



Cordy Oilfield Services Inc. Reports First Quarter 2015 Results

CALGARY, CANADA – May 26, 2015

CORDY OILFIELD SERVICES INC. (the “Corporation” or “Cordy”) (CKK: TSX-V) released today its first quarter 2015 results.

<i>Three months ended March 31, 2015 (in millions)</i>	Environmental Services	Heavy Construction	Manufacturing and Supply	Corporate	Total
Revenue	7.4	2.6	0.5	-	10.5
Direct operating expenses	6.2	2.8	0.8	-	9.8
General and administrative expenses	0.3	0.3	0.8	0.8	2.2
EBITDAS ⁽¹⁾	0.9	(0.5)	(1.1)	(0.8)	(1.5)
<i>margin</i>	12%	-19%	-220%	0%	-14%
Depreciation	0.2	0.3	-	-	0.5
Finance costs	-	-	-	0.6	0.6
Loss (gain) on disposal	(0.3)	(0.5)	-	-	(0.8)
Loss before tax	1.0	(0.3)	(1.1)	(1.4)	(1.8)
Income tax expense (recovery)	-	-	-	-	-
Net income (loss)	1.0	(0.3)	(1.1)	(1.4)	(1.8)
<i>Three months ended March 31, 2014 (in millions)</i>	Environmental Services	Heavy Construction	Manufacturing and Supply	Corporate	Total
Revenue	9.1	17.0	3.8	-	29.9
Direct operating expenses	8.1	15.1	2.5	-	25.7
General and administrative expenses	0.4	0.9	0.8	1.3	3.4
EBITDAS ⁽¹⁾	0.6	1.0	0.5	(1.3)	0.8
<i>margin</i>	7%	6%	13%	0%	3%
Depreciation	0.3	0.7	0.1	-	1.1
Finance costs	-	0.1	-	0.3	0.4
Loss (gain) on disposal	-	0.2	-	-	0.2
Loss before tax	0.3	-	0.4	(1.6)	(0.9)
Income tax expense (recovery)	0.1	(0.3)	-	-	(0.2)
Net income (loss)	0.2	0.3	0.4	(1.6)	(0.7)

⁽¹⁾ EBITDAS is a non-IFRS term and is defined as earnings before interest, taxes, depreciation, amortization, impairment, and share-based payments.

First quarter ended March 31, 2015

Late in 2014, Cordy began implementing initiatives in response to the cancellation of significant contracts and the decline in oil and gas activity in western Canada in order to reduce its exposure and risk. This has resulted in a period-over-period decline in revenue in the Heavy Construction segment of \$14.4 million and the Manufacturing and Supply segment of \$3.3 million. The Corporation incurred expenses related to this restructuring included in both direct operating and general and administrative expenses.

The Environmental Services segment saw a decline in revenue year-over-year of \$1.7 million which is a result of the reduced activity in the oil and gas industry as a whole in western Canada and an early spring break-up. Despite the decline of activity, the segment produced \$0.3 million additional EBITDAS than in the same period of the prior year.



CORPORATE RESTRUCTURING AND OUTLOOK

Throughout the first part of 2015, Cordy has continued to take steps to prepare for a prolonged decline in activity as a result of the weakened crude oil prices. In the first quarter of 2015, Cordy successfully completed a number of initiatives with the objective of strengthening its balance sheet by reducing debt and shedding non-core assets

These initiatives have included:

- Selling a significant portion of its property and equipment relating to the Heavy Construction segment and currently only actively operating its Pipeline and Facilities division based in Sundre, Alberta.
- Selling underutilized equipment in the Environmental Services segment.
- Continuing to analyse alternatives for the Manufacturing and Supply segment while implementing cost cutting to mitigate losses.
- Renegotiating the equipment loan with the major lender resulting in reduced monthly payments subsequent to March 31, 2015.

Cordy continues to rationalize the business and ensure it is responding to economic demands and uncertainties. This includes managing all expense items including fleet size, headcount and discretionary spending as well as working capital to ensure the Corporation can satisfy customer requirements.

Complete copies of Cordy's interim condensed consolidated financial statements for the period ended March 31, 2015 and the associated Management's Discussion and Analysis are available on our website www.cordy.ca or on SEDAR at www.sedar.com.

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READER ADVISORY

Effective January 1, 2011, Cordy began reporting its financial results in accordance with International Financial Reporting Standards (IFRS). Prior-year's comparative amounts were changed to reflect results as if Cordy had always prepared its financial results using IFRS.

This News Release contains certain statements that 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, are forward-looking statements. These include 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, components and 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 Corporation's control. These other factors include future prices of oil and natural gas and oil and natural gas industry activity, including the effect of changes in commodity prices on oil and natural gas exploration and development activity, the ability to complete strategic acquisitions and realize the anticipated benefits of any acquisitions that are completed, the Corporation's outlook regarding the competitive environment it operates in, and the assumptions underlying any of the foregoing. 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 Corporation's control, including those discussed under "Risks and Uncertainties" and elsewhere in this News Release, 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.

Cordy uses the measures Earnings Before Interest, Taxes, Depreciation, Amortization and Impairment and Share Based Compensation (EBITDAS) in this news release. This measure does not have any standardized meaning prescribed by International Financial Reporting Standards (IFRS). It is, therefore, considered to be non-IFRS term and may not be comparable to similar measures presented by other entities. Management of Cordy uses these non-IFRS 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-IFRS 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.