



Cordy Oilfield Services Inc. Reports First Quarter 2017 Results

CALGARY, CANADA – May 24, 2017

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

(\$ 000's)	Three months ended March 31,		
	2017	2016	(\$ Change)
Revenue			
Environmental Services	3,607	2,590	1,017
Heavy Construction	74	130	(56)
Corporate	13	17	(4)
	<u>3,694</u>	<u>2,737</u>	<u>957</u>
Direct operating expenses			
Environmental Services	2,701	1,976	725
Heavy Construction	(113)	270	(383)
Corporate	8	7	1
	<u>2,596</u>	<u>2,253</u>	<u>343</u>
General and administrative expenses			
Environmental Services	132	(35)	167
Heavy Construction	3	(28)	31
Corporate	294	400	(106)
	<u>429</u>	<u>337</u>	<u>92</u>
Operating earnings			
Environmental Services	774	649	125
Heavy Construction	184	(112)	296
Corporate	(289)	(390)	101
	<u>669</u>	<u>147</u>	<u>522</u>
Depreciation	553	685	(132)
Finance costs	276	358	(82)
Gain on disposal	(17)	-	(17)
Share based recovery	(16)	-	(16)
Loss before tax	<u>(127)</u>	<u>(896)</u>	<u>769</u>

FIRST QUARTER ENDED MARCH 31, 2017

For the three month period ended March 31, 2017, Cordy's consolidated revenues increased by \$1.0 million or 35 percent, from the comparative period in 2016. Cordy's consolidated operating earnings increased \$0.5 million or 355 percent from the comparative period.

The Environmental Services segment saw an increase in revenue for the three month period ended March 31, 2017, of \$1.0 million, from the comparative period in 2016. 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 21 percent in 2017 as compared to a 19 percent in 2016. The 2016 percentage has been normalized for a bad debt recovery of \$0.15 million for comparative purposes.



Cordy has finally completed its restructuring and has put focused effort on increasing revenues while maintaining the cost structure that saw margins gradually improve over the previous years. This is evidenced by continued improvement of margins coupled with revenue growth in Q1.

OUTLOOK

Cordy's results for the current quarter were consistent with our expectations and aligned with prior commentary surrounding 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 market share where competitors have fallen off. Despite increased drilling activity, pricing pressures coupled with increased fuel costs continue to challenge already thin margins.

Cordy anticipates challenging market conditions and lack of pricing power to be a hurdle in 2017, despite these challenges we are optimistic that 2017 will continue to improve over 2016. The slow recovery in the price of crude oil and natural gas will support increased capital investments from our major oilfield customers, which will in turn, increase demand from our municipal and industrial customers. Cordy expects activity levels in 2017 to outpace that of 2016, which is currently supported by the increase in year over year rig count and improved activity levels from our major customers.

Cordy's continued focus will be around reducing idle equipment through aggressive sales strategy, while seeking to acquire or merge with a synergistic company. Cordy's current size makes it difficult to support the infrastructure required for a public reporting entity, as such, Cordy will need to continue to seek acquisitions and aggressive expansion to share the cost of being a publicly traded company.



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