



Cordy Oilfield Services Inc. Reports Second Quarter 2018 Results

CALGARY, CANADA – August 22, 2018

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

(\$ 000's)	Three months ended June 30,			Six months ended June 30,		
	2018	2017	(\$ Change)	2018	2017	(\$ Change)
Revenue						
Environmental Services	3,204	2,016	1,188	8,186	5,621	2,565
Heavy Construction	100	113	(13)	243	188	55
Corporate	12	-	12	14	14	-
	<u>3,316</u>	<u>2,129</u>	<u>1,187</u>	<u>8,443</u>	<u>5,823</u>	<u>2,620</u>
Direct operating expenses						
Environmental Services	2,576	1,468	1,108	6,514	4,170	2,344
Heavy Construction	46	84	(38)	150	(29)	179
Corporate	-	-	-	-	8	(8)
	<u>2,622</u>	<u>1,552</u>	<u>1,070</u>	<u>6,664</u>	<u>4,149</u>	<u>2,515</u>
General and administrative expenses						
Environmental Services	341	129	212	477	258	219
Heavy Construction	-	2	(2)	1	6	(5)
Corporate	250	246	4	427	542	(115)
	<u>591</u>	<u>377</u>	<u>214</u>	<u>905</u>	<u>806</u>	<u>99</u>
Operating earnings (loss)						
Environmental Services	287	419	(132)	1,195	1,193	2
Heavy Construction	54	27	27	92	211	(119)
Corporate	(238)	(246)	8	(413)	(536)	123
	<u>103</u>	<u>200</u>	<u>(97)</u>	<u>874</u>	<u>868</u>	<u>6</u>
Normalized operating earnings (loss)						
Environmental Services	510	419	91	1,418	1,201	217
Heavy Construction	54	27	27	92	211	(119)
Corporate	(238)	(246)	8	(413)	(536)	123
	<u>326</u>	<u>200</u>	<u>126</u>	<u>1,097</u>	<u>876</u>	<u>221</u>
Depreciation	463	569	(106)	944	1,122	(178)
Finance costs	170	246	(76)	284	522	(238)
Gain (loss) on disposal	(165)	(55)	(110)	(184)	(71)	(113)
Share-based recovery	-	(16)	16	-	(32)	32
Loss before tax	<u>(365)</u>	<u>(544)</u>	<u>179</u>	<u>(170)</u>	<u>(673)</u>	<u>503</u>
Income tax expense	-	-	-	-	-	-
Net loss	<u>(365)</u>	<u>(544)</u>	<u>179</u>	<u>(170)</u>	<u>(673)</u>	<u>503</u>

SECOND QUARTER ENDED JUNE 30, 2018

For the six month period ended June 30, 2018, Cordy's consolidated revenues increased by \$2.6 million or 45 percent, from the comparative period in 2017. Normalized operating earnings was \$1.1 million representing a \$0.2 million or 25 percent increase from the comparative period.

The Environmental Services saw increased revenue for the six months ended June 30, 2018, of \$2.6 million, from the comparative period in 2017. Cordy saw increased revenue in each quarter: In the first quarter Cordy's sales efforts and competitive pricing allowed Cordy to gain market share over competitors; Cordy's second quarter increase can be attributed to



Cordy's diversification strategy, resulting in new customers and increased demand for municipal services. Normalized operating earnings increased to \$1.4 million for the six months ended 2018, as compared to \$1.2 million in the comparative period. The Construction segment saw minimal changes in revenue for the six months ended June 30, 2018 compared to the six months ended June 30, 2017; this is due to the reduced demand for services and minimal activity year over year.

Overall consolidated net loss for the six months ended June 30, 2018, has improved by \$0.5 million or 75 percent from the comparative period in 2017. This improving net loss is due to improving results, reduced interest rate and diminishing balance calculation of depreciation.

OUTLOOK

Cordy's second quarter results met our expectations and reflect the previous commentary surrounding modest growth and ongoing challenges facing margins. In the quarter Cordy benefited from its diversification focus, by growing both the industrial and municipal service side of the business. Cordy continues to benefit from its acquisition of Hornet Hydrovac ("Hornet") through expanded service offerings to pre-existing Hornet customers and further building relationships in the hydro excavation market. Cordy continues to re-evaluate its equipment mix to ensure capital is being allocated for the highest return on capital. Cordy's equipment lender has been and will be critical in helping liquidate underperforming assets while enabling Cordy to strategically tweak its equipment fleet to meet any upcoming demand.

Cordy believes the second half of 2018 will trend similar to the first half, Cordy anticipates continued growth similar to levels seen in the first six months of 2018 as compared to 2017. The steady rise in crude oil pricing continues to improve optimism on increased future capital investment on infrastructure projects as well as drilling, both of which would benefit Cordy. Cordy expects pricing for its services to remain stagnant as competition and over abundance of equipment remains a market reality.

While remaining focused on operational and financial performance 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.



For general and investor relations information, please contact:

Darrick Evong

Chief Executive Officer

IR@cordy.ca

Tel: 403-262-7667

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

READER ADVISORY

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.