



Tuckamore Announces Second Quarter 2016 Financial Results

Toronto – August 4, 2016 – Tuckamore Capital (TSX: TX and TX.DB.A) today announced its results for the three and six months ended June 30, 2016.

Second Quarter Results

(\$ millions, except per share amounts)	Q2 2016	Q2 2015	6 months 2016	6 months 2015
		Restated ¹		Restated ¹
Revenue	61.3	118.5	130.0	210.5
Gross profit	5.5	14.9	10.8	26.7
Selling, general & administrative expenses	(3.7)	(4.0)	(8.6)	(9.6)
Net (loss) income from continuing operations	(5.4)	1.5	(21.5)	(0.1)
EBITDA	1.8	8.9	(5.6)	15.2
Adjusted EBITDA	1.9	11.1	2.3	17.0
Income (loss) per share from continuing operations, basic	(0.05)	0.01	(0.20)	0.00

¹ Adjusted for discontinued operations and reclassification of certain selling, general and administrative expenses of ClearStream to cost of revenues.

Revenue for the three and six month period ended June 30, 2016 was \$61.3 million and \$130.0 million, compared to \$118.5 million and \$210.5 million produced during the same periods in 2015. Gross profit for three and six months ended June 30, 2016 was \$5.5 million and \$10.8 million representing a gross profit margin of 9.0% and 8.3%. For the same periods in the prior year, the Company reported gross profit of \$14.9 million and \$26.7 million representing a gross profit margin of 12.6% and 12.7% percent. Adjusted EBITDA was \$1.9 million and \$2.3 million for the three and six months ended June 30, 2016, compared to \$11.1 million and \$17.0 million for the corresponding periods in 2015. The net (loss) income from continuing operations for the three and six months ended June 30, 2016 was (\$5.4) million and (\$21.5) million compared to \$1.5 million and (\$0.1) million for the same periods in the prior year.

PORTFOLIO REVIEW

Given the significant change in Tuckamore's organizational structure in the first quarter of 2016, the Company considered and concluded that there was a change in reportable segments. The reportable segments discussed below, represent the reportable segments that the chief operating decision makers consider when reviewing the performance of ClearStream and deciding where to allocate resources.

MAINTENANCE AND CONSTRUCTION SERVICES

The Fort McMurray wildfires that disrupted operations in the Northern Alberta region led to the majority of the year-over-year declines in the operating results. In addition to this, most of ClearStream's Maintenance and Construction Services customers operate in the oil and gas sector, which has been negatively impacted by low oil and gas prices. Demand and pricing for services has decreased on a year-over-year basis due to these market factors, which also contributed to the declines in revenue, gross profit and EBITDA.

FABRICATION, WEAR AND TRANSPORTATION SERVICES

Fabrication demand is largely based on pipeline and infrastructure project activity. Low commodity prices have led to limited new project growth in 2016, which led to a significant decrease in demand for Fabrication services during the first half of 2016. Pipeline approval delays and pricing decreases also contributed to the decline in second quarter revenue.

Demand for ClearStream's Wear Technology services is driven largely by pipeline maintenance requirements for customers operating in the Alberta oilsands. The Fort McMurray fires disrupted operations in the Alberta oilsands during May and June, which negatively impacted the demand for Wear Technology services during this period. The services provided by this division are an integral part of the maintenance programs of oilsands producers and the Company expects demand for this service to increase in the future.

The services provided by the transportation division are largely related to the transportation of drilling and completions material and equipment. As a result of weak drilling and completion activity, demand for ClearStream's transportation services is down in 2016 relative to 2015. In addition, ClearStream's transportation division provides services to customer in the Fort McMurray area, and therefore, operations for this division were also negatively impacted by the Fort McMurray fires during the second quarter.

CORPORATE

SG&A costs increased slightly for the three months ended June 30, 2016 in comparison to the same period in the prior year. Salaries and benefits are typically reduced by a workers' compensation board ("WCB") rebate which is granted annually at the discretion of the WCB of Alberta. During the second quarter of 2015 ClearStream received a much larger rebate than in 2016. Absent the rebate identified above, salaries and benefits would have decreased over the same period in 2015. Additional cost reductions are expected for the balance of 2016. Reduced facility costs and discretionary spending are also expected to result in lower annualized SG&A costs.

THIRD QUARTER 2016 OUTLOOK

Financial results for the third quarter of 2016 are expected to improve relative to the second quarter due largely to the reduced financial impact caused by the Fort McMurray fires. Although operations in the third quarter will be affected by the fires, the impact will be less pronounced as the Company and its customers begin to return to pre-fire levels.

Third quarter results are also expected to benefit from an increased customer base achieved during the second quarter, in particular for maintenance and transportation services. ClearStream continues to focus on retaining existing customers and adding new customers, and this focus will continue during the third quarter of 2016.

Despite the expected sequential financial improvements, challenging operating conditions are expected to persist during the third quarter as customers continue to defer maintenance and construction projects into 2017 due to low commodity prices. As a result, year-over-year financial results are expected to be lower compared to 2015. The company continues to respond to these challenging conditions through cost cutting initiatives. Measures taken during the second quarter and over the past twelve months are expected to result in year-over-year fixed cost reductions for the third quarter of 2016.

About Tuckamore Capital Management Inc.

The primary business of Tuckamore is now that of ClearStream Energy Holdings LP and its direct and indirect subsidiaries ("ClearStream"). ClearStream is a fully integrated provider of upstream, midstream and downstream production services to the energy industry in Western Canada. For more information about Tuckamore, please visit <http://tuckamore.ca>. For more information about ClearStream, please visit www.ClearStreamEnergy.ca.

For further information, please contact:

Keith Halbert
Chief Financial Officer
Tuckamore Capital Management Inc.
416-775-3796
keith@tuckamore.ca

John Cooper
President and Chief Executive Officer
ClearStream Energy Services
587-318-1001
jcooper@clearstreamenergy.ca

NOT FOR DISTRIBUTION TO THE U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Forward-looking information

This press release contains certain forward-looking information. Certain information included in this press release may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of Tuckamore or the Operating Partnerships and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of Tuckamore and the Operating Partnerships. Without limitation, information regarding the future operating results and economic performance of Tuckamore and the Operating Partnerships constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of Tuckamore and the Operating Partnerships. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, dependence on key personnel, limited customer bases, interest rates, regulatory change, ability to meet working capital requirements and capital expenditures needs of the Operating Partners, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors," which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting Tuckamore and the Operating Partnerships will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of Tuckamore and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this press release, and Tuckamore does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Tuckamore is providing the forward-looking financial information set out in this press release for the purpose of providing investors with some context for the "Third Quarter Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures

The terms "EBITDA" and "adjusted EBITDA" (collectively the "Non-GAAP measures") are financial measures used in this press release that are not standard measures under International Financial Reporting Standards ("IFRS"). Tuckamore's method of calculating Non-GAAP measures may differ from the methods used by other issuers. Therefore, Tuckamore's Non-GAAP measures, as presented may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with IFRS, before depreciation and amortization, interest expense and income tax expense (recovery). EBITDA is used by management and the directors of Tuckamore (the "Directors") as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of Tuckamore's reportable segments and believes that in addition to net income or loss and cash provided by operating activities, EBITDA is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and distributions. Tuckamore has provided a reconciliation of income to EBITDA in its Management's Discussion and Analysis.

Adjusted EBITDA refers to EBITDA excluding the interest, taxes, depreciation and amortization of long-term investments, write-down of goodwill, operating loss from long-term investments in assets held for sale, restructuring costs and gain on sale of long-term investment. Tuckamore has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by Tuckamore and management believes it is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, and income taxes. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors. Tuckamore has provided a reconciliation of income (loss) from continuing operations to Adjusted EBITDA in its MD&A.

Investors are cautioned that the Non-GAAP Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the shares. These Non-GAAP Measures should only be used in conjunction with the financial statements included in the press release and Tuckamore's annual audited financial statements available on SEDAR at www.sedar.com or www.tuckamore.ca

TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Interim Balance Sheets

(In thousands of Canadian dollars)

(unaudited)

	June 30, 2016	December 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents	\$ 7,639	\$ 24,409
Cash and short-term investments held in trust	980	4,380
Accounts receivable	48,688	76,089
Inventories	3,453	3,114
Prepaid expenses	2,339	2,357
Other current assets	1,945	114
Current assets of discontinued operations and assets held for sale	-	54,310
Total current assets	\$ 65,044	\$ 164,773
Property, plant and equipment	28,316	30,873
Long-term investments	2,299	8,000
Goodwill	22,288	30,988
Intangible assets	17,127	18,904
Other assets	6,162	-
Total assets	\$ 141,236	\$ 253,538
Liabilities and Shareholders' Deficit		
	0	0
Current liabilities:		
Accounts payable and accrued liabilities	21,456	32,132
Current portion of obligations under finance leases	4,574	4,685
Senior credit facility	-	58,482
Secured Debentures	-	174,311
Current liabilities of discontinued operations and assets held for sale	-	42,637
Total current liabilities	\$ 26,030	\$ 312,247
Obligations under finance leases	4,866	6,347
Senior secured debentures	171,485	-
Convertible secured debentures	24,172	-
Shareholders' deficit	(85,317)	(65,056)
Total liabilities & shareholders' deficit	\$ 141,236	\$ 253,538

TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(In thousands of Canadian dollars, except per share amounts)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015 Restated ¹	2016	2015 Restated ¹
Revenues	\$ 61,335	\$ 118,536	\$ 129,975	\$ 210,504
Cost of revenues	(55,870)	(103,608)	(119,194)	(183,846)
Gross profit	5,465	14,928	10,781	26,658
Selling, general and administrative expenses	(3,725)	(4,030)	(8,623)	(9,597)
Amortization of intangible assets	(901)	(1,408)	(1,802)	(2,818)
Depreciation	(1,586)	(2,029)	(3,134)	(4,019)
Income (loss) from long-term investments	80	653	(155)	708
Interest expense, net	(4,704)	(5,793)	(10,945)	(11,745)
Gain on sale from assets held for sale	-	-	1,114	-
Restructuring costs	-	(2,607)	-	(2,607)
Write-down of goodwill	-	-	(8,700)	-
Loss from continuing operations	\$ (5,371)	\$ (286)	\$ (21,464)	\$ (3,420)
Income tax expense - current	(20)	(20)	(19)	(20)
Income tax recovery - deferred	-	1,816	-	3,370
(Loss) income from continuing operations	\$ (5,391)	\$ 1,510	\$ (21,483)	\$ (70)
Loss from discontinued operations (net of income taxes)	\$ (1,325)	\$ (7,784)	\$ (6,050)	\$ (10,620)
Net loss and comprehensive loss	\$ (6,716)	\$ (6,274)	\$ (27,533)	\$ (10,690)
(Loss) income per share	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Basic:				
Continuing operations	\$ (0.05)	\$ 0.01	\$ (0.20)	\$ (0.00)
Net loss	\$ (0.06)	\$ (0.06)	\$ (0.25)	\$ (0.10)
Diluted:				
Continuing operations	\$ (0.05)	\$ 0.01	\$ (0.20)	\$ (0.00)
Net loss	\$ (0.06)	\$ (0.06)	\$ (0.25)	\$ (0.10)

¹ Please refer to Note 12 - "Comparative Figures" in Tuckamore's June 30, 2016 consolidated interim financial statements for more information.

TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)

(unaudited)

	Six months ended June 30, 2016	Six months ended June 30, 2015 Restated ¹
Cash provided by (used in):		
Operating activities:		
Net income (loss) for the period	\$ (27,533)	\$ (10,690)
(Income) loss from discontinued operations (net of income tax)	6,050	10,620
Items not affecting cash:	-	-
Amortization of intangible assets	1,802	2,818
Depreciation	3,134	4,019
Deferred income tax recovery	-	(3,370)
Income from equity investments, net of cash received	(155)	(67)
Non-cash interest expense	2,112	3,692
Amortization of deferred financing costs	-	208
Write down of goodwill	8,700	-
Gain on sale of assets held for sale	(1,114)	-
Changes in non-cash working capital	14,639	9,907
Advances to discontinued operations	(5,961)	(21,350)
Cash provided by discontinued operations	-	1,961
Total cash provided by (used in) operating activities	\$ 1,674	\$ (2,252)
Investing activities:		
Purchase of property, plant and equipment	(795)	(1,377)
Net proceeds on disposal of property, plant and equipment	455	980
Purchase of software	(25)	-
Proceeds on the disposition of business	14,800	300
Cash used in discontinued operations	-	(1,111)
Total cash provided by (used in) investing activities	\$ 14,435	\$ (1,208)
Financing activities:		
Decrease in cash held in trust	3,400	-
Proceeds from the issuance of the senior secured debentures	176,228	-
Proceeds from the issuance of the convertible secured debentures	35,000	-
Repayment of the senior credit facility	(58,735)	(4,184)
Repayment of the 8.00% secured debentures	(176,228)	-
Refinancing fees (ABL Facility, senior and convertible secured debentures)	(9,925)	-
Repayment of obligations under finance leases	(2,619)	(2,869)
Cash used in discontinued operations	-	(579)
Total cash used in financing activities	\$ (32,879)	\$ (7,632)
(Decrease) increase in cash	(16,770)	(11,092)
Cash, beginning of the year - continuing operations	24,409	23,669
Cash, beginning of the year - discontinued operations	-	(1,088)
Cash, end of period	\$ 7,639	\$ 11,489
Cash, end of period - continuing operations	7,639	12,306
Cash, end of period - discontinued operations	-	(817)
Supplemental cash flow information:		
Interest paid	9,140	8,459
Supplemental disclosure of non-cash financing and investing activities:		
Acquisition of property, plant and equipment through finance leases	379	407

¹ Please refer to Note 12 – “Comparative Figures” in Tuckamore’s June 30, 2016 consolidated interim financial statements for more information.