For Immediate Release: November 6, 2020

CWC ENERGY SERVICES CORP. ANNOUNCES THIRD QUARTER 2020 OPERATIONAL AND FINANCIAL RESULTS

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces the release of its operational and financial results for the three and nine months ended September 30, 2020. The Financial Statements and Management Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2020 are filed on SEDAR at www.sedar.com.

Financial and Operational Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended September 30, 2020	2019	Change %	Nine months ended September 30, 2020	2019	Change %
FINANCIAL RESULTS						
Revenue						
Contract Drilling	543	8,284	(93%)	14,532	20,792	(30%)
Production Services	9,779	19,491	(50%)	33,296	56,987	(42%)
	10,322	27,775	(63%)	47,828	77,779	(39%)
Other income	2,635	-	n/m[2]	4,423	-	n/m[2]
Adjusted EBITDA[1]	1,953	3,868	(50%)	6,064	8,675	(30%)
Adjusted EBITDA margin (%)[1]	19%	14%		13%	11%	
Impairment of assets	-	-	n/m[2]	(25,451)	-	n/m[2]
Net loss	(810)	(234)	n/m[2]	(23,721)	(612)	n/m[2]
Net loss margin (%)[1]	(8%)	(1%)	(7%)	(50%)	(1%)	(49%)
Capital expenditures	1,022	968	6%	4,547	4,164	9%
Per share information:						
Weighted average number of shares outstanding – basic and diluted	507,543,333	510,358,460		509,239,883	511,329,933	
Adjusted EBITDA[1] per share - basic and diluted	$ 0.00	$ 0.01		$ 0.01	$ 0.02	
Net loss per share - basic and diluted	$ (0.00)	$ (0.00)		$ (0.05)	$ (0.00)	

$ thousands, except ratios	September 30, 2020	December 31, 2019
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt)[1]	5,920	18,534
Working capital (excluding debt) ratio[1]	1.9:1	3.3:1
Total assets	199,421	243,398
Total long-term debt (including current portion)	27,960	40,552
Shareholders' equity	158,959	182,032

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

Working capital (excluding debt) for September 30, 2020 has decreased $12.6 million (68%) since December 31, 2019 driven by decreases in accounts receivable ($13.1 million (55%)), prepaid expenses and deposits ($0.7 million (25%)) offset by decrease in account payable ($1.2 million (15%)). Long-term debt (including current portion) has decreased $12.6 million (31%) from December 31, 2019 driven primarily by the collection of accounts receivable. Both working capital and long-term debt are lower in Q3 2020 compared to Q4 2019 due to the significantly reduced operating activity as a result of the COVID-19 global health pandemic. Shareholders' equity has decreased $23.1 million (13%) since December 31, 2019 primarily due to the net loss for the nine months ended September 30, 2020 which included a charge for impairment of assets of $25.5 million partially offset by an unrealized gain on translation of foreign operations of $1.2 million.

Highlights for the Three Months Ended September 30, 2020

- During Q3 2020, the Company received 300 application approvals under the Alberta Site Rehabilitation Program ("SRP") worth approximately $4.8 million in future work with a further $14.5 million under review or awaiting future government application rounds to open. The $1.0 billion Alberta SRP, the $400 million Saskatchewan Accelerated Site Closure Program ("ASCP") and the $100 million B.C. Dormant Sites Reclamation Program ("DSRP") provides grants to eligible oilfield service contractors to perform well, pipeline, and oil and gas site closure and reclamation work, creating jobs and supporting the environment. CWC's Production Services segment is well positioned to provide well decommissioning work on these inactive wells.
- Average Q3 2020 crude oil price, as measured by West Texas Intermediate ("WTI"), of US$40.90/bbl was 46% higher than the Q2 2020 average price of US$27.95/bbl (Q3 2019: US$56.40/bbl) and the price differential between Canadian heavy crude oil, as represented by Western Canadian Select ("WCS"), and WTI maintained a differential in the range of US$7.85/bbl to US$11.18/bbl during the third quarter of 2020. Natural gas prices, as measured by AECO, increased 13% from an average of $1.90/GJ in Q2 2020 to $2.14/GJ in Q3 2020 (Q3 2019 $0.97/GJ).
- CWC's Canadian drilling rig utilization in Q3 2020 of 4% (Q3 2019: 19%) was lower than the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 9%. Canadian activity levels in Q3 2020 of 28 drilling rig operating days (Q3 2019: 130 drilling rig operating days) from seven Canadian drilling rigs were lower as a result of the decline in demand for crude oil driven by the global health solutions to slow the spread of the COVID-19 virus. Average revenue per operating day of $19,214 resulted in revenue of $0.5 million (Q3 2019: $2.7 million) from the Canadian drilling operations. As a result of the COVID-19 health pandemic and the travel restrictions implemented between Canada and the U.S., CWC's two U.S. drilling rigs, which operate with Canadian rig crews, did not see any operating days in Q3 2020 (Q3 2019: 155 drilling rig operating days) and, therefore, did not generate any revenue in the quarter (Q3 2019: $5.6 million). Service rig utilization in Q3 2020 of 29% (Q3 2019: 52%) was driven by 15,859 operating hours which were 46% lower than the 29,528 operating hours in Q3 2019; a result of the significant drop off in activity levels due to COVID-19 and the corresponding steep drop in oil prices.
- Revenue of $10.3 million, a decrease of $17.5 million (63%) compared to $27.8 million in Q3 2019.
- Other income of $2.6 million in Q3 2020 consists of Government of Canada grants, which the Company received under the Canada Emergency Wage Subsidy ("CEWS").
- Adjusted EBITDA(1) of $2.0 million, a decrease of $1.9 million compared to $3.9 million in Q3 2019.
- Net loss of $0.8 million, an increase of $0.6 million compared to $0.2 million in Q3 2019.
- During Q3 2020, 2,405,000 (Q3 2019: 405,000) common shares were purchased under the Normal Course Issuer Bid ("NCIB") and 2,349,000 (Q3 2019: 524,500) common shares were cancelled and returned to treasury.

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

Highlights for the Nine months Ended September 30, 2020

- The oil and gas sector was hit particularly hard amid the global economic downturn as a result of the COVID-19 health pandemic and the measures put in place to slow the spread of the virus. Demand for crude oil collapsed at a time when global supply was ramping up, fueled by rising shale oil output in the U.S. As a result, global oil prices collapsed. The Company's exploration and production ("E&P") customers, struggling with declining demand and business stability, cut their capital expenditure programs leading to reduced demand for the Company's services. The duration of the negative impact from the COVID-19 health pandemic on the Company's operations is unknown and will depend on future economic developments, which cannot be predicted with confidence at this time. Therefore, the Company continues to pursue cash saving initiatives to preserve cash resources and maintain balance sheet strength as well as to retain its most valuable asset – its key employees. The Company has also enacted new safety protocols to protect the health and safety of its employees so that the Company can operate with confidence that its employees and customers are taking the necessary precautions.
- CWC's Canadian drilling rig utilization for the first nine months of 2020 of 23% (2019: 23%) exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 16%. Canadian activity levels for the first nine months of 2020 decreased 25% to 440 drilling rig operating days (2019: 583 drilling rig operating days) from seven Canadian drilling rigs. Average revenue per operating day of $22,073 resulted in revenue of $9.7 million from the Canadian drilling operations. U.S. drilling rig activity levels for the first nine months of 2020 were 144 drilling rig operating days (2019: 180 drilling rig operating days) from two U.S. drilling rigs for a utilization of 26% (2019: 33%). U.S. Contract Drilling revenue of $4.8 million represented 33% of CWC's total Contract Drilling revenue in the first nine months of 2020 with the average revenue per operating day of US$25,139 from U.S. operations. CWC's service rig utilization for the first nine months of 2020 of 31% (2019: 48%) was driven by 50,338 operating hours which were 40% lower than the 83,531 operating hours in 2019; a result of the significant drop off in activity levels due to COVID-19 and the corresponding steep drop in oil prices.
- Revenue of $47.8 million, a decrease of $30.0 million (39%) compared to $77.8 million in the first nine months of 2019.
- Adjusted EBITDA[1] of $6.1 million, a decrease of $2.6 million (30%) compared to $8.7 million in the first nine months of 2019.
- Net loss of $23.7 million, an increase of $22.9 million compared to $0.8 million in the first nine months of 2019. The increase in net loss is primarily due to a charge for impairment of assets of $25.5 million taken in Q1 2020.
- For the nine months ended September 30, 2020, the Company purchased 7,787,500 (2019: 3,078,500) common shares under the Normal Course Issuer Bid ("NCIB") and 7,831,000 (2019: 3,060,500) 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 also operates in select United States basins including the 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.

OPERATING HIGHLIGHTS	Three months ended Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018
Drilling Rigs – Canada								
Total drilling rigs, end of period	7	7	7	7	7	7	9	9
Revenue per operating day(1)	$19,214	$19,382	$22,849	$22,161	$20,685	$22,750	$23,895	$26,642
Drilling rig operating days	28	68	344	232	130	72	382	491
Drilling rig utilization %(2)	4%	11%	54%	36%	19%	11%	47%	59%
CAODC industry average utilization %	9%	4%	35%	23%	23%	18%	29%	28%
Wells drilled	4	4	26	18	12	10	39	34
Average days per well	7.1	17.1	13.2	12.9	10.9	8.0	9.8	14.4
Meters drilled (thousands)	13.7	20.2	99.6	75.6	39.6	26.7	119.8	127.8
Meters drilled per day	483	295	290	326	304	373	314	261
Average meters per well	3,412	5,053	3,831	4,199	3,300	2,966	3,070	3,708
Drilling Rigs – United States								
Total drilling rigs, end of period	2	2	2	2	2	2	-	-
Revenue per operating day (US$)(1)	-	-	$25,139	$34,448(3)	$27,159	$54,188(3)	-	-
Drilling rig operating days	-	-	144	56	155	25	-	-
Drilling rig utilization %(2)	-	-	79%	31%	84%	69%	-	-
Wells drilled	-	-	10	5	16	1	-	-
Average days per well	-	-	14.4	11.3	9.7	16.6	-	-
Meters drilled (thousands)	-	-	40.5	14.5	50.7	2.9	-	-
Meters drilled per day	-	-	282	258	327	177	-	-
Average meters per well	-	-	4,053	2,942	978	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.
(2) Drilling rig utilization is calculated based on operating days (i.e. spud to rig release basis).
(3) Revenue is enhanced by one-time recovery of mobilization costs.

Canadian Contract Drilling revenue of $0.5 million for Q3 2020 (Q3 2019: $2.7 million) was achieved with a utilization rate of 4% (Q3 2019: 19%), compared to the CAODC industry average of 9%. CWC completed 28 Canadian drilling rig operating days in Q3 2020, 78% lower than 130 Canadian drilling rig operating days in Q3 2019.

As a result of the COVID-19 health pandemic and the travel restrictions implemented between Canada and the U.S., CWC's two U.S. drilling rigs, which operate with Canadian rig crews, did not see any operating days in Q3 2020 (Q3 2019: 155 drilling rig operating days) and, therefore, did not generate any revenue in the quarter (Q3 2019: $5.6 million).

Production Services

With a fleet of 145 service rigs, CWC is the largest well servicing company in Canada as measured by active fleet and operating hours. CWC's service rig fleet consists of 75 single, 56 double, and 14 slant rigs providing services which include completions, maintenance, workovers and well decommissioning with depth ratings from 1,500 to 5,000 metres. CWC has chosen to park 63 of its service rigs and focus its sales and operational efforts on the remaining 82 active service rigs due to the reduction in the number of service rigs currently required to service the WCSB.

CWC's fleet of 12 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. The Company has chosen to park seven of its swabbing rigs and focus its sales and operational efforts on the remaining five active swabbing rigs.

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. On March 17, 2020, the Company discontinued operations of its coil tubing division and wrote down the value of the assets to their estimated disposal value. The Company will look at monetizing the coil tubing assets when market conditions in the oil and gas industry stabilize.

OPERATING HIGHLIGHTS	Three months ended Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018
Service Rigs								
Active service rigs, end of period	82	82	83	84	84	92	93	92
Inactive service rigs, end of period	63	63	62	62	64	56	55	56
Total service rigs, end of period	145	145	145	146	148	148	148	148
Operating hours	15,859	4,037	30,442	33,656	29,528	23,129	30,875	31,232
Revenue per hour	$605	$619	$666	$664	$644	$646	$671	$663
Revenue per hour excluding top volume customers	$623	$653	$673	$682	$660	$687	$690	$696
Service rig utilization %[1]	29%	8%	56%	62%	52%	39%	53%	51%
Swabbing Rigs								
Active swabbing rigs, end of period	5	5	5	5	5	8	8	8
Inactive swabbing rigs, end of period	7	7	7	8	8	5	5	5
Total swabbing rigs, end of period	12	12	12	13	13	13	13	13
Operating hours	686	513	1,088	1,141	865	661	1,655	2,313
Revenue per hour	$271	$288	$300	$282	$284	$262	$288	$283
Swabbing rig utilization %[1]	21%	16%	33%	35%	28%	13%	47%	41%

[1] Effective September 1, 2019, the CAODC changed its methodology on how it calculates service rig utilization. Service rig and swabbing rig utilization is now 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. Utilization percentages have been retroactively updated to reflect this new CAODC methodology. 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.

Production Services revenue of $9.8 million in Q3 2020, down $9.7 million (50%) compared to $19.5 million in Q3 2019. The revenue decrease in Q3 2020 was a direct result of the rapid decrease in crude oil prices, which started in March 2020, as the global health solutions to slow the spread of the COVID-19 virus resulted in a significant drop in demand for crude oil.

CWC's service rig utilization in Q3 2020 of 29% (Q3 2019: 52%) was driven by 15,859 operating hours being 46% lower than the 29,528 operating hours in Q3 2019. In addition, the Q3 2020 average revenue per hour of $605 was $39 per hour (5%) lower than the $644 per hour in Q3 2019 as a result of customer requested discounts during the quarter. Q3 2020 average revenue per hour of $623 excluding the Company's top volume customers was $37 per hour (6%) lower than Q3 2019 average revenue per hour of $660.

CWC swabbing rig utilization in Q3 2020 of 21% (Q3 2019: 28%) with 686 operating hours was 21% lower than the 865 operating hours in Q3 2019. Average revenue per hour for swabbing rigs of $271 in Q3 2020 was 5% lower compared to $284 in Q3 2019.

As a result of the lower customer demand, the Company discontinued operations of its coil tubing division on March 17, 2020 and wrote down the value of these assets to their estimated disposal value. The coil tubing division contributed year-to-date 2020 revenue of $0.3 million and negative Adjusted EBITDA of ($0.1 million). The Company will look at monetizing the coil tubing assets when market conditions in the oil and gas industry stabilize.

Capital Expenditures

$ thousands	Three months ended September 30, 2020	2019	Change $	Change %	Nine months ended September 30, 2020	2019	Change $	Change %
Capital expenditures								
Contract drilling	620	195	425	218%	1,714	1,453	261	18%
Production services	402	583	(181)	(31%)	2,807	2,460	347	14%
Other equipment	-	190	(190)	(100%)	26	251	(225)	(90%)
	1,022	968	54	6%	4,547	4,164	383	9%
Growth capital	472	-	472	n/m[1]	1,489	-	1,489	n/m[1]
Maintenance and infrastructure capital	550	968	(418)	(43%)	3,058	4,164	(1,106)	(27%)
Total capital expenditures	1,022	968	54	6%	4,547	4,164	383	9%

[1] Not meaningful.

Capital expenditures of $1.0 million in Q3 2020, an increase of $nil compared to $1.0 million in Q3 2019.

Capital expenditures of $4.6 million for the nine months ended September 30, 2020, an increase of $0.4 million (9%) compared to $4.2 million in the same period of 2019.

The 2020 capital expenditure budget of $6.7 million was approved by the Board of Directors on December 12, 2019 comprised of maintenance and infrastructure capital related to recertifications, additions and upgrades to field equipment for the drilling rig and service rig divisions as well as information technology infrastructure and growth capital to upgrade one of the drilling rigs. Given the current economic environment as a result of the COVID-19 health pandemic, the Company has reduced its 2020 capital expenditure budget by $1.6 million (24%) to $5.3 million.

Outlook

In March 2020, the World Health Organization declared a global health pandemic due to COVID-19. In response to the COVID-19 outbreak, governments around the world implemented measures to control the spread of the virus during Q2 2020 including closure of non-essential businesses, restricting travel and encouraging its citizens to stay-at-home. These government actions contributed to a significant deterioration in the global economy including a material decline in the demand for crude oil, which resulted in a significant decrease in oil prices. The decline in oil prices negatively affected current and forecasted drilling and production service activities in Canada and the United States. In response to the decline in oil prices, OPEC+ and G20 oil producing nations agreed to cut crude oil production by 12.6 million bbls/day for a targeted global average crude oil supply of 87.4 million bbls/day. As such crude oil prices rebounded from the low US$20/bbl in April 2020 to the low US$40/bbl in October 2020 as governments around the world loosened their economic restrictions related to COVID-19 and gradually re-opened businesses. The International Energy Agency ("IEA") reports that global average crude oil supply was 91.3 million bbls/day in Q3 2020 and forecasts it to rise to 92 million bbls/day in Q4 2020 with a 2021 forecast of 97.2 million bbls/day. In addition, the IEA reports that Canadian oil supply was 4.9 million bbls/day in August 2020 and expected to gradually recover to pre COVID-19 levels of 5.8 million bbls/day by the end of 2021. As consumer demand and business confidence increases for the remainder of 2020 and 2021, so too will be the demand for crude oil and a return to increased oilfield service activity in Canada and the U.S.

Since March 2020, CWC has made significant changes to its cost structure including laying off employees, reducing compensation, eliminating discretionary expenses and reducing capital expenditures, to better match our cost structure to current operating activity levels resulting in approximately $11.5 million in annualized cash savings. The Company's head count bottomed at 286 employees in May 2020 and has steadily increased to 395 employees in October 2020, but is still 36% below the pre COVID-19 levels of 617 employees in February 2020. In addition, CWC has applied for and received $4.4 million in grants from the Government of Canada CEWS program to date. With the recent Government of Canada announcement that the CEWS program will be extended to June 2021, the Company believes that the CEWS program will further enhance our ability to manage through the current slowdown in oilfield services activity with an estimated $3.5 million in additional grants.

On April 17, 2020, the Government of Canada announced a $1.7 billion funding package to the Government of Alberta, Saskatchewan, British Columbia and the Alberta Orphan Well Association for well decommissioning and reclamation of abandoned and inactive wells. To date CWC has received 300 Alberta SRP application approvals amounting to $4.8 million with a further $1.3 million of applications currently under review. Additionally, CWC has secured contracts and expects to apply for a further $13.2 million in additional grants in future rounds of the various provincial programs. This work started in Q3 2020 and will be completed through the remainder of 2020 and 2021 with all work under these grant programs to be completed by December 31, 2022. The Company currently has over 30 service rigs and four drilling rigs working in Q4 2020 and expects to see the rig count increase into Q1 2021.

The Company continues to be in regular contact with its four member banking syndicate and has received positive indications that they will continue to support CWC through these turbulent times.

Looking out to a medium and longer term, CWC is optimistic about the future of the oil and gas industry in Canada. On March 31, 2020, the Government of Alberta announced they will be investing $1.5 billion into the Keystone XL pipeline and provide a $6.0 billion loan guarantee to TC Energy to start construction of the pipeline immediately, which is expected to be operational by 2023. This pipeline will carry 830,000 bbls/day of crude oil to Gulf Coast refineries. Along with the anticipated completion of Enbridge's Line 3 pipeline in late 2021, which will carry 760,000 bbls/day to Minnesota and eastern refineries and the Trans Mountain expansion project carrying 890,000 bbls/day by late 2022 to the west coast for oversea markets, Canada should have sufficient capacity to resume growth in crude oil production. With the current reduction in Canadian crude oil production of approximately 0.9 million bbls/day as a result of lower global demand from the COVID-19 economic restrictions and the announcement on October 23, 2020 by the Government of Alberta to remove the 125,000 bbls/day mandated production curtailments as of December 2020, Canada may have inadvertently solved its issues of insufficient capacity on its existing pipeline infrastructure until the three additional pipelines are completed and operational. As such, CWC will remain focused on its operational and financial performance in the short-term, but recognizes the need to pursue opportunities that have inevitably been created in this heavily discounted market to create medium and longer-term value for CWC's shareholders. With the support of the Board of Directors, management continues to actively pursue consolidation opportunities in North America. CWC cautions that there can be 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 Denver, Colorado 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".

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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 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 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 U.S. basins, 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 including the implications of the COVID-19 health pandemic on the Company's business, operations and personnel. These factors and risks include, but are not limited to, the risks associated with the COVID-19 health pandemic and their implications on the demand and supply in 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), significant expansion measures to stop the spread of COVID-19 further restricting or prohibiting the operations of the Company's facilities and operations, actions to ensure social distancing due to COVID-19, the Company's cash saving initiatives, 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 shares, per share amounts and margins	Three months ended September 30, 2020	2019	Nine months ended September 30, 2020	2019
NON-IFRS MEASURES				
Adjusted EBITDA:				
Net loss	(810)	(234)	(23,721)	(846)
Add:				
Stock based compensation	137	166	409	592
Finance costs	362	525	1,826	1,915
Depreciation and amortization	2,582	3,250	8,349	9,985
Impairment of assets	-	-	25,451	-
Loss (gain) on sale of equipment	(114)	-	860	(78)
Income tax expense	(204)	161	(7,110)	(2,893)
Adjusted EBITDA[1]	1,953	3,868	6,064	8,675
Adjusted EBITDA per share – basic and diluted[1]	$ 0.00	$ 0.01	$ 0.01	$ 0.02
Adjusted EBITDA margin (Adjusted EBITDA/Revenue)[1]	19%	14%	13%	11%
Weighted average number of shares outstanding - basic and diluted	507,543,333	510,358,460	509,239,883	511,329,933
Gross margin:				
Revenue	10,322	27,775	47,828	77,779
Less: Direct operating expenses	7,457	19,545	35,071	56,806
Gross margin[2]	2,865	8,230	12,757	20,973
Gross margin percentage[2]	28%	30%	27%	27%

$ thousands	September 30, 2020	December 31, 2019
Working capital (excluding debt):		
Current assets	12,825	26,642
Less: Current liabilities	(7,694)	(9,249)
Add: Current portion of long-term debt	789	1,141
Working capital (excluding debt) [3]	5,920	18,534
Net debt:		
Long-term debt	27,171	39,411
Less: Current assets	(12,825)	(26,642)
Add: Current liabilities	9,161	9,249
Net debt [4]	22,040	22,018

[1] Adjusted EBITDA (earnings before interest and finance costs, income tax expense, depreciation, amortization, gain or loss on disposal of asset, impairment of assets, 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, 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 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. 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 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.