



Cordy Oilfield Services Inc. Reports Second Quarter 2017 Results

CALGARY, CANADA – August 23, 2017

CORDY OILFIELD SERVICES INC. (the "Corporation" or "Cordy") (CKK: TSX-V) released today its second quarter 2017 results.

(\$ 000's)	Three months ended June 30,			Six months ended June 30,		
	2017	2016	(\$ Change)	2017	2016	(\$ Change)
Revenue						
Environmental Services	2,016	2,004	12	5,621	4,594	1,027
Heavy Construction	113	91	22	188	222	(34)
Corporate	-	2	(2)	14	18	(4)
	<u>2,129</u>	<u>2,097</u>	<u>32</u>	<u>5,823</u>	<u>4,834</u>	<u>989</u>
Direct operating expenses						
Environmental Services	1,468	1,307	161	4,170	3,283	887
Heavy Construction	84	103	(19)	(29)	374	(403)
Corporate	-	-	-	8	7	1
	<u>1,552</u>	<u>1,410</u>	<u>142</u>	<u>4,149</u>	<u>3,664</u>	<u>485</u>
General and administrative expenses						
Environmental Services	129	172	(43)	258	138	120
Heavy Construction	2	47	(45)	6	18	(12)
Corporate	246	303	(57)	542	703	(161)
	<u>377</u>	<u>522</u>	<u>(145)</u>	<u>806</u>	<u>859</u>	<u>(53)</u>
Operating earnings (loss)						
Environmental Services	419	525	(106)	1,193	1,173	20
Heavy Construction	27	(59)	86	211	(170)	381
Corporate	(246)	(303)	57	(536)	(692)	156
	<u>200</u>	<u>163</u>	<u>37</u>	<u>868</u>	<u>311</u>	<u>557</u>
Depreciation	569	679	(110)	1,122	1,364	(242)
Finance costs	246	321	(75)	522	680	(158)
Gain (loss) on disposal	(55)	63	(118)	(71)	63	(134)
Share-based recovery	(16)	(10)	(6)	(32)	(10)	(22)
Loss before tax	<u>(544)</u>	<u>(890)</u>	<u>346</u>	<u>(673)</u>	<u>(1,786)</u>	<u>1,113</u>
Income tax expense	-	-	-	-	-	-
Net loss	<u>(544)</u>	<u>(890)</u>	<u>346</u>	<u>(673)</u>	<u>(1,786)</u>	<u>1,113</u>

SECOND QUARTER ENDED JUNE 30, 2017

For the six month period ended June 30, 2017, Cordy's consolidated revenues increased by \$1.0 million or 20 percent, from the comparative period in 2016. Cordy's consolidated operating earnings increased by \$0.6 million or 179 percent from the comparative period.

The Environmental Services saw an increase in revenue for the six months ended June 30, 2017, of \$1.0 million, from the comparative period in 2016. The increase is due to Cordy Environmental's first quarter of 2017 that saw a slight increase in capital spending from Environmental's major oilfield customers. The second quarter saw demand for services remain con-



sistent with prior year. Environmental's operating earnings as a percentage of revenue decreased from 26% to 21% in 2017; this is due to a bad debt recovery of \$0.15 million and a expense recovery of \$0.1 million in 2016.

The Construction segment saw minimal changes in revenue for the six months ended June 30, 2017 compared to the six months ended June 30, 2016; this is due to the reduced demand for services and minimal activity year over year. Despite minimal activity Cordy saw an increase to operating earnings of \$0.4 million from the comparative period in 2016. This is due to negotiation on outstanding payables, coupled with the consolidation of operations to the Environmental location eliminating almost all overhead.

Overall consolidated net loss for the six months ended June 30, 2017, has improved by \$1.1 million or 62 percent from the comparative period in 2016. This improving bottom line is due to improving results, reduced interest rate and diminishing balance calculation of depreciation.

OUTLOOK

Cordy's second quarter results were in line with expectation, as the Alberta economy, specifically the oil and gas industry continues to exhibit signs of recovery, Cordy continues to see increased levels of activity. The second quarter is historically slower due to spring breakup; Cordy's results remained consistent with last year as much of the increased activity from the recovering economy will be seen in the second half of 2017.

For the remainder of 2017 Cordy anticipates results to continue to improve, with the current cost structure in place, any increase in revenue will have a positive impact on operating margin. Drilling activity in western Canada is expected to be stronger than last year; however winter drilling plans will continue to be influenced by future crude oil and natural gas pricing. Overall Cordy has completed the necessary work to manage through the slow recovery.

Cordy's continued focus will be around reducing idle equipment through aggressive sales strategy, while seeking to acquire or merge with synergistic companies. Cordy is in continued discussion to renegotiate the various terms of the leases to reflect the current level of operations. Cordy remains optimistic that a mutually beneficial agreement that meets the Corporations needs while reducing debt will be reached in the third quarter. Cordy will be well positioned with a newer fleet of equipment, excellent safety statistics and a serviceable debt arrangement to take full advantage of opportunities in the foreseeable future.



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