Q1 2017
Management's
Discussion and Analysis

Q1

Cordy
Oilfield Services Inc.

READER ADVISORY

The Management's Discussion and Analysis ("MD&A") for the three month period ended March 31, 2017 of Cordy Oilfield Services Inc. ("Cordy" or the "Corporation"), prepared as at May 24, 2017, focuses on the unaudited interim condensed consolidated financial statements and related notes for the respective periods and pertains to principal risks and uncertainties related to the Corporation's business segments. This discussion should not be considered all-inclusive as it does not include all changes regarding general economic, political, governmental and environmental events. This discussion should be read in conjunction with the Corporation's 2016 audited Annual Consolidated Financial Statements, the December 31, 2016 MD&A, the unaudited interim condensed consolidated financial statements and related notes as at and for the three months ended March 31, 2017 and the cautionary statement regarding forward-looking information and statements on the last page of this document.

This MD&A contains certain statements that constitute forward-looking statements under the meaning of applicable securities laws. Please see "*Forward-Looking Information, Assumptions and Risk Factors*" on page 9 for a discussion regarding Cordy's use of such information. For the reader's reference, the definition, calculation and reconciliation of non-GAAP terms are provided in "Non-GAAP Terms" on page 8. Readers are cautioned that these non-GAAP terms should not replace net earnings (loss), earnings (loss) per share, purchases and proceeds on sale of property, plant and equipment and debt as indicators of GAAP performance.

This MD&A and the interim financial statements were reviewed by the Audit Committee of the Corporation's Board of Directors and approved by Cordy's Board of Directors on May 24, 2017.

CORPORATE OVERVIEW

Cordy is a service provider to the western Canadian oil and gas sector. Cordy is headquartered in Calgary, Alberta, Canada, and is listed on the TSX Venture Exchange under the trading symbol "CKK". Cordy's operating businesses are separate legal entities that service two business segments in Alberta. The entities are:

Cordy Environmental Inc. ("Environmental Services"); The segment's clean-up, hazardous goods transportation and containment services are provided to the oil and natural gas industry and also to industrial and commercial customers in Alberta. This segment provides general water truck and vacuum truck services to oilfield and non-oilfield related industries; confined-space entry services; dangerous goods transportation and general transportation services; high-pressure and steam cleaning services; septic and holding tank cleaning; hydro-excavation; liquids and solids spill response services; and 24-hour emergency response coverage.

Cordy Construction Inc. ("Heavy Construction"); Heavy Construction services include pipeline integrity management; clean-up services; low-pressure gas tie-ins; insulated pipeline installation; cement-lined pipeline installation; fibreglass pipeline installation; water injection lines; construction and installation of compressors, line heaters, separator buildings and header systems; pipeline maintenance and repairs; tying-in wellheads; decommissioning old well sites; and transportation of facility components to production sites. In providing pipeline construction and oilfield maintenance services, the focus is on small to medium-diameter pipeline construction, primarily gathering system pipe under 12" in diameter.

FINANCIAL RESOURCES AND LIQUIDITY

The unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

An analysis of the Corporation's short-term liquidity is as follows:

as at March 31, 2017 *($ 000's)*	Environmental Services	Heavy Construction	Corporate	Total
Liquid assets [1]	1,486	65	884	2,435
Current liabilities	4,754	1,347	554	6,655
Net liquid assets	(3,268)	(1,282)	330	(4,220)

as at December 31, 2016 ($ 000's)	Environmental Services	Heavy Construction	Corporate	Total
Liquid assets [1]	1,415	80	1,341	2,836
Current liabilities	3,078	1,624	562	5,264
Net liquid assets	(1,663)	(1,544)	779	(2,428)

[1] Liquid assets is a non-IFRS term and is defined as assets quickly converted into cash, restricted cash, and trade and other receivables as defined on page 8.

The Corporation has recorded a net loss after tax of $0.1 million for the three month period ended March 31, 2017. The Corporation as at March 31, 2017 has cash of $0.7 million and a working capital deficit of $2.7 million. Finance leases were $15.2 million as at March 31, 2017 of which $4.1 million is due within one year, related party loan payable was $0.3 million as at March 31, 2017 and is due within one year.

These conditions create a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. Additional equity, new or amended debt arrangements and/or operating developments are needed to meet the Corporation's business objectives. The ability of the Corporation to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due, is dependent on the successful completion of the actions taken or planned. Management believes that the regular payment of the lease obligations will be met out of cash, operating cash flows or cash from equipment sales or alternate financing or the raising of funds. If for any reason the Corporation is unable to continue as a going concern, it could impact the Corporation's ability to realize assets at their recognized values and to meet liabilities in the ordinary course of business at the amounts stated in the consolidated financial statements.

OUTLOOK

Cordy's results for the current quarter were consistent with our expectations and aligned with prior commentary surrounding optimism and increased activity in the oil and gas sector. In the quarter Cordy benefited directly from increased drilling by our major customers and seized market share where competitors have fallen off. Despite increased drilling activity, pricing pressures coupled with increased fuel costs continue to challenge already thin margins.

Cordy anticipates challenging market conditions and lack of pricing power to be a hurdle in 2017, despite these challenges we are optimistic that 2017 will continue to improve over 2016. The slow recovery in the price of crude oil and natural gas will support increased capital investments from our major oilfield customers, which will in turn, increases demand from our municipal and industrial customers. Cordy expects activity levels in 2017 to outpace that of 2016, which is currently supported by the increase in year over year rig count and improved activity levels from our major customers.

Cordy's continued focus will be around reducing idle equipment through aggressive sales strategy, while seeking to acquire or merge with a synergistic company. Cordy's current size makes it difficult to support the infrastructure required for a public reporting entity, as such, Cordy will need to continue to seek acquisitions and aggressive expansion to share the cost of being a publicly traded company.

SELECTED FINANCIAL INFORMATION

($ 000's)	Three months ended March 31, 2017	2016	($) Change
Financial results			
Revenue	3,694	2,737	957
Gross Margin[1]	1,098	484	614
Operating earnings	669	147	522
Net loss	(127)	(896)	769
Cash generated from operating activities	90	469	(379)
Share Information			
Loss per share	-	(0.01)	0.01
Share price	0.04	0.02	0.02
Other Information			
Capital expenditures	46	-	46

($ 000's)	March 31, 2017	December 31, 2016	($) Change
Financial Position			
Total assets	17,592	18,518	(926)
Total debt obligations (includes current portion)	15,460	15,845	(385)
Total liabilities	17,722	18,505	(783)
Net assets	(130)	13	(143)

(1) Gross Margin is a non-IFRS term and is defined as revenue less direct operating expenses, see reconciliation on page 8 of this document.

OVERALL PERFORMANCE

For the three month period ended March 31, 2017, Cordy's consolidated revenues increased by $1.0 million or 35 percent, from the comparative period in 2016. Cordy's consolidated operating earnings increased $0.5 million or 355 percent from the comparative period.

The Environmental Services segment saw an increase in revenue for the three month period ended March 31, 2017, of $1.0 million, from the comparative period in 2016. The gradual recovery of commodity prices has resulted in increased capital spending of Environmental's oilfield customers, which in turn has resulted in increased demand for services. As a percentage of revenue, operating earnings was 21 percent in 2017 as compared to a 19 percent in 2016. The 2016 percentage has been normalized for a bad debt recovery of $0.15 million for comparative purposes.

Cordy has finally completed its restructuring and has put focused effort on increasing revenues while maintaining the cost structure that saw margins gradually improve over the previous years. This is evidenced by continued improvement of margins coupled with revenue growth in Q1.

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

	Three months ended March 31,		
($ 000's)	**2017**	**2016**	**($) Change**
Revenue			
Environmental Services	3,607	2,590	1,017
Heavy Construction	74	130	(56)
Corporate	13	17	(4)
	3,694	2,737	957
Direct operating expenses			
Environmental Services	2,701	1,976	725
Heavy Construction	(113)	270	(383)
Corporate	8	7	1
	2,596	2,253	343
General and administrative expenses			
Environmental Services	132	(35)	167
Heavy Construction	3	(28)	31
Corporate	294	400	(106)
	429	337	92
Operating earnings			
Environmental Services	774	649	125
Heavy Construction	184	(112)	296
Corporate	(289)	(390)	101
	669	147	522
Depreciation	553	685	(132)
Finance costs	276	358	(82)
Gain on disposal	(17)	-	(17)
Share based recovery	(16)	-	(16)
Loss before tax	(127)	(896)	769

Revenue
For the three months ended March 31, 2017, Cordy's consolidated revenues increased by $1.0 million or 35 percent to $3.7 million as compared to the period ended March 31, 2016. The Environmental segment accounts for the period-over-period increase, specifically Environmental saw increased revenues due to increased demand from oilfield customers. Cordy saw increased activity from our major customers stemming from the slow recovery of commodity prices coupled with new market share as Cordy's competitors fail to withstand the downturn.

Direct operating expenses ("DOE")
For the three months ended March 31, 2017, consolidated DOE were $2.6 million compared to $2.3 million in the same period of the prior year. As a percentage of revenue DOE decreased to 70 percent from 82 percent. The majority of the expenses relate to the Environmental Services segment; where DOE as a percentage of revenue for the Environmental services segment was 75 percent compared to 76 percent in 2016. On a consolidated basis DOE has decreased as a percentage of revenue due to the negotiation of outstanding Construction segments payables and Cordy's overall focus on cutting costs and managing margin.

General and administrative expenses ("G&A")
G&A includes the cost of maintaining a corporate office, all publicly traded company-related expenses as well as the G&A incurred at each of the business units. For the three months ended March 31, 2017, G&A was $0.4 million compared to $0.3 million for the same period of the prior year. The increase of $0.1 million to G&A is due to a bad debt recovery in 2016 of $0.2 million, on an adjusted basis G&A costs have decreased in 2017 by $0.2 million. The decrease can be attributed to reduced head count throughout the Corporation and significant cost cutting initiatives.

Depreciation
Depreciation was $0.6 million for the three months ended March 31, 2017 compared to $0.7 million for the three months ended March 31, 2016. The decrease is due to equipment sales and less depreciation annually based on diminishing balance calculation.

Finance costs
Finance costs were $0.3 million for the three months ended March 31, 2017 compared to $0.4 million for the same period of 2016. Finance costs are lower due to reduced borrowing amounts coupled with reduced interest rate on finance leases from 8.5 percent to 6.0 percent.

Gain on disposal
For the three months ended March 31, 2017 the Corporation disposed of property and equipment with a carrying value of $0.02 million (2016 - $Nil) for proceeds of $0.04 million (2016 - $Nil) resulting in a gain of $0.02 million (2016 - $Nil).

Share-based Payments
For the three months ended March 31, 2017 Cordy had a recovery of $0.02 million ($2016 - $Nil), the recovery is due to the forfeiture of options, stemming from a large reduction in staff.

OFF-BALANCE-SHEET ARRANGEMENTS
As at March 31, 2017, the Corporation had no off-balance-sheet arrangements (March 31, 2016 – $nil) except for operating leases previously described in the 2016 MD&A.

QUARTERLY SUMMARY
The table below summarizes Cordy's quarterly results for the previous eight financial quarters. The Corporation's operations and profitability are closely tied to the seasonal activity patterns of western Canada's oil and natural gas exploration and development industry, for which activity peaks in the winter months and declines during spring break-up. During spring break-up, the ground thaws and many roads become incapable of supporting heavy equipment, which makes drilling for oil and gas more difficult. As a result, demand for oilfield services generally is higher in the first and fourth quarters and lower in the second and third quarters. Cordy's three months ended March 31, 2017 results were below expectation due oilfield activity being significantly impacted by depressed commodity prices.

FINANCIAL RESULTS

	2017	2016				2015		
($ millions) (except per share information)		Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	3.7	2.6	2.3	2.1	2.7	2.9	4.8	3.2
Operating earnings (loss)	0.7	0.1	0.3	0.2	0.2	(1.6)	(0.6)	(1.5)
Net income (loss)	(0.1)	(1.0)	(0.7)	(0.9)	(0.9)	(2.6)	(1.3)	(2.3)
Earnings (loss) per share	0.00	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)	(0.03)
Operating cash flow from operations	0.1	(0.3)	0.1	0.1	0.5	2.8	(3.2)	(1.3)

The following items are key events that occurred in select quarters outside of seasonal trends:

- Q1 2017 saw consolidated revenue growth of $1.0 million. This increase can be attributed to increased oilfield demand from Cordy's major oilfield customers due to the recovering commodity prices coupled with increased market share as some of Cordy's competitors fail to withstand the extended downturn.
- Q4 2016 provides evidence that optimism and a slow recovery of commodity prices are beginning to have an effect on Cordy's revenue. Cordy's Environmental segment shows revenue growth from Q4 2015, and improving margins as Cordy's cost cutting focus begins to yield results.
- Q3 2016 trends similar to Q2 2016, Cordy continues to scrutinize all costs while focusing on revenue growth and servicing our customers. The downturn coupled with a competitive pricing environment continues to effect demand for Cordy's services.
- Q2 2016 continues to be impacted by the struggling Alberta economy, despite reduced demand for services and pricing pressures, Cordy continues to improve margins and remain competitive in the new market realities.
- Q1 2016 Cordy continues to be impacted by underinvestment in capital projects, infrastructure and drilling programs. This is evidenced by Cordy's reduced revenue; Cordy continues to cut costs and is working towards improving margins despite reduced demand for Cordy's services.
- In Q4 2015 Cordy finalized the consolidation of almost all equipment debt to a single lender, this has resulted in reduced interest rate and more favourable payment terms. An inventory write off of $1.0 million impacted the quarter.
- Q3 2015 continued to be impacted by the poor price of oil, however Cordy continued to cut costs and improve margins. Cordy sold the Manufacturing and Supply segment and treated this as discontinued operations. As a result, Cordy exited the manufacturing and supply business. In Q3 Cordy renegotiated the terms of its operating leases resulting in a change of classification from operating to finance leases, helping to relieve cash flow pressure.
- Q1 and Q2 2015 were impacted by the global oversupply of oil; this resulted in reduced drilling activity, lower rates and consequently, decreased revenue. This coupled with Cordy's restructuring initiatives to focus on strengthening its balance sheet, by reducing debt and shedding non-core assets, this negatively impacted the first half of 2015.

FINANCIAL MANAGEMENT

Three months ended March 31, ($ 000's)	2017	2016	$ Change
Cash generated provided by (used in):			
Operating activities	90	469	(379)
Financing activities	(661)	(813)	152
Investing activities	(6)	1	(7)
Decrease in cash	(577)	(343)	(234)

Cash flows from operating activities decreased in the three month period ended March 31, 2017 from the same period in 2016 by $0.4 million. The decrease is due to timing differences from working capital.

Cash flows used in financing activities decreased by $0.2 million in the three month period ended March 31, 2017 from the same period in 2016. This is due to repayment of equipment loans in 2016 coupled with a related party loan repayment that didn't occur in 2017.

Cash flows from investing activities decreased in the three month period ended March 31, 2017 from the same period in 2016 as the Corporation retrofitted some equipment to service new market opportunities, offset by the sale of equipment.

WORKING CAPITAL

Management continues to re-evaluate its available financing options. The Corporation expects to fund its ongoing operations and debt repayments from a combination of cash flow, the refinancing of debt and asset dispositions as needed.

($ 000's)	March 31, 2017	December 31, 2016	$ Change
Cash	706	1,283	(577)
Loans and finance leases	(15,460)	(15,845)	385
Net cash	(14,754)	(14,562)	(192)
Working deficit	(2,667)	(881)	(1,786)

Working capital deficit has increased for the period due to finance lease payments increasing to $0.6 million per month after September 25, 2017. Future discussions will ensue with Cordy's lender to determine a manageable payment schedule after September 25, 2017.

LOANS AND BORROWING

The Corporation finances its equipment purchases with debt to allow it to utilize its working capital to fund operations. The amortization periods on the equipment loans are correlated to the expected useful life and expected cash flows of each asset. As at March 31, 2017, long-term debt attributable to equipment financing was $15.2 million or 98 percent of the total debt outstanding. Management will continue to review Cordy's capital structure and consider various options to support the Corporation's debt payments and future cash-flow requirements.

($ 000's)	March 31, 2017	December 31, 2016
Current liabilities:		
Related party loan payable	283	283
Finance lease obligations	4,110	2,321
Current portion of debt	4,393	2,604
Non-current liabilities:		
Finance lease obligations	11,067	13,241
Non-current portion of debt	11,067	13,241
Total debt obligations	15,460	15,845

TRANSACTIONS WITH RELATED PARTIES

Lyncorp International Ltd ("Lyncorp") is considered a related party; a company wholly-owned by David Mullen, the Chairman and a director of Cordy. Together, David Mullen and Lyncorp hold approximately 13.2% (2016 – 13.2%) of Cordy's outstanding common shares. All of the transactions with Lyncorp occurred in the normal course of operations with terms consistent with those offered to arm's length parties and are measured at the exchange amount.

Related party loan payable

The Corporation entered into a loan agreement on December 22, 2014 with Lyncorp International Ltd. The loan is payable in increments of $0.3 million and bears interest at 15%. Accrued interest as at March 31, 2017 was $Nil (December 31, 2016 - $Nil) and is recorded in trade and other payables. During the third quarter of 2016 Lyncorp agreed to postpone all payments until the Corporation is in a position to repay.

Related party transactions ($ 000's)	March 31, 2017	December 31, 2016
Related party loan payable	283	283

NON - GAAP TERMS

Cordy reports on certain key financial performance measures that are used by management to evaluate the performance of Cordy. These key financial performance measures are not recognized financial terms ("Non-GAAP Terms") under Canadian generally accepted accounting principles (Canadian "GAAP"). For publicly accountable enterprises, such as Cordy, Canadian GAAP is governed by principles based on International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). Management believes these Non-GAAP Terms are useful supplemental measures. Specifically, EBITDAS is not recognized by nor is it defined under IFRS. These Non-GAAP Terms do not have standardized meanings and may not be comparable to similar measures presented by other entities.

LIQUID ASSETS

Liquid assets are defined as current assets less inventory, prepaid and other assets, and current taxes recoverable. Management believes this is useful as supplemental information to current assets as it specifies assets that are quickly convertible into cash. Readers are cautioned that liquid assets should not be construed as an alternative to current assets in accordance with IFRS. The Corporation's method of calculating liquid assets may differ from that of other companies and accordingly, may not be comparable to measures used by other companies.

As at ($ 000's)	March 31, 2017	December 31, 2016
Current assets	3,988	4,383
Deduct:		
Inventory	1,243	1,247
Prepaid and other assets	310	300
Liquid assets	2,435	2,836

GROSS MARGIN

Gross margin is defined as revenue less direct operating expenses. The Corporation's method of calculating gross margin may differ from that of other companies and accordingly, may not be comparable to measures used by other companies.

Three months ended March 31, ($ 000's)	2017	2016
Revenue	3,694	2,737
Deduct:		
Direct operating expenses	2,596	2,253
Gross Margin	**1,098**	**484**

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Corporation prepares its interim condensed consolidated financial statements in accordance with IFRS. In preparing its financial statements, management is required to make various estimates and judgments in determining the reported amounts of assets and liabilities, revenues and expenses, as well as the disclosure of commitments and contingencies. Management bases its estimates and judgments on its own experience and various other assumptions believed to be reasonable at the time and under the circumstances in existence when the financial statements were prepared. Anticipating future events cannot be done with certainty; therefore, these estimates may change as new events occur, more experience is acquired or the Corporation's operating environment changes. More detailed information regarding the accounting estimates believed by management to require the most difficult, subjective or complex judgments and which are material to the Corporation's financial reporting results are discussed in the Corporation's Annual MD&A for the year ended December 31, 2016.

KEY RISKS AND UNCERTAINTIES

The Corporation is exposed to market risks and other operational risks. For a detailed discussion of these risks, readers should refer to the section “Principal Risks and Uncertainties” in the MD&A for the year ended December 31, 2016, which is available at www.sedar.com.

ADDITIONAL CORPORATE INFORMATION

The Corporation is a publicly-traded Corporation listed on the TSX Venture Exchange under the symbol “CKK”. Additional information relating to the Corporation, can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION, ASSUMPTIONS AND RISK FACTORS

This MD&A contains certain statements that constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, that address activities, events or developments that the Corporation or a third party expects or anticipates will or may occur in the future, are forward-looking statements. These include the Corporation's future growth, results of operations, performance and business prospects and opportunities; prevailing economic conditions; commodity prices; sourcing, components and parts, equipment, suppliers, facilities and skilled personnel; dependence on major customers; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; regional competition; and other factors, many of which are beyond the Corporation's control. These other factors include future prices of oil and natural gas and oil and natural gas industry activity, including the effect of changes in commodity prices on oil and natural gas exploration and development activity, the ability to complete strategic acquisitions and realize the anticipated benefits of any acquisitions that are completed, the Corporation's outlook regarding the competitive environment it operates in, and the assumptions underlying any of the foregoing. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Corporation's control, including those discussed under "Principal Risks and Uncertainties" in the MD&A for the year ended December 31, 2016 that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. The Corporation does not intend, and does not assume any obligation, to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

In particular, forward-looking information and statements include discussion reflecting the Corporation's belief that:

- Cordy intends to continue to re-evaluate its business and deploy its people and equipment to achieve a reasonable return on investments over the long term. Management plans to continue to adjust the equipment fleet to reflect business realities.

- Cordy intends to use the anticipated cash flow from operating activities and the proceeds on disposition of equipment and other assets in 2017 to finance working capital requirements, debt repayments and capital expenditures, while seeking additional financing.

- Management will continue to review Cordy's capital structure and will consider various options to support the Corporation's debt repayments and its future cash flow requirements. There can be no assurance that the amount or terms of the available facility will not be adjusted at maturity, or that additional financing will be available to the Corporation when needed or on terms acceptable to the Corporation.

- Cordy will also continue to evaluate potential mergers and or business combinations. Cordy cannot give assurances of mergers or combinations being consummated, even though the Corporation has had initial discussion with several companies. Suitable candidates include companies with synergistic operations, stable or increasing revenues, sustainable cash flows and access to capital.

Readers are cautioned that expectations, estimates, projections and assumptions used in the preparations of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward looking statements. With respect to forward looking statements, Cordy has made the following assumptions:

- Cordy will use the anticipated cash flow from operating activity, financing activities, and proceeds from disposition of equipment and other assets in 2017 to finance on-going working capital and repay debt. This assumption is based on Cordy's belief that its access to cash will exceed its expected requirements;

- Cordy will continue to benefit from our business restructuring initiatives, execute its strategy and achieve its revenue, net profit, and cash flow forecasts for 2017;

- Our customers and potential customers continuing to invest in the oil sands and other resource developments and to outsource activities for which we are capable of providing services;

- Any under-utilized owned equipment across all business segments will be sold to increase cash flow and maintain positive utilization;

- Our success will be dependent on managing our business, maintaining and growing customer relationships, obtaining new customers, competing in the bidding process to secure new projects, and identifying and implementing improvements in our maintenance, fleet management practice and the ability to secure financing;

Forward looking statements address future events and conditions and, therefore, involve inherent risk and uncertainties. Risk factors and other uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements. Canada's oil and natural gas industry is resource rich but market constrained. The oil and natural gas industry and its supporting oilfield services industry sector will continue to be impacted by price fluctuations for oil and natural gas and related products and services; political and economic conditions; industry competition; Cordy's ability to attract and retain key personnel; the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations; and fluctuations in foreign exchange or interest rates and other market factors.

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