CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CANADIAN EQUIPMENT RENTALS CORP.

FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the three and six month periods ended June 30, 2016.

CANADIAN EQUIPMENT RENTALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
IN THOUSANDS OF CANADIAN DOLLARS

	June 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash	6,349	3,327
Accounts receivable	5,087	5,626
Inventory	1,397	1,594
Income taxes recoverable	24	1,187
Prepaid expenses and deposits	730	945
Assets held for sale (note 4)	1,174	—
	14,761	12,679
Non-current assets:		
Property and equipment (note 4)	83,148	77,315
Intangibles and goodwill (note 5)	9,357	9,854
Deferred income taxes	1,933	—
	94,438	87,169
Total assets	109,199	99,848
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	2,817	2,164
Dividends payable	—	728
Current portion of long-term debt (note 6)	800	1,000
Current portion of finance leases	181	273
	3,798	4,165
Non-current liabilities:		
Long-term debt (note 6)	43,200	30,500
Obligation under finance leases (note 4)	535	3,577
Note payable (note 7)	3,925	—
Deferred income taxes	—	339
	47,660	34,416
Total liabilities	51,458	38,581
Shareholders' equity		
Share capital (note 8)	107,935	102,610
Share purchase loans receivable	—	(22)
Contributed surplus	1,028	1,024
Deficit	(51,222)	(42,345)
	57,741	61,267
Total liabilities and shareholders' equity	109,199	99,848

See accompanying notes to the Condensed Consolidated Interim Financial Statements

CANADIAN EQUIPMENT RENTALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME
(Unaudited)
IN THOUSANDS OF CANADIAN DOLLARS

	Three months ended		Six months ended	
	June 30, 2016	**June 30, 2015**	**June 30, 2016**	**June 30, 2015**
Revenues	**7,072**	**9,292**	**15,612**	**26,953**
Direct expenses				
Direct operating costs	4,353	5,225	8,550	14,392
Cost of sales of equipment, fuel and parts	178	632	686	1,434
Depreciation of equipment (note 4)	5,190	2,828	8,142	5,565
	9,721	8,685	17,378	21,391
Gross margin	**(2,649)**	**607**	**(1,766)**	**5,562**
Operating expenses				
General and administrative	2,877	2,216	5,817	4,414
Depreciation of other property and equipment	105	63	205	122
Amortization of intangible assets	220	474	497	975
Impairment of property and equipment (note 4)	257	—	5,409	—
Business acquisition expenses (note 3)	79	9	422	24
	3,538	2,762	12,349	5,535
Other expenses				
Finance costs (note 10)	762	422	1,414	868
Purchase gain (note 3)	(556)	—	(2,664)	—
Other gain (note 4)	(766)	—	(766)	—
	(560)	422	(2,016)	868
(Loss) income before income taxes	**(5,627)**	**(2,577)**	**(12,100)**	**(841)**
Income taxes (recovery)				
Current (recovery) expense	(126)	(82)	(8)	88
Deferred (recovery) expense	(726)	(529)	(3,215)	(206)
	(852)	(611)	(3,223)	(118)
Net (loss) income and comprehensive (loss) income for the period	**(4,775)**	**(1,966)**	**(8,877)**	**(723)**
Net (loss) income per share				
Basic	(0.12)	(0.05)	(0.22)	(0.02)
Diluted	(0.12)	(0.05)	(0.22)	(0.02)
Weighted average number of shares outstanding				
Basic	40,542,073	36,289,597	39,476,665	36,267,957
Diluted	40,542,073	36,289,597	39,476,665	36,267,957

See accompanying notes to the Condensed Consolidated Interim Financial Statements

CANADIAN EQUIPMENT RENTALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW
(Unaudited)
IN THOUSANDS OF CANADIAN DOLLARS

	Six months ended June 30	
	2016	**2015**
Cash provided by (used in):		
Operating		
Net (loss) income and comprehensive (loss) income	(8,877)	(723)
Depreciation of property and equipment (note 4)	6,715	5,850
Loss (gain) on disposal of property and equipment (note 4)	1,632	(163)
Amortization of intangible assets (note 4)	497	975
Impairment of property and equipment (note 4)	5,409	—
Purchase gain (note 3)	(2,664)	—
Other gain (note 4)	(766)	—
Stock based compensation (note 9)	4	77
Income taxes recovered	1,171	—
Deferred income taxes	(3,215)	(206)
Cash flow from (used by) operating activities before changes in non-cash working capital	(94)	5,810
Changes in non-cash working capital	3,544	5,232
Cash flow from operating activities	**3,450**	**11,042**
Investing		
Change in non-cash working capital related to investing activities (note 11)	235	(500)
Business acquisition (note 3)	(12,789)	—
Purchase of property and equipment (note 4)	(3,859)	(3,841)
Proceeds from sale of property and equipment (note 4)	2,178	631
Proceeds from sale of assets held for sale (note 4)	2,228	—
Long term receivable	—	57
Cash flow from (used by) investing activities	**(12,007)**	**(3,653)**
Financing		
Share issue costs	(56)	—
Dividends paid	(688)	(4,201)
Share purchased loan payments received	—	17
Proceeds from long-term debt	12,900	—
Repayment of long-term debt	(400)	(498)
Repayment of obligations under finance leases	(177)	(156)
Cash flow from (used by) finance activities	**11,579**	**(4,838)**
Net change in cash in the period	3,022	2,551
Cash, beginning of year	3,327	1,603
Cash, end of period	**6,349**	**4,154**

See accompanying notes to the Condensed Consolidated Interim Financial Statements

CANADIAN EQUIPMENT RENTALS CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

IN THOUSANDS OF CANADIAN DOLLARS

	Common shares	Preferred shares	Share purchase loans	Contributed surplus	Deficit	Total
Balance – December 31, 2014	102,350	—	(93)	873	(6,485)	96,645
Stock based compensation	—	—	—	151	—	151
Share purchase loan	—	—	34	—	—	34
Shares purchase loan cancellation	(37)	—	37	—	—	—
Dividends reinvested	297	—	—	—	—	297
Dividends declared	—	—	—	—	(5,808)	(5,808)
Comprehensive (loss) income	—	—	—	—	(30,052)	(30,052)
Balance – December 31, 2015	102,610	—	(22)	1,024	(42,345)	61,267
Stock based compensation	—	—	—	4	—	4
Share purchase loan cancellation	(22)	—	22	—	—	—
Shares issued on business acquisition (note 3)	2,484	2,864	—	—	—	5,348
Shares issue costs net of deferred tax benefit of $15	(41)	—	—	—	—	(41)
Dividends reinvested	40	—	—	—	—	40
Comprehensive (loss) income	—	—	—	—	(8,877)	(8,877)
Balance – June 30, 2016	105,071	2,864	—	1,028	(51,222)	57,741

See accompanying notes to the Condensed Consolidated Interim Financial Statements

1. CORPORATE INFORMATION:

Canadian Equipment Rentals Corp. (formerly CERF Incorporated) (the "Company" or "Canadian Equipment Rentals") was formed under the laws of Alberta as a corporation on August 10, 2011. Prior to October 1, 2011, operations were carried on as Canadian Equipment Rental Fund Limited Partnership (the "Partnership"), which had been formed under the laws of Alberta as a limited partnership on January 21, 2005. On June 22, 2016, the Company received shareholder approval for the name change from CERF Incorporated to Canadian Equipment Rentals Corp.

The Company is engaged in equipment rentals, equipment sales and service, and waste management services. Canadian Equipment Rentals is listed on the TSX Venture Exchange under the symbol CFL.

2. BASIS OF PREPARATION:

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full financial disclosure. The disclosures provided below are incremental to those included in the annual financial statements and certain disclosures, which are normally required to be included in the notes to annual financial statements, have been condensed or omitted. The same accounting policies and methods of computation were followed in the preparation of these interim financial statements as were followed in the preparation of the Company's annual financial statements for the year ended December 31, 2015. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2015.

These consolidated financial statements were approved by the Board of Directors on August 17, 2016 and are presented in Canadian dollars, which is the Company's functional currency.

In the presentation of financial statements, Management is required to identify where events or conditions indicate that significant doubt may exist about the Company's ability to continue as a going concern.

After assessing internal budget plans and forecasts for the coming year, Management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. See note 6 for significant judgments involved in reaching this conclusion.

3. BUSINESS ACQUISITION

a) Zedcor Oilfield Rentals Ltd.

On February 2, 2016, the Company acquired all the outstanding common and preferred shares of Zedcor Oilfield Rentals Ltd. ("Zedcor"). The purchase price consisted of the issuance by the Company of 3,049,968 common shares and 4,400,000 preferred shares both at a deemed price of $0.70 per share, the payout of approximately $12,789 in debt and the assumption of a $5,000 subordinated vendor take-back note.

IN THOUSANDS OF CANADIAN DOLLARS

The purchase price of $21,190 consisted of $1,799 of 3,049,968 Canadian Equipment Rentals common shares issued at the market closing price of $0.59 per share on the acquisition date and $2,864 based on the issuance of 4,400,000 Canadian Equipment Rentals preferred shares with a stated value of $0.70 per share, fair valued at $2,864, plus the payout of $12,789 in debt and the assumption of a $5,000 subordinated vendor take back note fair valued at $3,738. The purchase price was allocated to the net assets acquired based on their estimated fair values as follows:

Fair value of acquired net assets:	
Working capital	1,997
Deferred tax liability	(957)
Property and equipment	22,474
	23,514
Financed as follows:	
Common shares issued	1,799
Preferred shares issued	2,864
Note payable	3,738
Debt assumed	12,789
	21,190
Purchase gain	2,324

The Company recorded a purchase gain for the excess of the provisional estimated fair value of the acquired net assets over the purchase price. Before recording the provisional estimates of fair values and concluding that a purchase gain was appropriate, a rigorous assessment of all identified assets acquired and liabilities assumed at the acquisition date was completed to determine whether any additional assets or liabilities should be recognized. All procedures in determining the provisional measurement of identified assets acquired and liabilities assumed at the acquisition date were appropriate and in accordance with IFRS 3 Business Combinations. It was concluded the measurements appropriately reflect the consideration of all available information at the acquisition date, and the purchase gain is appropriate considering the nature and circumstances of the acquisition. Such circumstances included Zedcor's relatively new asset base and its expanded geographic footprint.

The Company incurred costs of $374 related to the Zedcor acquisition. These costs mainly relate to due diligence, legal fees and tax advisory fees. These costs have been included in business acquisition costs in the consolidated statements of income and loss.

The purchase price accounting has not been finalized at the time of the release of these financial statements and is subject to normal valuation adjustments.

IN THOUSANDS OF CANADIAN DOLLARS

b) Summit Star Energy Services Inc.

On May 6, 2016, the Company completed the acquisition of all the assets used in the business of Summit Star Energy Services Inc. ("Summit Star"). Summit Star's business involved the rental of light towers and electric pumps to the oil and natural gas industry in Western Canada.

The Company issued 1,713,318 common shares for the assets of Summit Star, which when multiplied by the volume weighted average price of the common shares of the Company over the 30 preceding trading days resulted in a stated purchase price of $750.

Under IFRS 3 Business Combinations, the market closing price of $0.40 per share on the acquisition date was used to value the 1,713,318 common shares, resulting in the recorded purchase price of $685. The purchase price was allocated to the assets acquired based on their estimated fair values as follows:

Fair value of acquired net assets:	
Property and equipment	1,025
Financed as follows:	
Common shares issued	685
Purchase gain	340

The Company recorded a purchase gain for the excess of the provisional estimated fair value of the acquired net assets over the purchase price. Before recording the provisional estimates of fair values and concluding that a purchase gain was appropriate, a rigorous assessment of all identified assets acquired at the acquisition date was completed to determine whether any additional assets or liabilities should be recognized. All procedures in determining the provisional measurement of identified assets acquired at the acquisition date were appropriate and in accordance with IFRS 3 Business Combinations. It was concluded the measurements appropriately reflect the consideration of all available information at the acquisition date, and the purchase gain is appropriate considering the nature and circumstances of the acquisition. Such circumstances included Summit Star's relatively new asset base and technologically advanced equipment.

The Company incurred costs of $48 related to the Summit Star acquisition. These costs mainly relate to due diligence, legal fees and tax advisory fees. These costs have been included in business acquisition costs in the consolidated statements of income and loss.

The purchase price accounting has not been finalized at the time of the release of these financial statements and is subject to normal valuation adjustments

IN THOUSANDS OF CANADIAN DOLLARS

4. PROPERTY AND EQUIPMENT:

Cost	Buildings	Rental equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2014	4,801	87,247	13,175	1,219	290	106,732
Additions	—	4,135	1,892	796	61	6,884
Disposals	—	(2,770)	(1,209)	(8)	(18)	(4,005)
At December 31, 2015	4,801	88,612	13,858	2,007	333	109,611
Additions	—	870	3,558	146	—	4,574
Business acquisition	—	22,947	515	37	—	23,499
Assets held for sale	—	(17,715)	—	—	—	(17,715)
Disposals	—	(8,680)	(820)	—	—	(9,500)
Derecognition	(4,801)	—	—	—	—	(4,801)
At June 30,2016	—	86,034	17,111	2,190	333	105,668

Accumulated depreciation	Buildings	Rental equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2014	1,486	14,652	6,760	494	150	23,542
Depreciation	274	9,056	1,801	271	37	11,439
Elimination on disposal	—	(1,744)	(926)	(3)	(12)	(2,685)
At December 31, 2015	1,760	21,964	7,635	762	175	32,296
Depreciation	137	5,353	1,019	188	18	6,715
Assets held for sale	—	(8,904)	—	—	—	(8,904)
Elimination on disposals	—	(5,120)	(570)	—	—	(5,690)
Derecognition	(1,897)	—	—	—	—	(1,897)
At June 30, 2016	—	13,293	8,084	950	193	22,520

Net Book Value	Buildings	Rental equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2015	3,041	66,648	6,223	1,245	158	77,315
At June 30, 2016	—	72,741	9,027	1,240	140	83,148

Depreciation of assets subject to finance lease obligations in the six months ended June 30, 2016 was $146 (2015 - $35).

IN THOUSANDS OF CANADIAN DOLLARS

During the six months ended June 30, 2016, the Company sold assets with a net book value of $3,810 for proceeds of $2,178, resulting in a loss of $1,632 (2015 - gain of $163) which has been included in depreciation of equipment in comprehensive income.

At June 30, 2016, the Company and a landlord cancelled an existing building lease for the General Rentals segment and entered into a new lease agreement for the same premises. The modified lease terms resulted in reclassifying the building lease from a finance lease to an operating lease. The lease modification is subject to the derecognition provisions under IAS 39 and requires derecognizing the leased asset and the finance lease liability. Prior to their derecognitions, the net book value of the building was $2,904 and the finance lease obligation was $3,670, resulting in a gain of $766.

Assets Held for Sale

The Company decided to sell certain under-utilized and obsolete rental assets in the Energy Services segment. At March 31, 2016, the Company classified such equipment with a net realizable value of $3.7 million as assets held for sale. An impairment of $5.2 million was recognized prior to reclassification from property and equipment to assets held for sale and an additional impairment of $0.2 million was recognized in the current quarter. During the quarter, the Company sold $2.3 million of these assets. The Company continues to actively market these assets to potential buyers and expects the sale of these assets to be completed within one year.

5. INTANGIBLES AND GOODWILL:

Cost	Goodwill	Long term Contracts	Customer Relation-ships	Non-compete agreement	Brand names & other	Total
At December 31, 2014	**31,304**	**573**	**5,644**	**742**	**44**	**38,307**
Amortization	—	(423)	(1,378)	(95)	(28)	(1,924)
Impairment	(24,045)	—	(1,845)	(639)	—	(26,529)
At December 31, 2015	**7,259**	**150**	**2,421**	**8**	**16**	**9,854**
Amortization	—	(150)	(331)	(8)	(8)	(497)
At June 30, 2016	**7,259**	**—**	**2,090**	**—**	**8**	**9,357**

IN THOUSANDS OF CANADIAN DOLLARS

6. CREDIT FACILITIES:

	Effective interest rate	Final maturity	Facility maximum	Outstanding as at June 30, 2016	Outstanding as at December 31, 2015
Revolving operating facility	3.99%	2018	48,500	38,000	27,500
Revolving capital expenditure facility	4.30%	2018	6,500	6,000	4,000
			55,000	44,000	31,500
Current portion				(800)	(1,000)
Long term debt				43,200	30,500

On April 28, 2016, the Company's Syndicated Bank Credit Facility was amended under the Third Amending Agreement to amend the financial covenant in respect of the Debt to EBITDA and Interest Coverage ratios as follows.

Third Amending Agreement	Mar 31 2016	June 30 2016	Sept 30 2016	Dec 31 2016	Mar 31 2017	Thereafter
Debt to EBITDA*	5.75:1	5.50:1	5.50:1	4.00:1	3.50:1	3.00:1
Interest Coverage Ratio**	3.25:1	3.25:1	2.75:1	2.75:1	3.50:1	3.50:1

The Third Amending Agreement includes a $10.0 million reduction in the authorized amount of the total facility from $65.0 million to $55.0 million. The resulting authorized credit facility is now comprised of a $48.5 million revolving Operating Facility and a $6.5 million revolving Capex Facility.

Interest payable on all loans drawn under the credit facilities will range from bank prime rate plus 100 bps to bank prime rate plus 400 bps depending on the Company's Debt to EBITDA ratio. The Credit facilities may also be financed through Bankers' Acceptances at the Company's option with stamping fees of between 200 bps to 500 bps depending on the Company's Debt to EBITDA ratio. Under the terms of the Third Amending Credit Agreement, the Company was in compliance of its covenants at June 30, 2016 as follows.

	Requirement	Actual at June 30, 2016
Debt to EBITDA*	Maximum of 5.50 times EBITDA	4.90 times EBITDA
Interest Coverage Ratio**	Minimum of 3.25 times adjusted cash flow	3.57 times adjusted cash flow

* EBITDA is a defined bank term and includes EBITDA of the trailing twelve months plus the pre-acquisition EBITDA of business acquisitions in the trailing twelve month period, and adjustments for acquisition transaction costs and severances incurred.

** Interest Coverage ratio is calculated as finance costs for the trailing twelve months divided into the trailing twelve month adjusted cash flow which is defined as EBITDA less taxes paid and dividends paid in the trailing twelve months.

IN THOUSANDS OF CANADIAN DOLLARS

The Company anticipates that its existing capital resources including its Credit Facility, cash flows from operations and expected asset sales proceeds will be adequate to satisfy its liquidity requirements through fiscal 2016. This expectation could be adversely affected by a material negative change or a longer than anticipated continued downturn in the oilfield service industry or lower than expected sales proceeds, which in turn could lead to the Company breaching the covenants in its Credit Facility. If the covenants were not met, this could limit the Company's access to the Credit Facility. If available liquidity is not sufficient to meet the Company's operating and debt servicing obligations as they come due, management's plans include further expenditure reductions, pursuing alternative financing arrangements, asset dispositions, or pursuing other corporate strategic alternatives.

7. NOTE PAYABLE

On February 2, 2016, the Company issued a $5,000,000 Canadian dollar vendor take-back note as part of the Zedcor acquisition purchase price (see Note 3). The vendor take-back note matures five years from the issue date at its nominal value and bears interest at five per cent per annum, accruing daily from the issue date. Interest is payable annually. The vendor take-back note is unsecured and subordinated to the Credit Facilities and interest payments are subject to certain restrictions in the Credit Facility.

As at June 30, 2016, the note payable had a carrying value of $3,925.

Fair value of note payable:	
Note payable at 5.0% due February 2, 2021	5,000
Note payable discount	(1,262)
Fair value of note payable as at February 2, 2016	3,738
Interest payable	104
Accretion of note payable discount	83
Balance, June 30, 2016	**3,925**

IN THOUSANDS OF CANADIAN DOLLARS

8. SHARE CAPITAL

Common shares issued and fully paid:	**Number of shares**	**$**
Balance, December 31, 2014	**36,213,917**	**102,350**
Issuance of common shares under dividend reinvestment program	182,360	297
Shares cancelled on forfeiture of share purchase loan	(15,817)	(37)
Balance, December 31, 2015	**36,380,460**	**102,610**
Issuance of shares under dividend reinvestment program	65,370	40
Shares cancelled on forfeiture of share purchase loan	(9,185)	(22)
Issued as consideration in a business acquisition	3,049,968	1,799
Issued as consideration in an asset acquisition	1,713,318	685
Share issue costs, net of deferred tax benefit of $15	—	(41)
Balance, June 30, 2016	**41,199,931**	**105,071**

Preferred shares issued:	**Number of shares**	**$**
Balance, December 31, 2015	**—**	**—**
Issued as consideration in a business acquisition	4,400,000	2,864
Balance, June 30, 2016	**4,400,000**	**2,864**

On February 2, 2016, the Company issued 4,400,000 preferred shares at a stated value of $0.70 per share as part of the Zedcor acquisition (see Note 3). The fair value of the preferred shares at the acquisition date was estimated to be $2,864. The preferred shares valuation was determined using a Monte Carlo simulation and Longstaff-Schwartz algorithm. The assumptions used in the valuation include the historical stock price of the Company, the historical volatility of the Company stock price and a Company credit rating of B-.

The Preferred Shares are non-voting and non-transferrable, have a stated value of $0.70 per share and a term of five years. The Preferred Shares have a cumulative dividend of 5% of the stated value commencing on January 31, 2017 until January 31, 2018 and a 10% cumulative dividend from January 31, 2018 thereafter, with dividend payments being subject to certain restrictions in the Company's existing secured credit facilities, and at the discretion of the Board of Directors. The dividend can be settled at the discretion of the Company in either cash or through the issuance of Common Shares based on the conversion price of $0.70.

After January 31, 2019, the Preferred Shares may be converted by the holder thereof into the Company's Common Shares at a conversion price of $0.70 per share, subject to the right of Company to redeem the Preferred Shares prior to such conversion for a cash amount per share equal to the lesser of: (i) $2.00; and (ii) the current market price of the Common Shares.

IN THOUSANDS OF CANADIAN DOLLARS

Canadian Equipment Rentals shall have the right to redeem the Preferred Shares at any time if the current market price of the Common Shares exceeds $2.00 by either, at Company's sole option, (i) payment of cash of $2.00 per Preferred Share; or (ii) through the issuance of 4,400,000 Common Shares, subject to certain adjustments.

The Preferred Shares may be redeemed at the end of the term, at the Company's sole option, for either (i) a cash amount per share equal to the lesser of $2.00 and the current market price; or (ii) 4,400,000 Common Shares, subject to certain adjustments.

9. STOCK OPTIONS:

Changes in outstanding and exercisable employee options are as follows:

	Number of options	Vested	Exercise price	Remaining contractual life in years	Weighted average exercise price
Options as at December 31, 2015	**1,940,500**	**705,881**	—	**3.66**	**2.50**
Options forfeited	(628,677)	—	2.79	—	—
Options cancelled	(1,326,323)	(459,315)	1.93	—	—
Options granted February 5, 2016	1,985,000	—	0.50	4.60	0.50
Options granted May 31, 2016	900,000	—	0.48	4.92	0.48
Options as at June 30, 2016	**2,870,500**	**246,566**	—	**2.06**	**0.87**

During the six months ended June 30, 2016, $4 of stock based compensation related to these stock options was recorded in general and administrative expenses (2015 - $77).

10. FINANCE COSTS:

Finance costs are comprised of the following:

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Bank charges and interest	21	36	41	91
Interest on long term debt	622	284	1,030	531
Interest on finance leases	104	109	208	220
Loan syndication fees	15	—	135	36
Interest on long term receivable	—	(7)	—	(10)
	762	422	1,414	868

IN THOUSANDS OF CANADIAN DOLLARS

11. OPERATING SEGMENTS:

The Company structures its operations in three operating and reportable segments: (i) General Rentals; (ii) Energy Services; and (iii) Waste Management, based on the way that management organizes the Company's businesses for making operating decisions and assessing performance.

The General Rentals segment includes the operations of 4-Way Equipment Rentals Corp. The Energy Services segment includes the aggregate operations of TRAC Energy Services Ltd. and Zedcor Oilfield Rentals Ltd., which now operates as Zedcor Energy Services. The Waste Management segment includes the operations of MCL Waste Systems & Environmental Inc.

Information regarding the results of the segments is included below. Performance is measured based on segment profit as included in internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Segment profit is calculated as revenue less operating expenses, administrative expenses, and depreciation expense.

The following is a summary of the Company's results by segment for the three and six months ended June 30, 2016 and 2015:

	Three months ended June 30, 2016				
	General Rentals	**Energy Services**	**Waste Management**	**Corporate**	**Total**
Total segment revenue	1,763	1,469	3,840	—	7,072
Segment profit (loss)	(833)	(4,357)	628	(1,148)	(5,710)
Depreciation of property and equipment	923	3,893	465	14	5,295
Amortization of intangible assets	—	165	55	—	220
Impairment of property and equipment	—	257	—	—	257
Finance costs	290	228	173	71	762
Income taxes expense (recovery)	(115)	(695)	74	(116)	(852)
Additions to property and equipment	427	1,502	980	4	2,913

	Three months ended June 30, 2015				
	General Rentals	**Energy Services**	**Waste Management**	**Corporate**	**Total**
Total segment revenue	3,462	2,384	3,446	—	9,292
Segment profit (loss)	(3)	(907)	152	(923)	(1,681)
Depreciation of property and equipment	957	1,533	396	5	2,891
Amortization of intangible assets	—	356	118	—	474
Finance costs	235	50	134	3	422
Income taxes expense (recovery)	(131)	(532)	(60)	112	(611)
Additions to property and equipment	282	405	611	6	1,304

IN THOUSANDS OF CANADIAN DOLLARS

Six months ended June 30, 2016	General Rentals	Energy Services	Waste Management	Corporate	Total
Total segment revenue	4,125	4,780	6,707	—	15,612
Segment profit (loss)	(1,238)	(5,307)	763	(2,428)	(8,210)
Depreciation of property and equipment	1,609	5,909	806	23	8,347
Amortization of intangible assets	—	330	167	—	497
Impairment of property and equipment	—	5,409	—	—	5,409
Finance costs	403	308	179	524	1,414
Income taxes expense (recovery)	(360)	(2,853)	(32)	22	(3,223)
Additions to property and equipment	437	1,634	3,435	92	5,598

Six months ended June 30, 2015	General Rentals	Energy Services	Waste Management	Corporate	Total
Total segment revenue	8,419	12,057	6,477	—	26,953
Segment profit (loss)	1,077	1,379	392	(1,846)	1,002
Depreciation of property and equipment	1,889	3,092	694	12	5,687
Amortization of intangible assets	—	713	262	—	975
Finance costs	433	187	185	63	868
Income taxes expense (recovery)	37	(204)	(75)	124	(118)
Additions to property and equipment	956	1,938	888	59	3,841

Goodwill	General Rentals	Energy Services	Waste Management	Corporate	Total
As at June 30, 2016	—	5,746	1,513	—	7,259
As at December 31, 2015	—	5,746	1,513	—	7,259

Total assets and liabilities of the reportable segments are as follows:

As at June 30, 2016	General Rentals	Energy Services	Waste Management	Corporate	Total
Total assets	17,179	78,458	13,561	1	109,199
Total liabilities	774	618	1,667	48,399	51,458

As at December 31, 2015	General Rentals	Energy Services	Waste Management	Corporate	Total
Total assets	23,748	66,026	10,079	(5)	99,848
Total liabilities	5,508	(103)	639	32,537	38,581

IN THOUSANDS OF CANADIAN DOLLARS

A reconciliation of segment profit to income before taxes is as follows:

	Three months ended		Six months ended	
	June 30, 2016	**June 30, 2015**	**June 30, 2016**	**June 30, 2015**
Segment profit	(5,710)	(1,681)	(8,210)	1,002
Deduct:				
Finance costs	762	422	1,414	868
Amortization of intangibles	220	474	497	975
Impairment of property and equipment	257	—	5,409	—
Purchase gain	(556)	—	(2,664)	—
Other gain	(766)	—	(766)	—
Income (loss) before taxes	(5,627)	(2,577)	(12,100)	(841)