For Immediate Release: July 31, 2019

CWC ENERGY SERVICES CORP. ANNOUNCES SECOND QUARTER 2019 RESULTS AND COMMENCEMENT OF U.S. DRILLING RIG OPERATIONS IN JUNE 2019

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, 2019. The Financial Statements and Management's Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2019 are filed on SEDAR at www.sedar.com.

Financial Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended June 30, 2019	2018	Change %	Six months ended June 30, 2019	2018	Change %
FINANCIAL RESULTS						
Revenue						
Contract drilling	3,388	2,824	20%	12,508	14,509	(14%)
Production services	15,358	19,421	(21%)	37,496	56,661	(34%)
	18,746	22,245	(16%)	50,004	71,170	(30%)
Adjusted EBITDA [1]	115	31	n/m[2]	4,807	7,509	(36%)
Adjusted EBITDA margin (%) [1]	1%	0%		10%	11%	
Funds from operations	115	31	n/m[2]	4,807	7,509	(36%)
Net loss and comprehensive loss	(565)	(3,067)	(82%)	(612)	(1,871)	(67%)
Net loss and comprehensive loss margin (%)	(3%)	(14%)	(11%)	(1%)	(3%)	(2%)
Capital Expenditure	1,902	6,109	(69%)	3,196	7,074	(55%)
Per share information:						
Weighted average number of shares outstanding – basic and diluted	510,978,053	521,289,658		511,823,718	521,682,326	
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)		($0.01)	($0.00)	

$ thousands, except ratios	June 30, 2019	December 31, 2018
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt) [1]	10,756	19,028
Working capital (excluding debt) ratio [1]	2.4:1	3.4:1
Total assets	240,603	252,665
Total long-term debt (including current portion)	36,618	44,896
Shareholders' equity	183,526	184,231

[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, 2019

- Average Q2 2019 crude oil pricing, as measured by WTI, of US$59.89/bbl was 9% higher than the Q1 2019 average price of US$54.87/bbl (Q2 2018: $67.97/bbl). The price differential in Q2 2019 between Canadian heavy crude oil, as represented by WCS, and WTI maintained a differential in the range of US$10.00/bbl to US$15.00/bbl as the Government of Alberta mandated crude oil production curtailment was reduced from 250,000 bbls/day at the start of Q2 2019 to 175,000 bbls/day by the end of Q2 2019. Natural gas prices, as measured by AECO, decreased 57% from an average of $1.84/GJ in Q1 2019 to $0.79/GJ in Q2 2019 (Q2 2018 $1.14/GJ), which is very low in historical terms.

- CWC moved two Contract Drilling rigs into the United States in Q2 2019 with operations beginning in mid-June 2019. U.S.Contract Drilling revenue of $1.7 million and 25 drilling rig operating days for Q2 2019 was achieved. Q2 2019 average revenue per operating day of US $54,188 was largely due to customer recovery of mobilization costs to relocate equipment from Canada to the Eagle Ford basin in Texas and the DJ basin in Wyoming.

- CWC's Canadian drilling rig utilization in Q2 2019 of 11% (Q2 2018: 16%) was below the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 18%, as CWC's customers reduced or delayed their drilling programs in the quarter. Activity levels decreased 46% to 72 drilling rig operating days in Q2 2019 (Q2 2018: 133 drilling rig operating days) as the Company prepared to move two drilling rigs to its U.S. operations. CWC's U.S. drilling rig utilization in Q2 2019 was 69% (Q2 2018: n/a) as CWC started its U.S. drilling operations in mid-June 2019. CWC's service rig utilization in Q2 2019 of 28% (Q2 2018: 30%) was driven by 23,129 operating hours being 20% lower than the 28,831 operating hours in Q2 2018. The significant drop in Q2 2019 activity level for both the drilling rigs and our production-oriented service rigs was a direct result of a prolonged spring breakup and wet weather conditions combined with a lower crude oil price during the quarter, compared to a year ago. In addition, the Government of Alberta mandated production curtailment continued to temporarily slow down the need for newly drilled wells and workover and maintenance work on producing wells. These lower activity levels resulted in lower revenue in Q2 2019 compared to Q2 2018, while Adjusted EBITDA [1] and net loss stayed constant as a result of management's unrelenting focus on reducing costs, as noted below.

- Revenue of $18.7 million, a decrease of $3.5 million (16%) compared to $22.2 million in Q2 2018.

- Adjusted EBITDA[1] of $0.1 million, an increase of $0.07 million compared to $0.03 million in Q2 2018. CWC has achieved 24 consecutive quarters of positive Adjusted EBITDA since Q2 2013.

- Net loss of $0.6 million, a decrease of $2.5 million compared to net loss of $3.1 million in Q2 2018.

- During Q2 2019, 623,000 (Q2 2018: 1,023,000) common shares were purchased under the Normal Course Issuer Bid ("NCIB") and 744,000 common shares (Q2 2018: 935,500) were cancelled and returned to treasury.

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

Highlights for the Six Months Ended June 30, 2019

- CWC's Canadian drilling rig utilization in the first six months of 2019 of 31% (2018: 39%) exceeded the CAODC industry average of 27%. CWC's U.S. drilling rig utilization in the first six months of 2019 was 69% (Q2 2018: n/a) as CWC started its U.S. drilling operations in mid-June 2019. CWC's service rig utilization in the first six months of 2019 was 28% compared to 43% in the same period in 2018. Activity levels in both the drilling rig and service rig divisions dropped in 2019 as a result of CWC's exploration and production ("E&P") customers reducing or delaying their drilling and well maintenance programs as a result of lower crude oil prices and the Government of Alberta mandated production curtailment temporarily slowing down the need for newly drilled wells and workover and maintenance work on producing wells.

- Revenue of $50.0 million, a decrease of $21.2 million (30%) compared to $71.2 million in the first six months of 2018.

- Adjusted EBITDA [1] of $4.8 million, a decrease of $2.7 million (36%) compared to $7.5 million in the first six months of 2018.

- Net loss of $0.6 million, a decrease of $1.2 million (67%) compared to $1.9 million in the first six months of 2018.

- For the six months ended June 30, 2019, the Company purchased 2,673,500 (2018: 2,417,500) common shares under its NCIB and 2,536,000 (2018: 2,254,000) common shares were cancelled and returned to treasury.

(1) 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 Western Canadian Sedimentary Basin ("WCSB"), including the Montney, Cardium, Duvernay and other deep basin horizons. The Company has expanded its drilling rig services into select United States basins including the Permian, Eagle Ford, Denver-Julesburg ("DJ") and Bakken. One 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.

	Three months ended							
OPERATING HIGHLIGHTS	**Jun. 30, 2019**	**Mar. 31, 2019**	**Dec. 31, 2018**	**Sep. 30, 2018**	**Jun. 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2017**	**Sep. 30, 2017**
Drilling Rigs - Canada								
Total drilling rigs, end of period	7	9	9	9	9	9	9	9
Revenue per operating day (1)	$22,750	$23,895	$26,642	$21,263	$21,227	$23,485	$23,572	$19,424
Drilling rig operating days	72	382	491	500	133	498	463	522
Drilling rig utilization % (2)	11%	47%	59%	60%	16%	61%	56%	63%
CAODC industry average utilization %	18%	29%	28%	30%	17%	52%	28%	29%
Wells drilled	10	39	34	41	11	45	30	29
Average days per well	8.0	9.8	14.4	12.2	12.1	11.1	15.0	18.0
Meters drilled (thousands)	26.7	119.8	127.8	155.2	41.0	161.7	161.1	112.2
Meters drilled per day	373	314	261	310	309	325	277	215
Average meters per well	2,966	3,070	3,708	3,786	3,724	3,593	4,270	3,869

(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.

	Three months ended							
OPERATING HIGHLIGHTS	**Jun. 30, 2019**	**Mar. 31, 2019**	**Dec. 31, 2018**	**Sep. 30, 2018**	**Jun. 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2017**	**Sep. 30, 2017**
Drilling Rigs - United States								
Total drilling rigs, end of period	2	-	-	-	-	-	-	-
Revenue per operating day(US$) (1)	$54,188	$-	$-	$-	$-	$-	$-	$-
Drilling rig operating days	25	-	-	-	-	-	-	-
Drilling rig utilization % (2)	69%	-%	-%	-%	-%	-%	-%	-%
Wells drilled	1	-	-	-	-	-	-	-
Average days per well	16.6	-	-	-	-	-	-	-
Meters drilled (thousands)	2.9	-	-	-	-	-	-	-
Meters drilled per day	177	-	-	-	-	-	-	-
Average meters per well	2,939	-	-	-	-	-	-	-

(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. Revenue is enhanced by a one-time recovery of mobilization costs.

(2) Drilling rig utilization is calculated based on operating days (i.e. spud to rig release basis).

Canadian Contract Drilling revenue of $1.6 million for Q2 2019 (Q2 2018: $2.8 million) was achieved with a utilization rate of 11% (Q2 2018: 16%), compared to the CAODC industry average of 18%, as CWC's customers reduced or delayed their drilling programs in the quarter. CWC completed 72 drilling rig operating days in Q2 2019, a 46% decrease from 133 drilling rig operating days in Q2 2018, as the Company prepared to move two drilling rigs to its U.S. operations. The Q2 2019 average revenue per operating day of $22,750 was an increase of 7% from $21,227 in Q2 2018. The significant reduction in Q2 2019 activity level was a direct result of a prolonged spring breakup and wet weather conditions combined with a lower crude oil price during the quarter, compared to a year ago. In addition, the Government of Alberta mandated production curtailment continued to temporarily slow down the need for newly drilled wells.

CWC moved two Contract Drilling rigs into the United States in Q2 2019 with operations beginning in mid-June 2019. U.S. Contract Drilling revenue of $1.7 million and 25 drilling rig operating days for Q2 2019 was achieved. Q2 2019 average revenue per operating day of US $54,188 was largely due to customer recovery of mobilization costs to relocate equipment from Canada to the Eagle Ford basin in Texas and the DJ basin in Wyoming. CWC intends to move two more drilling rigs into the United States by the end of 2019, subject to obtaining contracts with U.S. customers.

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 consists 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 56 of its service rigs and focus its sales and operational efforts on the remaining 92 active service rigs due to the reduction in the number of service rigs required to service the WCSB, in part as a result of the Government of Alberta's mandated crude oil production curtailments.

CWC's fleet of nine coil tubing units consist of six Class I and three 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 steam-assisted gravity drainage ("SAGD") wells that are shallower in depth and more appropriate for coil tubing operations.

CWC's fleet of 13 swabbing rigs 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, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017
Service Rigs								
Active service rigs, end of period	92	93	92	102	107	108	111	66
Inactive service rigs, end of period	56	55	56	46	41	41	38	8
Total service rigs, end of period	148	148	148	148	148	149	149	74
Operating hours	23,129	30,875	31,232	42,316	28,831	53,979	40,879	28,320
Revenue per hour	$646	$671	$663	$628	$642	$637	$606	$559
Revenue per hour excluding top volume customers	$687	$690	$696	$664	$677	$681	$645	$610
Service rig utilization % (1)	28%	37%	37%	45%	30%	56%	46%	47%
Coil Tubing Units								
Active coil tubing units, end of period	8	8	8	8	8	8	9	9
Inactive coil tubing units, end of period	1	1	1	1	1	1	1	1
Total coil tubing units, end of period	9	9	9	9	9	9	10	10
Operating hours	301	1,730	1,647	898	1,212	3,007	1,978	1,783
Revenue per hour	$830	$555	$625	$731	$762	$724	$725	$688
Coil tubing unit utilization % (2)	4%	24%	22%	12%	17%	39%	24%	22%
Swabbing Rigs								
Active swabbing rigs, end of period	8	8	8	9	8	8	9	-
Inactive swabbing rigs, end of period	5	5	5	4	5	5	4	-
Total swabbing rigs, end of period	13	13	13	13	13	13	13	-
Operating hours	661	1,655	2,313	881	958	2,258	1,063	-
Revenue per hour	$262	$288	$283	$273	$265	$310	$286	-
Swabbing rig utilization % (3)	9%	23%	30%	11%	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 $15.4 million in Q2 2019, down $4.0 million (21%) compared to $19.4 million in Q2 2018. The significant drop in Q2 2019 activity level for our production-oriented service rigs was a direct result of a prolonged spring breakup and wet weather conditions combined with a lower crude oil price during the quarter, compared to a year ago. CWC estimates that 4,224 service rig operating hours (Q2 2018: 1,856 operating hours) of lost activity were due to wet weather conditions in Q2 2019 out of a total 83,840 operating hours. In addition, the Government of Alberta mandated production curtailment continued to temporarily slow down the need for workover and maintenance work on producing wells.

CWC's service rig utilization in Q2 2019 of 28% (Q2 2018: 30%) was driven by 23,129 operating hours being 20% lower than the 28,831 operating hours in Q2 2018. However, the Q2 2019 average revenue per hour of $646 increased $4 per hour (1%) over the $642 in Q2 2018. Furthermore, Q2 2019 average revenue per hour excluding the top volume customers of $687 was $10 per hour (1%) higher than Q2 2018 average revenue per hour of $677 suggesting the loss in CWC's service rig operating hours in Q2 2019 were primarily from CWC's top volume customers who were the most affected by the Government of Alberta's mandated production curtailment.

CWC's coil tubing utilization in Q2 2019 of 4% (Q2 2018: 17%) with 301 operating hours was 75% lower than the 1,212 operating hours in Q2 2018. Average revenue per hour for coil tubing services of $830 in Q2 2019 is 9% higher than $762 in Q2 2018. The lower utilization reflects the continuing challenge of low natural gas prices and lower crude oil prices during the quarter, compared to a year ago, as well as the Government of Alberta mandated production curtailments temporarily slowing down the need for work on SAGD wells.

CWC swabbing rig utilization in Q2 2019 of 9% (Q2 2018: 13%) with 661 operating hours was 31% lower than the 958 operating hours in Q2 2018. Average revenue per hour for swabbing rigs of $262 in Q2 2019 is 1% lower than $265 in Q2 2018 reflecting the continuing challenge of low natural gas prices.

Capital Expenditures

$ thousands	Three months ended June 30, 2019	2018	Change $	Change %	Six months ended June 30, 2019	2018	Change $	Change %
Contract drilling	1,164	4,986	(3,822)	(77%)	1,258	5,116	(3,858)	(75%)
Production services	692	1,123	(431)	(38%)	1,877	1,930	(53)	(3%)
Corporate	46	-	46	n/m(1)	61	28	33	118%
Total capital expenditures	1,902	6,109	(4,207)	(69%)	3,196	7,074	(3,878)	(55%)
Growth capital	-	4,278	(4,278)	(100%)	-	4,278	(4,278)	(100%)
Maintenance and infrastructure capital	1,902	1,831	71	4%	3,196	2,796	400	14%
Total capital expenditures	1,902	6,109	(4,207)	(69%)	3,196	7,074	(3,878)	(55%)

(1) Not meaningful.

Capital expenditures of $1.9 million in Q2 2019, a decrease of $4.2 million (69%) compared to $6.1 million in Q2 2018.

Capital expenditures of $3.2 million for the six months ended June 30, 2019, a decrease of $3.9 million (55%) compared to $7.1 million in the same period in 2018.

The 2019 capital expenditure budget of $5.4 million was approved by the Board of Directors on January 16, 2019 and comprises 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 information technology infrastructure.

Outlook

Crude oil, as represented by WTI, averaged US$59.89/bbl in Q2 2019, an increase of 9% compared to Q1 2019 average price of US$54.87/bbl (Q2 2018: US$67.97/bbl) and finished the quarter on June 30, 2019 at US$58.20/bbl. Natural gas prices, as measured by AECO, decreased 57% from an average of $1.84/GJ in Q1 2019 to $0.79/GJ in Q2 2019 (Q2 2018 $1.14/GJ), which remains very low in historical terms. The price differential in Q2 2019 between Canadian heavy crude oil, as represented by WCS, and WTI maintained a differential in the range of US$10.00/bbl to US$15.00/bbl as the Government of Alberta mandated crude oil production curtailment was reduced from 250,000 bbls/day at the start of Q2 2019 to 175,000 bbls/day by the end of Q2 2019. A further approved 25,000 bbls/day reduction in each of August 2019 and September 2019 will reduce the total production curtailment to 125,000 bbls/day. In addition, recent negotiations between certain senior E&P companies and the Government of Alberta to reduce the remaining production curtailment by allowing E&P companies to increase their crude oil production if such incremental capacity is transported by railcars, appears to have both industry and government support. The existing and future reductions in the production curtailment has and will continue to allow CWC's E&P customers to increase their production capacity, which in turn has and will continue to gradually increase CWC's activity levels for both its Contract Drilling and Production Services segment.

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, the Canadian federal government's passing of Bill C-69 and Bill C-48 has negatively affected the availability of investment capital and growth for Canada's oil and gas industry. Bill C-69 imposes more requirements for consulting affected Indigenous communities, widens public participation in the review process and requires climate change to be considered when major national resource-exploitation and transportation projects are being evaluated. It applies to a wide range of projects including interprovincial pipelines, highways, mines and power links. Bill C-48 imposes a moratorium on oil tankers north of Vancouver Island. Despite these challenges, there appears to be renewed optimism in Canada's energy industry with Albertans electing a new government on April 16, 2019 whose leader intends to fight for Canada's energy sector, and with the recent approval by the National Energy Board of the expansion of the Trans Mountain Pipeline on June 18, 2019. Combining these recent events with the positive final investment decisions made in Q4 2018 by proponents of a liquefied natural gas processing facility (LNG Canada) and the building of its corresponding pipeline (Coastal GasLink) in northeast British Columbia, there is renewed optimism that investment capital and growth may return to the Canadian Energy sector.

While Canadian oilfield service activity currently remains muted, the United States energy industry continues to experience exponential growth. Over the past year, CWC has been actively identifying opportunities to establish a U.S. presence and is pleased to report that in March 2019 the Company signed its first U.S. contract to deliver contract drilling services to a multinational E&P company in the Eagle Ford basin in Texas. A second U.S. contract was signed in April 2019 to move a second drilling rig for another E&P customer to the DJ basin in Wyoming. Both drilling rigs began operations in the U.S. in mid-June 2019. It is the Company's intent to move an additional two drilling rigs to the U.S. in the second half of 2019 subject to signing customer contracts such that CWC positions up to four of its nine drilling rig fleet (44%) in the U.S. CWC believes these moves will help the Company achieve higher utilization, revenue and Adjusted EBITDA for its Contract Drilling segment over a longer-term period.

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 business combinations in North America and globally in the 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 and the United States 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 a U.S. office in Houston, Texas and 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".

For more information, please contact:

CWC Energy Services Corp.
610, 205 – 5th Avenue SW
Calgary, Alberta T2P 2V7
Telephone: (403) 264-2177
Email: info@cwcenergyservices.com

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

Stuart King, CPA, CA
Chief Financial Officer

Forward-Looking Information

This news release 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" 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, 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 and the United States, 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. 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 June 30, 2019	2018	Six months ended June 30, 2019	2018
NON-IFRS MEASURES				
Adjusted EBITDA:				
Net loss and comprehensive loss	(565)	(3,067)	(612)	(1,871)
Add:				
Depreciation	3,002	2,905	6,735	7,918
Finance costs	658	593	1,390	1,283
Deferred income tax recovery	(3,022)	(1,044)	(3,054)	(496)
Stock based compensation	197	237	426	522
Loss (gain) on sale of equipment	(55)	407	(78)	153
Adjusted EBITDA (1)	115	31	4,807	7,509
Adjusted EBITDA per share – basic and diluted (1)	$0.00	$0.00	$0.01	$0.01
Adjusted EBITDA margin (Adjusted EBITDA/Revenue) (1)	1%	0%	10%	11%
Weighted average number shares outstanding – basic and diluted	510,978,053	521,289,658	511,823,718	521,682,326
Gross margin:				
Revenue	18,746	22,245	50,004	71,170
Less: Direct operating expenses	14,923	17,904	37,261	54,250
Gross margin (2)	3,823	4,341	12,743	16,920
Gross margin percentage (2)	20%	20%	25%	24%

$ thousands	June 30, 2019	December 31, 2018
Working capital (excluding debt):		
Current assets	18,596	26,893
Less: Current liabilities	(9,197)	(8,793)
Add: Current portion of long term debt	1,357	928
Working capital (excluding debt) (3)	10,756	19,028
Working capital (excluding debt) ratio (3)	2.4:1	3.4:1
Net debt:		
Long term debt	35,261	43,968
Less: Current assets	(18,596)	(26,893)
Add: Current liabilities	9,197	8,793
Net debt (4)	25,862	25,868

(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.