



News Release

CORDY OILFIELD SERVICES ANNOUNCES REDUCED EQUIPMENT LEASE PAYMENTS

CALGARY, ALBERTA – October 20, 2017. Cordy Oilfield Services Inc. (“**Cordy**” or the “**Corporation**”) (TSX VENTURE: CKK) announces that its wholly-owned subsidiary Cordy Environmental Inc. (“**Enviro**”) has today entered into two restated lease agreements (“**Amended Leases**”) with its equipment lender (the “**Lender**”) which amend the terms of amounts payable under its existing finance leases (the “**Leases**”).

The Amended Leases implement a payment regime that reflects the cyclical nature of Enviro’s business and are expected to allow for Cordy to make payments to the Lender using cash flow generated from operations by matching the timing and amount of payments with expected cash flow from operations. Furthermore, the embedded flexibility of the Amended Leases will allow Cordy to manage increased working capital demands stemming from the stabilization of commodity prices and increased government spending on infrastructure projects, which have and are expected to continue to positively impact the oilfield services and municipal components of Enviro’s business.

The current liability component of the Leases totaled \$5.2 million at June 30, 2017. Giving effect to the new payment terms provided for in the Amended Leases the current liability at June 30, 2017 would have been \$0.6 million.

The effective date of the Amended Leases is August 25th, 2017, with the initial payment to the Lender paid September 25th, 2017 in anticipation of the Amended Leases being executed. The total annual payments under the Amended Leases, subject to GST, for each 12 month period, commencing September 25th, 2017 are as follows:

- Year 1: \$1,040,000
- Year 2: \$2,640,000
- Year 3: \$2,760,000
- Year 4: \$2,760,000
- Year 5: \$2,760,000
- Year 6: \$2,760,000
- Year 7 (5 months): \$1,150,000

Cordy was able to secure a reduced interest rate under the Amended Leases, being the fixed annual rate of 4.95% until August 2020 at which point the interest rate will be a variable rate equal to prime plus 2.0%. This compares to an effective annual interest rate of 8.5% initially agreed to under the Leases, which was subsequently negotiated down to approximately 6% beginning of 2017. The term of one of the Amended Leases concludes in September 2021, with the second of the Amended Leases concluding in January 2024. The Amended Leases do not provide for any financial covenants or pre-penalty payouts.



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Additional information on Cordy is available on our website www.cordy.ca or on SEDAR at www.sedar.com.

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Forward Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking information or statements. All statements included herein, other than statements of historical fact, constitute forward-looking information and such information involves various risks and uncertainties. In particular, this press release contains forward looking statements pertaining to future cash flow of the Corporation, future growth of the Corporation’s business both organically and through acquisitions and the Corporation’s future prospects. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of certain assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Corporation’s disclosure documents on the SEDAR website at www.sedar.com. The Corporation does not undertake to update any forward-looking information except in accordance with applicable securities laws.

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