LOGAN INTERNATIONAL

Logan International Reports Second Quarter 2016 Financial Results

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

Calgary, Alberta August 15, 2016 – 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, 2016.

Recent highlights include:

- Due to the disappointing year-to-date 2016 operating results, the continuing severely depressed industry conditions and expectations that such conditions will persist longer than we anticipated, Logan recorded a noncash impairment loss of $96.7 million.
- Despite this overhang of industry conditions, Logan's downhole tool segment experienced a modest increase in customer orders and backlog subsequent to the end of the quarter providing some signal that the worst may be behind us.

Logan recorded revenue from continuing operations of $8.1 million in this year's second quarter and $19.7 million in the prior year's second quarter. For the three month period ended June 30, 2016, Logan reported a loss from continuing operations of $90.6 million, $(2.69) per diluted share, as compared to a loss of $0.9 million, $(0.03) per diluted share in the prior year quarter. The Company recorded an impairment loss of $96.7 million in the current year quarter, as further described below. Excluding the impairment loss, the Company would have reported a net loss from continuing operations of $5.1 million, $(0.15) per diluted share for the three month period ended June 30, 2016. Modified EBITDA from continuing operations declined in this year's second quarter to a loss of $3.5 million from earnings of $2.7 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, 2016, the downhole tool segment, which includes Logan Oil Tools, Kline Oilfield Equipment, Logan SuperAbrasives and Scope Production Developments, recorded revenue of $7.5 million as compared to $18.6 million for the quarter ended June 30, 2015. For the current year quarter, this segment generated an EBITDA loss of $(1.6) million as compared to EBITDA of $4.3 million for last year's second quarter. For the second quarter of 2016, the rental tool segment, which includes Xtend Energy Services and Logan Jar, recorded revenue of $0.6 million and an EBITDA loss of approximately $0.2 million as compared to revenue of $1.1 million and an EBITDA loss of $0.1 million in the prior year's second quarter.

Logan recorded revenue from continuing operations of $18.8 million in the six month period ended June 30, 2016 and $45.0 million in the six month period ended June 30, 2015. For the current year-to-date period, Logan reported a loss from continuing operations of $94.5 million, $(2.81) per diluted share, as compared to a loss from continuing operations of $1.0 million, $(0.03) per diluted share, in the prior year period. The Company recorded an impairment loss of $96.7 million in the current year quarter, as further described below. Excluding the impairment loss, the Company would have reported a net loss from continuing operations of $9.1 million, $(0.27) per diluted share, for the six month period ended June 30, 2016. Modified EBITDA from continuing operations for the current year-to-date period decreased to a loss of $5.8 million from earnings of $6.5 million in the prior year-to-date period.

The downhole tool segment recorded revenue of $17.2 million and an EBITDA loss of $(2.6) million in the six month period ended June 30, 2016. This segment recorded revenue of $41.7 million and EBITDA of $9.6 million in the corresponding period in 2015. The rental tool segment recorded revenue of $1.6 million and an EBITDA loss of $(0.2) million in the current year-to-date period as compared to revenue of $3.3 million and EBITDA of $0.6 million in the prior year-to-date period.

David MacNeill, President and Chief Executive Officer, commented, “Our second quarter operating results were consistent with the weak industry conditions. Quarterly revenues declined by 60% in each of our operating segments to levels that only slightly exceeded the cost of goods sold, despite dramatic reductions in plant hours in our manufacturing facilities and in administrative expenses. As a result, we reported an operating loss, before the impairment loss, of $5.1 million. During the quarter, we recorded an impairment loss of $96.7 million, of which $67.1 million was recorded in the downhole tool segment and $29.6 million was recorded in the rental tool segment. We concluded that the combination of our recent operating results, future expectations for our industry in general and for our operating results in particular and the near-term maturity of our bank credit agreement constituted an indication of impairment. The impairment loss is a noncash cost and is not considered in the calculation of Modified EBITDA.”

Mr. MacNeill added, “Over the past several quarters, we have been pursuing various alternatives to renew or replace our credit agreement which matures this year in December. While pursuing a more permanent fix, we have negotiated previous temporary remedies of breaches of certain financial covenants. Recently, we have intensified these efforts and have conducted advanced discussions with several parties who could provide long-term solutions. We believe we will successfully complete these negotiations in our third quarter. In parallel, we are also negotiating an interim agreement with our lenders, which we expect will include forbearance provisions and a strong commitment by the Company to actively pursue alternatives to substantially reduce or repay the outstanding borrowings.”

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.); and patented products and services used to optimize production in sand-laden, heavy-oil wells (Scope Production Development);
- 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.

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,	
	2016	2015	2016	2015
Revenue	$ 8,126	$ 19,657	$ 18,787	$ 45,020
Net loss from continuing operations for the period	(90,626)	(866)	(94,536)	(954)
Loss per share from continuing operations:				
Basic	$ (2.69)	$ (0.03)	$ (2.81)	$ (0.03)
Diluted	$ (2.69)	$ (0.03)	$ (2.81)	$ (0.03)
EBITDA (1)	$ (3,773)	$ 2,303	$ (6,330)	$ 5,800
Modified EBITDA (1)	$ (3,500)	$ 2,693	$ (5,811)	$ 6,528

	June 30, 2016	December 31, 2015
Working Capital	$ 24,989	$ 43,037
Total Assets	$114,395	$ 221,265
Loans and Borrowings (2)	$ 53,712	$ 51,195
Shareholders' Equity	$ 52,041	$ 150,644

(1) This press release presents: (a) EBITDA as loss from continuing operations before net finance cost, income taxes, impairment losses 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 loss from continuing operations for the period” or “cash flow from operating activities from continuing operations” 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 future operations. A reconciliation of EBITDA and Modified EBITDA with net earnings for each period follows.

	Three month periods ended June 30,		Six month periods ended June 30,	
	2016	2015	2016	2015
Net loss from continuing operations for the period	$ (90,626)	$ (866)	$ (94,536)	$ (954)
Addbacks:				
Depreciation and amortization	2,487	2,595	4,992	5,133
Impairment loss	96,748	-	96,748	-
Finance cost, net	940	557	1,516	1,560
Income tax expense (benefit)	(13,322)	17	(15,050)	61
EBITDA	(3,773)	2,303	(6,330)	5,800
Adjustments:				
Transaction fees	6	124	6	129
Severance Costs	-	4	17	182
Share-based compensation payments	267	262	496	417
Modified EBITDA	$ (3,500)	$ 2,693	$ (5,811)	$ 6,528

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 business acquisitions. 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, 2016			Three months ended June 30, 2015		
	Downhole Tool	Rental Tool	Corporate	Downhole Tool	Rental Tool	Corporate
Revenue	$ 7,499	$ 627	$ -	$ 18,569	$ 1,088	$ -
Operating earnings (loss)	$ (70,033)	$ (30,924)	$ (2,051)	$ 3,083	$ (1,390)	$ (1,985)
Impairment loss	67,132	29,591	25	-	-	-
Depreciation and amortization	1,291	1,183	13	1,256	1,282	57
EBITDA	$ (1,610)	$ (150)	$ (2,013)	$ 4,339	$ (108)	$ (1,928)

	Six months ended June 30, 2016			Six months ended June 30, 2015		
	Downhole Tool	Rental Tool	Corporate	Downhole Tool	Rental Tool	Corporate
Revenue	$ 17,210	$ 1,577	$ -	$ 41,738	$ 3,282	$ -
Operating earnings (loss)	$ (72,381)	$ (32,091)	$ (3,598)	$ 7,053	$ (1,937)	$ (4,449)
Impairment loss	67,132	29,591	25	-	-	-
Depreciation and amortization	2,618	2,348	26	2,564	2,502	67
EBITDA	$ (2,631)	$ (152)	$ (3,547)	$ 9,617	$ 565	$ (4,382)

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

Forward-Looking Statements

This press release contains forward-looking statements. 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 management’s expectations that negotiations to provide long-term solutions for a replacement to Logan’s credit agreement will be successfully completed in the third quarter of 2016 and management’s expectations that negotiations for an interim agreement with Logan’s lenders will include forbearance provisions and an obligation for the Company to actively pursue alternatives to substantially reduce or repay its outstanding borrowings. These forward-looking statements are subject to certain risks, uncertainties and assumptions. Such statements are based on management’s current assumptions and expectations, including but not limited to Logan’s ability to continue as a going concern and the ability of the Company to complete negotiations with its lenders on a timely basis and on terms acceptable to Logan. 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 such forward-looking statements 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.

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