For Immediate Release: March 4, 2021

CWC ENERGY SERVICES CORP. ANNOUNCES FOURTH QUARTER AND YEAR END 2020 OPERATIONAL AND FINANCIAL RESULTS AND EXTENSION OF ITS CREDIT FACILITIES

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces the release of its operational and financial results for the three months and year ended December 31, 2020. The Financial Statements and Management Discussion and Analysis ("MD&A") for the three months and year ended December 31, 2020 are filed on SEDAR at www.sedar.com.

Financial and Operational Highlights

$ thousands, except shares, per share amounts and margins	Three months ended December 31, 2020	2019	Change %	Year ended December 31, 2020	2019	2018
FINANCIAL RESULTS						
Revenue						
Contract Drilling	5,327	7,705	(31%)	19,859	28,497	38,223
Production Services	14,738	22,962	(36%)	48,034	79,949	106,539
	20,065	30,667	(35%)	67,893	108,446	144,762
Other income	2,363	-	n/m[3]	6,786	-	-
Adjusted EBITDA [1]	5,034	3,491	44%	11,098	12,166	18,489
Adjusted EBITDA margin (%) [1]	25%	11%		16%	11%	13%
Impairment of assets	-	-	n/m[3]	(25,451)	-	-
Net loss	(769)	(854)	(10%)	(24,490)	(1,700)	(1,702)
Net loss margin (%) [2]	(4%)	(3%)	(1%)	(36%)	(2%)	(1%)
Capital expenditures	591	1,185	(50%)	5,138	5,349	11,753
Per share information:						
Weighted average number of shares outstanding – basic and diluted	504,081,811	510,443,613		507,104,004	511,106,531	520,576,582
Adjusted EBITDA [1] per share - basic and diluted	$ 0.01	$ 0.01		$ 0.02	$ 0.02	$ 0.04
Net loss per share - basic and diluted	$ (0.01)	$ (0.00)		$ (0.05)	$ (0.00)	$ (0.00)

$ thousands, except ratios	As at December 31, 2020	2019	2018
FINANCIAL POSITION AND LIQUIDITY			
Working capital (excluding debt) [1]	12,069	18,534	19,028
Working capital (excluding debt) ratio [1]	2.9:1	3.3:1	3.4:1
Total assets	202,223	243,398	252,665
Total long-term debt (including current portion)	30,231	40,552	44,896
Shareholders' equity	157,977	182,032	184,231

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

[2] Net loss margin is a Non-IFRS Measure which is calculated as net loss divided by total revenue.

[3] Not meaningful.

Working capital (excluding debt) for December 31, 2020 has decreased $6.5 million (35%) since December 31, 2019 driven by decreases in accounts receivable ($7.6 million (32%)), and prepaid expenses and deposits ($0.8 million (29%)), partially offset by a decrease in account payable ($1.9 million (23%)). Long-term debt (including current portion) has decreased $10.3 million (25%) from December 31, 2019 driven primarily by the collection of accounts receivable. Both working capital and long-term debt are lower in Q4 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 $24.1 million (13%) since December 31, 2019 primarily due to the net loss for the year ended December 31, 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 $0.6 million.

Highlights for the Three Months Ended December 31, 2020

- Average Q4 2020 crude oil price, as measured by West Texas Intermediate ("WTI"), of US$42.63/bbl was 4% higher than the Q3 2020 average price of US$40.90/bbl (Q4 2019: US$56.85/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$8.35/bbl to US$9.71/bbl during the fourth quarter of 2020. Natural gas prices, as measured by AECO, increased 18% from an average of $2.14/GJ in Q3 2020 to $2.52/GJ in Q4 2020 (Q4 2019 $2.34/GJ).
- CWC's Canadian drilling rig utilization in Q4 2020 of 39% (Q4 2019: 36%) continued to outperform the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 16%. The Canadian drilling industry experienced the lowest activity levels in over five decades, yet CWC's Canadian drilling rigs achieved 248 drilling rig operating days in Q4 2020; an increase of 16 days over Q4 2019's 232 drilling rig operating days, highlighting that CWC operates some of the most relevant and sought-after drilling rigs in the Western Canadian Sedimentary Basin ("WCSB"). Average revenue per operating day of $21,452 resulted in revenue of $5.3 million (Q4 2019: $5.1 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 Q4 2020 (Q4 2019: 56 drilling rig operating days) and, therefore, did not generate any revenue in the quarter (Q4 2019: $2.6 million). Service rig utilization in Q4 2020 of 42% (Q4 2019: 62%) was driven by 22,273 operating hours which were 34% lower than the 33,656 operating hours in Q4 2019; a result of the significant drop off in activity levels due to COVID-19 and the corresponding drop in oil prices compared to a year ago.
- Revenue of $20.1 million, a decrease of $10.6 million (35%) compared to $30.7 million in Q4 2019. During Q4 2020, the Company earned $2.0 million in revenue on 391 oil and gas sites requiring well decommissioning under the Alberta Site Rehabilitation Program ("SRP"). 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.
- Other income of $2.4 million in Q4 2020 consists of Government of Canada grants, which the Company received under the Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") programs.
- Adjusted EBITDA(1) of $5.0 million, an increase of $1.5 million compared to $3.5 million in Q4 2019.
- Net loss of $0.8 million, a decrease of $0.1 million compared to a net loss of $0.9 million in Q4 2019.
- During Q4 2020, 1,196,500 (Q4 2019: 1,453,500) common shares were purchased under the Normal Course Issuer Bid ("NCIB") and 1,282,500 (Q4 2019: 1,342,000) 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 Year Ended December 31, 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 enhanced safety protocols to protect the health and safety of its employees so that we can operate with confidence that its employees and customers are taking the necessary precautions.

- CWC's Canadian drilling rig utilization in 2020 of 27% (2019: 30%) exceeded the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 16% (2019: 22%). Canadian activity levels in 2020 decreased 16% to 689 drilling rig operating days (2019: 816 drilling rig operating days). Average revenue per operating day of $21,840 resulted in revenue of $15.0 million from the Canadian drilling operations. U.S. drilling rig activity levels in 2020 were 144 drilling rig operating days which occurred in the first quarter of the year (2019: 236 drilling rig operating days) from two U.S. drilling rigs for a utilization of 20% (2019: 60%). U.S. Contract Drilling revenue of $4.8 million represented 24% of CWC's total Contract Drilling revenue in 2020 with the average revenue per operating day of US$25,139 from U.S. operations. CWC's service rig utilization in 2020 of 34% (2019: 51%) was driven by 72,610 operating hours which were 38% lower than the 117,187 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 $67.9 million, a decrease of $40.5 million (37%) compared to $108.4 million in 2019.
- Other income of $6.8 million in 2020 (2019: $nil) consists of Government of Canada grants, which the Company received under the CEWS and CERS programs.
- Adjusted EBITDA(1) of $11.1 million, a decrease of $1.1 million (9%) compared to $12.2 million in 2019.
- Net loss of $24.5 million, an increase of $22.8 million compared to $1.7 million in 2019. The increase in net loss is primarily due to a charge for impairment of assets of $25.5 million taken in Q1 2020.
- Total long-term debt (including current portion) of $30.2 million is the lowest long-term debt amount in 10 years of CWC's 15 years of existence.
- 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.
- On April 15, 2020, the Company renewed its NCIB with an Automatic Securities Purchase Plan ("ASPP") with Raymond James Ltd., which expires on April 14, 2021. For the year ended December 31, 2020, the Company purchased 8,984,000 (2019: 4,532,000) common shares under the NCIB and 9,113,500 (2019: 3,060,500) common shares were cancelled and returned to treasury. The 8,984,000 common shares purchased under the NCIB represented 59% of the 15,174,100 shares traded on the TSX Venture Exchange ("TSXV") in 2020 (2019: 38%).

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

Credit Facilities

On March 4, 2021, CWC and its syndicated lenders completed an extension of its credit facilities and certain other amendments to provide financial security and flexibility to July 31, 2024. At the request of the Company, the credit facilities were reduced from $60 million to $50 million to reduce borrowing costs and standby charges. The covenant for Consolidated Debt to EBITDA ratio is as follows:

For the Quarter Ended	Previously	Currently
March 31, 2021	3.25 : 1.00	3.50 : 1.00
June 30, 2021	3.25 : 1.00	3.50 : 1.00
September 30, 2021	3.00 : 1.00	3.50 : 1.00
December 31, 2021	3.00 : 1.00	3.50 : 1.00
March 31, 2022	3.00 : 1.00	3.50 : 1.00
June 30, 2022	3.00 : 1.00	3.50 : 1.00
September 30, 2022 and thereafter	n/a	3.50 : 1.00

The amendments further provide the Company access to a Covenant Amendment Option. This option was negotiated to provide CWC with covenant flexibility should a significant industry slowdown occur. Upon being exercised the covenant for Consolidated Debt to EBITDA ratio is as follows:

For the Quarter Ended	Currently	Upon Exercise of Covenant Amendment Option
March 31, 2021	3.50 : 1.00	3.50 : 1.00
June 30, 2021	3.50 : 1.00	3.50 : 1.00
September 30, 2021	3.50 : 1.00	4.00 : 1.00
December 31, 2021	3.50 : 1.00	4.25 : 1.00
March 31, 2022	3.50 : 1.00	4.25 : 1.00
June 30, 2022	3.50 : 1.00	4.00 : 1.00
September 30, 2022 and thereafter	3.50 : 1.00	3.50 : 1.00

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 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.

	Three months ended							
OPERATING HIGHLIGHTS	**Dec. 31, 2020**	**Sep. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**	**Sep. 30, 2019**	**Jun. 30, 2019**	**Mar. 31, 2019**
Drilling Rigs – Canada								
Total drilling rigs, end of period	7	7	7	7	7	7	7	9
Revenue per operating day(1)	$21,452	$19,214	$19,382	$22,849	$22,161	$20,685	$22,750	$23,895
Drilling rig operating days	248	28	68	344	232	130	72	382
Drilling rig utilization %(2)	39%	4%	11%	54%	36%	19%	11%	47%
CAODC industry average utilization %	16%	9%	4%	35%	23%	23%	18%	29%
Wells drilled	23	4	4	26	18	12	10	39
Average days per well	10.8	7.1	17.1	13.2	12.9	10.9	8.0	9.8
Meters drilled (thousands)	88.5	13.7	20.2	99.6	75.6	39.6	26.7	119.8
Meters drilled per day	356	483	295	290	326	304	373	314
Average meters per well	3,848	3,412	5,053	3,831	4,199	3,300	2,966	3,070
Drilling Rigs – United States								
Total drilling rigs, end of period	2	2	2	2	2	2	2	-
Revenue per operating day (US$)(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 $5.3 million for Q4 2020 (Q4 2019: $5.1 million) was achieved with a utilization rate of 39% (Q4 2019: 36%), compared to the CAODC industry average of 16%. CWC completed 248 Canadian drilling rig operating days in Q4 2020, 7% higher than 232 Canadian drilling rig operating days in Q4 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 Q4 2020 (Q4 2019: 56 drilling rig operating days) and, therefore, did not generate any revenue in the quarter (Q4 2019: $2.6 million).

Production Services

With a fleet of 145 service rigs, CWC is one of the largest well servicing companies 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. In 2020, CWC chose to park 64 of its service rigs and focus its sales and operational efforts on the remaining 81 active service rigs due to the reduction in the number of service rigs 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.

	Three months ended							
OPERATING HIGHLIGHTS	**Dec. 31, 2020**	**Sep. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**	**Sep. 30, 2019**	**Jun. 30, 2019**	**Mar. 31, 2019**
Service Rigs								
Active service rigs, end of period	81	82	82	83	84	84	92	93
Inactive service rigs, end of period	64	63	63	62	62	64	56	55
Total service rigs, end of period	145	145	145	145	146	148	148	148
Operating hours	22,273	15,859	4,037	30,442	33,656	29,528	23,129	30,875
Revenue per hour	$645	$605	$619	$666	$664	$644	$646	$671
Revenue per hour excluding top volume customers	$659	$623	$653	$673	$682	$660	$687	$690
Service rig utilization %[1]	42%	29%	8%	56%	62%	52%	39%	53%
Swabbing Rigs								
Active swabbing rigs, end of period	5	5	5	5	5	5	8	8
Inactive swabbing rigs, end of period	7	7	7	7	8	8	5	5
Total swabbing rigs, end of period	12	12	12	12	13	13	13	13
Operating hours	1,339	686	513	1,088	1,141	865	661	1,655
Revenue per hour	$280	$271	$288	$300	$282	$284	$262	$288
Swabbing rig utilization %[1]	41%	21%	16%	33%	35%	19%	13%	32%

[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 $14.8 million in Q4 2020, down $8.2 million (36%) compared to $23.0 million in Q4 2019. The revenue decrease in Q4 2020 was a continued direct result of the 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 Q4 2020 of 42% (Q4 2019: 62%) was driven by 22,273 operating hours being 34% lower than the 33,656 operating hours in Q4 2019. In addition, the Q4 2020 average revenue per hour of $645 was $19 per hour (3%) lower than the $664 per hour in Q4 2019 as a result of customer requested discounts during the quarter. Q4 2020 average revenue per hour of $659 excluding the Company's top volume customers was $23 per hour (3%) lower than Q4 2019 average revenue per hour of $682.

CWC swabbing rig utilization in Q4 2020 of 41% (Q4 2019: 35%) with 1,339 operating hours was 17% higher than the 1,141 operating hours in Q4 2019. Average revenue per hour for swabbing rigs of $280 in Q4 2020 was 1% lower compared to $282 in Q4 2019.

As a result of 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 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 December 31, 2020	2019	Change $	Change %	Year ended December 31, 2020	2019	Change $	Change %
Capital expenditures								
Contract drilling	309	24	285	1,188%	2,023	1,477	546	37%
Production services	282	1,156	(874)	(76%)	3,089	3,616	(527)	(15%)
Other equipment	-	5	(5)	n/m[1]	26	256	(230)	(90%)
	591	1,185	(594)	(50%)	5,138	5,349	(211)	(4%)
Growth capital	252	-	252	n/m[1]	1,741	386	1,741	n/m[1]
Maintenance and infrastructure capital	339	1,185	(846)	(71%)	3,397	4,963	(1,952)	(36%)
Total capital expenditures	591	1,185	(594)	(50%)	5,138	5,349	(211)	(4%)

[1] Not meaningful.

Capital expenditures of $0.6 million in Q4 2020, a decrease of $0.6 million compared to $1.2 million in Q4 2019.

Capital expenditures of $5.1 million for the year ended December 31, 2020, a decrease of $0.2 million (4%) compared to $5.3 million in 2019.

On December 3, 2020, the Company announced its capital expenditure budget for 2021 of $3.9 million, $2.7 million of which is maintenance and infrastructure capital related to re-certifications, additions and upgrades to field equipment for the drilling rig and service rig divisions as well as information technology infrastructure, with the remaining $1.2 million being growth capital to upgrade two of the drilling rigs. The decrease of $1.2 million compared to the 2020 capital expenditure of $5.1 million is a result of the Company's more cautious view of the 2021 economy and operating environment in response to the COVID-19 global health pandemic. CWC intends to continue to finance its 2021 capital expenditure budget from operating cash flows.

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 from Q2 2020 through Q1 2021 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 cut crude oil production resulting in a rebound in crude oil prices from the low US$20/bbl in April 2020 to the highs of over US$60/bbl in February 2021. In addition, Saudi Arabia continues to support the price of crude oil by announcing on January 5, 2021 a further 1.0 million bbl/day cut in production for February and March 2021. While governments around the world have, at various times, loosened their economic restrictions related to COVID-19 and gradually re-opened businesses, caution remains as the number of active COVID-19 cases globally have increased and new more infectious variants of the virus have emerged, along with delays in a more expeditious vaccine rollout. The International Energy Agency ("IEA") reports that global average crude oil supply was 92.8 million bbls/day in December 2020 and forecasts oil demand to rise to 96.6 million bbls/day by the end of 2021. In addition on January 28, 2021, the Petroleum Services Association of Canada ("PSAC") announced a 29% increase in their original forecast of the number of Canadian wells to be drilled in 2021 to 3,350 wells. As consumer demand and business confidence increases for 2021, so too will be the demand for crude oil and a return to increased oilfield service activity in Canada and the U.S. The Company currently has over 40 service rigs and six drilling rigs working in Q1 2021 and expects to see the rig count increase in the second half of 2021.

Looking out to the medium and longer term, CWC is optimistic about the future of the oil and gas industry in Canada. Although the recent cancellation of the Keystone XL permits by the United States Government effectively puts a halt on building this pipeline today, the Canadian oil and gas industry will continue to grow 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.

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 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 Canada and the United States with a complementary suite of oilfield services including drilling rigs, service rigs, and swabbing rigs. 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".

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 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 December 31, 2020	2019	Year ended December 31, 2020	2019	2018
NON-IFRS MEASURES					
Adjusted EBITDA:					
Net loss	(769)	(854)	(24,490)	(1,700)	(1,702)
Add:					
Stock based compensation	685	329	1,094	921	1,102
Finance costs	308	516	2,134	2,431	2,756
Depreciation and amortization	2,652	3,183	11,001	13,168	16,441
Impairment of assets	-	516	25,451	-	-
Loss (gain) on sale of equipment	(16)	368	844	290	42
Income tax expense (recovery)	2,173	(51)	(4,937)	(2,944)	(150)
Adjusted EBITDA[1]	5,034	3,491	11,098	12,166	18,489
Adjusted EBITDA per share – basic and diluted [1]	$ 0.01	$ 0.01	$ 0.02	$ 0.02	$ 0.04
Adjusted EBITDA margin (Adjusted EBITDA/Revenue)[1]	25%	11%	16%	11%	13%
Weighted average number of shares outstanding – basic and diluted	504,081,811	510,443,613	507,104,004	511,106,531	520,576,582
Gross margin:					
Revenue	20,065	30,667	67,893	108,446	144,762
Less: Direct operating expenses	14,078	22,803	49,149	79,609	107,984
Gross margin [2]	5,987	7,864	18,744	28,837	36,778
Gross margin percentage [2]	30%	26%	28%	27%	25%

$ thousands	December 31, 2020	December 31, 2019	December 31, 2018
Working capital (excluding debt):			
Current assets	18,323	26,642	26,893
Less: Current liabilities	(7,004)	(9,249)	(8,793)
Add: Current portion of long term debt	750	1,141	928
Working capital (excluding debt) [3]	12,069	18,534	19,028
Net debt:			
Long term debt	29,481	39,411	43,968
Less: Current assets	(18,323)	(26,642)	(26,893)
Add: Current liabilities	7,004	9,249	8,793
Net debt [4]	18,162	22,018	25,868

[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 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 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.