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CWC ENERGY SERVICES CORP. ANNOUNCES FOURTH QUARTER AND YEAR END 2015 FINANCIAL AND OPERATIONAL RESULTS

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces its financial and operational results for the fourth quarter and year ended December 31, 2015.

Highlights for the Three Months Ended December 31, 2015

- The three months ended December 31, 2015 was characterized by continuing concerns over the global oversupply of crude oil and regional oversupply of natural gas, amidst a growing concern over a potential slowdown in global demand. Crude oil and natural gas prices declined in Q4 2015 and both reset multi-year lows during December 2015. Crude oil, as represented by West Texas Intermediate ("WTI"), ended 2015 at US$37.13/bbl, down 18% from September 30, 2015 while AECO natural gas ended 2015 at $2.46/GJ down 8% from September 30, 2015.
- Service rig utilization increased to 36% in Q4 2015 (Q4 2014: 45%) compared to 27% in Q3 2015 as exploration and production ("E&P") customers spent more of their operating and capital budgets on producing wells compared to drilling new wells. In Q4 2015, 89% of CWC's service rig work was maintenance, workovers and abandonments on existing wells as compared to completions work on newly drilled wells. CWC's drilling rig utilization of 23% in Q4 2015 (Q4 2014: 84%) decreased compared to Q3 2015 of 46%, but exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") Q4 2015 industry average of 20%. The decreased drilling activity was primarily due to the precipitous drop in crude oil prices during Q4 2015.
- Revenue of $18.8 million, a decrease of $27.2 million (59%) compared to record revenue of $46.0 million in Q4 2014. Approximately 66% of the revenue decrease is due to lower year-over-year activity levels with the remainder due to lower year-over-year pricing from E&P customers resulting from lower commodity prices.
- EBITDAS(1) of $2.3 million, a decrease of $11.2 million (83%) compared to $13.5 million in Q4 2014. Lower EBITDAS is a direct result of lower activity levels and pricing partly offset by lower variable and fixed costs from the Company's 2015 cash saving initiatives.
- On November 26, 2015, the Company amended its credit agreement with its banking syndicate. The amendments are as follows:
    - the credit facility was reduced from $100.0 million to $75.0 million with the ability to increase the credit facility through an accordion feature of $50.0 million subject to approval by the banking syndicate;
    - the financial covenants for Consolidated Debt to Consolidated EBITDA ratio changed to 5.0:1 for December 31, 2015, increasing to 5.25:1 for March 31, 2016 and June 30, 2016, increasing to 5.5:1 for September 30, 2016, decreasing to 5.0:1 for December 31, 2016 and decreasing to 3.0:1 thereafter. Other debt covenants remain unchanged; and
    - the Company must maintain a minimum liquidity of at least $12.5 million undrawn on the credit facility.
- In Q4 2015, CWC completed the sale of its Well Testing and other non-core assets for proceeds of $0.7 million, further reduced its salaried employee count resulting in one-time severance costs of $0.2 million and created operational efficiencies by flattening the management reporting structure in the Production Services segment.

Highlights for the Year Ended December 31, 2015

- Crude oil prices, as represented by WTI, averaged US$48.85/bbl in 2015 compared to US$93.00/bbl in 2014, a 47% decline while AECO natural gas averaged $2.57/GJ in 2015 compared to $4.27/GJ in 2014, a 40% decline. The impact of lower commodity prices on our E&P customer's capital and operating budgets quickly resulted in less drilling and production services activity and lower pricing for our services.

- Service rig utilization was 29% in 2015 (2014: 45%). CWC's drilling rig utilization of 31% in 2015 (2014: 67%) exceeded the CAODC industry average of 23% (2014: 44%).
- Revenue for the year ended December 31, 2015 was $81.3 million, a decrease of $62.4 million (43%) compared to record revenue earned in 2014 of $143.7 million. The Contract Drilling segment revenue was $27.8 million, a decrease of $11.0 million (28%) from prior year, and Production Services segment revenue was $53.5 million, a decrease of $51.4 million (49%) from prior year. Approximately 65% of the 2015 decrease in revenue is due to lower year-over-year activity levels with the remainder due to lower year-over-year pricing from E&P customers. Revenue for the year ended December 31, 2014 for the Contract Drilling segment represented only seven and a half months as operations commenced on May 16, 2014.
- EBITDAS[1] for the year ended December 31, 2015 was $12.0 million, a decrease of $22.0 million (65%) compared to record EBITDAS of $34.1 million in the prior year. Lower EBITDAS is a direct result of lower activity and pricing levels partly offset by lower variable and fixed costs from the Company's 2015 cash saving initiatives.
- In 2015, CWC's employee count was reduced by approximately 41% from 619 employees at December 31, 2014 to 366 employees at December 31, 2015. CWC's field employees are paid on an hourly rate basis as opposed to a salary, resulting in a high variable based cost structure as opposed to a fixed cost structure.
- In 2015, the Company implemented a cash preservation plan which resulted in a reduction in cash outflow of approximately $33.0 million. Approximately 20% of the savings were from layoffs and salary and wage reductions, 40% from lower net capital expenditures, and 40% from reduction in the rate of dividends per share and the implementation of a Dividend Reinvestment Plan ("DRIP") and a Stock Dividend Program ("SDP") in December 2014.
- CWC declared dividends of $3.6 million for the year ended December 31, 2015, a decrease of $13.6 million (79%) from $17.2 million in 2014. The Board of Directors of the Company decreased the dividends declared per share in Q1 2015 and Q3 2015, and suspended the Company dividend in Q4 2015 to preserve cash as commodity prices and activity levels continued to decline throughout the year.

(1) Please refer to the "Financial and Operational Highlights" section for further information.

Financial and Operational Highlights

$ thousands, except shares, per share amounts, margins and ratios	Three months ended December 31, 2015	2014[1]	% Change	Years ended December 31, 2015	2014[1]	% Change
FINANCIAL RESULTS (Unaudited)						
Revenue						
Contract Drilling [1]	4,769	20,308	(77%)	27,758	38,819	(28%)
Production Services	14,018	25,651	(45%)	53,502	104,847	(49%)
	18,787	45,959	(59%)	81,260	143,666	(43%)
EBITDAS [2]	2,327	13,540	(83%)	12,037	34,058	(65%)
EBITDAS margin (%) [2]	12%	29%	(17%)	15%	24%	(9%)
Dividends declared	-	4,848	(100%)	3,579	17,171	(79%)
Per share information						
Weighted average number of shares outstanding – basic	285,514,473	269,799,952		285,514,473	227,675,260	
Weighted average number of shares outstanding – diluted	285,514,473	269,799,952		285,514,473	227,675,260	
EBITDAS [2] per share – basic and diluted	$0.01	$0.05		$0.04	$0.15	
Dividends declared per share	$0.00	$0.0175		$0.0125	$0.06875	

$ thousands, except ratios	December 31, 2015	December 31, 2014
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) (3)	11,822	20,603
Working capital (excluding debt) ratio (3)	3.3:1	2.2:1
Total Long-term debt (including current portion)	52,241	65,666

(1) CWC entered into the contract drilling business on May 15, 2014, through the acquisition of Ironhand Drilling Inc. and results are included from May 16, 2014 onward.

(2) EBITDAS (Earnings before interest and finance costs, income tax expense, depreciation, amortization, (gain) loss on disposal of asset, transaction costs, 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, 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 (loss) income and comprehensive (loss) income 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.

(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.

Operational Overview

Contract Drilling

Ironhand Drilling Inc. ("Ironhand") was acquired on May 15, 2014 and renamed CWC Ironhand Drilling which represents our Contract Drilling segment. CWC's Contract Drilling segment has a fleet of nine telescopic double drilling rigs with depth ratings from 3,200 to 4,500 metres, eight of nine rigs have top drives and the rig fleet has an average age of six years. In 2015, 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.

	Three months ended						
OPERATING HIGHLIGHTS	**Dec. 31, 2015**	**Sep. 30, 2015**	**Jun. 30, 2015**	**Mar. 31, 2015**	**Dec. 31, 2014**	**Sep. 30, 2014**	**Jun. 30, 2014(3)**
Drilling Rigs							
Active drilling rigs, end of period	9	9	9	9	9	9	8
Revenue per operating day (1)	$24,996	$24,740	$26,661	$30,553	$29,305	$27,715	$30,258
Drilling rig operating days	191	379	99	359	693	551	107
Drilling rig utilization % (2)	23%	46%	12%	44%	84%	75%	29%
CAODC industry average utilization %	20%	24%	13%	34%	45%	46%	26%

(1) Revenue per operating day is calculated based on operating days (i.e. spud to rig release basis). New 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.

(3) Ironhand was acquired on May 15, 2014, as such the Contract Drilling Segment includes the results for the period commencing May 16, 2014.

Contract Drilling revenue of $4.8 million for Q4 2015 and $27.8 million for the year ended 2015 was achieved with a utilization rate of 23% and 31% respectively compared to the CAODC industry average of 20% in Q4 2015 and 23% for the year ended December 31, 2015. Overall, Contract Drilling revenue was 77% lower than Q4 2014 and 28% lower than May 16, 2014 to December 31, 2014 as the impact of lower crude oil prices negatively impacted drilling activity and pricing. Contract Drilling operating days in Q4 2015 were 72% lower than Q4 2014, driving most of the reduction in revenue. Q4 2014 was a record quarter for Contract Drilling (in terms of operating days and revenue) when its 84% utilization was 39% higher than the industry average.

The 2015 decrease in commodity prices which is being driven by record global production levels, growing storage levels, and persistent demand concerns resulted in E&P companies in the WCSB reducing total wells drilled in 2015 by 52% compared to 2014, in an effort to conserve their cash resources until commodity prices recover.

Production Services

CWC is the second largest service rig provider in the WCSB, based on our total modern fleet of 74 service rigs as at December 31, 2015. The Company's service rig fleet consists of 41 single, 27 double, and 6 slant rigs. CWC's fleet is amongst the newest in the WCSB. Rig services 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 ten of its service rigs and focus its sales and operational efforts on the remaining 64 service rigs.

CWC's Class I, II and III coil tubing units have depth ratings from 1,500 to 4,000 metres. As at December 31, 2015, the Company's fleet of nine coil tubing units consists of five Class I, three Class II and one Class III coil tubing units. The market for the Class III deep coil tubing unit is extremely competitive with an increased supply of new deep coil tubing units over the last several years having an adverse affect on industry utilization and pricing. In light of these competitive challenges for CWC's one 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 units.

	Three months ended							
OPERATING HIGHLIGHTS	**Dec. 31, 2015**	**Sep. 30, 2015**	**Jun. 30, 2015**	**Mar. 31, 2015**	**Dec. 31, 2014**	**Sep. 30, 2014**	**Jun. 30, 2014**	**Mar. 31, 2014**
Service Rigs								
Active service rigs, end of period	64	65	66	66	69	68	68	69
Inactive service rigs, end of period	10	9	8	7	3	3	3	2
Total service rigs, end of period	74	74	74	73	72	71	71	71
Operating hours	21,008	16,676	14,051	16,580	28,644	26,354	20,399	37,652
Revenue per hour	$615	$657	$668	$769	$790	$756	$752	$820
Service rig utilization % (1)	36%	27%	23%	29%	45%	42%	33%	61%
Coil Tubing Units								
Active coil tubing units, end of period	8	8	8	8	9	9	7	8
Inactive coil tubing units, end of period	1	1	1	1	0	0	0	0
Total coil tubing units, end of period	9	9	9	9	9	9	7	8
Operating hours	1,665	1,048	2,111	4,351	2,631	2,056	1,403	4,600
Revenue per hour	$657	$771	$724	$885	$825	$894	$784	$967
Coil tubing units utilization % (2)	23%	14%	29%	60%	32%	29%	22%	64%

(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 $14.0 million for the quarter, $53.5 million for the year, down $11.6 million (45%) and $51.3 million (49%) respectively year-over-year. CWC, like the oilfield services industry in general, continues to be impacted by lower crude oil prices negatively impacting E&P company's capital spending and the resultant reduction in pricing due to competitive pressure. Service rig operating hours of 21,008 in Q4 2015 was the best quarter in 2015 for the Company with approximately 26% more operating hours than Q1 2015 and Q3 2015. In addition the Company's operating hours were the third highest amongst all CAODC registered service rig companies for Q4 2015. CWC's increased activity in Q4 2015 was due to: (i) a focus on production work; (ii) an increase in market share with active senior E&P companies; and (iii) an aggressive pricing strategy initiated in September 2015. However, this increased activity is offset by a decline in revenue per hour which has decreased approximately 6% from Q3 2015 and 22% from Q4 2014. Coil tubing utilization was 23% in Q4 2015 compared to 32% in Q4 2014 as the low commodity prices in Q4 2015 delayed start dates on planned customer projects. The decrease of 20% in coil tubing units' average hourly rate from Q4 2014 is a function of less SAGD work in Q4 2015 compared to Q4 2014 and overall pricing pressures from our E&P customers.

In September 2014, the Company sold its Snubbing assets and business which contributed total revenue of $4.0 million and EBITDAS of $1.1 million in 2014 with no corresponding amounts in 2015. In March 2015, CWC suspended its non-core Well Testing business, which contributed 2014 revenue of $2.9 million and EBITDAS of $0.3 million. These Well Testing assets along with other non-core Production Services assets were disposed of in October 2015.

Capital Expenditures

$ thousands	Three months ended December 31, 2015	Three months ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014
Contract Drilling	123	4,963	4,332	12,285
Production Services	537	4,349	4,842	16,825
Total capital expenditures	660	9,312	9,174	29,110
Growth capital	84	3,429	4,484	16,265
Maintenance and infrastructure capital	576	5,883	4,690	12,845
Total capital expenditure	660	9,312	9,174	29,110

Capital expenditures in 2015 totaled $9.2 million, $0.4 million higher than anticipated due to Q4 2015 unanticipated maintenance capital of $0.3 million and $0.1 million in 2016 budgeted maintenance capital delivered in Q4 2015. Full year 2015 growth capital spending of $4.5 million was primarily incurred to complete slant service rigs #505 and #506 and supporting equipment in order to further expand growth in heavy oil and SAGD wells. Additional growth capital was incurred to begin upgrades to Drilling Rig #2 and settle long lead items on Drilling Rig #10. Maintenance capital spending of $4.7 million has been primarily directed at new drill pipe, a pad rig walking system for Drilling Rig #3, required drilling and service rig recertification costs and upgrades, additions to field equipment for the service rig and coil tubing divisions and information technology infrastructure.

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 rig, service rig and coil tubing unit divisions as well as for information technology.

Outlook

In January and February 2016, crude oil and natural gas prices continued to decline, hitting lows of approximately US$26.19/bbl and $1.46/GJ, respectively. The slowdown in North American drilling activity levels has not yet resulted in a meaningful reduction in inventory to global crude oil supplies. Prospects for any significant supply and demand rebalance in 2016 is becoming increasingly unlikely resulting in further reductions in commodity price forecasts by analysts. On January 27, 2016, Petroleum Services Association of Canada ("PSAC") revised its 2016 forecast of wells drilled by 5% to 4,900 wells from 5,150 wells forecast on November 3, 2015. The 2016 forecast represents a 7% reduction from 2015 total of 5,292 wells drilled. Under such a scenario, CWC anticipates activity levels and pricing to remain at or below Q4 2015 levels for the remainder of 2016.

In response to the lower activity levels and pricing pressures, CWC was successful in reducing the cost structure and cash requirements for 2015 and beyond. CWC expects lower drilling activity and ongoing pricing pressure through 2016 which will further negatively impact CWC's revenue, EBITDAS and Funds from Operations. While the $33.0 million of 2015 cash saving initiatives will benefit 2016, additional opportunities for further cost savings have been and will continue to be considered throughout 2016.

In November 2015, the Company amended its credit agreement with its banking syndicate to, among other changes, relax the Consolidated Debt to Consolidated EBITDA financial covenant through 2016. At December 31, 2015, CWC is in compliance with all financial covenants on its credit facility however operating conditions have worsened in early 2016 due to lower crude oil and natural gas pricing and an early spring break-up due to unusually warm winter temperatures. CWC's Consolidated Debt to Consolidated EBITDA financial covenant is sensitive to the prolonged decline in oilfield services activity and failing to comply with this covenant could lead to restrictions on the Company's ability to access its credit facility in the future. As a result, discussions with CWC's banking syndicate are underway and based on discussions to date, the Company expects to successfully negotiate acceptable amendments to the Credit Facility in a timely manner.

While CWC maintains focus on its cost structure in a lower oilfield services activity environment, it is also mindful of taking advantage of opportunities that may be created during these times in the commodity cycle. 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.

The Financial Statements ("Financial Statements") and Management Discussion and Analysis ("MD&A") for the year ended December 31, 2015 are expected to be finalized, approved by the Company's Board of Directors and filed on SEDAR at www.sedar.com within the timelines required. Given that the Financial Statements and MD&A have not been finalized, readers are cautioned that the financial information contained in this press release may be subject to change and, accordingly, should be treated as preliminary and unaudited.

Changes to Management Team

CWC has accepted the resignation of Brian Weighill, Vice President, Sales & Marketing (Drilling), effective April 26, 2016, so that he may pursue other opportunities. CWC has begun a search to identify candidates to replace Mr. Weighill. “On behalf of Management and the Board of Directors, I would like to thank Brian for his significant contributions to the success of CWC and wish him continued success in his future endeavours,” said Duncan Au, President and Chief Executive Officer.

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, expectations with respect to 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, expectations with respect to the potential amendments of financial covenants in the Company's credit facility and the ability to maintain sufficient liquidity and access debt financing in the future, the timing for the filing of the Financial Statements and MD&A 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 (i.e. demand, pricing and terms for oilfield drilling and services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations, stock market volatility and the inability to access sufficient capital from external and internal sources. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through SEDAR at www.sedar.com. The forward-looking information and statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Any forward-looking statements made previously may be inaccurate now.