



Cordy Oilfield Services Inc. Reports Third Quarter 2018 Results

CALGARY, CANADA – November 22, 2018

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

(\$ 000's)	Three months ended September 30,			Nine months ended September 30,		
	2018	2017	(\$ Change)	2018	2017	(\$ Change)
Revenue						
Environmental Services	3,829	2,457	1,372	12,015	8,079	3,936
Heavy Construction	94	128	(34)	337	315	22
Corporate	2	35	(33)	16	49	(33)
	<u>3,925</u>	<u>2,620</u>	<u>1,305</u>	<u>12,368</u>	<u>8,443</u>	<u>3,925</u>
Direct operating expenses						
Environmental Services	2,861	1,896	965	9,375	6,066	3,309
Heavy Construction	90	11	79	240	(18)	258
Corporate	-	5	(5)	-	12	(12)
	<u>2,951</u>	<u>1,912</u>	<u>1,039</u>	<u>9,615</u>	<u>6,060</u>	<u>3,555</u>
General and administrative expenses						
Environmental Services	100	137	(37)	577	396	181
Heavy Construction	1	1	-	2	6	(4)
Corporate	265	223	42	692	766	(74)
	<u>366</u>	<u>361</u>	<u>5</u>	<u>1,271</u>	<u>1,168</u>	<u>103</u>
Operating earnings (loss)						
Environmental Services	868	424	444	2,063	1,617	446
Heavy Construction	3	116	(113)	95	327	(232)
Corporate	(263)	(193)	(70)	(676)	(729)	53
	<u>608</u>	<u>347</u>	<u>261</u>	<u>1,482</u>	<u>1,215</u>	<u>267</u>
Normalized operating earnings (loss)						
Environmental Services	868	424	444	2,286	1,625	661
Heavy Construction	3	116	(113)	95	327	(232)
Corporate	(263)	(193)	(70)	(676)	(729)	53
	<u>608</u>	<u>347</u>	<u>261</u>	<u>1,705</u>	<u>1,223</u>	<u>482</u>
Depreciation	485	538	(53)	1,430	1,660	(230)
Finance costs	187	238	(51)	471	760	(289)
Gain (loss) on disposal	56	(4)	60	(128)	(75)	(53)
Share-based recovery	-	(8)	8	-	(40)	40
Loss before tax	<u>(120)</u>	<u>(417)</u>	<u>297</u>	<u>(291)</u>	<u>(1,090)</u>	<u>799</u>
Income tax expense	-	-	-	-	-	-
Net loss	<u>(120)</u>	<u>(417)</u>	<u>297</u>	<u>(291)</u>	<u>(1,090)</u>	<u>799</u>

THIRD QUARTER ENDED SEPTEMBER 30, 2018

For the nine month period ended September 30, 2018, Cordy's consolidated revenues increased by \$3.9 million or 46 percent, from the comparative period in 2017. Cordy's normalized operating earnings increased by \$0.5 million or 39 percent from the comparative period.



The Environmental Services segment saw an increase in revenue for the nine months ended September 30, 2018, of \$3.9 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, specifically oilfield customers; Cordy's second and third quarter increases can be attributed to Cordy's diversification strategy, this has resulted in new customers and increased demand for municipal services. Environmental's normalized operating earnings increased to \$2.3 million for the nine months ended 2018, as compared to \$1.6 million in the comparative period.

The Construction segment saw minimal changes in revenue for the nine months ended September 30, 2018, compared to the nine months ended September 30, 2017; this is due to the reduced demand for services and minimal activity year over year.

Overall consolidated net loss for the nine months ended September 30, 2018, has improved by \$0.8 million or 73 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 continues to experience improved results as compared to the previous year. A steady supply of municipal infrastructure projects, as well as an increase in oilfield market share, has had a positive impact on the business. Although pricing levels have remained competitive, Cordy's continued focus on selling, coupled with benefits associated with its acquisition of Hornet Hydrovac ("Hornet"), continue to yield results. Cordy will continue to expand service offerings to pre-existing Hornet customers and further build relationships in the hydro excavation market.

For the balance of 2018, the trend Cordy has experienced for the first nine months will remain constant. Cordy will continue to surpass 2017 numbers, revenue is anticipated to surpass last year results, while Cordy's cost structure will remain in place to ensure margins stay consistent. Current trends in the oil and gas sector cause alarm, as Cordy still waits on our major oil and gas clients to release capital budgets, we are optimistic that our efforts in municipal and industrial revenue streams will continue to improve over last year. Subsequent to quarter end, Cordy disposed of underutilized equipment, resulting in an improved balance sheet and reduced monthly payments. Cordy continues to re-evaluate its equipment mix to ensure capital is being allocated for the highest return. 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.

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 Cordy will 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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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 measure 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 dividend