CANADIAN EQUIPMENT RENTALS CORP.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2016

APRIL 17, 2017

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This Annual Information Form of Canadian Equipment Rentals Corp. ("**CERC**" or the "**Corporation**") contains forward looking statements and forward-looking information, as such terms are defined under applicable securities laws (collectively, "**forward-looking statements**"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions. Actual events or results may differ materially. In addition, this Annual Information Form may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Forward-looking statements in this Annual Information Form include, but are not limited to, statements with respect to:

- results of various projects of the Corporation;
- ability to lower cost structure in certain projects of the Corporation;
- growth expectations within the Corporation;
- the tax horizon and taxability of the Corporation;
- the Corporation's acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- the impact of Canadian federal and provincial governmental regulation on the Corporation;
- realization of the anticipated benefits of acquisitions and dispositions;
- expected levels of operating costs, general and administrative costs, costs of services and other costs and expenses;
- capital expenditure programs and the timing and method of financing thereof;
- treatment under government regulation and taxation regimes;
- anticipated oilfield service activity levels;
- expectations regarding the Corporation's ability to raise capital;
- reliance on, and relationships with, existing customers; and
- the Corporation's dividend policy.

Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Corporation cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither the Corporation nor any other person assumes responsibility for the outcome of the forward-looking statements. Many of the risks and other factors are beyond the Corporation's control, which could cause results to differ materially from those expressed in the forward-looking statements contained in this Annual Information Form. The risks and other factors include, but are not limited to:

- fluctuations in the price and demand for oil and natural gas;
- fluctuations in the level of oil and natural gas exploration and development activities;
- economic conditions in industry sectors that the Corporation is targeting for expansion;

- the effect of weather conditions on operations;
- the existence of competitive operating risks inherent in the Corporation’s business;
- the ability of the Corporation to obtain an adequate supply of newly built equipment from manufacturers;
- the timing of completion of rental units to be deployed to the Corporation’s customers;
- legislative and regulatory developments that may affect costs, revenues and global capital markets activity and general economic conditions in geographic areas where the Corporation operates;
- general economic conditions in Canada, the United States and globally including reduced availability of debt and equity financing generally;
- industry conditions;
- liabilities inherent in the Corporation’s business operations;
- governmental regulation including environmental regulation;
- fluctuation in foreign exchange or interest rates;
- failure to realize anticipated benefits of acquisitions;
- stock market volatility and market valuations;
- competition for, among other things, capital, inventory and skilled personnel;
- identification of and competition for acquisition candidates;
- insufficient cash flows;
- increased third party credit risk;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and natural gas industry; and
- the other factors considered under “Risk Factors” in this Annual Information Form.

With respect to forward-looking statements contained in this Annual Information Form, the Corporation has made assumptions regarding: future commodity prices; future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; availability of skilled labour; current technology; cash flow; timing and amount of capital expenditures; effects of regulation by governmental agencies; future operating costs and the Corporation’s ability to obtain financing on acceptable terms. Readers are cautioned that the foregoing list of factors is not exhaustive.

The above summary of assumptions and risks related to forward-looking information has been provided in this Annual Information Form in order to provide readers with a more complete perspective on the Corporation’s future operations. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement. The Corporation is not under any duty to update or revise any of the forward-looking statements except as expressly required by applicable securities laws.

CORPORATE STRUCTURE

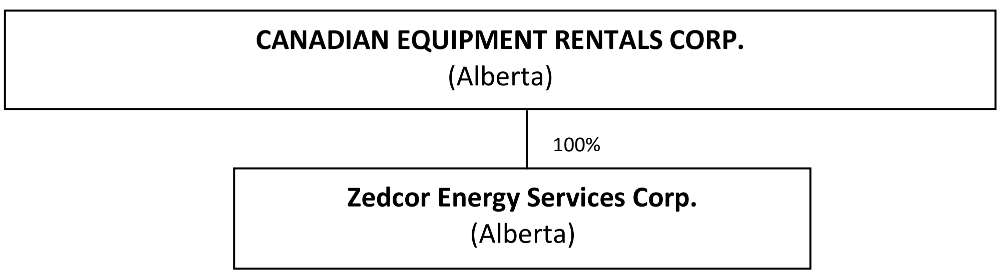
Name, Address and Incorporation

The Corporation's principal and registered office is located at Suite 2440, 330 – 5th Avenue SW, Calgary Alberta T2P OL4.

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) (the "**ABCA**") on August 11, 2011. On October 1, 2011, the Corporation amended its articles to remove the restrictions against the transfer of securities. On February 1, 2016, the Corporation amended its articles to create 4,400,000 series 1 preferred shares (the "**Series 1 Preferred Shares**"). On June 22, 2016, the Corporation amended its articles to change the name of the Corporation from CERF Incorporated to Canadian Equipment Rentals Corp.

Intercorporate Relationships

The following diagram illustrates the organizational structure of the Corporation and its one (1) material subsidiary as of the date of this Annual Information Form:



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

2014

On January 27, 2014 the Corporation's 100% owned subsidiary MCL Waste Systems & Environmental Inc. ("**MCL**") was awarded operating contract extensions to its core business at three of its managed municipally owned facilities located around central and northern Alberta. The aggregate value of these base contract extensions was approximately $23.0 million over various periods of up to five years. Under the base contracts, MCL had the opportunity for extra contract work at two of these facilities. One of MCL's facility contracts, valued at $1.721 million for 2014, was not renewed and expired at the end of 2014, however, coincident therewith, MCL was awarded a municipal waste transfer operations contract valued at $1.4 million for a three year period with provision for two one-year extensions valued at an additional $950,000 when adjusted for inflation.

On May 28, 2014, the Corporation, through its 100% owned subsidiary TRAC Energy Services Ltd. ("**TRAC**"), completed the purchase of the business and assets of Empire Tool Inc. ("**Empire**"), a Calgary-based privately owned oilfield service and rental business (the "**Empire Acquisition**"). The assets acquired from Empire were comprised of equipment used in directional drilling applications including speciality and heavy weight drill pipe, drill collars and related handling equipment, which assets operated in the deep horizontal plays of western Alberta and northeast British Columbia. The purchase price for the Empire Acquisition was $9.3 million paid by cash in the amount of $6.1 million and through the issuance of 1,000,688 common shares in the capital of the Corporation ("**Common Shares**") at a deemed price of $3.20 per share representing approximately $3.2 million.

On August 21, 2014, the Corporation accelerated the expiry dates of its 4,197,167 Series A warrants and its 79,000 Series B warrants to purchase Common Shares all at an exercise price of $3.15 per share. As of September 30, 2014, that number of Series A warrants and Series B warrants were exercised which resulted in the issuance of 4,276,167 Common Shares representing approximately $13.471 million in aggregate gross proceeds. 112,093 warrants were unexercised and expired on September 30, 2014.

On August 27, 2014, CERC acquired all of the issued and outstanding common shares of Winalta Inc. ("**Winalta**"), a publically traded corporation engaged in the oilfield accommodation rentals business, for a purchase price of approximately $70.6 million, including the assumption of net debt in the amount of $19.3 million (the "**Winalta Acquisition**"). Winalta shareholders received 0.3352 of a Common Share of CERC for each Winalta common share held resulting in the issuance of approximately 14,456,717 Common Shares of CERC.

On August 27, 2014, the Corporation entered into a credit agreement (the "**Credit Agreement**") with a syndicate of lenders providing for a revolving operating facility for up to $55.0 million and a revolving capital expenditure facility for up to $10.0 million.

2015

On December 29, 2015, CERC entered into an agreement (the "**First Amending Agreement**") to amend the Credit Agreement which provided for, among other things, the extension of the maturity date to August 27, 2018 and for certain changes to the two financial covenants set out therein.

2016

On January 1, 2016 TRAC and Winalta, both being 100% owned by the Corporation, were amalgamated under the ABCA and continued under the name "TRAC Energy Services Ltd." ("**TRAC**").

On February 2, 2016, CERC completed the acquisition of all of the issued and outstanding shares of Zedcor Oilfield Rentals Ltd. ("**Zedcor Rentals**") (the "**Zedcor Acquisition**"). The purchase price for the Zedcor Acquisition was approximately $21.0 million paid by the issuance of 3,049,958 Common Shares and by the issuance of 4,400,000 Series 1 Preferred Shares, both at a deemed price of $0.70 per share, and by issuance of a vender take-back note for $5.0 million (the "**VTB Note**") and the assumption of approximately $10.8 million in debt. The Series 1 Preferred Shares are non-voting and non-transferable, have a stated value of $0.70 (the "**Stated Value**") per share and a term of five years. The Series 1 Preferred Shares have a cumulative cash dividend of 5% of the Stated Value commencing on January 31, 2017 until January 31, 2018 and a 10% cumulative cash dividend from January 31, 2018 thereafter, with dividend payments being subject to certain restrictions in CERC's Credit Agreement, as amended. After January 31, 2019, the Series 1 Preferred Shares may be converted by the holder thereof into Common Shares at a conversion price of $0.70 per share, subject to the right of CERC to redeem the Series 1 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. CERC shall have the right to redeem the Series 1 Preferred Shares at any time if the current market price of the Common Shares exceeds $2.00 by either, at CERC's sole option, (i) payment of cash of $2.00 per Series 1 Preferred Share; or (ii) through the issuance of 4,400,000 Common Shares, subject to certain adjustments. The Series 1 Preferred Shares may be redeemed at the end of the term, at CERC'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. The VTB Note is unsecured and subordinated to the indebtedness under the Credit Agreement, as amended. The VTB Note has a five-year term and a 5% annual interest rate, with interest payments subject to certain restrictions set out in the Credit Agreement, as amended.

On February 2, 2016, CERC entered into an agreement (the "**Second Amending Agreement**") to amend the Credit Agreement, as amended by the First Amending Agreement. The Second Amending Agreement provided for, among other things, consent by the lenders to the Zedcor Acquisition, consent by the lenders to the issuance of the $5.0 million VTB Note and consent by the lenders to the issuance of the Series 1 Preferred Shares. It also provided for certain changes to the two financial covenants set out in the Credit Agreement, as amended, and for a negative covenant to not declare or pay dividends on or before January 1, 2017.

On February 26, 2016 TRAC changed its name to "Zedcor Energy Services Corp." ("**Zedcor Corp.**").

On March 9, 2016 MCL entered into two long-term waste management contracts whereunder MCL would provide collection services to certain areas of the City of Edmonton and the City of Leduc and it would operate a landfill facility on behalf of the City of Lethbridge.

On March 31, 2016 CERC entered into a purchase and sale agreement with Zedcor Corp. whereunder CERC sold Zedcor Rentals as well as the indebtedness of Zedcor Rentals to Zedcor Corp.

On April 1, 2016, Zedcor Corp., being 100% owned by CERC, and Zedcor Rentals, being 100% owned by Zedcor Corp., were amalgamated under the ABCA and continued under the name "Zedcor Energy Services Corp." ("**Zedcor**").

On April 28, 2016, CERC entered into an agreement (the "**Third Amending Agreement**") to amend the Credit Agreement, as amended by the First Amending Agreement and the Second Amending Agreement. The Third Amending Agreement provided for, among other things, the amendment of the debt to EBITDA and interest coverage ratios.

On May 9, 2016, the Corporation completed the acquisition of all of the business and assets of Summit Star Energy Services Inc. ("**Summit Star**") for a purchase price of $750,000 funded by the issuance of 1,713,318 Common Shares.

On June 22, 2016 the Corporation amended its articles to change its name from CERF Incorporated to "Canadian Equipment Rentals Corp.".

On November 24, 2016, CERC entered into an agreement (the "**Fourth Amending Agreement**") to amend the Credit Agreement, as amended by the First Amending Agreement, the Second Amending Agreement and the Third Amending Agreement. The Fourth Amending Agreement provided for, among other things, the lenders agreeing to forbear from demanding repayment or enforcing its security under the Credit Agreement, as amended.

On December 1, 2016, the Corporation completed the sale of 100% of the issued and outstanding shares of MCL to GFL Environmental Inc. for gross cash proceeds of approximately $12.0 million.

On December 16, 2016, CERC entered into an agreement (the "**Fifth Amending Agreement**") to amend the Credit Agreement, as amended by the First Amending Agreement, the Second Amending Agreement, the Third Amending Agreement and the Fourth Amending Agreement. The Fifth Amending Agreement provided for, among other things, management to continue to execute on the commitment to reduce the Corporation's balance sheet leverage.

Activity During Current Fiscal Year

On February 9, 2017 the Corporation completed the sale of the assets of its wholly-owned subsidiary 4-Way Equipment Rentals Corp. to Cooper Rentals Canada Inc. for gross cash proceeds of approximately $8.5 million. On February 9, 2017 the name of 4-Way Equipment Rentals Corp. was changed to Zedcor Industrial Services Corp.

On February 28, 2017, CERC entered into an agreement (the "**Sixth Amending Agreement**") to amend the Credit Agreement, as amended by the First Amending Agreement, the Second Amending Agreement, the Third Amending Agreement, the Fourth Amending Agreement and the Fifth Amending Agreement. The Sixth Amending Agreement provided, among other things, the Corporation with additional time to secure a refinancing solution that would result in the repayment of the existing amounts due to the lenders under the Credit Agreement, as amended.

Significant Acquisitions

CERC has not completed any "significant acquisitions" (as such term is defined in National Instrument 51-102 Continuous *Disclosure Obligations*) during the financial year ended December 31, 2016, other than the Zedcor Acquisition.

DESCRIPTION OF THE BUSINESS OF THE CORPORATION

General

CERC, through its wholly-owned subsidiary Zedcor, is engaged in the rental of oilfield surface equipment, and portable oilfield accommodations primarily to the Western Canadian oil and gas industry.

CERC carries on business in the oilfield equipment rental industry primarily in central Alberta, through its 100% owned subsidiary Zedcor. Zedcor has a rental fleet which includes approximately 1,500 pieces of varied oilfield equipment. Zedcor's operating office and primary rental facility is located in Leduc, Alberta and it has a sales office in Calgary, Alberta. Zedcor operates in the Provinces of Alberta, British Columbia, Saskatchewan and Manitoba. Zedcor has employees located in Fort St. John, British Columbia, as well as in Grand Prairie, Leduc and Calgary, Alberta. Zedcor presently has fourteen master service agreements in place with customers, four of which are among the top ten customers of Zedcor.

Zedcor engages in the rental of oilfield equipment to the drilling, completion and other segments of the Western Canadian Sedimentary Basin ("**WCSB**") oil and gas industry. Zedcor's rental fleet includes pipe racks, generators, light towers, rig matting, , trash pumps, storage tanks, flare tanks, floc tanks, shale tanks, high wall tanks, and wheeled office trailers.

Zedcor also provides three categories of accommodation rental offers namely: Wellsites, DGLs and IWSs. As at December 31, 2016, Zedcor's fleet consisted of 234 Wellsites, 38 DGLs, and 4 IWSs. The units are put to work on day rates and, generally, revenues fluctuate based on peak utilization in the winter drilling season from December to March.

Wellsites are living and workspace environments for drilling consultants and engineers working on site. Wellsites are designed to work as both office and living quarters and are often moved along with the drilling rig. The purpose of a Wellsite is to allow vital members of the exploration, development or completion process to remain close to the central work site.

DGLs are work environments set up to allow geologists to conduct sampling and core recovery. These labs are external from the Wellsite, which eliminates the threat of toxic fumes and fire hazards within the confines of a living space. These units are highly mobile, provide a small footprint and make for added safety and efficiency for the job they are designed to complete.

IWSs are state of the art modular complexes that combine the efficiency and proximity of individual wellsite units with the communication and synergy advantages of having the vital staff of the project working and living together in one facility.

Specialized Skill and Knowledge

Zedcor recognizes that the key to success in the oilfield rental business is to establish relationships with active customers in its core business areas. The Calgary sales team has created and continues to create relationships that have allowed Zedcor to adapt its rental fleet to better serve the clients' needs. From its field office in Leduc, Alberta, Zedcor is able to provide field sales and timely field service as required.

Zedcor's customers include oil, gas and mineral exploration and production companies, drilling contractors, engineering, procurement, construction and consultancy companies, pipeline constructors, oilfield services companies and a variety of other contractor and subcontractor trades companies. Zedcor's marketing of its rental assets, customer relationship building and community involvement is conducted through in-house sales personnel.

Based on previous experience, Zedcor believes its products are advantageous to its customers based on several factors, including but not limited to:

- Age of equipment;
- Maintenance and cleanliness of equipment;
- Service personnel and response times;
- Availability and selection of equipment;
- Breadth of product offering to suit project requirements;
- Attention and responsiveness to client needs;
- Convenience of delivery and location of equipment;
- Competitive price offering; and
- Relationship and reputation with Zedcor point of contact.

Zedcor's products and services are priced according to each project's duration and requirements and often as short-term day rates.

Day rate contracts are set based on industry factors such as equipment availability, timing of project (summer/winter) and minimum duration guarantees. Zedcor charges higher rates for short-term rentals (less than three months) to account for the additional cost and wear associated with the turnaround of equipment on such a short-term basis and to encourage customers to enter longer term agreements. Accordingly, longer term contracts are offered with lower rates.

Competitive Conditions

The Alberta oilfield equipment rental business is highly competitive. The principal competitors of Zedcor include various public and private corporations. The principal competitive factors within the markets in which Zedcor operates are quality of service, equipment availability, breadth of equipment offering, equipment performance, safety standards and price. The principal barriers to entry in the oilfield equipment rental business are the high capital costs associated with the acquisition of a quality and diversified equipment base, the substantial infrastructure required, the recruitment of qualified personnel and the establishment of personal business contacts.

The Western Canadian market for workspace facility rentals has numerous competitors that include drilling contractors that also rent accommodation equipment, food services providers that rent facilities in conjunction with their primary services and manufacturers who offer both sales and rentals. Management of Zedcor believes that with its product offering, relationship base, high level of service and innovative focus, it is well positioned to service a wide range of customers.

The ability for Zedcor's existing asset base to maintain or increase revenue is dependent on its ability to keep its units out on rent at the highest rates obtainable from its customers. In order to realize this, Zedcor must maintain a high quality fleet in good condition that is diverse in variety and innovation in order to satisfy the various requirements of its customer base and Zedcor must continue to develop strong, long-term relationships with its customer base through service, consistency and market knowledge.

New Products

Zedcor intends to continue the growth of its rental fleet and to offer a wider variety of innovative equipment to its rental customers, subject to available funding. Any growth of its rental fleet that may be realized will be achieved by the manufacturing of new accommodation units built to Zedcor's specifications and the specifications of its customers. Zedcor intends to target additional industry sectors for rental of its workspace units and, most specifically, the IWS units. To date, Zedcor has primarily focused on the oil and gas sector. However, there are several other industries that utilize the types of products offered by Zedcor, including but not limited to, oil and gas midstream construction services.

Zedcor relies on manufacturers for the supply of newly built equipment for its rental fleet. The manufacturing segment of the modular facility industry is well structured in Western Canada with three large capacity manufacturers, several mid-sized manufacturers, and numerous small scale suppliers. Zedcor has a strong relationship with its manufacturer, which permits Zedcor to be able to procure production space despite general capacity constraints within the manufacturer.

Cycles

Zedcor operates in the WCSB, where the activity levels in the oilfield services industry are subject to the ability to move heavy equipment in the oil and natural gas fields. This mobility is dependent on weather conditions. As warm weather returns in the spring, the winter's frost coming up out of the ground renders many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out ("**spring breakup**"). In addition, many exploration and production areas in northern Canada are accessible only in the winter months when the ground is frozen hard enough to support heavy equipment ("**winter freeze up**"). The timing of winter freeze up and spring breakup affects the ability to move equipment in and out of these areas, which directly affects the activities of the exploration and development companies serviced by Zedcor.

Zedcor's primary customer base is in the oil and gas industry in Western Canada. This industry is highly subject to seasonality. Fleet rentals have historically experienced higher activity and demand in the winter months. This is due to the increase in exploration and infrastructure construction at remote northern sites where access is restricted during warmer months due to muskeg and wildlife conservation efforts.

Environmental Protection

The Canadian oil and gas industry is regulated by a number of federal and provincial governmental bodies and agencies under a variety of complex federal and provincial legislation that sets forth numerous prohibitions and requirements with respect to planning and approval processes related to land use, sustainable resource management, waste management, responsibility for the release of presumed hazardous materials, protection of wildlife and the environment and the health and safety of workers. Legislation provides for the restrictions and prohibitions on the transport of dangerous goods and the release or emission of various substances, including substances used and produced in association with certain oil and gas industry operations. The legislation addresses various permits, drilling, access road constructions, camp construction, well completion, installation of surface equipment, air monitoring, surface and ground water monitoring in connection with these activities, waste management and access to remote or environmentally sensitive areas.

The operations of Zedcor are subject to a variety of federal, provincial, and local laws, regulations, and guidelines, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment, the operation of equipment used in its operations and the transportation of materials and equipment Zedcor provides for its clients. Zedcor invests financial and managerial resources to ensure compliance with all applicable laws and regulations and will continue to do so in the future. Although such expenditures historically have not been material to Zedcor, such laws or regulations are subject to change. Accordingly, it is impossible for Zedcor to predict cost or impact of such laws and regulations on its future operations.

Employees

CERC and its 100% owned subsidiary Zedcor, currently employ 24 people on a full time basis. Of these, 4 people are employed directly by CERC on a full time basis, and Zedcor employs 20 people on a full time basis. The personnel employed by CERC and its subsidiary represent an experienced and qualified workforce including several senior staff members with considerable background in the oilfield equipment rental business and many long service employees.

Risk Factors

The following is a summary of certain risk factors relating to the Corporation's business.

Weakness in the Oil and Gas Industry

Recent market events and conditions, including global excess oil and natural gas supply, recent actions taken by the Organization of the Petroleum Exporting Countries, slowing growth in China and other emerging economies, market volatility and disruptions in Asia, and sovereign debt levels in various countries, have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. These difficulties have been exacerbated in Canada by the recent changes in government at a federal level and, in the case of Alberta, the provincial level and the resultant uncertainty surrounding regulatory, tax and royalty changes that may be implemented by the new governments. In addition, the inability to get the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and gas industry in western Canada has led to additional uncertainty and reduced confidence in the oil and gas industry in western Canada. The foregoing factors affect many of the Corporation's customers, particularly Zedcor's customers and therefore decrease demand for Zedcor's oilfield equipment rental products. This, in turn, will result in lower revenues and earnings for CERC.

Commodity Price Risk

The recent downturn in oil and gas prices worldwide has had a direct impact on activities of many of CERC's customers. Low commodity prices for an extended period of time will result in continued reduced demand for many of Zedcor's services. This, in turn, will result in lower revenues and earnings for CERC.

Economic and Political Conditions

Changes in economic conditions, including, without limitation, recessionary or inflationary trends, commodity prices, equity market levels or strength, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence could have a material adverse effect on CERC's business, financial condition, results of operations or cash flows. In addition, economic and business conditions in our markets may be affected by disruptions in the financial markets caused by political or other events and such affects may adversely impact CERC's business, financial condition, and results of operations or cash flows.

Many of CERC's customers, have curtailed their capital spending due to macro economic conditions and may experience difficulty in paying for services purchased. By allowing Zedcor to adapt to changing market conditions, exposure to such risk may be lessened. This has and will continue to be achieved by cost management strategies and expansion into other complementary sectors through new targeted marketing strategies.

Competition

Competition in the energy services industry is intense and growing. In addition to local competitors, CERC competes with national and international companies that have substantially greater personnel and financial resources, as well as better name recognition and larger customer bases. Also, given the potential size of the market, it is foreseeable that new competition with greater resources will be entering the marketplace on an on-going basis.

Technology Risk

CERC's ability to meet customer demands in respect of performance and cost will depend upon continuous improvements in services, and there can be no assurance that CERC will be successful in this regard or that CERC will have resources available to meet this continuing demand. Failure to meet this demand could have a material adverse effect on CERC's business, financial condition, results of operations and cash flows. No assurances can be given that CERC's competitors will not achieve technological advantages.

No Long Term Rental Contracts

The business operations of Zedcor depend on successful execution of performance based contracts. The key factors which determine whether a client continues to use Zedcor are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, safety and competitive price. There can be no assurance that Zedcor's relationships with its customers will continue.

Dependence on Major Customers

Zedcor generates approximately 61% of its revenue from its top ten customers, and there can be no assurance that the current customers will continue their relationships with Zedcor. The loss of one or more major customers, or any significant decrease in services provided to a customer, prices paid or any other changes to the terms of service with customers, could have a material adverse effect on the financial results, cash flows, and the overall financial condition of Zedcor and CERC.

Reliance Upon Management

Executive management and other key personnel are essential to CERC's business. The loss of the services of any of these persons could have an adverse effect on the business. CERC's ability to develop its products and deliver services could be harmed if it is not able to recruit and retain qualified personnel. In order to address this risk, the Corporation is proactive in its human resource management and works to provide an attractive workplace environment for all employees.

Dependence on Suppliers

Failure of suppliers to deliver equipment in a timely and efficient manner could be detrimental to CERC's ability to keep customers and to expand. No assurances can be given that the Corporation will be successful in maintaining its required supply of equipment.

Safety

The services provided by the Corporation involve a number of hazards and risks on well-sites. To address these risks, the Corporation has developed and implemented safety and training programs. In addition, a comprehensive insurance and risk management program has been established to protect the Corporation's assets and operations.

Capital Markets

The Corporation, along with local, national and international companies with which it competes, has restricted access to capital, bank debt and equity. As such, the Corporation is dependent upon the lending capacity of many financial institutions which fluctuates depending on broad market conditions. As future capital expenditures will be financed out of funds generated from operations, borrowings and possible future equity sales, the Corporation's ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments in the rental industry and the Corporation's securities in particular.

To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Corporation's ability to make capital investments and maintain existing assets may be impaired, such that its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Acquisition Risk

Some of CERC's future growth depends on its ability to acquire additional businesses or interests therein and manage expansion and control costs in its operations. In pursuing a strategy of acquiring other businesses, CERC faces risks commonly encountered with growth through acquisitions. These risks include, but are not limited to, incurring undiscovered liabilities within the acquired businesses, diverting CERC's management resources, impairing relationships with employees, suppliers and/or customers as a result of changes arising from the acquisition, and incorrectly valuing acquired entities. In addition, although CERC will conduct a prudent level of investigation regarding the operating condition of the businesses it purchases, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual operations and operating condition of these businesses. If these risks cannot be adequately managed, the result could have a material adverse effect on CERC's business, financial condition, results of operations or cash flows. The success of CERC's acquisition strategy will depend, in part, on its ability to (i) identify suitable assets or businesses to buy; (ii) negotiate the purchase price of those assets or businesses on acceptable terms; (iii) complete the acquisitions within CERC's expected time frame; (iv) improve the results of operations of the assets or businesses that CERC buys and successfully integrate their operations into its own; and (v) respond to any concerns expressed by regulators, including anti-trust or competition law concerns. CERC may fail to properly complete any or all of these steps.

An unsuccessful acquisition could have a material adverse impact on CERC or its results of operations or financial condition. For greater certainty, CERC security holders will be totally dependent upon CERC's management and its directors in making investment decisions, managing growth and controlling costs.

Future Capital Requirements

CERC may require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms. If CERC issues Common Shares or other securities, including convertible securities, to finance its operations or expansion plans, shareholders may suffer dilution of their investment. If adequate funds are not available, or are not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, or otherwise optimally respond to competitive pressures.

Capital Requirements for Future Acquisitions

CERC cannot be certain that it will have enough capital or that it will be able to raise capital by issuing equity or debt securities or through other financing methods on reasonable terms, if at all, to complete the purchases of any oilfield equipment or businesses that it wants to acquire. Acquisitions will generally increase CERC’s capital requirements unless they are funded from excess free cash flow, which CERC defines as free cash flow after dividends declared, if any. Acquisitions financed with debt or equity capital will result in higher long-term debt or equity amounts recorded on CERC’s consolidated statement of financial position. Higher debt levels can increase CERC’s borrowing rates and can be expected to increase interest expense due to higher levels of outstanding indebtedness.

Successfully Managing its Growth

CERC's growth strategy will continue to place significant demands on its financial, operational and management resources. In order to continue its growth, CERC may need to add administrative, management and other personnel, and make additional investments in operations and systems. CERC cannot provide assurance that it will be able to find and train qualified personnel, or do so on a timely basis, or expand its operations and systems.

Adequacy of Insurance Coverage

CERC seeks to obtain and maintain, at all times, insurance coverage in respect of its potential liabilities and the accidental loss of value of its assets from risks, in those amounts, with those insurers, and on those terms it considers appropriate, taking into account all relevant factors, including the practices of owners of similar assets and operations. However, not all risks are covered by insurance, and CERC cannot provide assurance that insurance will be available consistently or on an economically feasible basis or that the amounts of insurance will be sufficient to cover losses or claims that may occur involving its assets or operations.

Volatility of Market Price

The market price of the Common Shares could be subject to significant fluctuation in response to variations in quarterly and yearly operating results, the success of CERC’s business strategy and other factors. In addition, the stock market experiences price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of affected issuers. These fluctuations may adversely affect the market price of the Common Shares.

Uncertain Operating Conditions

The Corporation’s financial results will be affected by a number of factors. The primary factors affecting CERC’s operating results are changes in oil and gas prices, technology, equipment costs, labour costs, overhead costs and quantity of customer orders. In addition to this, other factors having an impact on results are competition; asset and capacity management; customer service effectiveness; and overall industry economic conditions. Variability of results can be caused by any one or any combination of these factors.

CERC's Operations are Geographically Concentrated and Susceptible to Local Economies, Regulations and Seasonal Fluctuations.

CERC's business operations are carried out in the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba and are susceptible to those markets' local economy, regulations and seasonal fluctuations. Seasonality may temporarily affect CERC's revenues and expenses. In general, the level of activity in the Canadian oilfield service industry is influenced by seasonal weather patterns. Wet weather and the spring thaw make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity at all levels of the oil and gas industry. Additionally, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months, because the ground surrounding the drilling sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration, development and production companies and corresponding declines in the demand for goods and services of Zedcor.

Potential Replacement of or Reduced Use of Products and Services

Certain rental equipment of the Corporation may become obsolete or experience a decrease in demand through the introduction of competing products or new technologies that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be more preferable for a variety of reasons. The changes could have a material adverse effect on the Corporation's business, financial condition, results or operations and cash flows. Although the Corporation makes reasonable efforts to keep current with the changing market for oil and gas equipment rental services and technological and regulatory changes, there can be no assurance that the Corporation will be able to identify all changes to competing products and technology.

Failure of suppliers to deliver equipment in a timely and efficient manner could be detrimental to CERC's ability to keep customers and to expand. No assurances can be given that the Corporation will be successful in maintaining its required supply of equipment.

CERC Environmental Requirements

CERC could be subject to legal action relating to compliance with environmental laws or regulations, and to civil claims from parties alleging some harm as a consequence of contamination, odours and other releases to the environment or other environmental matters (including the acts or omissions of its predecessors) for which CERC may be responsible.

In general, environmental, health and safety laws authorize federal, provincial or local environmental regulatory agencies (and in some cases, private citizens) to bring administrative or judicial actions for violations of environmental laws or to revoke or deny the renewal of a permit. Potential penalties for such violations may include, among other things, civil and criminal monetary penalties, imprisonment, permit suspension or revocation, and injunctive relief. These agencies may also attempt to revoke or deny renewal of CERC's permits or licenses for violations or alleged violations of environmental, health and safety laws or regulations. Under certain circumstances, citizens are also authorized to file lawsuits to compel compliance with environmental laws, regulations or permits under which CERC operates and to impose monetary penalties. Surrounding landowners or community groups may also assert claims alleging environmental damage, personal injury or property damage in connection with CERC's operations.

Potential changes in requirements may result in increased operating costs and capital expenditures for oil and gas companies, thereby delaying or decreasing the demand for Zedcor's services.

Management is unable to predict the impact of potential emissions targets and it is possible that changes could adversely affect CERC's business, financial condition and results of operations. These regulations would likely result in higher operating costs for our customers in the region, putting further pressure on project economics, and may also impair the Corporation's ability to provide its services economically.

Conflicts of Interest

The directors of CERC may be or become engaged in different industries, both on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers may be in direct competition with the Corporation. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the ABCA.

Climate Change Regulations

Environmental advocacy groups and regulatory agencies in Canada have been focusing considerable attention on the emissions of greenhouse gases and their potential role in climate change. As a consequence, governments have begun (and are expected to continue) devising and implementing laws and regulations that require reduced, or are intended to reduce, greenhouse gas emissions. The adoption of such laws and regulations and the imposition of fees, taxes or other costs, could adversely affect oil and gas drilling activities which in turn could negatively impact CERC's business due to a reduction in demand for rental equipment.

Dividends

Future dividend payments by CERC and the level thereof is uncertain, as the funds available for the payment of dividends from time to time will depend upon, among other things, cash flow from operations generated by CERC, financial requirements for CERC's operations and the execution of its growth strategy, fluctuations in working capital, the timing and amount of capital expenditures, debt service requirements and covenants, the terms and conditions of the Credit Agreement, as amended, statutory liquidity requirements under the ABCA and other factors beyond the control of CERC. There can be no assurance that the Corporation will pay dividends in the future or as to the timing thereof, if any.

Access to Credit Markets

Due to the nature of the Corporation's business it is necessary from time to time for the Corporation to access other sources of capital beyond its internally generated cash flow in order to fund the development and acquisition of its long term asset base. As part of this strategy, the Corporation obtains some of the necessary capital by incurring debt and therefore the Corporation is dependent to a certain extent on continued availability of the credit markets. The continued availability of the credit markets for CERC is primarily dependent on the state of the economy and the health of the banking industry in North America and abroad. There is risk that if the global economy and banking industry experience unexpected and/or prolonged deterioration, then CERC's access to credit markets may contract or disappear altogether. The Corporation tries to mitigate this risk by dealing with reputable lenders and tries to structure its lending agreements to give it the most flexibility possible should these situations arise. However, the situations that may give rise to credit markets tightening or disappearing are beyond CERC's control.

CERC is also dependent to a certain extent on continued access to equity capital markets. The Corporation is listed on the TSXV Venture Exchange ("**TSXV**") and maintains an active investor relations program. Continued access to capital is dependent on CERC's ability to continue to perform at a level that meets market expectations.

Credit Facility Risk

The Corporation is required to comply with covenants under the Credit Agreement, as amended, establishing its credit facilities. The Corporation is currently not in compliance with its covenants under its credit facilities and is operating under recently amended terms and conditions which provide forbearance so as to allow the Corporation sufficient time to negotiate and arrange alternative financing. There can be no assurance that the Corporation will arrange alternative financing. In the event that the Corporation does not arrange an alternative financing solution, the lenders may demand repayment.

Dilution

The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Corporation which may be dilutive.

Litigation

In the normal course of the Corporation's operations, it may become involved in, named as party to, or be the subject of, various legal proceedings, tax proceedings, and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation and as a result, could have a material adverse effect on the Corporation's assets, liabilities, business, financial condition and results of operations.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Corporation may disclose confidential information relating to the business, operations or affairs of the Corporation. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put the Corporation at competitive risk and may cause significant damage to its business. The harm to the Corporation's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Corporation will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damages to its business that such a breach of confidentiality may cause.

Forward-Looking Statements may Prove Inaccurate

Undue reliance should not be placed on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Annual Information Form under the heading "*Forward-Looking Statements*".

DIVIDENDS AND DISTRIBUTIONS

CERC declared the following quarterly cash dividends on its Common Shares in 2014 and 2015:

Date of Announcement	Record Date	Payment Date	Amount Per Common Share $	Common Shares Outstanding #	Total Dividend $
2014					
March 24, 2014	March 31, 2014	April 15, 2014	0.06	16,134,441	968,066
June 23, 2014	June 30, 2014	July 15, 2014	0.06	17,573,842	1,054,430
September 22, 2014	September 30, 2014	October 15, 2014	0.06	35,494,360	2,129,662
December 9, 2014	December 31, 2014	January 15, 2015	0.06	36,213,947	2,172,837
2015					
March 30, 2015	April 8, 2015	April 15, 2015	0.06	36,252,502	2,175,150
June 25, 2015	July 8, 2015	July 15,2015	0.06	36,300,248	2,178,014
September 30, 2015	October 8, 2015	October 15, 2015	0.02	36,374,148	727,482
December 22, 2015	January 7, 2016	January 15, 2016	0.02	36,380,459	727,609

On February 2, 2016 CERC announced that the board of directors of the Corporation (the "**Board**") suspended the Corporation's quarterly dividend until further notice in connection with the entering into of the Second Amending Agreement. The amount of cash dividends to be paid on the Common Shares, if any, is subject to the discretion of the Board and will depend upon, among other things, cash flow from operations generated by CERC, financial requirements for CERC's operations and the execution of its growth strategy, fluctuations in working capital, the timing and amount of capital expenditures, debt service requirements and covenants, the terms and conditions of the Credit Agreement, as amended, statutory liquidity requirements under the ABCA and other factors beyond the control of CERC. Accordingly, there can be no guarantee that CERC will resume the payment of dividends. See *"Risk Factors – Dividends"*.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized share capital of CERC consists of an unlimited number of Common Shares, an unlimited number of preferred shares and 4,400,000 Series 1 Preferred Shares in the capital of CERC. As of the date hereof 41,199,931 Common Shares and 4,400,000 Series 1 Preferred Shares are issued and outstanding.

Common Shares

The holders of the Common Shares are entitled:

(a) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a special class of shares are entitled to vote; to receive any dividend declared by CERC on that class of shares; provided that CERC shall be entitled to declare dividends on the preferred shares, or on any of such classes of shares without being obligated to declare any dividends on the Common Shares;

(b) subject to the rights, privileges, restrictions and condition attaching to any other class of CERC's shares, to receive CERC's remaining property upon dissolution in equal rank with the holders of all other common shares of CERC; and

(c) to the rights, privileges and restrictions normally attached to common shares.

Preferred Shares

The preferred shares may be issued from time to time in one or more series, each series consisting of a number of preferred shares as determined by the Board who may also fix the designations, rights, privileges, restrictions and conditions attaching to each series of preferred shares.

The preferred shares of each series shall, with respect to the payment of dividends and distributions of assets in event of liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution CERC's assets among its shareholders for the purpose of winding-up its affairs, rank on a parity with the preferred shares of every other series and shall be entitled to preference over CERC's voting and non-voting common shares and the share of any other class ranking junior to the preferred shares of the series. If any cumulative dividends or amounts payable on the return of the capital in respect of a series of preferred shares are not paid in full, all series of preferred shares shall participate rateably in respect of accumulated dividends and return of capital.

Series 1 Preferred Shares

The first series of Preferred Shares shall consist of 4,400,000 shares which shall be designated as Series 1 Preferred Shares and, in addition to the rights, privileges, restrictions and conditions attached to the preferred shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

The Series 1 Preferred Shares are non-voting and non-transferrable, have a Stated Value of $0.70 per share and a term of five years. The Series 1 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 Credit Agreement, as amended, and at the discretion of the Board. The dividend can be settled at the discretion of the Corporation in either cash or through the issuance of Common Shares based on the conversion price of $0.70.

After January 31, 2019, the Series 1 Preferred Shares may be converted by the holder thereof into the Corporation's Common Shares at a conversion price of $0.70 per share, subject to the right of the

Corporation to redeem the Series 1 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.

MARKET FOR SECURITIES

Trading Price and Volume of Trading of Common

The following table sets forth the reported high and low sales prices (which are not necessarily the closing prices) and the trading volumes of the Common Shares of CERC on the TSXV as reported by sources CERC believes to be reliable for the periods indicated:

	Price Range ($)			
	High	**Low**	**Close**	**Trading Volume**
2016				
January……………………………………..	0.75	0.60	0.68	367,870
February…………………………………….	0.71	0.46	0.50	990,459
March………………………………………..	0.65	0.46	0.50	1,204,948
April……………………………………….....	0.50	0.34	0.38	1,203,682
May………………………………………......	0.54	0.37	0.50	1,070,123
June………………………………………......	0.50	0.38	0.395	556,393
July………………………………………......	0.485	0.35	0.385	1,081,206
August……………………………………..	0.40	0.27	0.275	926,476
September………………………………….	0.32	0.22	0.23	1,013,313
October…………………………………….	0.38	0.23	0.295	755,917
November………………………………….	0.365	0.22	0.25	661,972
December…………………………………..	0.255	0.21	0.235	826,022
2017				
January…………………………………….	0.265	0.20	0.26	898,417
February……………………………………	0.285	0.23	0.26	810,491
March………………………………………	0.28	0.145	0.155	908,131
April 1-17…………………………………	0.18	0.145	0.17	268,650

Prior Sales

The following table sets forth, for each class of securities of the Corporation that is outstanding but not listed or quoted on a marketplace, the price at which securities of the class have been issued during the financial year ended December 31, 2016 and the number of securities of the class issued at that price and the date on which the securities were issued.

Class of Securities	Issue Price on Exercise Price $	Number of Securities Issued	Date of Issue
Series 1 Preferred Shares	0.70	4,400,000	February 2, 2016
Options[1]	0.50	1,985,000	February 5, 2016
Options[1]	0.48	900,000	May 31, 2016

Note:
(1) Stock options ("**Options**") issued under the stock option plan of the Corporation.

As at the date of this Annual Information Form, the Corporation has 1,325,500 Options issued and outstanding and 4,400,000 Series 1 Preferred Shares issued and outstanding.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date hereof, the following Common Shares are held in escrow and no other securities are subject to a contractual restriction on transfer:

Designation of Class	Number of Securities held in Escrow	Percentage of Class
Common Shares[(1)]	2,033,312	4.94%
Common Shares[(2)]	1,713,318	4.16%

Notes:

(1) These Common Shares are held in escrow pursuant to an escrow agreement dated February 2, 2016 between the applicable holder of the Common Shares, CERC and Computershare Trust Company of Canada, as escrow agent, and shall be held by the escrow agent for a period of three years from February 2, 2016, subject to the terms and conditions of the subject escrow agreement.

(2) These Common Shares are held in escrow pursuant to an escrow agreement dated May 6, 2016 among Summit Star, CERC and Computershare Trust Company of Canada, as escrow agent, and shall be held by the escrow agent for a period of three years from May 6, 2016, subject to the terms and conditions of the subject escrow agreement.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth the name, province and country of residence of the current officers and directors of the Corporation, the periods during which they have served as officers or directors and their principal occupations for the past five years. The term of office of each director will expire at the end of the next annual meeting of shareholders of the Corporation.

Name, Province and Country of Residence	Positions and Offices with the Corporation	Principal Occupation during the Past Five years
Jan Campbell Alberta, Canada	Corporate Secretary since March 2016	Corporate Secretary of CERC since March 2016 and President of Comply Inc., a consulting firm which provides corporate secretarial services, since December 2005.
J. Blair Goertzen[(1)(2)] Alberta, Canada	Director since August 2014	President and Chief Executive Officer of Enerflex Ltd., a publicly traded energy services company, since 2006.
William Guinan[(2)(3)] Alberta, Canada	Director since June 2012	Partner, Borden Ladner Gervais LLP, a law firm.
Artie T. Kos Alberta, Canada	Director since December 2015	Chairman of the Board and CEO of CERC from May 2016 to February 2017. President and Chief Executive Officer of Kos Corp. Investments Ltd. since May 2006.

Name, Province and Country of Residence	Positions and Offices with the Corporation	Principal Occupation during the Past Five years
David Maplethorpe(1)(2) Alberta, Canada	Director since October 2011	Independent businessman since May 2013. Prior thereto Vice President, Waste and Environmental Operations of the Corporation from June 2012 to May 2013 and Chief Executive Officer of MCL from April 2011 to June 2012. Prior thereto President of Maplethorpe Contractors Ltd. from 1989 to April 2011.
Brad Munro(1) Saskatchewan, Canada	Director since August 2014 Chairman of the Board and Interim Chief Executive Officer since February 2017	Interim Chief Executive Officer of CERC since February 2017. President and Chief Executive Officer of Bittercreek Capital Corporation, a private investment and consulting firm, since 2006.
Ken Olson Calgary, Alberta	Chief Financial Officer since May 2016	Chief Financial Officer of CERC since May 2016. Prior thereto CFO of High Arctic Energy Services Inc. from January 2013 until November 2015. Prior thereto Vice President Finance of Sanjel Corp. from November 2006 to September 2012.
Ken Stephens(3) Alberta, Canada	Director since October 2011	Retired businessman since October 2014. Prior thereto Vice President, Finance and Chief Financial Officer of CERC from October 2011 to October 2014. Prior thereto Chief Financial Officer of CERC GP Corp. from January 2005 to October 2011. Chartered Accountant in public practice from September 1990 to December 31, 2010.
Todd Ziniuk Alberta, Canada	Chief Operating Officer since December 2016	Chief Operating Officer of CERC since December 2016. Prior thereto, Acting Chief Operating Officer of CERC from March 2016 to December 2016. Prior thereto, General Manager of Zedcor Oilfield Rentals Ltd. from May 2010 to February 2016. Prior thereto, President of North American Tubular Ltd. from November 2009 to May 2012.

Notes:
(1) Member of the Audit Committee.
(2) Member of the Human Resources and Compensation Committee.
(3) Member of the Disclosure and Corporate Governance Committee.

As of the date hereof, the directors and officers of the Corporation, as a group, beneficially own, control or direct, directly or indirectly, 12,676,455 Common Shares or approximately 30.77% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the officers and directors of the Corporation, except as described below, no director or executive officer of the Corporation is, or has been in the last ten years, a director, chief executive officer or chief financial officer of an issuer that, while that person was acting in that capacity: (a) was the subject of a cease trading order or similar order or any order that denied the issuer access to any exemptions under securities legislation, for a period of more than thirty consecutive days, (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than thirty consecutive days, or (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, none of such persons has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets within the last ten years. No director of the Corporation has been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by securities regulatory authority or has entered into a settlement agreement with the securities regulator authority or been the subject of any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On April 23, 2010, Winalta applied for and was granted an order by the Alberta Court of Queen's Bench (the "**Court**") providing for creditor protection under the *Companies Creditors Arrangement Act* (the "**CCAA**"). On April 26, 2010, Winalta was granted protection under the CCAA. Each of J. Blair Goertzen, and Brad Munro were directors of Winalta at this time.

On June 25, 2010, Winalta prepared and filed a creditor plan (the "**Creditor Plan**") for the settlement of all claims against Winalta pursuant to the CCAA. The Creditor Plan was approved by the requisite majority of unsecured creditors at a meeting of creditors of Winalta held on October 14, 2010. The Creditor Plan was subsequently sanctioned by the Court on October 22, 2010 and implemented shortly thereafter. Winalta subsequently emerged from Court protection on October 29, 2010.

Each of J. Blair Goertzen, Artie T. Kos and Brad Munro were directors of Winalta during the amalgamation under the ABCA on October 27, 2010, pursuant to an order of the Court of Queen's Bench of Alberta relating to the court ordered reorganization of Winalta under the *Companies' Creditors Arrangement Act*.

Each of Artie T. Kos and Brad Munro were directors of ATK Oilfield Transportation Inc. ("**ATK**"), a private oilfield services company, until April 1, 2016. ATK was placed into receivership following an application by its creditors on April 1, 2016.

Conflicts of Interest

There are potential conflicts of interest to which the directors of the Corporation will be subject in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided for by the ABCA. Certain of the directors of the Corporation are directors or officers of other corporations.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Corporation, there are no legal proceedings material to the Corporation to which the Corporation is or was a party to or of which any of its properties is or was the subject of, during the financial year ended December 31, 2016 nor are there any such proceedings known to the Corporation to be contemplated.

To the knowledge of the Corporation, there were no (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the Corporation's last financial year, (ii) other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements entered into by the Corporation before a court relating to securities legislation or with a securities regulatory authority during the last financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any directors or executive officers of the Corporation, any person or company which beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares of the Corporation, or any known associate or affiliate of such persons, in any transaction within the last three financial years of the Corporation, or during the current financial year which has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares of CERC is Computershare Trust Company of Canada at its principal offices in Calgary and Toronto.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no material contracts entered into by CERC since its formation that can reasonably be regarded as presently material, other than: (a) the Share and Loan Purchase Agreement dated February 2, 2016 among D.S.S. Holdings Inc., Kelly Ziniuk, Todd Ziniuk, Dean Swanberg and the Corporation in respect of the Zedcor Acquisition and whereunder, among other matters, CERC acquired all of the issued and outstanding shares of Zedcor Rentals and the Corporation issued the Series 1 Preferred Shares and issued the VTB Note – See "*General Development of the Business – Three Year History – 2016*"; and (b) the Credit Agreement dated August 27, 2014 among the Corporation, Canadian Imperial Bank of Commerce and Alberta Treasury Branches, as lenders, as amended by the First Amending Agreement, the Second Amending Agreement, the Third Amending Agreement, the Fourth Amending Agreement, the Fifth Amending Agreement and the Sixth Amending Agreement – See "*General Development of the Business – Three Year History – 2014 – 2015 – 2016 – Activity During Current Fiscal Year*".

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report, valuation or opinion described or included in a filing, or referred to in a filing, made under National

Instrument 51-102 *Continuous Disclosure Obligations* by the Corporation during, or related to, the year ended December 31, 2015 other than KPMG LLP Chartered Accountants ("**KPMG**"), the Corporation's auditors. KPMG is independent with respect to the Corporation within the meaning of the Rules of Professional conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration, principal holders of the Corporation's Common Shares and options to purchase Common Shares, is contained in the Corporation's management information circular prepared in connection with its most recent annual and special meeting of shareholders. Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended December 31, 2016, which may be found on SEDAR at www.sedar.com.

Additional copies of this Annual Information Form, the materials listed in the preceding paragraph and, any interim financial statements which have been issued by the Corporation will be available upon request by contacting the Corporate Secretary of the Corporation at its offices at Suite 2440, 330 – 5th Avenue SW, Calgary, Alberta T2P 0L4.