Logan International Reports Second Quarter 2015 Financial Results

(All reported figures are in US dollars unless otherwise noted)

Calgary, Alberta August 12, 2015 – Logan International Inc. (TSX: LII) ("Logan" or the "Company") today reported the results for its second quarter and year-to-date period ended June 30, 2015.

Logan recorded revenue of $21.2 million in this year's second quarter and $42.6 million in the prior year's second quarter. For the three month period ended June 30, 2015, Logan lost $2.0 million, $(0.06) per diluted share, as compared to earnings of $2.8 million, $0.08 per diluted share in the prior year quarter. Modified EBITDA declined in this year's second quarter to $1.7 million from $8.7 million in last year's second quarter. Management utilizes Modified EBITDA to evaluate its operating results because this measurement eliminates the revenue and cost effects of significant noncash and nonrecurring items.

For the quarter ended June 30, 2015, the downhole tool segment, which includes Logan Oil Tools, Logan Completion Systems, Kline Oilfield Equipment, Logan SuperAbrasives and Scope Production Developments, recorded revenue of $20.1 million as compared to $39.8 million for the quarter ended June 30, 2014. For the current year quarter, this segment generated EBITDA of $3.3 million as compared to $10.0 million for last year's second quarter. For the second quarter of 2015, the rental tool segment, which includes Xtend Energy Services and Logan Jar, recorded revenue of $1.1 million and an EBITDA loss of approximately $108 thousand as compared to revenue of $2.8 million and EBITDA of $202 thousand in the prior year's second quarter.

Logan recorded revenue of $48.9 million in the six month period ended June 30, 2015 and $86.2 million in the six month period ended June 30, 2014. For the current year-to-date period, Logan lost $3.2 million, $(0.10) per diluted share, as compared to earnings of $5.7 million, $.17 per diluted share, in the prior year period. Modified EBITDA for the current year-to-date period decreased to $4.8 million from $18.0 million in the prior year-to-date period.

The downhole tool segment recorded revenue of $45.7 million and EBITDA of $7.9 million in the six month period ended June 30, 2015. This segment recorded revenue of $80.2 million and EBITDA of $20.0 million in the corresponding period in 2014. The rental tool segment recorded revenue of $3.3 million and EBITDA of $565 thousand in the current year-to-date period as compared to revenue of $6.0 million and EBITDA of $982 thousand in the prior year-to-date period.

David MacNeill, President and Chief Executive Officer of Logan, commented, "The second quarter was a very difficult quarter for all of our businesses and our team spent a great deal of time scaling down our operations in line with the expected activity levels."

Mr. MacNeill added, "Our operations were affected by the severity of the industry downturn and were worsened by the effects of spring breakup in Canada. As a result, we reported our weakest quarterly results since 2010. Logan Oil Tools' sales and order flow continued to be plagued by our customers' deferral of tool purchases, as they drew down their inventory. Sales of power swivels and stroking tools also declined due to our customers' constrained capital expenditure budgets. Logan's completions businesses and tool rental segment also reported drastically

reduced operating results as North American drilling and completion activities sank to multi-year lows."
Looking forward, Mr. MacNeill stated, "We are managing our costs and believe that our cost reduction efforts in the second quarter will generate increased free cash flow for the remainder of the year. Fishing tool sales, orders and backlog have all improved in the last two months, as compared to earlier in the year. In addition, request for quotes on capital equipment tied to workover and recompletion activities increased late in the quarter. We have also received interest in, and several orders for, SuperAbrasive bearings from customers in the Middle East. We are guardedly optimistic for a slight recovery in activity in the second half of the year as Canada comes out of breakup and operators increase their workover budgets even though we do not believe oil prices will show significant improvement for at least two more quarters."

This release contains information that is forward looking and refers to financial measures that do not have any standardized meaning prescribed by International Financial Reporting Standards. All amounts included in the release are presented in US dollars.

About Logan

Logan provides specialized downhole tools and services to oilfield service providers, drilling contractors and exploration and production operators. It is organized into three classifications:

- Manufacturing and sales of fishing and intervention tools, including retrieving, stroking and remedial tools and power swivels used in well workover, intervention, drilling and completion activities (Logan Oil Tools, Inc.), and high-performance poly-crystalline diamond compact cutters and bearings (Logan SuperAbrasives, Inc.);
- Manufacturing and sales of completion products and services including packers and bridge plugs, (Kline Oilfield Equipment, Inc.), proprietary multi-zonal completion technology and conventional completion products and services (Logan Completion Services Inc.), and patented products and services used to optimize production in sand-laden, heavy-oil wells (Scope Production Development); and
- Rental of specialty drilling and workover tools including drilling, fishing and coiled tubing stroking tools and the Xciter vibration tools (Xtend Energy Services, Inc. and Logan Jar LLC.)

Common shares of Logan are traded on the Toronto Stock Exchange (TSX) under the ticker symbol "LII".

Selected Consolidated Financial Information

(in thousands of US dollars, except per share data)

	Three month periods ended June 30,		Six month periods ended June 30,	
	2015	2014	2015	2014
Revenue	$ 21,181	$ 42,568	$ 48,936	$ 86,212
Net earnings (loss) for the period	(1,957)	2,759	(3,239)	5,660
Earnings (loss) per share:				
Basic	$ (0.06)	$ 0.08	$ (0.10)	$ 0.17
Diluted	$ (0.06)	$ 0.08	$ (0.10)	$ 0.17
EBITDA (1)	$ 1,283	$ 8,239	$ 4,107	$ 17,079
Modified EBITDA (1)	$ 1,673	$ 8,690	$ 4,835	$ 18,011

	June 30, 2015	December 31, 2014
Working Capital	$ 102,092	$ 97,807
Total Assets	$ 263,994	$ 271,763
Debt (2)	$ 55,267	$ 49,327
Shareholders' Equity	$ 183,031	$ 188,591

(1)

This MD&A presents: (a) EBITDA as earnings before net finance cost, income tax expense (benefit), and depreciation and amortization ("EBITDA"), and (b) Modified EBITDA as EBITDA before acquisition accounting adjustments, transaction fees, share-based compensation and severance costs ("Modified EBITDA"). Neither of these measurements should be considered an alternative to, or more meaningful than, "net earnings (loss) for the period" or "cash flow from operating activities" as determined in accordance with IFRS as an indicator of the Company's financial performance. EBITDA and Modified EBITDA do not have standardized definitions as prescribed by IFRS; therefore, the Company's presentation of these measurements may not conform to similar presentations by other companies. Management calculates EBITDA and Modified EBITDA each period and evaluates the Company's operating performance based on these measurements. Management believes that Modified EBITDA, which eliminates significant non-cash or non-recurring items of revenue or cost, more accurately presents the results of the Company's ongoing operations and its ability to generate the cash required to fund or finance future growth, acquisitions and capital investments. A reconciliation of EBITDA and Modified EBITDA with net earnings (loss) for each period follows.

	Three month periods ended June 30,		Six month periods ended June 30,	
	2015	2014	2015	2014
Net earnings (loss) for the period	$ (1,957)	$ 2,759	$ (3,239)	$ 5,660
Addbacks:				
Depreciation and amortization	3,069	3,449	6,095	6,698
Finance cost, net	491	322	1,962	1,645
Income tax expense (benefit)	(320)	1,709	(711)	3,076
EBITDA	1,283	8,239	4,107	17,079
Adjustments:				
Acquisition accounting adjustments	-	-	-	188
Transaction fees	124	39	129	55
Severance costs	4	24	182	164
Share-based compensation expense	262	388	417	525
Modified EBITDA	$ 1,673	$ 8,690	$ 4,835	$ 18,011

EBITDA and Modified EBITDA are provided as measures of the Company's operating performance without regard to financing decisions, share-based compensation payments, age and cost of equipment used and income tax impacts, all of which are factors not controlled at the operating management level. The acquisition accounting adjustments reverse the effect of the increase or step-up in cost basis of inventories and subsequently sold fixed assets acquired in business combinations. Transaction fees include professional and other fees incurred in connection with the Company's proposed business combinations, as well the Company's completed strategic review. Share-based compensation expense relates to amounts recognized from the granting of stock appreciation rights, stock options and restricted share units.

(2) Includes bank and other borrowed debt and capital leases.

Reconciliation of EBITDA by Segment

	Three months ended June 30, 2015			Three months ended June 30, 2014		
	Downhole Tool	Rental Tool	Corporate	Downhole Tool	Rental Tool	Corporate
Revenue	$ 20,093	$ 1,088	$ -	$ 39,807	$ 2,761	$ -
Earnings (loss) from operations	$ 1,589	$ (1,390)	$ (1,985)	$ 7,732	$ (899)	$ (2,043)
Depreciation and amortization	1,730	1,282	57	2,299	1,101	49
EBITDA	$ 3,319	$ (108)	$ (1,928)	$ 10,031	$ 202	$ (1,994)

	Six months ended June 30, 2015			Six months ended June 30, 2014		
	Downhole Tool	Rental Tool	Corporate	Downhole Tool	Rental Tool	Corporate
Revenue	$ 45,654	$ 3,282	$ -	$ 80,202	$ 6,010	$ -
Earnings (loss) from operations	$ 4,398	$ (1,937)	$ (4,449)	$ 15,423	$ (1,075)	$ (3,967)
Depreciation and amortization	3,526	2,502	67	4,543	2,057	98
EBITDA	$ 7,924	$ 565	$ (4,382)	$ 19,966	$ 982	$ (3,869)

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of applicable securities laws. These statements relate to future events or future performance of Logan. When used in this press release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "propose", "expect", "potential", "continue", and similar expressions, are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect Logan’s current views with respect to certain events, including increased cash flow for the remainder of the year as a result of our cost reduction efforts, improved activity levels in the second half of the year and oil prices in 2015 and are subject to certain risks, uncertainties and assumptions. Although Logan believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because we can give no assurance that they will prove to be correct. Many factors could cause Logan’s actual results, performance, or achievements to materially differ from those described in this press release. Readers are referred to Logan’s Annual Information Form filed on www.sedar.com, which identifies significant risk factors that could cause actual results to differ from those contained in the forward-looking statements. Should one or more risks or uncertainties materialize or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this press release. The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. These statements speak only as of the date of this press release. Logan does not intend and does not assume any obligation to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities described herein in any jurisdiction.

For more information about Logan International Inc., please visit our website at www.loganinternationalinc.com.

Contact:
David MacNeill
Chief Executive Officer
281-617-5300 Houston

Larry Keister
Chief Financial Officer
832-386-2534 Houston