Cordy Oilfield Services Inc.

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Reports Second Quarter Results

CALGARY, CANADA – August 18, 2021

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

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

	Three months ended June 30,			Six months ended June 30,		
($ 000's)	**2021**	**2020**	**($) Change**	**2021**	**2020**	**($) Change**
Revenue						
Environmental Services	5,997	2,043	3,954	12,458	9,533	2,925
Heavy Construction	108	63	45	144	212	(68)
Corporate	-	8	(8)	-	15	(15)
	6,105	2,114	3,991	12,602	9,760	2,842
Direct operating expenses						
Environmental Services	3,835	1,320	2,515	8,975	7,117	1,858
Heavy Construction	70	26	44	100	98	2
Corporate	-	-	-	-	-	-
	3,905	1,346	2,559	9,075	7,215	1,860
General and administrative expenses						
Environmental Services	311	114	197	608	243	365
Heavy Construction	-	1	(1)	1	1	-
Corporate	282	221	61	565	423	142
	593	336	257	1,174	667	507
Operating earnings (loss) [1]						
Environmental Services	1,851	609	1,242	2,875	2,173	702
Heavy Construction	38	36	2	43	113	(70)
Corporate	(282)	(213)	(69)	(565)	(408)	(157)
	1,607	432	1,175	2,353	1,878	475
Depreciation	644	652	(8)	1,232	1,117	115
Finance costs	335	357	(22)	650	467	183
Gain (loss) on disposal	-	-	-	-	-	-
Share-based recovery	-	-	-	-	-	-
Earnings (loss) before tax	628	(577)	1,205	471	294	177
Income tax expense	-	-	-	-	-	-
Net earnings (loss)	628	(577)	1,205	471	294	177

OVERALL PERFORMANCE

The second quarter was our strongest Q2 since realigning our business back in 2015 and was a significant contributor to the Company's strongest first six months over the same period. The success was driven by increased activity in the oil and gas sector, combined with revenue generated from the PNRL acquisition and Cordy's JV partnership completed in 2020.

Compared to Q2-2020 where the company was faced with some of its toughest challenges to date, most notably, the global spread of the COVID-19 ("COVID-19") pandemic, the second quarter of 2021 saw an increase in activity levels due to a successful COVID-19 vaccine rollout and the lifting of government restrictions.

The reopening of the economies around the globe has resulted in a return of oil and gas pricing to economical levels, and general business activity has started to slowly rebound as businesses and customers adapt to the new rules of doing business in the COVID-19 era.

Second Quarter Financial Summary:

- Revenue for the three and six months ended June 30, 2021 increased by 189% compared to the prior quarter and increased 29% for the year;
  - total revenue of $6.1 million for the quarter, an increase of $4.0 million, or 189% compared to $2.1 million in 2020;
  - total revenue of $12.6 million for the first half, an increase of $2.8 million, or 29% compared to $9.8 million in 2020;
- Operating earnings for the three and six months ended June 30, 2021 increased by 272% compared to the prior quarter and increased 25% for the year;
  - total operating earnings of $1.6 million for the quarter compared to $0.4 million in 2020;
  - total operating earnings of $2.4 million for the first half, an increase of $0.5 million, or 25% compared to $1.9 million in 2020;
- Net earnings (loss) for the three and six months ended June 30, 2021 increased on the quarter and for the year;
  - Net earnings of $0.6 million for the quarter, an increase of $1.2 million, compared to a net loss of ($0.6) million in 2020
  - net earnings of $0.5 million for the first half, an increase of $0.2 million, or 60% compared to $0.3 million in 2020

The Canadian Emergency Wages Subsidy ("CEWS") for the three month and six months ended June 30, 2021 were $0.6 million and $1.2 million respectively where

- $0.5 million was recognized as reduction to Direct Operation Expenses ("DOE") for the quarter and $1.0 million was recognized as a reduction to DOE for the year; and
- $0.1 million was recognized as reduction to general and administrative ("G&A") expenses for the quarter and $0.2 million was recognized as a reduction to G&A for the year.

The Canadian Emergency Rent Subsidy ("CERS") for the six months ended June 30, 2021 were $0.2 million where $0.2 million was recognized as a reduction to DOE.

CORPORATE OUTLOOK

In terms of Cordy's business, we are very optimistic on the near-term outlook. The Company will benefit from the continued lifting of health restrictions and the positive outlook for drilling activity resulting from higher oil prices. Specifically, as global economies have re-opened, commodity prices have rebounded from the severe lows experienced during the height of the shut down, and the oilfield industry in Western Canada is poised to see an increase in drilling activity.

As we progress through the third quarter, we anticipate our quarterly and annual results will continue to improve materially on a year over year basis, with existing projects continuing to progress, and the Company realizing full benefits from the acquisition completed in Q1 2020.

Visibility into the fourth quarter and beyond is still highly variable, but the Company is optimistic as its Oil and Gas customers, forecast an increase in spending for the balance of 2021 and 2022 winter drilling season.

Management continues to evaluate its growth opportunities and access to growth capital, while aggressively managing its costs and focussing on health and safety of its employees.

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