



## Cordy Oilfield Services Inc. Reports First Quarter 2018 Results

CALGARY, CANADA – May 23, 2018

CORDY OILFIELD SERVICES INC. (the "Corporation" or "Cordy") (CKK: TSX-V) released today its first quarter 2018 results.

(\$ 000's)	Three months ended March 31,		
	2018	2017	(\$ Change)
<b>Revenue</b>			
Environmental Services	4,983	3,607	1,376
Heavy Construction	142	74	68
Corporate	2	13	(11)
	<u>5,127</u>	<u>3,694</u>	<u>1,433</u>
<b>Direct operating expenses</b>			
Environmental Services	3,938	2,701	1,237
Heavy Construction	103	(113)	216
Corporate	-	8	(8)
	<u>4,041</u>	<u>2,596</u>	<u>1,445</u>
<b>General and administrative expenses</b>			
Environmental Services	137	132	5
Heavy Construction	-	3	(3)
Corporate	177	294	(117)
	<u>314</u>	<u>429</u>	<u>(115)</u>
<b>Operating earnings</b>			
Environmental Services	908	774	134
Heavy Construction	39	184	(145)
Corporate	(175)	(289)	114
	<u>772</u>	<u>669</u>	<u>103</u>
Depreciation	481	553	(72)
Finance costs	114	276	(162)
Gain on disposal	(18)	(17)	(1)
Share based recovery	-	(16)	16
<u>Earnings (loss) before tax</u>	<u>195</u>	<u>(127)</u>	<u>322</u>
<u>Income tax expense</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net earnings (loss)</u>	<u>195</u>	<u>(127)</u>	<u>322</u>

### FIRST QUARTER ENDED MARCH 31, 2018

For the three month period ended March 31, 2018, Cordy's consolidated revenues increased by \$1.4 million or 39 percent, from the comparative period in 2017. Cordy's consolidated operating earnings increased \$0.1 million or 15 percent from the comparative period.

The Environmental Services segment saw an increase in revenue for the three month period ended March 31, 2018, of \$1.4 million, from the comparative period in 2017. The gradual recovery of commodity prices has resulted in increased capital spending of Environmental's oilfield customers, which in turn has resulted in increased demand for services. As a percentage of revenue, operating earnings was 18 percent in 2018 as compared to 21 percent in 2017.



Cordy's net income was \$0.2 million for the three months ended March 31, 2018, as compared to a net loss of \$0.1 million for the three months ended March 31, 2017, representing a 253% increase over the prior period. Cordy's improving results and reduced borrowing rate continue to improve earnings.

## **OUTLOOK**

Cordy's results for the current quarter were consistent with our expectations and aligned with prior commentary surrounding cautious optimism and increased activity in the oil and gas sector. In the quarter Cordy benefited directly from increased drilling by our major customers and seized additional market share. Despite increased demand, costs continue to deplete already thin margins, increasing fuel prices and changes in labour laws surrounding statutory holidays continue to compile additional expenditures, with little opportunity to increase pricing.

Cordy continues to hold the view that the economic outlook, while not robust, will grow modestly in 2018. Cordy believes that continued pipeline disputes will continue to be a limiting factor to growth in the oil and gas industry. The Company will continue to benefit from increased municipal infrastructure spending; management will continue to focus on its diversification strategy and to seek out opportunities in the municipal market that aligns with management's strategy to build a broader client base in non-oilfield related businesses.

Cordy will continue to seek out acquisitions and or consolidation opportunities that complement its diversification strategy and provide platforms for organic growth. Cordy is actively reviewing numerous opportunities, however we remain committed to ensuring any acquisition meets our strategic initiatives and financial thresholds. Cordy will continue to consider multiple avenues, to reach strategic objectives and provide shareholder value.



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#### Investor Relations

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