MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("**MD&A**") was prepared as of November 3, 2016, and is intended to assist the reader to understand the current financial position and operating results of Strad Energy Services Ltd. **("Strad" or the "Company")**. This MD&A discusses the operating and financial results for the three and nine months ended September 30, 2016, and takes into consideration information available up to that date. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of Strad for the three and nine months ended September 30, 2016, as well as the audited consolidated financial statements and MD&A for the year ended December 31, 2015. Strad's financial statements were prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. Strad's common shares trade on the Toronto Stock Exchange under the symbol "SDY". All amounts are stated in Canadian Dollars unless otherwise noted.

Additional information relating to Strad for the three and nine months ended September 30, 2016, may be found under the Company's profile on the System for Electronic Document Analysis and Retrieval **("SEDAR")** at www.sedar.com.

THIRD QUARTER SELECTED FINANCIAL AND OPERATIONAL HIGHLIGHTS:

- Adjusted EBITDA(1) of $1.2 million compared to $4.0 million for the same period in 2015. Adjusted EBITDA excluding acquisition related transaction costs would otherwise be $2.4 million;
- Closed the acquisition of Redneck Oilfield Services Ltd. ("Redneck") and Raptor Oilfield Services Ltd. ("Raptor"), together the "Redneck acquisition" on August 31, 2016;
- Loss per share was $(0.09) compared to $(0.55) for the same period in 2015. Loss per share excluding restructuring, severance and acquisition related costs would otherwise be $(0.06);
- Revenue of $20.3 million decreased 20% compared to $25.3 million for the same period in 2015;
- Total funded debt(2) to EBITDA(3) ratio was 3.2 to 1.0 at the end of the third quarter of 2016;
- Capital additions totaled $3.2 million during the third quarter of 2016.

Notes:

(1) *Earnings before interest, taxes, depreciation and amortization and other adjustments ("adjusted EBITDA") is not a recognized measure under IFRS; see "Non-IFRS Measures Reconciliation".*
(2) *Funded debt includes bank indebtedness plus long-term debt plus current and long-term obligations under finance lease less cash.*
(3) *EBITDA is based on trailing twelve months adjusted EBITDA plus share based payments, plus additional charges.*

THIRD QUARTER FINANCIAL HIGHLIGHTS

($000's, except per share amounts)	Three months ended September 30,			Nine months ended September 30,		
	2016	2015	% Chg.	2016	2015	% Chg.
Revenue	20,277	25,299	(20)	45,115	89,576	(50)
Adjusted EBITDA(1)	1,247	4,021	(69)	(338)	14,932	(102)
Adjusted EBITDA as a % of revenue	6%	16%		(1)%	17%	
Per share ($), basic	0.03	0.11	(73)	(0.01)	0.40	(103)
Per share ($), diluted	0.03	0.11	(73)	(0.01)	0.40	(103)
Net loss	(3,746)	(20,362)	(82)	(13,697)	(22,045)	(38)
Per share ($), basic	(0.09)	(0.55)		(0.36)	(0.60)	
Per share ($), diluted	(0.09)	(0.55)		(0.36)	(0.60)	
Funds from operations(2)	1,523	4,120	(63)	1,659	15,539	(89)
Per share ($), basic	0.04	0.11	(64)	0.04	0.42	(90)
Per share ($), diluted	0.04	0.11	(64)	0.04	0.42	(90)
Capital expenditures(3)	3,215	769	318	3,871	8,278	(53)
Total assets	188,965	188,894	—	188,965	188,894	—
Long-term debt	25,761	18,500	39	25,761	18,500	39
Total long-term liabilities	37,171	29,248	27	37,171	29,248	27
Common shares - end of period ('000's)	48,379	37,280		48,379	37,280	
Weighted avg common shares ('000's)						
Basic	40,493	36,916		38,123	36,914	
Diluted	40,493	36,916		38,123	36,914	

Notes:

(1) Earnings before interest, taxes, depreciation and amortization and other adjustments ("adjusted EBITDA") is not a recognized measure under IFRS; see "Non-IFRS Measures Reconciliation".

(2) Funds from operations is cash flow from operating activities excluding changes in working capital and foreign exchange gains and losses. Funds from operations is not a recognized measure under IFRS; see "Non-IFRS Measures Reconciliation".

(3) Includes assets acquired under finance lease and purchases of intangible assets.

OVERVIEW OF THE COMPANY

Strad offers its customers a wide range of solutions, including Surface Equipment, Environmental and Access Matting, Solids Control and Waste Management, EcoPond® (frac-water storage), Drill Pipe and Matting Manufacturing. Strad has strategically diversified its operations through the addition of new products and services, and is geographically diversified across North America. Strad's commodity exposure includes conventional and unconventional oil, liquids rich natural gas and dry natural gas as well as exposure to energy infrastructure projects including oilsands pipelines and power transmission. Geographically, the Company has expanded its base beyond the Western Canadian Sedimentary Basin ("WCSB") into resource plays in the United States ("U.S."), namely the Marcellus in Pennsylvania, the Bakken in North Dakota, and selected areas within the western United States Rockies. As of September 30, 2016, the Company has 24 operating locations throughout North America.

THIRD QUARTER RESULTS

Strad reported a decrease in revenue of 20% and a decrease in adjusted EBITDA of 69% during the three months ended September 30, 2016, compared to the same period in 2015. Decreased revenue during the third quarter was a result of reduced equipment utilization and pricing in the U.S. due to a significant decline in rig activity levels year-over-year offset by slightly higher Product sales. Adjusted EBITDA margin percentage in the third quarter of 2016 decreased to 6% compared to 16% in the prior year, due to the decrease in overall revenue during the quarter and severance and transaction cost of $1.2 million.

Strad's Canadian Operations reported an increase in revenue of 3% and a decrease in adjusted EBITDA of 15% during the three months ended September 30, 2016, compared to the same period in 2015. Increased revenue was a result of an increase in activity levels towards the end of the third quarter, the inclusion of Redneck and Raptor and a higher utilization rate in matting fleets despite a decrease of 36% in the average drilling rig count to 119 rigs during Q3 2016 compared to 187 for the same period in 2015.

Rig counts in Strad's targeted U.S. resource plays were also significantly lower year-over-year during the third quarter of 2016 compared to the same period in 2015. Rig counts in the Bakken, Rockies and Marcellus regions decreased by 61%, 49%, and 49%, respectively, year-over-year. The rig count declines resulted in a 66% decrease in revenue during the third quarter of 2016 compared to 2015. As a result of lower revenue, adjusted EBITDA decreased 125% and adjusted EBITDA as a percentage of revenue decreased to (11%) during the third quarter of 2016 compared to 15% in the third quarter of 2015.

During the third quarter of 2016, capital expenditures were $2.4 million in Canada and $0.8 million in the U.S. Strad's 2016 capital budget of $7.3 million will be evaluated during the year based on affordability and activity levels.

OUTLOOK

During the third quarter, we noted an improvement in customer sentiment from the second quarter of 2016 due in part to strengthening commodity prices and improving supply and demand fundamentals within the industry. This improved outlook resulted in an increase in drilling activity and a corresponding increase in utilization of our equipment fleet during the third quarter compared to the second quarter of 2016. However, despite the increase in activity during the quarter, we continue to experience pricing pressure and we remain cautious in our outlook as activity levels could be sensitive to changes in commodity prices over the near term.

We made progress in our strategy to expand the Company's service offerings to the energy infrastructure market, including pipeline construction, power transmission construction and energy facilities construction, during the third quarter. Our focused sales efforts and attention on this customer vertical translated into the largest matting project in the Company's history for a new customer in the energy infrastructure segment. This has diversified the business into markets that are expected to be less commodity price sensitive in the near term and will continue to be a focus for the remainder of 2016 and into 2017.

Energy infrastructure related activity is expected to contribute meaningfully to our top-line during the fourth quarter and into 2017. The majority of Strad's energy infrastructure related work continues to be wood access matting related and focused in Western Canada. We are continuing to focus on the energy infrastructure market in the U.S.

We continue to actively manage our cost structure as activity levels increase to ensure the efficiencies we gained over the past eighteen months are maintained when the recovery eventually takes hold. Early in the third quarter, we increased our overall headcount with the addition of direct employees for the first time since commencing our cost management efforts in January 2015. We will continue to focus on cost discipline and debt repayment into 2017 as we expect pricing will continue to be competitive in all of the regions in which we operate.

Our prudent and measured approach with a focus on cash preservation, debt paydown and maintaining flexibility over the past eighteen months positioned us to merge with Redneck and Raptor , a leading operator in the northeastern British Columbia and northwestern Alberta regions on August 31, 2016. The transaction increases Strad's profile as a market leader in the Deep Basin with expanded operations in Fort St. John, Dawson Creek and Grande Prairie and broadens our product and service offering to the combined entities customers operating in the Deep Basin.

We will continue to focus on maintaining our balance sheet strength and financial flexibility to ensure we are positioned to take advantage of further opportunities.

RESULTS OF OPERATIONS

Canadian Operations

	Three months ended September 30,			Nine months ended September 30,		
($000's)	**2016**	**2015**	**% chg.**	**2016**	**2015**	**% chg.**
Revenue	13,730	13,359	3	27,139	46,337	(41)
Operating expenses	9,726	8,492	15	19,557	30,646	(36)
Selling, general and administration	1,462	1,877	(22)	3,775	5,564	(32)
Share based payments	27	23		68	79	
Net income (loss)	2,202	(8,423)		1,951	(7,132)	
Adjusted EBITDA(1)	2,515	2,967	(15)	3,739	10,051	(63)
Adjusted EBITDA as a % of revenue	18%	22%		14%	22%	
Capital expenditures(2)	2,440	292	736	2,549	5,675	(55)
Gross capital assets	147,036	118,527	24	147,036	118,527	24
Total assets	114,402	89,359	28	114,402	89,359	28

Notes:

(1) Earnings before interest, taxes, depreciation and amortization and other adjustments ("Adjusted EBITDA") is not a recognized measure under IFRS; see "Non-IFRS Measures Reconciliation".

(2) Includes assets acquired under finance lease and purchases of intangible assets.

Revenue for the three months ended September 30, 2016, of $13.7 million increased 3% compared to $13.4 million for the same period in 2015. Increased revenue during the quarter was primarily a result of higher rental revenue from the matting fleets as there was a increase in activity levels and the inclusion of one month of Redneck and Raptor results in Canadian operations. This was offset by price declines and utilization levels for surface equipment declining by 30% during the third quarter of 2016, compared to the same period in 2015, due to a 36% decline in average rig count in the WCSB over the same time period. Low commodity prices continued to cause the decline in rig count during the third quarter of 2016 as Strad's customers reduced capital spending.

During the third quarter, revenue from Strad's matting rental fleet increased to approximately 64,800 pieces as at September 30, 2016, compared to approximately 51,800 pieces as at September 30, 2015. Utilization increased 31% during the third quarter of 2016, compared to the third quarter of 2015, due to the increase in energy infrastructure projects.

Adjusted EBITDA for the three months ended September 30, 2016, of $2.5 million, decreased 15% compared to $3.0 million for the same period in 2015. Adjusted EBITDA as a percentage of revenue, for the three months ended September 30, 2016, decreased to 18% compared to 22% for the same period in 2015.

Revenue for the nine months ended September 30, 2016, of $27.1 million, decreased 41% compared to $46.3 million for the same period in 2015. Decreased pricing and utilization as a result of lower drilling activities were the primary driver of lower revenue year-over-year.

Adjusted EBITDA for the nine months ended September 30, 2016, of $3.7 million, decreased 63% compared to $10.1 million for the same period in 2015. Adjusted EBITDA as a percentage of revenue, for the nine months ended September 30, 2016, was 14% compared to 22% for the same period in 2015.

Operating expenses for the three and nine months ended September 30, 2016, of $9.7 million and $19.6 million increased 15% and decreased 36% respectively compared to $8.5 million and $30.6 million for the same period in 2015. The decline in operating expenses during the first nine months of 2016 is a result of lower activity levels and cost reduction efforts.

SG&A for the three and nine months ended September 30, 2016, of $1.5 million and $3.8 million decreased 22% and 32% respectively compared to $1.9 million and $5.6 million for the same period in 2015. SG&A costs decreased for the first nine months of 2016 due to cost reductions implemented by management including staff reductions, wage roll backs and reductions in discretionary spending.

U.S. Operations

	Three months ended September 30,			Nine months ended September 30,		
($000's)	2016	2015	% chg.	2016	2015	% chg.
Revenue	2,950	8,715	(66)	10,251	32,208	(68)
Operating expenses	2,403	6,117	(61)	8,848	21,182	(58)
Selling, general and administration	858	1,323	(35)	3,355	4,723	(29)
Share based payments	14	(11)		34	(3)	
Net (loss)	(4,028)	(11,137)		(13,107)	(12,193)	
Adjusted EBITDA(1)	(325)	1,286	(125)	(1,986)	6,301	(132)
Adjusted EBITDA as a % of revenue	(11)%	15%		(19)%	20%	
Capital expenditures(2)	774	473	64	1,214	2,453	(51)
Gross capital assets	143,462	149,491	(4)	143,462	149,491	(4)
Total assets	73,341	98,418	(25)	73,341	98,418	(25)

Notes:

(1) *Earnings (loss) before interest, taxes, depreciation and amortization and other adjustments ("Adjusted EBITDA") is not a recognized measure under IFRS; see "Non-IFRS Measures Reconciliation".*

(2) *Includes assets acquired under finance lease and purchases of intangible assets.*

Revenue for the three months ended September 30, 2016, decreased 66% to $3.0 million from $8.7 million for the same period in 2015. The decline in revenue is due to a combination of lower rental fleet utilization rates and average pricing, offset by a strengthened U.S. dollar when compared to the same period in 2015. During the third quarter of 2016, utilization rates for Strad's U.S. matting, surface equipment and solids control fleets declined by 15%, 13%, and 41%, respectively, compared to the same period in 2015. Pricing pressure in Q3 2016 contributed further to revenue declines. Both utilization and price declines year-over-year are the result of a decline in rig counts across all Strad's targeted resource plays in the U.S. average rig counts declined in the Bakken, Rockies and Marcellus regions by 61%, 49%, and 49%, respectively, during the third quarter of 2016 compared to the same quarter in 2015.

A slight increase in the matting fleet year-over-year partially offset declines in utilization rates and average pricing. The U.S. surface equipment fleet decreased by 21 pieces of equipment to 2,001 pieces as at September 30, 2016, compared to 2,022 pieces as at September 30, 2015. Strad's U.S. solids control fleet remained constant at 55 as at September 30, 2016. The U.S. matting fleet increased by 102 pieces to 13,104 as at September 30, 2016, compared to 13,002 pieces as at September 30, 2015.

Adjusted EBITDA for the three months ended September 30, 2016, decreased 125% to $(0.3) million compared to $1.3 million for the same period in 2015. Adjusted EBITDA as a percentage of revenue, for the three months ended September 30, 2016, was (11)% compared to 15% for the same period in 2015. The decrease in both adjusted EBITDA and adjusted EBITDA as a percentage of revenue is primarily due to the decline in revenue compared to the same period in 2015.

Revenue for the nine months ended September 30, 2016, decreased 68% to $10.3 million compared to $32.2 million for the same period in 2015. The year-over-year decrease in revenue was primarily driven by decreased utilization of Strad's matting, surface equipment and solid controls fleets.

Adjusted EBITDA for the nine months ended September 30, 2016, decreased 132% to $(2.0) million compared to $6.3 million for the same period in 2015. Decreased adjusted EBITDA was due to lower revenue and severance costs of $0.3 million compared to the same period in 2015. Adjusted EBITDA as a percentage of revenue for the nine months ended September 30, 2016, was (19)% compared to 20% for the same period in 2015.

Operating expenses for the three and nine months ended September 30, 2016, of $2.4 million and $8.8 million decreased 61% and 58% respectively compared to $6.1 million and $21.2 million for the same period in 2015. The decline in operating expenses during the first nine months of 2016 is a result of lower activity levels. A portion of the Company's operating expenses are fixed, thus the percentage decline is lower for operating expenses compared to revenue.

SG&A costs for the three and nine months ended September 30, 2016, of $0.9 million and $3.4 million decreased 35% and 29% respectively compared to $1.3 million and $4.7 million for the same period in 2015. SG&A costs decreased due to cost reductions implemented by management including staff reductions, wage roll backs and reductions in discretionary spending.

Product Sales

	Three months ended September 30,			Nine months ended September 30,		
($000's)	**2016**	**2015**	**% chg.**	**2016**	**2015**	**% chg.**
Revenue	3,597	3,225	12	7,725	11,031	(30)
Operating expenses	3,240	2,911	11	6,701	10,527	(36)
Selling, general and administration	24	42	(43)	44	126	(65)
Share based payments	—	(3)		—	—	
Net income (loss)	(160)	(45)		(706)	—	
Adjusted EBITDA(1)	333	274	22	980	378	159
Adjusted EBITDA as a % of revenue	9%	8%		13%	3%	
Total assets	137	149	(8)	137	149	(8)

Notes:

(1) Earnings (loss) before interest, taxes, depreciation and amortization and other adjustments ("Adjusted EBITDA") is not a recognized measure under IFRS; see "Non-IFRS Measures Reconciliation".

(2) Includes assets acquired under finance lease and purchases of intangible assets.

Product Sales are comprised of in-house manufactured products sold to external customers, third party equipment sales to existing customers and sales of equipment from Strad's existing fleet to customers.

Revenue for the three months ended September 30, 2016, increased 12% to $3.6 million from $3.2 million for the same period in 2015, resulting primarily from higher sales of third party equipment sales. During the third quarter, Product Sales consisted of $0.9 million of in-house manufactured products, $2.1 million of third party equipment sales and $0.6 million of rental fleet sales compared to $1.7 million, $0.4 million and $1.1 million, respectively, during the same period in 2015. Sales in the quarter were impacted by a significant decrease in demand, typical in the business when drilling activity levels decline.

Adjusted EBITDA for the three months ended September 30, 2016, remained consistent with the prior period at $0.3 million. Adjusted EBITDA as a percentage of revenue, for the three months ended September 30, 2016, was 9% compared to 8% for the same period in 2015.

Revenue for the nine months ended September 30, 2016, decreased 30% to $7.7 million compared to $11.0 million for the same period in 2015. Revenue was lower during the first nine months of 2016 due to decreased rig activity. Sales of Strad's rental fleet equipment fluctuate quarter-over-quarter and are primarily dependent on strategic opportunities to monetize underutilized rental assets.

Adjusted EBITDA for the nine months ended September 30, 2016, increased 159% to $1.0 million compared to $0.4 million for the same period in 2015. The increase in adjusted EBITDA was due to lower operating expenses during the first nine months of 2016 compared to the same period in 2015. Adjusted EBITDA as a percentage of revenue, for the nine months ended September 30, 2016, was 13% compared to 3% for the same period in 2015.

Operating expenses for the three and nine months ended September 30, 2016, of $3.2 million and $6.7 million increased 11% and decreased 36% respectively compared to $2.9 million and $10.5 million for the same period in 2015. Operating expenses adjust with business as activity levels vary.

Corporate

Selling, general and administration expenses are largely allocated to the individual operating segments and reflected in the adjusted EBITDA performance discussed previously. The remaining unallocated corporate costs consist of head office infrastructure and general corporate costs. Corporate costs for the three and nine months ended September 30, 2016, were \$1.3 million and \$3.0 million compared to \$0.5 and \$1.7 million for the same period in 2015. Corporate costs as a percentage of total revenue during the three months ended September 30, 2016, were 6% compared to 2% in the prior year. Acquisition related transaction costs of \$0.9 million and severance costs of \$0.3 million were incurred during the three months ended September 30, 2016.

Depreciation and Amortization

Depreciation and amortization related to property, plant and equipment, intangible assets and long term assets decreased to \$4.9 million and \$14.6 million for the three and nine months ended September 30, 2016, compared to \$7.7 million and \$21.8 million for the same period in 2015. The decline in depreciation expense year-over-year was due to \$3.9 million of capital additions in the first nine months ended September 30, 2016 compared to \$8.3 million for the same period in 2015.

Interest and Finance Fees

Interest expense totaled \$0.3 million and \$0.7 million for the three and nine months ended September 30, 2016, compared to \$0.3 million and \$1.2 million for the same period in 2015. Average funded debt for the nine months ended September 30, 2016, was \$28.9 million compared to \$33.5 million for the same period in 2015.

Loss or Gain on Foreign Exchange

Gain/(loss) on foreign exchange for the three and nine months ended September 30, 2016, was \$nil and \$0.4 million gain compared to a loss of \$(0.4) million and \$0.2 million gain for the same period in 2015. The Company is exposed to foreign currency fluctuations as certain balances within working capital may vary due to changing Canada/U.S. exchange rates. The Company has exposure to U.S. dollars since a portion of the Company's customers and vendors transact in USD and the Company reports in CAD. The Canadian dollar has slightly strengthened by 1% against the U.S. dollar over the past year (1 CAD = 0.76 USD as at September 30, 2016, compared to 1 CAD = 0.75 USD as at September 30, 2015).

Income Taxes

For the nine months ended September 30, 2016, the Company recorded a loss before income taxes of \$14.9 million, incurred current income tax recovery of \$1.3 million and deferred tax expense of \$0.2 million, compared to a current tax recovery of \$0.5 million and a deferred income tax recovery of \$4.8 million for the same period in 2015. The deferred income tax expense, or recovery, represents timing differences between accounting book value and tax basis. The anticipated amount and timing of expense or recovery of deferred taxes will be dependent upon the Company's actual results, and the actual acquisition and disposition of assets and liabilities.

The overall effective tax rate was 8% for the nine months ended September 30, 2016, compared to 19% for the same period in 2015. The low effective tax rate is due to the unrecognized deferred tax asset related to losses in the U.S. Operations segment of \$5.0 million.

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
(\$000's, except per share amounts)	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015
Revenue	20,277	9,580	15,258	21,972
Adjusted EBITDA[1]	1,247	(1,983)	398	2,500
Net (loss) income	(3,746)	(6,958)	(2,994)	(8,316)
Per share (\$), basic	(0.09) [2]	(0.19)	(0.08)	(0.23)
Per share (\$), diluted	(0.09) [2]	(0.19)	(0.08)	(0.23)

Notes:

(1) Adjusted *EBITDA is not a recognized measure under IFRS; see "Non-IFRS Measures Reconciliation".*

(2) *Includes other items of \$0.1 million, severance costs of \$0.2 million and transaction costs of \$0.9 million.*

($000's, except per share amounts)	Three months ended Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014
Revenue	25,299	29,907	34,370	56,089
Adjusted EBITDA[(1)]	4,021	3,854	7,057	17,571
Net income	(20,362)	(1,887)	204	6,125
Per share ($), basic	(0.55) [(3)]	(0.05)	0.01	0.17
Per share ($), diluted	(0.55) [(3)]	(0.05)	0.01	0.16

Notes:

(1) Adjusted *EBITDA is not a recognized measure under IFRS; see "Non-IFRS Measures Reconciliation".*

(3) Includes other items of $0.3 million, non-cash goodwill impairment of $17.3 million and non-cash property, plant and equipment impairment of $1.9 million.

Strad's quarterly performance has historically been affected by seasonal variations in the WCSB. The Company has geographically diversified its operations where approximately half of Strad's gross capital assets are located in the U.S. The U.S. does not normally experience the same seasonal reduction in drilling activity that the WCSB does in the second quarter. Strad's product diversity helps further mitigate seasonal variations. In Canada, the demand for matting products is typically minimal during the first quarter, much stronger in the second quarter and third quarter and then decreases through the end of the year. Demand for surface equipment is typically strong in the first quarter, decreases in the second quarter and then increases over the next two quarters. Strad invests strategically in its asset base so the deployment of new equipment can coincide with higher levels of sustained activity in the second half of the year.

LIQUIDITY AND CAPITAL RESOURCES

($000's)	September 30, 2016	December 31, 2015
Current assets	28,539	25,035
Current liabilities	18,572	12,632
Working capital[(1)]	9,967	12,403
Banking facilities		
Operating facility	3,088	2,874
Syndicated revolving facility	25,761	15,500
Total facility borrowings	28,849	18,374
Total credit facilities [(2)]	48,500	70,000
Unused credit capacity	19,651	51,626

Notes:

(1) Working capital is calculated as current assets less current liabilities.

(2) Facilities are subject to certain limitations on accounts receivable, inventory, and net book value of fixed assets and are secured by a general security agreement over all of the Company's assets. As at September 30, 2016, Strad had access to $48.5 million of credit facilities.

As at September 30, 2016, working capital was $10.0 million compared to $12.4 million at December 31, 2015. The change in current assets is a result of a 16% increase in accounts receivable to $19.4 million for the third quarter of 2016 compared to $16.8 million for the fourth quarter of 2015. Accounts receivable increased due to an increase in activity late in the third quarter of 2016 compared to the fourth quarter of 2015. Inventory decreased by 21% to $4.1 million for the third quarter of 2016 from $5.2 million for the fourth quarter of 2015, and prepaid expenses was consistent at $1.5 million when compared to the fourth quarter of 2015. Inventory decreased due to the increase in Product Sales during Q3 2016 compared to Q4 2015.

The change in current liabilities is a result of a 63% increase in accounts payable and accrued liabilities to $14.5 million for the third quarter of 2016 compared to $8.9 million at year end. The accounts payable increase correlates to the increase in activity and operating expenses during Q3 2016 compared to Q4 2015. Bank indebtedness decreased to $3.1 million at the end of the third quarter compared to bank indebtedness of $2.9 million for the fourth quarter of 2015.

Funds from operations for the three months ended September 30, 2016, decreased to $1.5 million compared to $4.1 million for the three months ended September 30, 2015. Capital expenditures totaled $3.2 million for the three months ended September 30, 2016. Strad's total facility borrowing increased by $10.5 million for the three months ended September 30, 2016, compared to Q4 2015. Management monitors funds from operations and the timing of capital additions to ensure adequate capital resources are available to fund Strad's capital program.

As at September 30, 2016, the Company's syndicated banking facility consists of an operating facility with a maximum principal amount of $7.0 million CAD and $5.0 million USD, and a $36.5 million syndicated revolving facility, both of which are subject to certain limitations on accounts receivable, inventory and net book value of fixed assets and are secured by a general security agreement over all of the Company's assets. As at September 30, 2016, the Company has access to the maximum credit facilities. The syndicated banking facility bears interest at bank prime plus a variable rate, which is dependent on the Company's funded debt to EBITDA ratio. The Company's syndicated banking facility matures on September 29, 2018.

Based on the Company's amended credit facility, the interest rate will increase to bank prime plus 3.50% on prime rate advances and at the prevailing rate plus a stamping fee of 4.50% on bankers' acceptances during the covenant waiver period in the fourth quarter of 2016 and the first quarter of 2017. For the three and nine months ended September 30, 2016, the overall effective rates on the operating facility and revolving facility were 4.68% and 3.07%, respectively. As of September 30, 2016, $3.1 million was drawn on the operating facility and $25.8 million was drawn on the revolving facility. Required payments on the revolving facility are interest only.

As at September 30, 2016, the Company was in compliance with all of the financial covenants under its credit facilities.

The relevant definitions of financial debt covenant ratio terms as set forth in the Company's syndicated banking facility are as follows:

- Funded debt includes bank indebtedness plus long-term debt plus current and long-term obligations under finance lease less cash.
- EBITDA is based on trailing twelve months adjusted EBITDA plus share based payments, plus charges.
- Interest expense ratio is calculated as the ratio of trailing twelve months adjusted EBITDA plus share based payments to trailing twelve months interest expense on loans and borrowings.

The above noted definitions are not recognized under IFRS and are provided strictly for the purposes of the financial debt calculation.

Financial Debt Covenants	**As at September 30, 2016**	**As at December 31, 2015**
Funded debt to EBITDA ratio (not to exceed 5.5:1.0)		
Funded debt	30,174	19,592
EBITDA (1)	9,390	20,264
Ratio	3.2	1.0
EBITDA to interest coverage ratio (no less than 3.0:1.0)		
EBITDA (1)	9,390	20,264
Interest expense (1)	1,740	1,625
Ratio	5.4	12.5

Notes:

(1) Includes trailing twelve months results of Redneck and Raptor in both EBITDA and interest expense.

On August 31, 2016, Strad amended its existing credit facilities to include amendments to financial covenants, an equity cure, as well as reduce the current limits from CAD $63.0 million plus $7.0 million USD to CAD $43.5 million plus $5.0 million USD.

CONTRACTUAL OBLIGATIONS

The Company's contractual obligations as at September 30, 2016, were as follows:

($000's)	Total	1 Year or Less	2-3 Years	4+ Years
Finance leases	1,325	366	959	—
Operating leases	16,576	1,175	7,045	8,356
Total commitments	17,901	1,541	8,004	8,356

All of the Company's contractual obligations range from less than one year to 10 years.

OUTSTANDING COMPANY SHARE DATA

	As of November 3, 2016
Common shares	48,378,995
Options	2,004,002
Fully diluted common shares	50,382,997

OFF BALANCE SHEET ARRANGEMENTS

As at September 30, 2016, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Loans to key management

Key management includes the Company's directors and members of the Executive Management Team.

		For the period ended	
		September 30, 2016	December 31, 2015
Opening balance	$	993	1,050
Share purchase loans issued		159	—
Repayment of share purchase loan		(65)	(53)
Interest charged		—	3
Interest paid		—	(7)
		1,087	993

Certain key management personnel and directors have loans outstanding totaling $1.1 million from the Company. Proceeds of the loans were used to purchase common shares in the Company. The loan balances are non-interest bearing for the first three years the loan balances are outstanding. After three years, the notes bear interest at the prime lending rate per annum established by the Company's bank, plus 1% interest. The loans are required to be repaid in full on the maturity date, being 10 years from the date of issuance.

CRITICAL ACCOUNTING ESTIMATES

Management is required to make judgments, assumptions and estimates in applying its accounting policies and practices which have a significant impact on the financial results of the Company. The following discussion outlines the accounting policies and practices involving the use of estimates that are critical to determining Strad's financial results.

Amounts recorded for depreciation and amortization are based on the estimated useful lives and residual values of the underlying assets. Useful lives and residual values are based on management's best estimate using knowledge of past transactions, and as such, are subject to measurement uncertainty. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, and legal or other limits to use. It is possible that changes in these factors may cause changes in the estimated useful lives and residual values of the Company's property, plant and equipment in the future.

The Company's assets are segregated into cash-generating units based on their ability to generate largely independent cash flows and used for impairment testing. The determination of the Company's cash-generating units (CGU's) is subject to management's judgment.

The Company reviews the carrying value of its long-lived assets and CGU's at each balance sheet date to determine whether there is any indication of impairment. During the third quarter of 2016, no impairment of property, plant and equipment was noted by the Company. The recoverable amounts of CGU's are determined using the greater of fair value less costs of disposal and value-in-use. Fair value less costs of disposal and value-in-use calculations require the use of estimates, assumptions and judgments. Value-in-use calculations require management to use assumptions regarding discount rates and estimated future cash flows. Fair value less costs of disposal requires management to make judgments of fair value using market conditions as well as estimations of costs to dispose.

Compensation costs accrued for long-term share-based compensation plans are subject to their fair value estimation by using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield and expected term.

Inventory is to be carried at the lower of cost and net realizable value. Management's best estimate of net realizable value is the selling price prevailing in the market.

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

Future accounting policy and disclosures

On January 13, 2016, the IASB issued IFRS 16, "*Leases*" ("IFRS 16"), which requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements, and may continue to be treated as operating leases. IFRS 16 is effective for years beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 "*Revenue From Contracts With Customers*" has been adopted. The standard may be applied retrospectively or using a modified retrospective approach. The Company is currently evaluating the impact of adopting IFRS 16 on its consolidated financial statements.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer have designed, or have caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurances that (i) material information relating to the Company is made known to the Corporation's Chief Executive Officer and Chief Financial Officer by others, particularly during the period of time in which the annual and interim filings are being prepared; and (ii) the information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. They are assisted in this responsibility by the Company's Management team. These disclosure controls and procedures include controls and procedures which have been designed to ensure that the information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is accumulated and communicated to the Company's Management to allow timely decisions regarding required disclosure.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing, establishing and maintaining internal controls over financial reporting; as such term is defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings. The Chief Executive Officer and Chief Financial Officer of the Company certify on a quarterly and annual basis that senior management has designed such internal controls over financial reporting ("ICFR"), or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework used to design ICFR is the Internal Control – Integrated Framework (2013) ("COSO Framework") published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The Chief Executive Officer and Chief Financial Officer of the Company directed the assessment of the design and operating effectiveness of the Company's internal controls over financial reporting as at December 31, 2015, and based on that assessment determined that the Company's internal controls over financial reporting was, in all material respects, appropriately designed and operating effectively.

The Company's internal controls over financial reporting may not prevent or detect all errors, misstatements and fraud. The design of internal controls must also take into account resource constraints. A control system, including the Company's internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

During the three months ended September 30, 2016, there have been no changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

RISKS AND UNCERTAINTIES

The operations of Strad face a number of risks and uncertainties in the normal course of business that may be beyond its control, but which could have a material adverse effect on the Company's financial condition and results of operations. The following are a selection of certain risks and uncertainties identified by the Company.

Risks in the Oil and Natural Gas Exploration and Production Industry

The oil and natural gas exploration and production industry in which the Company operates is highly volatile, and there can be no assurance that demand for the Company's services will be maintained at current levels.

The demand, pricing and terms of oil and natural gas services largely depends upon the level of exploration, development and production activity for both crude oil and natural gas in the WCSB and in the United States. Oil and natural gas industry conditions are influenced by numerous factors over which the Company has no control, including oil and natural gas prices, expectations about future oil and natural gas prices, levels of consumer demand, the cost of exploring for, producing and delivering oil and natural gas, the expected rates of declining current production, the discovery rates of new oil and natural gas reserves, available pipeline and other oil and natural gas transportation capacity, the availability of services relating to drilling and completion, weather conditions, political, regulatory and economic conditions, and the ability of oil and natural gas companies to raise equity capital or debt financing.

The level of activity in the oil and natural gas industry in the WCSB and in the United States is volatile. Commodity prices are expected to remain volatile as a result of global excess supply due to the increased growth of shale oil production in the United States, the decline in global demand for exported crude oil commodities, and the Organization of the Petroleum Exporting Countries' ("OPEC") recent decisions pertaining to the oil production of OPEC member countries, among other factors. Any prolonged substantial reduction in oil and natural gas prices would likely affect oil and natural gas production levels and therefore, affect the demand for drilling and well services by oil and natural gas companies. Any addition to, or elimination, or curtailment of, government incentives for companies involved in the exploration for, and production of, oil and natural gas, could have a significant effect on the oilfield services industry in the WCSB. A material sustained decline in industry activity, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Competition

The Company competes with a number of companies with varying technical and financial resources. Several businesses that compete directly with Strad, but may be part of a larger entity, include Precision Drilling Corporation, Total Energy Services Inc., Clean Harbors Inc., Black Diamond Group Limited, Horizon North Logistics Inc. and Stallion Oilfield Services Ltd. The Company's competitors in the United States market where the Company operates are region specific. The largest national competitor is Stallion Oilfield Services Ltd. There can be no assurance that competitors will not substantially increase the resources devoted to the development and marketing of services that compete with those of the Company, or that new or existing competitors will not enter the various markets in which the Company is active. In addition, reduced levels of activity in the oil and natural gas industry could intensify competition and the pressure on competitive pricing, and, may result in lower revenues or margins to the Company.

Ongoing Capital Requirements

The Company's business strategy is based, in part, upon the continued expansion of the Company's ability to provide a range of oil and natural gas rentals and services. In order to continue to implement its business strategy, the Company will be required to make additional capital investments. The Company expects to finance these capital expenditures through vendor financing, ongoing cash flow from operations, borrowings under its syndicated credit facility and by raising capital through the sale of additional debt or equity securities. The Company's ability to obtain financing or to access the capital markets for future offerings may be limited by the restrictive covenants and limits in the Company's current and future debt agreements, by the Company's future financial condition, and by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties beyond the Company's control. The Company's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect on the Company.

Current Global Financial Conditions

Current global financial conditions have been subject to volatility. Worldwide commodity prices are expected to remain volatile in the near future as a result of global excess supply, recent actions taken by OPEC and ongoing global credit and liquidity concerns. As a result of these global conditions, the Company is subject to counterparty risk and liquidity risk. The Company is exposed to various counterparty risks including, but not limited to: (i) financial institutions that hold the Company's cash; and (ii) the Company's insurance providers. As a result, the Company may become exposed to credit related losses in the event of non-performance by counterparties to these financial instruments. In the event that a counterparty fails to complete its obligations, the Company would bear the risk of loss of the amount expected to be received under these financial instruments in the event of the default or bankruptcy of a counterparty.

The Company is also exposed to liquidity risk in the event its cash positions decline or become inaccessible for any reason, or additional financing is required to advance its projects or growth strategy and appropriate financing is unavailable, or demand for oil and gas falls. Any of these factors may impact the ability of the Company to obtain further equity based funding, loans and other credit facilities in the future, and, if obtained, on terms favorable to the Company.

Seasonality of Oilfield Operations

In Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring breakup"), rendering many secondary roads incapable of supporting heavy loads and as a result road bans are implemented prohibiting heavy loads from being transported in certain areas. Therefore, the movement of heavy equipment required for drilling and well servicing activities is restricted, and the level of activity of our customers is consequently reduced. As the Company continues its expansion into the United States, these seasonal factors will be reduced.

Accounts Receivable

A substantial portion of the Company's accounts receivable are with customers involved in the oil and natural gas industry, whose revenues may be affected by fluctuations in oil and natural gas prices. Customers are generally invoiced for our services in arrears. As a result, the Company is subject to its customers delaying or failing to pay invoices. Risk of payment delays, or failure to pay, is increased during periods of weak economic conditions due to potential reduction in cash flow and access to capital of the Company's customers. It is not uncommon for the Company to have receivables in excess of 90 days and in such event the Company will take all reasonable steps to collect such receivables. The Company does have significant exposure to one customer that accounted for 12% of revenue from operations for the nine months ended September 30, 2016.

Environmental Legislation

The oil and natural gas industry is subject to environmental regulations pursuant to a variety of provincial, state and federal legislation. Such legislation provides for restrictions and prohibitions on the release or emission of various substances produced in association with certain oil and natural gas industry operations. In addition, such legislation requires that well and facility sites be abandoned and reclaimed to the satisfaction of provincial and state authorities. Compliance with such legislation can require significant expenditures by Strad's customers and a breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage, and the imposition of material fines and penalties.

The Company is committed to meeting its responsibilities to protect the environment wherever it operates and takes the required steps to ensure compliance with environmental legislation in the jurisdictions in which it operates. Strad believes that it is in material compliance with applicable environmental laws and regulations.

The Company believes that it is reasonably likely that the trend towards more stringent standards in environmental legislation and regulation will continue. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not currently possible to predict either the nature of those requirements or the impact on the Company and its operations and financial condition at this time.

For additional information, including risks and uncertainties and other factors that could affect the Company's business, see "Risk Factors" in the Company's AIF dated March 29, 2016, which is available on SEDAR at www.sedar.com.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

The Company's Management is responsible for the information disclosed in this MD&A and the accompanying unaudited condensed interim consolidated financial statements, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. In addition, the Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by the Company, and has reviewed and approved this MD&A and the related unaudited condensed interim consolidated financial statements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements and information contained in this MD&A constitute forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "plan", "continue", "estimate", "anticipate", "potential", "targeting", "intend", "could", "might", "should", "believe", "may", "predict", or "will" and similar expressions are intended to identify forward-looking information or statements. More particularly, this MD&A contains forward-looking statements concerning future capital expenditures of the Company and funding thereof, changes and expectations in margins to be experienced by Strad, anticipated cash flow, debt, demand for the Company's products and services, drilling activity in North America, pricing of the Company's products and services, introduction of new products and services and the potential for growth and expansion of certain components of the Company's business, anticipated benefits from cost reductions and timing thereof, manufacturing capacity to meet anticipated demand for the Company's products, and expected exploration and production industry activity including the effects of industry trends on demand for the Company's products. These statements relate to future events or to the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements.

Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this MD&A. The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. Such information and 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 information or statements. In addition to other material factors, expectations and assumptions which may be identified in this MD&A and other continuous disclosure documents of the Company referenced herein, assumptions have been made in respect of such forward-looking statements and information regarding, among other things: the Company will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; anticipated financial performance, business prospects, impact of competition, strategies, the general stability of the economic and political environment in which the Company operates; exchange and interest rates; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and the adequacy of cash flow; debt and ability to obtain financing on acceptable terms to fund its planned expenditures, which are subject to change based on commodity prices; market conditions and future oil and natural gas prices; and potential timing delays. Although Management considers these material factors, expectations and assumptions to be reasonable based on information currently available to it, no assurance can be given that they will prove to be correct.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with the Canadian Securities Regulatory Authorities and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website. The forward-looking statements and information contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

NON-IFRS MEASURES RECONCILIATION

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, are considered non-IFRS measures. These measures are described and presented in order to provide shareholders and potential investors with additional information regarding the Company’s financial results, liquidity and its ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent IFRS measure. However, they should not be used as an alternative to IFRS, because they may not be consistent with calculations of other companies. These measures are further explained below.

Earnings before interest, taxes, depreciation and amortization and other adjustments (“adjusted EBITDA”) is not a recognized measure under IFRS. Management believes that in addition to net income, adjusted EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Company’s principal business activities prior to consideration of how those activities are financed or how the results are taxed. Adjusted EBITDA is calculated as net income (loss) plus interest, finance fees, taxes, depreciation and amortization, loss on disposal of property, plant and equipment, loss on foreign exchange, less gain on foreign exchange and gain on disposal of property, plant and equipment. Segmented adjusted EBITDA is based upon the same calculation for defined business segments, which are comprised of Canadian Operations, U.S. Operations and Product Sales.

Funds from operations are cash flow from operating activities excluding changes in working capital and foreign exchange gains and losses. It is a supplemental measure to gauge performance of the Company before non-cash items. Working capital is calculated as current assets minus current liabilities. Working capital, cash forecasting and banking facilities are used by Management to ensure funds are available to finance growth opportunities.

Funded debt is calculated as bank indebtedness plus long-term debt plus current and long-term portion of finance lease obligations less cash.

Reconciliation of Adjusted EBITDA and Funds from Operations
($000's)

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Net loss	$ (3,746)	$ (20,362)	$ (13,697)	$ (22,045)
Add:				
Depreciation and amortization	4,930	7,716	14,594	21,781
Gain on disposal of PP&E	(35)	(30)	(496)	(155)
Impairment	—	1,900	—	1,900
Goodwill impairment	—	17,277	—	17,277
Share-based payments	51	47	171	215
Deferred income tax (recovery) expense	(39)	(2,776)	231	(4,766)
Financing fees	44	37	138	134
Interest expense	318	311	718	1,198
Funds from operations	1,523	4,120	1,659	15,539
Add:				
Gain (loss) on foreign exchange	17	380	(416)	164
Current income tax recovery	(242)	(432)	(1,410)	(556)
Subtotal	1,298	4,068	(167)	15,147
Deduct:				
Share-based payments	51	47	171	215
Adjusted EBITDA	1,247	4,021	(338)	14,932

Reconciliation of quarterly non-IFRS measures
($000's)

	Three months ended Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015
Net loss	$ (3,746)	$ (6,958)	$ (2,994)	$ (8,316)
Add:				
Depreciation and amortization	4,930	4,516	5,149	7,126
Gain on disposal of PP&E	(35)	(268)	(193)	(99)
Gain (loss) on foreign exchange	17	3	(437)	216
Current income tax recovery	(242)	(918)	(217)	(677)
Deferred income tax (recovery) expense	(39)	1,438	(1,201)	(4,033)
Interest expense	318	157	244	427
Impairment loss	—	—	—	7,822
Finance fees	44	47	47	34
Adjusted EBITDA	1,247	(1,983)	398	2,500

	Three months ended			
	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014
Net (loss) income	$ (20,362)	$ (1,887)	$ 204	$ 6,125
Add:				
Depreciation and amortization	9,616	7,020	7,045	7,543
Gain on disposal of PP&E	(30)	(80)	(45)	(16)
Gain on disposal of assets held for sale	—	—	—	(11)
(Gain) loss on foreign exchange	380	(81)	(135)	47
Current income tax (recovery) expense	(432)	(18)	(106)	850
Deferred income tax (recovery) expense	(2,776)	(1,541)	(449)	2,092
Interest expense	311	391	496	495
Impairment loss	17,277	—	—	406
Finance fees	37	50	47	40
Adjusted EBITDA	4,021	3,854	7,057	17,571