ENERGY SERVICES

For Immediate Release: July 27, 2023

CWC ENERGY SERVICES CORP. ANNOUNCES SECOND QUARTER 2023 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 six months ended June 30, 2023. The Financial Statements and Management Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2023 are filed on SEDAR+ at www.sedarplus.ca.

Financial Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended June 30, 2023	2022	Change $	Change %	Six months ended June 30, 2023	2022	Change $	Change %
FINANCIAL RESULTS								
Revenue								
Contract Drilling	19,967	22,718	(2,751)	(12%)	49,512	39,430	10,082	26%
Production Services	14,507	19,963	(5,456)	(27%)	42,500	44,082	(1,582)	(4%)
	34,474	42,681	(8,207)	(19%)	92,012	83,512	8,500	10%
Adjusted EBITDA(1)	1,578	7,600	(6,022)	(79%)	12,492	16,026	(3,534)	(22%)
Adjusted EBITDA margin (%)(1)	5%	18%			14%	19%		
Net (loss) income	(1,625)	2,664	(4,289)	(161%)	3,044	6,103	(3,059)	(50%)
Net (loss) income margin (%)(2)	(5%)	6%		(11%)	3%	7%		(4%)
Capital expenditures	15,344	12,682	2,662	21%	25,469	15,473	9,996	65%
Per share information:								
Weighted average number of shares outstanding – basic	518,754,823	509,786,609			518,539,926	509,459,831		
Weighted average number of shares outstanding - diluted	518,754,823	523,123,662			534,949,670	520,768,461		
Adjusted EBITDA(1) per share - basic and diluted	$ 0.00	$ 0.01			$ 0.02	$ 0.03		
Net income (loss) per share - basic	$ (0.00)	$ 0.01			$ 0.01	$ 0.01		
Net (loss) income per share - basic and diluted	$ (0.00)	$ 0.01			$ 0.01	$ 0.01		

$ thousands, except ratios	June 30, 2023	December 31, 2022
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt)(1)	21,038	35,942
Working capital (excluding debt) ratio(1)	2.7:1	3.6:1
Total assets	286,692	287,552
Total long-term debt (including current portion)	41,064	43,004
Shareholders' equity	212,301	210,381

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

(2) Net (loss) income margin is a Non-GAAP Measure which is calculated as net (loss) income divided by total revenue.

Working capital(1) (excluding debt) for June 30, 2023, has decreased $14.9 million (41%) since December 31, 2022, driven by decreases in accounts receivable ($14.6 million (32%)) and prepaid expenses and deposits ($2.2 million (56%)) offset by a decrease in accounts payable ($1.9 million (14%)). Long-term debt (including current portion) of $41.1 million has decreased $1.9 million (5%) from December 31, 2022, as a result of debt repayment.

Highlights for the Three Months Ended June 30, 2023

- Quarterly revenue of $34.5 million, a decrease of $8.2 million (19%) compared to a record $42.7 million in Q2 2022. Revenue decreased $2.8 million (12%) in Q2 2023 for the Contract Drilling segment and $5.5 million (27%) for the Production Services segment compared to Q2 2022. Both the Contract Drilling and Production Services segments in Canada were affected by delayed activity due to the Alberta wildfires and wet weather conditions in May and June 2023 with no similar conditions in Q2 2022. CWC estimates 3,448 operating hours or $3.1 million of lost revenue in the Production Services segment were due to the wildfires and wet weather conditions in Q2 2023. CWC also estimates 15 operating days or $0.5 million of lost revenue in the Contract Drilling segment were due to the wet weather conditions in Q2 2023.
- Q2 2023 Adjusted EBITDA(1) of $1.6 million, a decrease of $6.0 million (79%) compared to a record $7.6 million in Q2 2022. Q2 2023 Adjusted EBITDA was the third-highest Q2 in CWC's 19-year history.
- Net loss of $ 1.6 million, compared to net income of $2.7 million in Q2 2022.
- During Q2 2023, 1,275,000 common shares (Q2 2022: nil) were purchased under the Normal Course Issuer Bid ("NCIB") and 1,395,500 were cancelled and returned to treasury.

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

Highlights for the Six Months Ended June 30, 2023

- Record revenue for the first six months of 2023 of $92.0 million, an increase of $8.5 million (10%) compared to $83.5 million in the first six months of 2022. Revenue increased $10.1 million (26%) in the Contract Drilling segment and decreased $1.6 million (4%) for the Production Services segment compared to the first six months of 2022.
- Adjusted EBITDA(1) for the first six months of 2023 of $12.5 million, a decrease of $3.5 million (22%) compared to a record $16.0 million in the first six months of 2022. Adjusted EBITDA for the first six months of 2023 was the second-highest first-half results in the Company's 19-year history.
- Net income of $3.0 million, a decrease of $3.1 million (50%) compared to a record $6.1 million in the first six months of 2022. Net income for the first six months of 2023 was the second-highest first-half results in the Company's 19-year history.
- During the first six months of 2023, 1,681,000 common shares (2022: nil) were purchased, cancelled and returned to treasury under the Normal Course Issuer Bid ("NCIB").

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

Industry Overview

Average crude oil and natural gas prices

	Three months ended							
	Jun. 30, 2023	**Mar. 31, 2023**	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**	**Sep. 30, 2021**
Crude oil								
West Texas Intermediate (US$/bbl)	73.19	76.13	82.65	91.55	108.41	94.29	77.19	70.56
Western Canadian Select (US$/bbl)	60.38	56.36	54.48	70.95	93.05	81.49	60.44	57.64
Natural gas								
AECO (C$/mcf)	2.04	3.25	6.00	5.00	6.92	4.66	4.89	3.75

Source: GLJ Ltd price forecasts.

In March 2023, the International Energy Agency ("IEA") forecast that global oil demand will reach a record 102 million bbls/day while natural gas production is expected to remain near historic highs of 4.1 billion cubic metres. The Canadian Association of Petroleum Producers ("CAPP") is forecasting an 11% increase in upstream capital spending compared to 2022. And on June 14, 2023, Enserva (formerly the Petroleum Services Association of Canada) forecast a 12% increase to 6,180 wells to be drilled in Canada in 2023 (2022: 5,500 wells). These positive forecasts of demand for oil and natural gas combined with many Western governments' need for energy supply security bodes well for North America's near and medium-term outlook for increased oilfield services activity. While inflation, interest rate increases by central banks, and a potential global recession continue to be a concern for the price of crude oil and natural gas, the discipline among our North

American E&P customers to return free cash flow in the form of dividends and share buybacks to their shareholders remains strong and will keep the potential of any oversupply of crude oil or natural gas in check.

Corporate Overview

CWC Energy Services Corp. is a premier contract drilling and well servicing company operating in Canada and the United States with a complementary suite of oilfield services including drilling rigs and service rigs. The Company's corporate office is located in Calgary, Alberta, with operational locations in Nisku, Grande Prairie, Slave Lake, Sylvan Lake, Drayton Valley, Lloydminster, Provost and Brooks, Alberta and U.S. offices in Denver, Colorado and Casper, Wyoming. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

The Contract Drilling division operates under the trade name CWC Ironhand Drilling and is comprised of thirteen (13) electric triple drilling rigs with depth ratings from 3,600 to 7,600 metres and nine (9) telescopic double drilling rigs with depth ratings from 3,200 to 5,000 metres. All twenty-two (22) rigs have top drives, seventeen (17) have pad rig moving systems, nine (9) have 7,500 psi pumping systems, three (3) have carbon reduction bi-fuel capabilities, and two (2) have high line power capabilities. All of the drilling rigs are ideally suited for the most active depths for horizontal drilling in the Western Canadian Sedimentary Basin ("WCSB"), including the Montney, Cardium, Duvernay and other deep basin horizons, and select United States basins including the Permian, Eagle Ford, Niobrara, Denver-Julesburg ("DJ"), Powder River and Bakken.

The Production Services division operates under the trade name CWC Well Services. With a fleet of 138 service rigs, CWC is one of Canada's largest well servicing companies as measured by active fleet and operating hours. CWC's service rig fleet consists of 73 single, 52 double and 13 slant rigs providing services which include completions, maintenance, workovers and well decommissioning with depth ratings from 1,500 to 5,000 metres. In 2023, CWC chose to park 76 of its service rigs and focus its sales and operational efforts on the remaining 62 active service rigs due to the reduction in the number of service rigs currently required to service the WCSB and the tight labour market experienced in the industry for service rig crews.

Results of Operations

$ thousands, except per share amounts	Three months ended June 30, 2023	Three months ended June 30, 2022	Change $	Change %	Six months ended June 30, 2023	Six months ended June 30, 2022	Change $	Change %
Revenue	34,474	42,681	(8,207)	(19%)	92,012	83,512	8,500	10%
Direct operating expenses	26,851	30,262	(3,411)	(11%)	66,673	57,575	9,098	16%
Gross margin (1)	7,623	12,419	(4,796)	(39%)	25,339	25,937	(598)	(2%)
Selling and administrative expenses	6,045	4,819	1,226	25%	12,847	9,911	2,936	30%
Adjusted EBITDA(1)	1,578	7,600	(6,022)	(79%)	12,492	16,026	(3,534)	(22%)
Stock based compensation	300	231	69	30%	600	462	138	30%
Finance costs	529	605	(76)	(13%)	1,486	993	493	50%
Depreciation	3,371	2,982	389	13%	6,977	5,908	1,069	18%
(Gain) loss on disposal of equipment	(576)	227	(803)	(354%)	(694)	564	(1,258)	(223%)
(Loss) income before income taxes	(2,046)	3,555	(5,601)	(158%)	4,123	8,099	(3,976)	(49%)
Deferred income tax (recovery) expense	(421)	891	(1,312)	(147%)	1,079	1,996	(917)	(46%)
Net (loss) income	(1,625)	2,664	(4,289)	(161%)	3,044	6,103	(3,059)	(50%)
Net (loss) income per share								
Basic and diluted	$ (0.00)	$ 0.01	$ (0.01)	(100%)	$ 0.01	$ 0.01	$ -	0%

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

Contract Drilling – Canada and United States

$ thousands, except margins, number of rigs, revenue per operating day, and utilization	Three months ended June 30, 2023	2022	Change $	Change %	Six months ended June 30, 2023	2022	Change $	Change %
Revenue								
Canada	4,731	7,784	(3,053)	(39%)	21,868	20,573	1,295	6%
United States	15,236	14,934	302	2%	27,644	18,857	8,787	47%
	19,967	22,718	(2,751)	(12%)	49,512	39,430	10,082	26%
Direct operating expenses								
Canada	3,967	5,848	(1,881)	(32%)	15,225	14,832	393	3%
United States	12,037	11,009	1,028	9%	22,106	13,769	8,337	61%
	16,004	16,857	(853)	(5%)	37,331	28,601	8,730	31%
Gross margin (1)								
Canada	764	1,936	(1,172)	(61%)	6,643	5,741	902	16%
United States	3,199	3,925	(726)	(18%)	5,538	5,088	450	9%
	3,963	5,861	(1,898)	(32%)	12,181	10,829	1,352	12%
Gross margin percentage (1)								
Canada	16%	25%	n/a	(9%)	30%	28%	n/a	2%
United States	21%	26%	n/a	(5%)	20%	27%	n/a	(7%)
	20%	26%	n/a	(6%)	25%	27%	n/a	(2%)
Total drilling rigs, end of period								
Canada	7	7	-	0%	7	7	-	0%
United States	15	15	-	0%	15	15	-	0%
	22	22	-	0%	22	22	-	0%
Revenue per operating day(2)								
Canada	$37,252	$28,513	$8,739	31%	$35,849	$28,693	$7,156	25%
United States (US$)	US$32,697	US$29,347	US$3,350	11%	US$31,399	US$28,920	US$2,479	9%
Drilling rig operating days								
Canada	127	273	(146)	(53%)	610	717	(107)	(15%)
United States	348	398	(50)	(13%)	654	511	143	28%
	475	671	(196)	(29%)	1,264	1,228	36	3%
Drilling rig utilization %(3)								
Canada	20%	43%	n/a	(23%)	48%	57%	n/a	(9%)
United States	29%	37%	n/a	8%	29%	24%	n/a	5%
	26%	39%	n/a	(13%)	36%	36%	n/a	0%

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

(2) Revenue per operating day is calculated based on operating days (i.e. spud to rig release basis). New or inactive drilling rigs are added based on the first day of field service.

(3) Drilling rig utilization is calculated based on operating days (i.e. spud to rig release basis). Drilling rigs requiring their Level IV recertification, refurbishment or have been otherwise removed from service for greater than 90 days are excluded from the utilization calculation until their first day back in field service.

Canadian Contract Drilling revenue of $4.7 million in Q2 2023, a decrease of $3.1 million (39%) compared to $7.8 million in Q2 2022, was achieved with a utilization rate of 20% (Q2 2022: 43%), compared to the Canadian Association of Energy Contractors ("CAOEC") industry average of 25%. CWC completed 127 Canadian drilling rig operating days in Q2 2023, a decrease of 146 operating days (53%) compared to 273 Canadian drilling rig operating days in Q2 2022 as Alberta wildfires and wet weather conditions in May and June 2023 affected the start of certain Canadian E&P customers drilling programs. An estimated 15 operating days or $0.5 million of lost revenue in the Contract Drilling segment were due to the wet weather conditions in Q2 2023. In comparison, Q2 2022 experienced an unusually shorter spring break-up, which allowed for earlier access to drilling sites and increased drilling activity in the prior year's quarter. All seven (7) Canadian drilling rigs worked in Q2 2023.

Gross margin in the Canadian Contract Drilling segment was $0.8 million, a decrease of $1.2 million from $1.9 million in Q2 2022. The gross margin decrease is a result of increases in direct operating expenses, primarily related to inflationary increases in field labour, fuel and supplies costs offset by a 31% increase in average revenue per operating day.

U.S. Contract Drilling revenue of $15.2 million in Q2 2023, an increase of $0.3 million (2%) compared to $14.9 million in Q2 2022, was achieved with 348 U.S. drilling rig operating days (Q2 2022: 398 U.S. drilling rig operating days). Six (6) of the nine (9) U.S. marketable drilling rigs worked in Q2 2023.

Gross margin in the U.S. Contract Drilling segment was $3.2 million, a decrease of $0.7 million (18%) compared to $3.9 million in Q2 2022. The gross margin decrease is a result of increases in direct operating expenses, primarily related to inflationary increases in field labour, fuel and supplies costs offset by an 11% increase in average revenue per operating day.

Production Services – Canada

$ thousands, except margins, number of rigs, revenue per operating hour, and utilization	Three months ended June 30,		Change	Change	Six months ended June 30,		Change	Change
	2023	2022	$	%	2023	2022	$	%
Revenue	14,507	19,963	(5,456)	(27%)	42,500	44,082	(1,582)	(4%)
Direct operating expenses	10,847	13,405	(2,558)	(19%)	29,342	28,974	368	1%
Gross margin (1)	3,660	6,558	(2,898)	(44%)	13,158	15,108	(1,950)	(13%)
Gross margin percentage (1)	25%	33%	n/a	(8%)	31%	34%	n/a	(3%)
Service rigs, end of period								
Active service rigs	62	64	(2)	(3%)	62	64	(2)	(3%)
Inactive service rigs	76	79	(3)	(4%)	76	79	(3)	(4%)
Total service rigs	138	143	(5)	(3%)	138	143	(5)	(3%)
Revenue per hour	$923	$848	$75	9%	$960	$813	$147	18%
Service rig operating hours	15,718	23,356	(7,638)	(33%)	44,256	54,192	(9,936)	(18%)
Service rig utilization %(2)	39%	57%	n/a	(18%)	54%	65%	n/a	(11%)

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

(2) In accordance with CAOEC methodology, service rig utilization is calculated based on 10 operating hours a day x number of days per quarter x 5 days a week divided by 7 days in a week to reflect maximum utilization available due to hours of service restrictions on rig crews. Service rigs requiring their 24,000-hour recertification, refurbishment, or have been otherwise removed from service for greater than 90 days are excluded from the utilization calculation until their first day back in field service.

Production Services revenue of $14.5 million in Q2 2023, a decrease of $5.5 million (27%) compared to $20.0 million in Q2 2022. CWC's service rig utilization in Q2 2023 of 39% (Q2 2022: 57%) with 15,718 operating hours was 33% lower than the 23,356 operating hours in Q2 2022. CWC estimates 3,448 operating hours or $3.1 million of lost revenue in the Production Services segment for Q2 2023 were due to the Alberta wildfires and wet weather conditions in Q2 2023. In addition, the $1.0 billion Alberta Site Rehabilitation Program ("SRP"), the $400 million Saskatchewan Accelerated Site Closure Program ("ASCP") and the $100 million B.C. Dormant Sites Reclamation Program ("DSRP") ended on February 14, 2023, under which the Company earned $1.3 million in revenue in Q2 2022 with no corresponding revenue in Q2 2023. The Company was successful in implementing pricing adjustments to partially offset higher inflationary field labour, fuel and supply costs as evidenced by the average revenue per hour of $923 in Q2 2023, an increase of $75 per hour (9%) compared to $848 per hour in Q2 2022.

Capital Expenditures

$ thousands	Three months ended June 30, 2023	2022	Change $	Change %	Six months ended June 30, 2023	2022	Change $	Change %
Capital expenditures								
Contract drilling	12,992	11,227	1,765	16%	21,815	13,129	8,686	66%
Production services	2,352	1,455	897	62%	3,654	2,229	1,425	64%
Other equipment	-	-	-		-	115	(115)	(100%)
	15,344	12,682	2,662	21%	25,469	15,473	9,996	65%
Growth capital	11,255	9,994	1,261	13%	19,614	11,530	8,084	70%
Maintenance and infrastructure capital	4,089	2,688	1,401	52%	5,855	3,943	1,912	48%
Total capital expenditures	15,344	12,682	2,662	21%	25,469	15,473	9,996	65%

Capital expenditures of $25.5 million in the first six months of 2023, an increase of $10.0 million compared to $15.5 million in the first six months of 2022. The increase in capital expenditures in 2023 is primarily due to the purchase of real estate in the United States, Level IV re-certifications and upgrades to the three (3) U.S. triple drilling rigs and related ancillary equipment purchased in June 2022.

Outlook

2023 started the year with crude oil prices buoyed by higher demand from China following the re-opening of their economy after abandoning its zero COVID-19 policies. However, in March 2023, crude oil prices declined sharply on concerns the poor financial health of a few U.S. regional banks and a European bank would spread, potentially creating a new global financial crisis. Fortunately, both U.S. and European financial regulators stepped in and acted quickly to prevent the confidence crisis from spreading to other financial institutions. As an added precaution, on April 2, 2023, eight (8) members of OPEC+ voluntarily announced additional production cuts of 1.16 million bbls/day to help support global crude oil prices. On June 4, 2023, OPEC+ members agreed to extend the crude oil production cuts through the end of 2024 and Saudi Arabia voluntarily announced it would further cut crude oil production by 1.0 million bbl/day for July and August 2023. In addition, Russia also announced a 0.5 million bbl/day cut for August 2023 further lending support to global crude oil prices. The U.S. Energy Information Administration ("EIA") estimates that these production cuts will keep total OPEC+ production below the pre-pandemic five-year average levels and reduce their share of world consumption to 33% in 2024, down from the pre-pandemic average of 37%. As a result of these crude oil production cuts, the EIA forecasts crude oil prices will rise to the mid-$80 per barrel range by the end of 2024. Analysts believe North American drilling and oilfield services activity will continue to be strong under this favourable crude oil price environment at a sustainable and measured pace given the capital discipline instilled upon E&P companies by their debt and equity stakeholders for return of capital through debt reduction, dividends and share buybacks. Such sustained and measured increases in oilfield services activity should bode well for CWC.

CWC's activity level started off strong in 2023 but was temporarily hindered by Alberta wildfires and wet weather conditions in western Canada for May and June 2023 and therefore considers it prudent to withdraw its previous 2023 estimated adjusted EBITDA range financial guidance. CWC currently has 11 drilling rigs and 40 service rigs working and expects to increase the rig count to 18 drilling rigs and 50 service rigs at various points in the second half of 2023. Pricing, as measured by average revenue per day and hour, for both drilling rigs and service rigs continue to remain elevated over the prior year period buoyed by inflation for labour, fuel and supplies. The biggest challenges for CWC will be to attract more field labour and rig crews in a continuing tight labour market and to keep direct operating costs steady and recoverable from our E&P customers. The Company has been successful in recruiting new field employees and crewing both its drilling and service rigs. As at June 30, 2023, CWC employed 577 employees and will be ramping up its field labour and rig crews to accommodate the expected increase in drilling rig and service rig activity in the second half of 2023.

While CWC expects a continuation of its strong operational and financial results for the remainder of 2023, various global uncertainties may derail the Company's expected positive path. Russia's invasion of Ukraine has elicited a strong global response of sanctions against Russia from many Western countries. Such sanctions may have a negative effect on the global economy through supply chain disruptions and volatile commodity prices. While improving, many global economies are still experiencing high levels of inflation as central banks continue increasing interest rates at a rapid pace, which has had the effect of modestly slowing economic growth and the pace of inflation to date. If interest rates increase too rapidly, or rise to a high enough level whereby economic activity slows significantly resulting in a global recession, CWC may be negatively impacted.

About CWC Energy Services Corp.

CWC Energy Services Corp. is a premier contract drilling and well servicing company operating in Canada and the United States with a complementary suite of oilfield services including drilling rigs and service rigs. The Company's corporate office is located in Calgary, Alberta, with operational locations in Nisku, Grande Prairie, Slave Lake, Sylvan Lake, Drayton Valley, Lloydminster, Provost and Brooks, Alberta and U.S. offices in Denver, Colorado and Casper, Wyoming. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

For more information, please contact:

CWC Energy Services Corp.
2910, 605 – 5th Avenue SW
Calgary, Alberta T2P 3H5
Telephone: (403) 264-2177
Email: info@cwcenergyservices.com

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

Stuart King, CPA, CA
Chief Financial Officer

Forward-Looking Information

This News Release contains certain forward-looking information and statements (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. Certain statements contained in this News Release, including those contained in the section titled "Outlook" and including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking statements. In particular, this News Release contains forward-looking statements including management's assessment of future plans and operations, planned levels of capital expenditures, expectations as to industry and Company activity levels in various areas, expectations on the sustainability of future cash flow and earnings, expectations with respect to crude oil and natural gas prices, expectations regarding the level and type of drilling and production and related drilling and well services activity in the WCSB and U.S. basins, expectations regarding entering into long term drilling contracts and expanding our customer base, and expectations regarding the business, operations, revenue and debt levels of the Company in addition to general economic conditions including industry labor shortages, inflationary pressures and a rising interest rate environment and the impact of those conditions on the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of CWC's businesses include, among other things: risks and assumptions associated with operations, such as CWC's ability to successfully implement its strategic initiatives and achieve expected benefits therefrom; assumptions concerning operational reliability; the ability to access sufficient capital from internal and external sources including debt and equity capital; risks inherent in CWC's Canadian and U.S. operations; CWC's ability to generate sufficient cash flow from operations to meet its current and future obligations; risks associated with the failure to finalize formal agreements with counterparties in certain circumstances; CWC's ability to make capital investments and the amounts of capital investments; increases in maintenance, operating or financing costs; the realization of the anticipated benefits of transactions; the possibility that CWC is unable to identify or consummate any acceptable strategic alternatives; the availability and price of labour, equipment and construction materials; the status, credit risk and continued existence of customers having contracts with CWC and its affiliates; availability of energy commodities; volatility of and assumptions regarding prices of energy commodities; competitive factors, including competition from third parties in the areas in which CWC operates or intends to operate, pricing pressures and supply and demand in the drilling and service rig business; fluctuations in currency and interest rates; inflation; risks of war (including the war in Ukraine), hostilities, civil insurrection, pandemics (including COVID-19), instability and political and economic conditions in or affecting jurisdictions in which CWC and its affiliates operate; severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to CWC's business; the risks associated with existing and potential or threatened future lawsuits, legal proceedings and regulatory actions against CWC and its affiliates; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals or land access rights and maintenance of support of such approvals and rights; the effects and *impacts of the COVID-19 pandemic on CWC's business and general economic and business conditions and markets; and such other risks and uncertainties described in the Annual MD&A under the section entitled "Risk Factors" and from time to time in CWC's reports and filings with the Canadian securities authorities. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and CWC's future course of action depends on management's assessment of all information available at the relevant time. You can find a discussion of those risks and uncertainties in the Annual MD&A under the section entitled "Risk Factors" and in CWC's other securities filings at www.sedarplus.ca.*

Readers are cautioned that the foregoing list of assumptions, risks, uncertainties and factors is not exhaustive. See also the section entitled "Risks and Uncertainties" for further risk factors. The forward-looking statements contained in this News Release are made as of the date of this News Release and, except to the extent expressly required by applicable securities laws and regulations, CWC assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this News Release and all subsequent forward-looking statements, whether written or oral, attributable to CWC or persons acting on CWC's behalf are expressly qualified in their entirety by these cautionary statements. Any forward-looking statements made previously may be inaccurate now.

Non-GAAP and Other Financial Measures

$ thousands, except shares, per share amounts and margins	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
NON-GAAP MEASURES				
Adjusted EBITDA:				
Net income (loss)	(1,625)	2,664	3,044	6,103
Add:				
Stock based compensation	300	231	600	462
Finance costs	529	605	1,486	993
Depreciation	3,371	2,982	6,977	5,908
(Gain) loss on disposal of equipment	(576)	227	(694)	564
Income tax expense (recovery)	(421)	891	1,079	1,996
Adjusted EBITDA(1)	1,578	7,600	12,492	16,026
Adjusted EBITDA per share – basic and diluted(1)	$ 0.00	$ 0.01	$ 0.02	$ 0.03
Adjusted EBITDA margin (Adjusted EBITDA/Revenue)(1)	5%	18%	14%	19%
Weighted average number of shares outstanding - basic	518,754,823	509,786,609	518,539,926	509,459,831
Weighted average number of shares outstanding - diluted	518,754,823	523,123,662	534,949,670	520,768,461
Gross margin:				
Revenue	34,474	42,681	92,012	83,512
Less: Direct operating expenses	26,851	30,262	66,673	57,575
Gross margin(2)	7,623	12,419	25,339	25,937
Gross margin percentage(2)	22%	29%	28%	31%

$ thousands	June 30, 2023	December 31, 2022
Working capital (excluding debt):		
Current assets	33,101	49,925
Less: Current liabilities	(13,084)	(14,848)
Add: Current portion of long-term debt	1,021	865
Working capital (excluding debt) (3)	21,038	35,942
Working capital (excluding debt) ratio(3)	2.7:1	3.6:1
Net debt:		
Long-term debt	40,043	42,139
Less: Current assets	(33,101)	(49,925)
Add: Current liabilities	13,084	14,848
Net debt (4)	20,026	7,062

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

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

(3) Working capital (excluding debt) is calculated based on current assets less current liabilities excluding the current portion of long-term debt. Working capital (excluding debt) is used to assist management and investors in assessing the Company's liquidity. Working capital (excluding debt) does not have

any meaning prescribed under IFRS and may not be comparable to similar measures provided by other companies. The working capital (excluding debt) ratio is calculated as current assets divided by the difference of current liabilities less the current portion of long-term debt.

(4) Net debt is calculated based on long-term debt less current assets plus current liabilities. Net debt is not a recognized measure under IFRS and does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies. Management believes net debt is a useful indicator of a company's debt position.