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## **New West Energy Services Inc. Announces Its Third Quarter Results**

**For Immediate Release**

**March 31, 2017**

CALGARY, ALBERTA -- **New West Energy Services Inc.** (TSX Venture : NWE) (NWE"), an oil and gas and environmental services company focused on Western Canada, today announced its financial results for the third quarter ended January 31, 2017.

### **BUSINESS HIGHLIGHTS**

- NWE has had its busiest winter season (December - March) since 2013/2014 and saw increasing revenues from its fluid management, fluid transportation and environmental services with near-full utilization of its equipment fleet with certain services being outsourced due to excess demand.
- Revenues in the third quarter were \$4 million, with over \$2 million in January alone, with EBITDA for the quarter of \$240,000.
- As announced on March 9, 2017, NWE and a U.S.-based organization entered into agreements where NWE:
  - refinanced its current debt obligations;
  - obtained a new \$3 million operating line of credit; and
  - to meet increasing customer demand, obtained a loan of \$4.8 million (interest only for 18 months) used to acquire a fleet of operating equipment, including various combinations of fluid transport trucks and trailers capable of hauling water for fracking operations as well as drilling and production fluids.
- Revenues in February and March were similar to those in January due to a prolonged winter season.

Gerry E. Kerkhoff, President and Chief Executive Officer of NWE, stated "New West was at near-full utilization of our equipment fleet in January and February and our revenue base was limited by our fleet size and operating line of credit. Since our \$4.8 million equipment acquisition in early March, we have been securing additional work in the completions and production sectors of the oil and gas industry and expect greater utilization of our additional equipment coming out of spring breakup and into summer."

Mr. Kerkhoff concluded "The oil and gas industry is showing increasing signs of recovery and New West's improving results, now larger fleet and increase in available operating capital make us optimistic for future growth."

### **THIRD QUARTER RESULTS**

For the three months ended January 31, 2017, NWE's consolidated revenues were \$4 million, representing an increase of 8% compared to the same period last year. This increase was primarily due to an increase in equipment utilization during the winter season. EBITDA for this period was \$203,000, representing a decrease of \$20,000 compared to the same period last year.

For the nine months ended January 31, 2017, NWE's consolidated revenues were \$7.5 million, representing a decrease of 24% compared to the same period last year. This decrease was due to the prolonged downturn in the oil and gas industry in the early part of NWE's fiscal year and NWE's corresponding lower utilization of its equipment. EBITDA for this period was negative \$620,000, representing a decrease of \$596,000 compared to the same period last year.

#### ***Vacuum Truck Services***

For the three months ended January 31, 2017, revenues from the vacuum truck services segment were \$2.8 million, representing an increase of approximately 7% compared to the same period last year. This increase was primarily related to \$384,000 of services outsourced to third parties to fulfill excess customer demand starting in December. EBITDA from this segment was \$306,000, representing a decrease of \$19,000 compared to the same period last year.

For the nine months ended January 31, 2017, revenues from the vacuum truck services segment were \$4.5 million, representing a decrease of approximately 19% compared to the same period last year. This decrease was primarily related to lower equipment utilization as a result of the continued downturn in the oil and gas industry in the early part of NWE's fiscal year. EBITDA from this segment was negative \$114,000, representing a decrease of \$322,000 compared to the same period last year.

#### ***Environmental Services***

For the three months ended January 31, 2017, revenues from the environmental services segment were \$1.2 million, representing an increase of approximately 12% compared to the same period a year ago. The increase was primarily due to the positive drilling rig utilizations across Western Canada in December and January. EBITDA from this segment was \$27,000, representing an increase of \$62,000 compared to the same period last year.

For the nine months ended January 31, 2017, revenues from the environmental services segment were \$2.6 million, representing a decrease of 33% compared to the same period a year ago. The reduction was due to the decline in drilling rig utilization across Western Canada in the early part of NWE's fiscal year. EBITDA from this segment was negative \$182,000, representing a decrease of \$141,000 compared to the same period last year.

(\$000's)	For the three months ended January 31,			For the nine months ended January 31,		
	2017	2016	net change	2017	2016	net change
<b>Revenue</b>						
Vacuum Truck Services	2,840	2,655	185	4,491	5,527	(1,036)
Environmental Services	1,234	1,101	133	2,560	3,811	(1,251)
Corporate	-	-	-	-	-	-
	4,074	3,756	318	7,051	9,338	(2,287)
<b>Direct Costs</b>						
Vacuum Truck Services	2,190	2,002	188	3,749	4,327	(578)
Environmental Services	864	726	138	1,724	2,579	(855)
Corporate	-	-	-	-	-	-
	3,054	2,728	326	5,473	6,906	(1,433)
<b>General &amp; Administrative Expenses</b>						
Vacuum Truck Services	344	328	16	855	993	(138)
Environmental Services	342	410	(68)	1,018	1,273	(255)
Corporate	130	67	63	324	191	133
	816	805	11	2,197	2,457	(260)
<b>EBITDA</b>						
Vacuum Truck Services	306	325	(19)	(114)	208	(322)
Environmental Services	27	(35)	62	(182)	(41)	(141)
Corporate	(130)	(67)	(63)	(324)	(191)	(133)
	203	223	(20)	(620)	(24)	(596)

EBITDA is a non-IFRS term and is defined as earnings before interest, taxes, depreciation, amortization and impairment.

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**Cautionary Note Regarding Forward-Looking Information**

Certain statements in this news release may constitute "forward-looking information" within the meaning of applicable securities laws that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information and financial outlook. Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to,

comments with respect to strategies, expectations, planned operations or future actions. Forward-looking information in this news release includes, without limitation, statements with respect to: the use of proceeds of its loans; the use of the acquired equipment; planned changes in NWE's business and revenues; the competitive environment in which NWE operates; and the assessment of future plans and operations. Actual events or results may differ materially. The forward-looking information in this news release is based on assumptions which includes, but is not limited to: NWE realizing the expected benefits of its loans and acquired equipment; the general state of the economy and the oil and gas industry not worsening; NWE not losing any key personnel; NWE sustaining or increasing their level of revenues and EBITDA; NWE growing its businesses long term and managing its growth; NWE complying with existing regulations and not becoming subject to more stringent regulations; and, NWE's insurance being sufficient to cover losses that may occur as a result of its operations. The forward-looking information in this news release is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. The factors which could cause results to differ from current expectations include, but are not limited to: failure to realize the expected benefits of its loans and acquired equipment; potential undisclosed liens associated with the acquired equipment; NWE's results being dependent upon the general state of the economy and the oil and gas industry; NWE being dependent on key personnel, the loss of which could harm its business; NWE may not be able to sustain or increase its revenues or EBITDA; NWE may be unable to grow its business long term or to manage any growth; NWE may be unable to integrate the acquired equipment into its business; competition in NWE's markets may lead to reduced revenues and EBITDA; NWE may fail to comply with existing regulations or become subject to more stringent regulations; NWE's insurance may be insufficient to cover losses that may occur as a result of NWE's operations; the market price of NWE's common shares will fluctuate; and, there is a possibility of dilution of existing holders of NWE's common shares due to future financings or acquisitions. Although NWE has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements in this news release, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Also, many of the factors are beyond the control of NWE. Accordingly, readers should not place undue reliance on the forward-looking information in this news release. The forward-looking information is made as of the date of this news release, and NWE does not assume any obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable law. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.