	14,191	37,961	42,121
Gross margin (3)	4,547	6,944	14,169	20,352
Gross margin percentage (3)	25%	33%	27%	33%

$ thousands	September 30, 2016	December 31, 2015
Working capital (excluding debt):		
Current assets	17,538	17,333
Less: Current liabilities	(7,020)	(5,716)
Add: Current portion of long term debt	191	205
Working capital (excluding debt) (4)	10,709	11,822
Working capital (excluding debt) ratio (4)	2.6:1	3.1:1
Net debt:		
Long term debt	33,822	52,036
Less: Current assets	(17,538)	(17,333)
Add: Current liabilities	7,020	5,716
Net debt (5)	23,304	40,419

(1) EBITDAS (Earnings before interest and finance costs, income tax expense, depreciation, amortization, gain or loss on disposal of asset, goodwill impairment and stock based compensation) is not a recognized measure under IFRS. Management believes that in addition to net earnings, EBITDAS 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 EBITDAS should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating EBITDAS may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities. EBITDAS margin is calculated as EBITDAS divided by revenue and provides a measure of the percentage of EBITDAS per dollar of revenue. EBITDAS per share is calculated by dividing EBITDAS by the weighted average number of shares outstanding as used for calculation of earnings per share.

(2) Funds from operations is not a recognized measure under IFRS. Management believes that in addition to cash flow from operations, funds from operations is a useful supplemental measure as it provides an indication of the cash flow generated by the Company's principal business activities prior to consideration of changes in working capital. Investors should be cautioned, however, that funds from operations should not be construed as an alternative to cash flow from operations determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating funds from operations may differ from other entities and accordingly, funds from operations may not be comparable to measures used by other entities. Funds from operations is equal to cash flow from operations before changes in non-cash working capital items related to operations.

(3) Gross margin is calculated from the statement of comprehensive income 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.

(4) 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.

(5) 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.