

## CORDY OILFIELD SERVICES INC. REPORTS 2011 THIRD QUARTER RESULTS AND SALE OF ASSET

CALGARY, CANADA –November 25, 2011.

**CORDY OILFIELD SERVICES INC. (the "Corporation" or "Cordy") (CKK: TSX-V)** reported today pre-tax earnings of \$0.8 million for the nine months ended September 30, 2011, an increase of \$7.1 million compared to the pre-tax loss of \$6.4 million in the same prior period of 2010. Year to date revenue increased to \$74.6 million, representing an increase of \$29.1 million compared to the \$45.6 million generated in the same prior period of 2010. Earnings before interest, taxes, depreciation, amortization and impairment and stock-based compensation ("EBITDAS") were \$5.6 million for the period, representing an increase of \$6.4 million from the loss of \$0.7 million in the same prior period of 2010.

For the third quarter, Cordy reported pre-tax earnings of \$0.5 million for the three months ended September 30, 2011 compared to a pre-tax loss of \$2.1 million for the third quarter of 2010. Revenue for the third quarter increased \$16.0 million to \$31.9 million, up from \$16.0 million for the third quarter 2010. Earnings before interest, taxes, depreciation, amortization and impairment and stock-based compensation ("EBITDAS") were \$2.5 million for the quarter, an increase from \$0.1 million in the third quarter 2010.

In 2011, excluding corporate cost allocation, each operating segment achieved profitability, reflecting the increased utilization of its equipment and demand for its services. As anticipated, the increased utilization was predominantly seen in its heavy construction and environmental services operating segments with the remaining segments seeing favorable increases in activity. By the end of the third quarter 2011, Cordy had invested \$8.9 million year-to-date in property and equipment. The capital expenditures were primarily in the heavy construction and environmental division as the Corporation continues to upgrade and expand its fleet in response to market demand.

### SELECT FINANCIAL AND OPERATING INFORMATION

Select Financial Information	Three months ended			Nine months ended		
	September 30			September 30		
<i>(\$000's except per share amounts)</i>	2011	2010	Change	2011	2010	Change
<b>Revenue</b>	31,869	15,979	99%	74,641	45,558	64%
<b>Gross margin</b>	5,023	1,936	159%	12,596	5,198	142%
<b>Gross margin</b>	16%	12%	33%	17%	11%	55%
<b>General and administrative expense</b>	2,521	1,964	28%	6,947	5,938	17%
<b>EBITDAS <sup>(1)</sup></b>	2,502	(28)		5,649	(740)	
<b>Earnings (Loss)</b>	405	(1,539)		721	(4,597)	
<b>EPS – Basic and Diluted</b>	0.00	(0.02)		0.01	(0.05)	
<b>Total assets</b>				79,059	71,568	10%
<b>Total liabilities</b>				30,849	20,046	54%
<b>Property and equipment</b>				41,545	42,520	-2%

## SALE OF BOB QUINN CAMP

Subsequent to the quarter, the Corporation entered into a sale agreement to sell a camp for a total consideration of \$1.9 million. The camp is held within the Heavy Construction segment. The estimated gain on sale on the transaction is approximately \$0.1 million.

## OUTLOOK

As the end of 2011 approaches, the results achieved have largely met management's expectations for the year. Favourable prices of oil and liquids rich natural gas combined with modern extraction methods have resulted in an increased demand for Cordy's services, allowing for improved financial performance for the nine months ended.

Management remains optimistic the activity in the energy services sector will continue for the remainder of the year and remain strong through the first quarter of 2012. It is expected the increased activity in the energy sector will continue to place greater demand for labour and improved equipment utilization. Management is cautious beyond the first quarter of 2012, as it is unknown to what extent the global uncertainties will affect the price of commodities and activity within the Canadian energy sector.

Management's primary areas of focus for the remainder of 2011 and through early 2012 will be the expansion of its rental program allowing Cordy greater access to one of the largest fleets of new equipment in Western Canada. Management believes a new fleet of equipment is a competitive advantage which will allow the Corporation to:

- Obtain more projects from clients who prefer new equipment to improve productivity and reduce project downtime,
- Attract and retain staff by providing them with the most modern tools and equipment to operate with,
- Continue reducing its repairs and maintenance expense as a percentage of revenue,
- Offset the increase in fuel costs by operating energy efficient diesel-electric equipment

Similar to most energy service companies, during past two years the Corporation experienced significant reductions in the rates charged for services in order to remain competitive. As the market has recovered, the rate increases have not yet kept pace with the inflationary increases to the cost of labor and fuel. Management expects to continue to increase its rates to improve margins.

Additional information on Cordy is available on our website [www.cordy.ca](http://www.cordy.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

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### **Reader Advisory**

Effective January 1, 2011, Cordy Oilfield Services Inc. ("Cordy", or the "Corporation") began reporting its financial results in accordance with International Financial Reporting Standards ("IFRS"). Prior year comparative amounts have been changed to reflect results as if Cordy had always prepared its financial results using IFRS. Please see additional discussion regarding IFRS later in this news release.

Forward-Looking Statements: Certain statements contained in this news release constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, that address activities, events or developments that the Corporation or a third party expects or anticipates will or may occur in the future, including the Corporation's future growth, results of operations, performance and business prospects and opportunities, prevailing economic conditions; commodity prices; sourcing, pricing and availability of raw materials, component parts, equipment, suppliers, facilities and skilled personnel; dependence on major customers; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; regional competition; and other factors, many of which



are beyond the control of the Corporation, including future prices of oil and natural gas and oil and gas industry activity including the effect of changes in commodity prices on oil and gas exploration and development activity, ability to complete strategic acquisitions and realize the perceived benefits of any acquisitions that are completed and the Corporation's outlook regarding the competitive environment it operates in, and the assumptions underlying any of the foregoing, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Corporation that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release. The Corporation does not intend, and does not assume any obligation, to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Further information regarding risks and uncertainties relating to Cordy and its securities can be found in the disclosure documents filed by Cordy with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com).

Non-GAAP Measures - Cordy uses the measures Earnings Before Interest, Taxes, Depreciation, Amortization and Impairment and Stock Based Compensation (EBITDAS) in this news release. This measure does not have any standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP). It is, therefore, considered to be non-GAAP measures and may not be comparable to similar measures presented by other entities. Management of Cordy uses these non-GAAP measures to improve its ability to compare financial results among reporting periods and to enhance its understanding of operating performance, liquidity and ability to generate funds to finance operations. This non-GAAP measure is also provided to readers as additional information on Cordy's operating performance, liquidity and ability to generate funds to finance operations. EBITDAS is an approximate measure of the Cordy's pre-tax operating cash flow and is generally used to better measure performance and evaluate trends of individual assets. EBITDAS comprises earnings before deducting interest and other financial charges, income taxes, depreciation and amortization, net income attributable to non-controlling interests and preferred share dividends.

