TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2015

DEAR SHAREHOLDERS

Tuckamore has experienced significant changes in 2015, and all have taken place against a backdrop of a very difficult economic climate, which has been partly driven by severely depressed oil prices.

The latter is very relevant to Tuckamore, as its most significant investment, ClearStream, a provider of services to the oil and gas sector, has been impacted by reduced demand for its services. However, necessary business rationalization steps have been taken at ClearStream which we believe will position it well for the challenges and opportunities ahead.

Tuckamore began the year in the knowledge that its senior debt facility and secured debentures would come due in December 2015 and March 2016 respectively. It has been a full year process as we have worked to find a refinancing solution.

Most potential lenders that were identified were focused on the merits of ClearStream. As time progressed, it became clear that a strategy to sell all investments except ClearStream would serve several purposes. These actions, if successful, would narrow Tuckamore's focus to oil and gas services, reduce debt obligations with sales proceeds, and would eliminate loss making operations. As further discussions developed with potential lenders, a refinancing package, which included a requirement for asset sales, was agreed in December 2015.

The results of pursuing this asset disposition strategy are clear. In 2015, and subsequent to year end, Tuckamore has successfully disposed of its interests in Thomson Metals, RLogistics, IC Group, Gemma, Gusgo, Quantum Murray and Titan. Proceeds received to date of $17,000 have been used to pay down Tuckamore's senior credit facility. The most recent asset sales were completed on March 23, 2016, co-inciding with the Company's refinancing. As a result of these asset sales, and future focus on ClearStream, Tuckamore's head office functions will be transitioned to ClearStream's offices during 2016.

Tuckamore has successfully refinanced its balance sheet. The maturing secured debentures of $176,000 have been refinanced with ten year secured debentures, and new capital of $35,000 has been raised through a ten year convertible debenture. Shareholders of Tuckamore were able to participate in a portion of the convertible debenture through a rights offering, and consequently limit the impact of dilution if the convertible debentures convert to common shares. The new capital has allowed Tuckamore to repay its senior credit revolver facility in full, and to negotiate a new asset backed senior lending facility for ClearStream of up to $60,000. At present, there have been minimal draws on this new line.

The refinanced balance sheet has brought stability to Tuckamore and provides a long-term platform to grow ClearStream. Despite continuing lower oil prices, we remain optimistic about our investment in ClearStream. ClearStream's operations and maintenance focussed platform provide Tuckamore some resiliency to an oil sector downturn. Currently, ClearStream is experiencing customer maintenance delays and deferrals, which is consistent across the industry. This will change in time as maintenance programs are an integral and necessary part of safety and performance in the oil sector. There is also is an opportunity for market share improvement as smaller and less well financed competitors struggle with a prolonged downturn.

It would not be appropriate to end this message without thanking all our stakeholders for their patience through a difficult year. Further, we are grateful for the diligence and perseverance of the Tuckamore management team, and for the advice and counsel of Tuckamore's board of directors.

Thank you for your continued support.

Dean T. MacDonald

Executive Chairman

Management's Discussion and Analysis

March 28, 2016

The following is management's discussion and analysis ("MD&A") of the consolidated results of operations, balance sheets and cash flows of Tuckamore Capital Management Inc. ("Tuckamore" or the "Company") for the years ended December 31, 2015, 2014 and 2013. This MD&A should be read in conjunction with Tuckamore's audited consolidated financial statements for the years ended December 31, 2015 and 2014.

All amounts in this MD&A are in Canadian dollars and expressed in thousands of dollars unless otherwise noted. The accompanying audited annual consolidated financial statements of Tuckamore have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Board of Directors of Tuckamore on the recommendation of its Audit Committee. This MD&A is dated March 29, 2016 and is current to that date unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A makes reference to certain measures that are not defined in IFRS and contains forward-looking information. These measures do not have any standard meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. See "Non-Standard Measures" on page 5.

Capitalized terms are defined terms, their meaning is explained in the "Definitions" section located on page 47, and references to "we", "us", "our" or similar terms, refer to Tuckamore, unless the context otherwise requires.

INDEX

6	Corporate Developments
9	Industry Segments
10	2015 Results
14	Segment Operating Results
20	Fourth Quarter Results
22	Discontinued Operations and Assets Held for Sale
25	Liquidity and Capital Resources
30	Critical Accounting Policies and Estimates
32	Additional Information
36	2016 First Quarter Outlook
36	Risk Factors
46	Disclosure Controls and Procedures and Internal Controls Over Financial Reporting
47	Definitions

Forward-looking information

This MD&A contains certain forward-looking information. Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information 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 similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of Tuckamore or the Operating Partnerships and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of Tuckamore and the Operating Partnerships. Without limitation, information regarding the future operating results and economic performance of Tuckamore and the Operating Partnerships constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of Tuckamore and the Operating Partnerships. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, commodity prices, dependence on key personnel, limited customer bases, interest rates, regulatory change, ability to meet working capital requirements and capital expenditures needs of the Operating Partners, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors," which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting Tuckamore and the Operating Partnerships will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of Tuckamore and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this MD&A, and Tuckamore does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Tuckamore is providing the forward-looking financial information set out in this MD&A for the purpose of providing investors with some context for the "First Quarter 2016 Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures

The terms ''EBITDA'' and "Adjusted EBITDA" (collectively the ''Non-GAAP measures'') are financial measures used in this MD&A that are not standard measures under IFRS. Tuckamore's method of calculating Non-GAAP measures may differ from the methods used by other issuers. Therefore, Tuckamore's Non-GAAP measures, as presented may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with IFRS, before depreciation and amortization, interest expense and income tax expense (recovery). EBITDA is used by management and the directors of Tuckamore (the "Directors") as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of Tuckamore's reportable segments and believes that in addition to net income or loss and cash provided by operating activities, EBITDA is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures and income taxes. Tuckamore has provided a reconciliation of income (loss) from continuing operations to EBITDA in its consolidated financial statements and MD&A.

Adjusted EBITDA refers to EBITDA excluding the loss from assets held for sale, the write-down of goodwill and intangible assets, transaction costs, write-down of property, plant and equipment, restructuring costs and the interest, taxes, depreciation and amortization of long-term investments. Tuckamore has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by Tuckamore and management believes it is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, and income taxes. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors. Tuckamore has provided a reconciliation of income (loss) from continuing operations to Adjusted EBITDA in its MD&A.

Investors are cautioned that the Non-GAAP Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the shares. These Non-GAAP measures should only be used in conjunction with the financial statements included in the MD&A and Tuckamore's annual audited consolidated financial statements available on SEDAR at www.sedar.com or www.tuckamore.ca.

CORPORATE DEVELOPMENTS

Completion of Refinancing Transactions, Asset Sales, Entering into ABL Facility and Repayment of 8.00% Secured Debentures and Senior Credit Agreement

On March 23, 2016, the Company announced that it had completed its previously announced refinancing transactions (the "Refinancing Transactions") comprising:

- the issuance of debentures of the Company by way of private placement and designated as "8.00% senior secured debentures due 2026" (the "Senior Secured Debentures") in an aggregate principal amount of $176,228 which was purchased by Canso Investment Canso Ltd., in its capacity as portfolio manager for and on behalf of certain accounts that it manages ("Canso");
- the issuance of debentures of the Company by way of private placement and designated as "10.00% second lien secured convertible debentures due 2026" (the "Convertible Secured Debentures") in an aggregate principal amount of $25,000, which was also purchased by Canso; and
- the issuance of Convertible Secured Debentures in an aggregate principal amount of $10,000 pursuant to the exercise of transferable rights issued to shareholders of record of the Company as of February 18, 2016 (the "Rights Offering.

As Canso is considered an insider of the Company under applicable securities law, Canso's participation in the Refinancing Transactions was a related party transaction. Accordingly, and as required by the rules of the Toronto Stock Exchange and applicable securities law for such transactions, the Company sought and obtained disinterested shareholder approval for the Refinancing Transactions at an adjourned special meeting of shareholders held February 25, 2016. The Company also obtained disinterested shareholder approval for certain waivers of the application of the Company's shareholder rights plan in respect of the Refinancing Transactions.

In connection with the Refinancing Transactions, the Company also announced: (a) that its indirect subsidiary ClearStream Energy Holdings LP had entered into an asset-based lending credit agreement (the "ABL Facility") with (among others) Bank of Montreal, as administrative agent (the "ABL Agent") and the Company and certain of its other direct and indirect subsidiaries as guarantors; and (b) that it had completed its previously announced sales of Quantum Murray, Titan Supply and Gusgo Transportation, in two transactions (collectively, the "Asset Sales").

In contemplation of the completion of the Refinancing Transactions, the Asset Sales and the entering into of the ABL Facility, on March 23, 2016, the Company completely repaid all outstanding principal and accrued interest on its then outstanding 8.00% Secured Debentures, discharging the Company's obligations thereunder, using proceeds from the Refinancing Transactions. The Company also used proceeds of the Refinancing Transactions, together with proceeds of the Asset Sales, to completely and permanently repay all indebtedness outstanding under its Senior Credit Agreement which, as at March 23, 2016, had an outstanding principal balance of $38,885. The Senior Credit Agreement had previously been further amended in December 2015 and subsequently in January and March of 2016 to, among other things, extend the maturity date until March 23, 2016 in order to permit the completion of the Refinancing Transactions, Asset Sales and the entering into of the ABL Facility. The total cost of these extensions was $75.

As a result of the Refinancing Transactions, the Asset Sales and the entering into of the ABL Facility, the Company extinguished approximately $215,000 in current liabilities resulting from the upcoming maturity of obligations under the 8.00% Secured Debentures and Senior Credit Agreement which were coming due in the first quarter of 2016, and replaced them with long-term indebtedness under the Senior Secured Debentures and Convertible Secured Debentures as well as providing for operating credit pursuant to the ABL Facility.

Following the completion of the Asset Sales, the Company's primary business is that of ClearStream Energy Holdings LP and its direct and indirect subsidiaries (collectively, "ClearStream"). ClearStream is a fully integrated

provider of upstream, midstream and downstream production services to the energy industry in Western Canada. ClearStream provides transportation, fabrication, construction, maintenance and operation services primarily to the oil and gas industry and also to the pulp and paper and timber industries.

There is no guarantee and no assurance can be provided that the Company and/or its guarantors subsidiaries (including ClearStream) will be able to meet their respective debt covenants in the future under the Senior Secured Debentures, Convertible Secured Debentures or the ABL facility. The failure to do so could result in one or more events of default under the applicable debt documents. If an event of default were to occur in respect of the Company's debt, then without an amendment or waiver from the applicable lenders, all amounts owing under the ABL Facility, the Senior Secured Debentures and the Convertible Secured Debentures would become due on demand and classified as current liabilities.

A brief summary of the Senior Secured Debentures, Convertible Secured Debentures, the Rights Offering, the ABL Facility and the Asset Sales follows. Copies of all relevant material contracts and documents in respect of the foregoing are filed and available for public inspection on the Company's SEDAR profile at www.sedar.com.

Senior Secured Debentures

Subsequent to the year ended December 31, 2015, on March 23, 2016 the Company issued an aggregate of $176,228 principal amount of Senior Secured Debentures to Canso on a private placement basis. The net proceeds of this issuance was used to completely repay the principal amount outstanding under the 8.00% Secured Debentures which were repaid together with accrued interest, on the same date.

The Senior Secured Debentures bear interest at an annual rate of 8.00% payable semi-annually in arrears on June 30 and December 31 in each year. The maturity date of the Senior Secured Debentures is March 23, 2026. The Senior Secured Debentures are redeemable at the option of the Company and, in certain circumstances, are mandatorily redeemable. The Senior Secured Debentures are secured by first-ranking liens over all of the property of the Company and its guarantor subsidiaries, other than certain limited classes of collateral over which the Company has granted a prior-ranking lien in favour of the ABL Agent which secure the Company's obligations under the ABL Facility. The Senior Secured Debentures provide for certain events of default and covenants of the Company which are customary for transactions of this nature, including financial and reporting covenants and restrictive covenants limiting the ability of the Company and its subsidiaries to make certain distributions and dispositions, incur indebtedness, grant liens and limitations with respect to acquisitions, mergers, investments, non-arm's length transactions, reorganizations and hedging arrangements (subject to certain exceptions).

Convertible Secured Debentures

Subsequent to the year ended December 31, 2015, on March 23, 2016 the Company issued an aggregate of $25,000 principal amount of Convertible Secured Debentures to Canso on a private placement basis and an additional $10,000 principal amount of Convertible Secured Debentures pursuant to the Rights Offering (described below). The net proceeds of this issuance, together with the proceeds of the Asset Sales, were used to completely repay the Company's indebtedness under the Senior Credit Agreement.

The Convertible Secured Debentures bear interest at an annual rate of 10.00% payable semi-annually in arrears on June 30 and December 31 in each year. The Company may elect to satisfy any interest payment obligation by issuing additional Convertible Secured Debentures which will be subject to the same terms and conditions as previously issued Convertible Secured Debentures. The maturity date of the Convertible Secured Debentures is March 23, 2026. The Company may redeem the Convertible Secured Debentures, in whole or in part from time to time, after March 23, 2021. The Convertible Secured Debentures are convertible into common shares of the

Company at an initial conversion price of $0.35 per common share (subject to adjustment in certain circumstances). The Convertible Secured Debentures are secured by liens over all of the property of the Company and its guarantor subsidiaries, other than property over which security has been granted in favour of the ABL Agent in respect of the ABL Facility. The security granted in connection with the Convertible Secured Debentures is subordinate to the security granted in connection with the Senior Secured Debentures. The Convertible Secured Debentures provide for events of default and covenants of the Company which are customary for transactions of this nature substantially similar to the events of default and covenants provided in respect of the Senior Secured Debentures.

Rights Offering

Pursuant to the Rights Offering, the Company offered to its shareholders of record as of February 18, 2016 transferable rights to purchase up to $10,000 aggregate principal amount of Convertible Secured Debentures for the same amount in gross proceeds. Each such shareholder was entitled to one right for each common share held. Every 1,099.41241 rights entitled an eligible rights holder to purchase $100 aggregate principal amount of Secured Convertible Debentures at a subscription price of $100. The rights expired on March 17, 2016 and the Rights Offering, which was over-subscribed, closed on March 23, 2016, resulting in the issuance of:

- $1,969,000 aggregate principal amount of Convertible Secured Debentures upon the exercise of the basic subscription privilege;and
- $8,030,400 aggregate principal amount of Convertible Secured Debentures issued to over-subscribing purchasers on a pro-rata basis, pursuant to the additional subscription privilege.

ABL Facility

The ABL Facility is a revolving facility providing for maximum borrowings to ClearStream Energy Holdings LP, as borrower, of up to $60,000 and carries a term of three years. An arrangement fee of $510 was paid in connection with entering into the ABL Facility. The amount available to be drawn under the ABL Facility will vary from time to time, based upon a borrowing base determined with reference to the accounts receivable and inventory levels of ClearStream. The obligations under the ABL Facility are secured by, among other things, a first ranking lien on all of the existing and after acquired accounts receivable and inventories of the borrower and the other guarantors, being the Company and certain of its direct and indirect subsidiaries. The ABL Facility contains and provides for certain covenants (including financial reporting) and events of default as are customary in transactions of this nature. The interest rate on the ABL Facility is prime plus 2.5%, increasing to prime plus 4% if the ABL Facility is more than 50% drawn. As at March 23, 2016, there was no amount drawn on the ABL Facility.

Asset Sales

Subsequent to the financial year ended December 31, 2015, the Company completed the Asset Sales, consisting of the assets of the businesses of each of Quantum Murray and Titan Supply as well as the Company's equity interests in Gusgo Transportation and related subsidiaries. The total consideration for the Asset Sales was approximately $30,000 in aggregate, including assumption of debt of approximately $3,000, with approximately $10,000 in aggregate paid on completion of the Asset Sales and an additional $6,800 to be received in the second quarter of 2016. An additional $2,000 will be held back pending confirmation that certain events do not occur and earn outs of up to $8,200 will be paid based on the renewal of certain contracts and the future income and cash flow of businesses being sold. The net aggregate proceeds from the Asset Sales were used to repay outstanding indebtedness under the Senior Credit Agreement.

INDUSTRY SEGMENTS

Tuckamore has two industry segments. A majority of Tuckamore's operations, assets and employees are located in Canada. In addition to the segments listed below, the corporate segment reflects head office administrative and financing costs incurred by Tuckamore. Tuckamore utilizes EBITDA and Adjusted EBITDA as a performance measure for its Operating Partnerships and segment results. Please note that subsequent to year end, Tuckamore sold its interest in Gusgo and Titan, and as a result has one investment (ClearStream) and one industry segment.

Operating Partner by Industry Segment	Business Description	Ownership Interest
Industrial Services		
ClearStream	Provider of oil and gas maintenance, construction and wear technology services to both the conventional oil and gas industry and the oilsands.	100%
Other		
Gusgo	Transportation and storage services provider.	80%
Titan	Manufacturer and distributor of rigging products and services, ground engaging tools to the oil and gas, and construction sectors.	92%

2015 RESULTS – CONTINUING OPERATIONS

	For Year Ended December 31,		
	2015	2014 Restated[1]	2013 Restated[1]
Revenues	$ 416,122	$ 557,788	$ 513,185
Cost of revenues	(332,868)	(443,523)	(406,324)
Gross profit	83,254	114,265	106,861
Selling, general and administrative expenses	(51,584)	(61,246)	(67,003)
Amortization of intangible assets	(5,651)	(5,715)	(8,022)
Depreciation	(8,681)	(9,828)	(9,779)
(Loss) income from equity investments	(508)	2,904	4,985
Interest expense	(24,948)	(27,498)	(33,439)
Restructuring costs	(7,454)	-	-
Write-down of property, plant and equipment	(5,574)	-	-
Write-down of goodwill and intangible assets	(41,727)	(308)	-
Loss from assets held for sale	(6,379)	-	-
Transaction costs	-	(9,057)	-
Income tax recovery (expense) - current	2,050	(2,050)	15
Income tax recovery - deferred	2,766	6,799	2,831
(Loss) income from continuing operations	$ (64,436)	$ 8,266	$ (3,551)
Add:			
Amortization of intangible assets	5,651	5,715	8,022
Depreciation	8,681	9,828	9,779
Interest expense	24,948	27,498	33,439
Income tax (recovery) expense - current	(2,050)	2,050	(15)
Income tax (recovery) - deferred	(2,766)	(6,799)	(2,831)
EBITDA	$ (29,972)	$ 46,558	$ 44,843
Interest, taxes, depreciation and amortization of long-term investments	$ 694	$ 630	$ 692
Loss from assets held for sale	6,379	-	-
Restructuring costs	7,454	-	-
Write-down of property, plant and equipment	5,574	-	-
Write-down of goodwill and intangible assets	41,727	308	-
Transaction costs	-	9,057	-
Adjusted EBITDA	$ 31,856	$ 56,553	$ 45,535
(Loss) income per share:			
Continuing operations - Basic	$ (0.59)	$ 0.09	$ (0.05)
Continuing operations - Diluted	$ (1.14)	$ (0.19)	$ (0.05)

	For Year Ended December 31		
	2015	2014	2013
Total assets	$ 253,579	$ 391,732	$ 402,524
Senior credit facility	58,482	67,253	89,835
Secured debentures	174,311	166,845	159,700
Unsecured debentures	-	-	24,819
Shareholders' (deficit) equity	(65,056)	59,831	36,040

[1]Adjusted for discontinued operations

2015 RESULTS COMMENTARY

This commentary relates to the continuing operations of Tuckamore . Consolidated revenues and gross margins are those of ClearStream. Consolidated selling, general and administrative expenses are those for both ClearStream and Tuckamore's head office function. Income from long term investments represents Tuckamore's 80% share of the net income of Gusgo and Tuckamores 92% share of the net income of Titan. Although Gusgo was sold in March, 2016, it was not an asset held for sale at December 31, 2015.

Revenues for the year ended December 31, 2015 were $416,122 compared to $557,788 in 2014 and $513,185 in 2013, a decrease of 25.4% from 2014 and a decrease of 18.9% from 2013. Revenue reductions in 2015 reflect lower business volumes at ClearStream, and pricing reductions, as a result of the decline in oil prices. Revenue growth in 2014 compared to the previous year, reflected ClearStream's growth in all of its divisions from 2013 to 2014.

Gross profit for the year ended December 31, 2015 was $83,254 compared to $114,265 in 2014 and $106,861 in 2013. Gross profit margins were 20.0% compared to 20.5% in 2014 and 20.8% in 2013. Gross profit margin percentage decreased in 2015 reflecting client pricing reductions, offset where possible by cost rationalization. The reduction in gross profit margins percentage 2014 to 2013 reflected reduced volumes in the oilsands maintenance division in the second quarter of 2014.

Tuckamore's continuing operations from its portfolio investments are reported in its two operating segments: Industrial Services and Other. For the year ended December 31, 2015, these two operating segments, before corporate costs, produced $35,261 of Adjusted EBITDA for Tuckamore compared to $60,300 in 2014 and $52,401 in 2013. Refer to the chart on the following page for Adjusted EBITDA by operating partner.

Corporate costs for the year ended December 31, 2015 were $3,405 compared to $3,747 in 2014 and $6,866 in 2013. The decrease in corporate costs in 2015 related primarily to reduced headcount and lower compensation costs. The decrease in 2014 from 2013 related to lower compensation costs from reduced headcount and lower legal and professional costs.

During 2015 the company incurred restructuring costs of $7,454. This amount includes severance relating to a reduction in personnel headcount and the closing of locations within the ClearStream group of companies. In 2014, the Company incurred transaction costs of $9,057. The costs were incurred on legal fees, financial advisory fees, proxy solicitation fees, public relation fees, and expense reimbursements related to both a proposed, but unsuccessful, acquisition of all the shares of the Company, and to the Company's response to certain activities undertaken by a minority group of dissident shareholders.

Non-cash items that impacted the results were depreciation and amortization, the write-down of property plant and equipment, the write-down of goodwill and intangibles and deferred income taxes. Depreciation and amortization was $14,332 for the year ended December 31, 2015 compared to $15,543 for 2014 and $17,801 for 2013.

During the year ended December 31, 2015 carrying values of property, plant and equipment, intangibles and goodwill were written down in the amounts of $5,574 and $41,727 at ClearStream, following a review of the recoverability of the value of those assets in light of the decline in oil prices, particularly in the fourth quarter of the year.

For the year ended December 31, 2015, interest costs, excluding accretion expense, were $17,483 compared with $18,620 in 2014 and with $20,561 in 2013. Non-cash accretion expense was $7,465 for 2015 compared to $8,878

for 2014 and $12,878 for 2013. Accretion expense relates to the debentures, which were recorded at their fair value, and accrete up to their face value using the effective interest method over their term. The reduction in accretion expense in 2015 reflects the settlement of the unsecured debentures in March 2014.

During the year ended December 31, 2015, the operating segments had capital expenditures and capital lease payments of $8,852 compared to $9,203 in 2014 and $11,478 in 2013. The majority of these expenditures were incurred in the Industrial Services segment.

The net loss from continuing operations was $64,436 for the year ended December 31, 2015, compared to a restated net income from continuing operations of $8,266 and net loss of $3,551 for 2013.

Adjusted EBITDA	**2015**	**2014**	**2013**	**2015 vs. 2014**	**2015 vs. 2013**
$000s		Restated[1]	Restated[1]		
Industrial Services					-
ClearStream	35,556	57,096	47,646	(21,540)	(12,090)
Other					-
Gusgo	2,745	2,952	2,276	(207)	469
Titan	(3,040)	252	2,479	(3,292)	(5,519)
	$ (295)	$ 3,204	$ 4,755	$ (3,499)	$ (5,050)
Adjusted EBITDA from portfolio operations	$ 35,261	$ 60,300	$ 52,401	$ (25,039)	$ (17,140)
Corporate	(3,405)	(3,747)	(6,866)	342	3,461
Adjusted EBITDA from operations	$ 31,856	$ 56,553	$ 45,535	$ (24,697)	$ (13,679)

[1]Adjusted for discontinued operations.

ACQUISITIONS

NORTECH

On August 1, 2014 ClearStream paid $500 to acquire the remaining 20% of Nor-Tech Systems LP ("Nor-tech"), increasing its ownership to 100%. The transaction was accounted for under the acquisition method of accounting as a step acquisition which required ClearStream to re-measure its previously held 80% interest. All of the estimated fair values assigned to the assets and liabilities assumed were based on internal estimates. It was deemed that the fair value of ClearStream's previously held 80% interest was equivalent to its book value. As such, no adjustments were required to pre-acquisition book values. The table below provides the details of the assets acquired and liabilities assumed for the 20% interest in Nor-tech.

	ClearStream (Nor-tech)
Current assets	$ 646
Property, plant and equipment	170
Goodwill[1]	308
Current liabilities	(160)
Long-term liabilities	(463)
Net assets acquired	501
Less: Advance settled	(285)
Consideration paid, in cash	216
Bank indebtedness/ (cash acquired)	-
Net cash outflow	$ 216

[1] Goodwill is attributable to the fact that ClearStream no longer shares joint control over Nor-tech and as such it represents benefit of full control. This goodwill is not deductible for tax purposes and was subsequently impaired by December 31, 2014. Please refer to the notes of the consolidated audited financial statements for more information.

SEGMENT OPERATING RESULTS

INDUSTRIAL SERVICES

The Industrial Services segment includes 100% of the results of ClearStream. A decision was made in late 2015 to dispose of the assets of Quantum Murray. Results of Quantum Murray have been categorized as Discontinued Operations for both the current and comparative year. Although the Company is required to report interests in joint venture's using the equity method of accounting under IFRS 11 *Joint Arrangements*, management views the business as if the assets, liabilities, revenues and expenses of joint ventures (joint ventures at ClearStream) were proportionately consolidated. Proportionately consolidated results are used by management to make major strategic and operating decisions. As such, segment results include joint ventures as if they were proportionately consolidated.

ClearStream	-	Provider of oil & gas maintenance, construction and wear technology services to both the conventional oil and gas industry and to the oil sands.

INDUSTRIAL SERVICES

	Year Ended December 31, ClearStream	
	2015	2014
Revenues	$ 418,635	$ 559,510
Cost of revenues	(334,819)	(444,885)
Gross profit	83,816	114,625
Selling, general and administrative expenses	(48,260)	(57,529)
Amortization of intangible assets	(5,636)	(5,692)
Depreciation	(8,146)	(9,350)
Interest expense	(8,654)	(10,126)
Restructuring costs	(5,016)	-
Write-down of property, plant and equipment	(5,574)	-
Write-down of goodwill and intangible assets	(41,727)	(308)
Income tax recovery - current	-	18
Income tax recovery - deferred	-	1,592
Income (loss) for the year	$ (39,197)	$ 33,230
Add:		
Amortization of intangible assets	5,636	5,692
Depreciation	8,146	9,350
Interest expense	8,654	10,126
Income tax (recovery) - current	-	(18)
Income tax (recovery) - deferred	-	(1,592)
EBITDA	$ (16,761)	$ 56,788
Write-down of property, plant and equipment	5,574	-
Write-down of goodwill and intangible assets	41,727	308
Restructuring costs	5,016	-
Adjusted EBITDA	$ 35,556	$ 57,096

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(I) REVENUES

Revenues at ClearStream were $418,635 for the year ended December 31, 2015 compared with $559,510 in the prior year, which reflects a decrease of 25.2%.

Market conditions in the Western Canadian oil and gas sector have been increasingly difficult through the year due to continually declining oil prices. ClearStream's performance for the full year has reflected this, with revenues down across all divisions. Throughout the year, clients have sought price reductions and have deferred or delayed maintenance programs as much as possible. The second and third quarters were typically busier, but further oil price declines in the fourth quarter resulted in much reduced maintenance services activity. Demand through the year for the wear pipe-coating product was less impacted by the lower oil prices. Our divisions, which support new projects and fabrication work have suffered the most in this environment. New business wins and excellent client retention levels are expected to benefit the company.

(II) GROSS PROFIT

At ClearStream, gross profit was $83,816 for the year ended December 31, 2015 compared with $114,625 in 2014. Gross profit margin was 20.0% compared to 20.5% in 2014.

Despite the decline in revenues, ClearStream has been successful in keeping margins somewhat consistent with the prior year. Considerable focus has been placed on cost controls and operational efficiency initiatives such as better equipment utilization and purchasing practices. These steps have helped mitigate some of the lost margin. Margin gains in wear, fabrication and transportation divisions have helped offset lower margins from the maintenance and major projects divisions where most of the price erosion was experienced.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

ClearStream's selling, general and administrative expenses were $48,260 for the year ended December 31, 2015 compared to $57,529 in 2014. Selling, general and administrative expenses as a percentage of revenues were 11.5% for the year ended December 31, 2015 compared to 10.3% in 2014. Lower expenses in 2015 reflect the cost cutting initiatives implemented in throughout 2015. Savings in these expenses are very necessary to offset gross margin decline. Actions taken included headcount and compensation reductions, and the consolidation and elimination of four operating locations.

(IV) RESTRUCTURING COSTS

During 2015 ClearStream incurred restructuring costs of $5,016 related to severance costs from the reduction in personnel headcount and the closing of several locations.

(V) WRITE-DOWN OF GOODWILL, INTANGIBLES AND PROPERTY, PLANT AND EQUIPMENT

ClearStream reviews its assets for impairment if there are indicators of impairment. Given the declining oil prices, the recoverability of asset values was considered at each quarter end during the year. At the end of the fourth quarter, after a particular further sharp decline in oil process, ClearStream determined that its goodwill, intangibles, and property, plant and equipment were impaired and write-downs in the amount of $30,140, $11,587 and $5,574 were recorded. Please refer to the December 31, 2015 audited consolidated financial statements for more information.

(VI) SEASONALITY

ClearStream's revenues and profits are impacted by seasonality and weather conditions. For example, severe winter conditions and excessively rainy periods can delay equipment moves and thereby adversely affect revenues. Spring break-up typically occurs in March and April leaving many roads temporarily incapable of supporting heavy equipment travel, thereby negatively impacting ClearStream's business.

OTHER

The Other segment includes Tuckamore's proportionate share of the results of Gusgo (80%). At December 31, 2015 Tuckamore's 92% interest in Titan was categorized as an asset held for sale. This segment also includes income from Tuckamore's equity investment in Rlogistics (36%). Although the Company is required to report interests in joint venture's using the equity method of accounting under IFRS 11 *Joint Arrangements*, management views the business as if the assets, liabilities, revenues and expenses of joint ventures were proportionately consolidated. Proportionately consolidated results are used by management to make major strategic and operating decisions. As such, segment results include joint ventures as if they were proportionately consolidated.

Gusgo	-	Provider of container transportation and storage services
Titan	-	Manufacturer and distributor of rigging products, rigging services and ground engaging tools.

SUMMARY FINANCIAL TABLE ($000S)

	Year Ended December 31,	
	2015	2014
Revenues	$ 36,008	$ 45,912
Cost of revenues	(25,723)	(30,147)
Gross profit	10,285	15,765
Selling, general and administrative expenses	(11,289)	(12,561)
Depreciation	(595)	(521)
Income from equity investment	709	-
Interest expense	(5)	(18)
Loss from assets held for sale	(6,379)	-
Income tax expense - current	(74)	-
Income tax expense - deferred	(23)	(44)
(Loss) Income for the year	$ (7,371)	$ 2,621
Add:		
Depreciation expense	595	521
Interest expense	5	18
Income tax expense - current	74	-
Income tax expense - deferred	23	44
EBITDA	$ (6,674)	$ 3,204
Add:		
Loss from asset held for sale	6,379	-
Adjusted EBITDA	$ (295)	$ 3,204

(I) REVENUES

At December 31, 2015, Titan was classified as an asset held for sale. Gusgo revenues increased approximately $475 or 3.8% from the prior year due to increased business volumes from existing clients.

(II) GROSS PROFIT

At December 31, 2015, Titan was classified as an asset held for sale. The gross profit margin percentage at Gusgo decreased by 2.5% due to wage increases allotted to Gusgo's subcontractors in the second half of the year.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

At December 31, 2015, Titan was classified as an asset held for sale. At Gusgo selling, general and administrative expenses were consistent with the prior year.

CORPORATE

The Corporate segment includes head office management, administrative and legal costs, as well as interest costs.

SUMMARY FINANCIAL TABLE ($000S)

	Year Ended December 31,	
	2015	2014
Selling, general and administrative expenses	$ (3,405)	$ (3,747)
Amortization of intangible assets	(16)	(23)
Depreciation	(535)	(479)
Interest expense	(16,294)	(17,372)
Restructuring costs	(2,438)	-
Transaction costs	-	(9,057)
Income tax recovery (expense) - current	2,050	(2,114)
Income tax recovery - deferred	2,766	5,207
Loss for the year	$ (17,872)	$ (27,585)
Add:		
Amortization of intangible assets	16	23
Depreciation	535	479
Interest expense	16,294	17,372
Income tax (recovery) expense - current	(2,050)	2,114
Income tax (recovery) - deferred	(2,766)	(5,207)
EBITDA	$ (5,843)	$ (12,804)
Restructuring costs	2,438	-
Transaction costs	-	9,057
Adjusted EBITDA	$ (3,405)	$ (3,747)

(I) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $3,405 for the year ended December 31, 2015, compared to $3,747 for the prior year. The break-down of selling, general and administrative expenses is as follows:

	Year Ended December 31,	
	2015	2014
Salaries and benefits	$ 2,867	$ 3,880
Audit, accounting and tax	749	514
Other costs, net	(211)	(647)
Selling, general and administrative expenses	$ 3,405	$ 3,747

The decrease in salaries reflects reductions in head office headcount. Accounting and legal costs increased over the previous year due to several ongoing corporate projects.

(II) INTEREST EXPENSE

Total interest expense was $16,294 for the year ended December 31, 2015 compared to $17,392 in the prior year. For the year ended December 31, 2015, interest costs, excluding accretion expense, were $8,829 compared with $8,514 in 2014. Non-cash accretion expense was $7,465 for 2015 compared to $8,878 for 2014. Accretion expense relates to the secured and unsecured debentures, which were recorded at their fair values, and accrete up to their face value using the effective interest method over the term of the Debentures. The decrease in accretion expense relates to the settlement of the unsecured debentures in March 2014.

(III) RESTRUCTURING COSTS

During 2015 the Corporate incurred restructuring costs of $2,438. This amount includes severance relating to a reduction in personnel headcount and the pending closing of the Toronto head office. In 2014, the Company incurred transaction costs of $9,057. The costs were incurred on legal fees, financial advisory fees, proxy solicitation fees, public relation fees and expense reimbursement costs related to both the proposed, but unsuccessful, acquisition of all the shares of the Company, and to certain activities undertaken by a minority group of dissident shareholders.

FOURTH QUARTER 2015 RESULTS

	Quarter Ended December 31,			
		2015		2014 Restated[1]
Revenues	$	88,956	$	140,715
Cost of revenues		(73,352)		(112,268)
Gross profit		15,604		28,447
Selling, general and administrative expenses		(13,512)		(14,218)
Amortization of intangible assets		(1,422)		(1,435)
Depreciation		(2,670)		(3,269)
Loss (income) from long-term investments		213		462
Interest expense		(6,141)		(5,909)
Restructuring costs		(4,565)		-
Write-down of PPE		(5,574)		-
Write-down of goodwill and intangible assets		(41,727)		(308)
Loss from assets held for sale		(6,274)		-
Income tax (expense) recovery - current		2,234		(2,114)
Income tax recovery - deferred		(5,025)		849
(Loss) income from continuing operations	$	(68,859)	$	2,505
Add:				
Amortization expense		1,422		1,435
Depreciation expense		2,670		3,269
Interest expense		6,141		5,909
Income tax expense (recovery) - current		(2,234)		2,114
Income tax recovery - deferred		5,025		(849)
EBITDA	$	(55,835)	$	14,383
Interest, taxes, depreciation and amortization		83		323
Restructuring costs		4,565		
Write-down of PPE		5,574		
Write-down of goodwill and intangible assets		41,727		308
Loss from assets held for sale		6,274		-
Adjusted EBITDA	$	2,388	$	15,014

[1]Adjusted for discontinued operations.

FOURTH QUARTER RESULTS COMMENTARY

Revenues for the three months ended December 31, 2015 were $88,956 compared to $140,715 in 2014, a decrease of 36.8%. The decrease in ClearStream was primarily related to lower activity and lower prices for it's services. Revenue in the fourth quarter was impacted by a severe decline in oil prices in the quarter, resulting in client decisions to defer several maintenance programs.

Gross profit for the three months ended December 31, 2015 was $15,604 compared to $28,447 in 2014, a decrease of 45.1%. Gross margins were 17.5% for the three months ended December 31, 2015 compared to 20.2% in the 2014 period.

During the twelve months ended December 31, 2015, the company incurred restructuring costs of $4,565. This amount includes severance relating to a reduction in personnel headcount and the closing of locations within the ClearStream group of companies, and costs relating to a reduction in personnel headcount and the pending closing costs of the Tuckamore head office.

During the year ended December 31, 2015 carrying values of property, plant and equipment, intangibles and goodwill were written down in the amounts of $5,574 and $41,727 at ClearStream, following a review of the recoverability of the value of those assets in light of the decline in oil prices particularly in the fourth quarter of the year.

Tuckamore's continuing operations from its portfolio investments are reported in its two industry segments: Industrial Services and Other. For the three months ended December 31, 2014, these two industry segments produced $2,825 of Adjusted EBITDA for Tuckamore compared to $15,674 in 2014. Refer to the chart below for Adjusted EBITDA by operating partner. During the final quarter, interest costs, excluding accretion expense, were $4,614 compared with $4,093 in 2014. Accretion of the secured and unsecured debentures was $1,897 for the fourth quarter of 2015 compared to $1,816 in prior year period. During the three months ended December 31, 2015, the capital expenditures and capital lease payments were $937 and $1,398, as compared to $1,734 and $1,231 in the same period in 2014. The majority of these expenditures were incurred in the Industrial Services segments.

Non-cash items that impacted the results were depreciation and amortization, and deferred income taxes. Depreciation and amortization was $4,092 for the three months ended December 31, 2015, compared to $4,704 for 2014.

Net loss for the three months ended December 31, 2015 from continuing operations was $68,859 compared to net income of $2,505 in 2014.

Adjusted EBITDA $000s	**Q4 2015**	**Q4 2014**	**2015 vs. 2014**
	QTR		
Industrial Services			
ClearStream	3,602	14,860	(11,258)
Other			
Gusgo	657	940	(283)
Titan	(1,434)	(126)	(1,308)
	$ (777)	$ 814	$ (1,591)
Adjusted EBITDA from portfolio operations	$ 2,825	$ 15,674	$ (12,849)
Corporate	(437)	(660)	223
Adjusted EBITDA from operations	$ 2,388	$ 15,014	$ (12,626)

[1]Adjusted for discontinued operations.

Discontinued Operations and Assets Held for Sale

Assets Held for Sale and Discontinued Operations

On March 31, 2015, Tuckamore sold a majority of the net assets of Thomson Metals and Disposal LP for cash proceeds of $300. This resulted in an accounting loss of approximately $870.

On April 23, 2015 RGC Canada LP ("RGC"), an 80% joint venture of the Company, entered into an agreement to sell its 45% interest in RLogstics for $1,900. The proceeds were first used to settle $1,350 in advances owing to RGC from RLogistics, with the balance being used to purchase RGC's partnership interest in RLogistics of approximately ($194). This resulted in an accounting gain of approximately $744, or $594 for the Company's 80% interest. Tuckamore's 80% joint venture interest in RGC is accounted for using the equity method of accounting and represented under the Other segment in the Segment note.

On July 31, 2015 the Company sold its 80% interest in IC Group for proceeds of $2,500. This transaction resulted in an accounting loss of approximately $900. The proceeds were used to repay $2,450 of the senior credit facility, with the balance being retained for the payment of transaction costs.

On September 30, 2015 the Company sold its 100% interest in Gemma Communications ("Gemma") for proceeds of up to $7,000. The transaction consideration consisted of an initial purchase price of $4,000, of which $2,500 was paid at closing with the remainder payable in instalments, plus an earn out of up to $3,000 based on future revenues up to December 2016. To estimate the fair value of the contingent consideration, management applied a deterministic approach. The fair value measurement was categorized as a level 3 measurement under IFRS 13 due to the fact that the inputs cannot be corroborated by market data. This approach required management to estimate the payout associated with the probability-weighted average of outcomes. Judgement was required in estimating the quarterly revenues of Gemma from October 1, 2015 to December 31, 2016. As such, management determined the purchase price of this transaction to be approximately $2,500. This transaction resulted in an accounting loss of approximately $1,581. Cash proceeds of $2,500 were used to repay $2,300 of the senior credit facility, with the balance being retained for the payment of transaction costs.

On December 22, 2015 the Company entered into an agreement with Canso Investment Counsel Ltd., in its capacity as portfolio manager for and on behalf of certain accounts that it manages ("Canso") to support and provide capital for certain senior debt issuances by Tuckamore (the "Refinancing Transactions"). The Refinancing Transactions had several conditions, one of which was the requirement for Tuckamore to sell certain assets for net proceeds of approximately $17,000. Prior to December 31, 2015 Tuckamore's board had approved the sale of certain assets to satisfy the asset sale condition and management had commenced an active program to locate a buyer for these assets. By December 31, 2015, Tuckamore had identified interested parties and management had commenced negotiations with prospective buyers for Quantum Murray and Titan. Given the factors identified above, it was concluded that Quantum Murray and Titan qualified as a disposal group that was held for sale. Quantum Murray represents a major line of Tuckamore's business and as such, it was determined that Quantum Murray would be classified as a discontinued operation. Quantum Murray is no longer presented in the segment note under Industrial Services for the years ended December 31, 2015 and December 31, 2014. Titan is presented in the segment note under the Other segment for the year ended December 31, 2015. These asset sales were completed on March 23, 2016.

The following table shows the revenue and net income (loss) from discontinued operations (Industrial Services – Quantum Murray, Marketing – Gemma and IC Group) for the years ended December 31, 2015 and 2014:

	Industrial Services		Marketing		Total	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Revenue	135,331	155,627	8,842	15,839	144,173	171,466
Expenses	(171,243)	(171,023)	(10,319)	(19,518)	(181,562)	(190,541)
Loss before taxes	(35,912)	(15,396)	(1,477)	(3,679)	(37,389)	(19,075)
Impairment loss recognized on the remeasurement of net assets to FVLCS	(15,842)	(8,976)	-	-	(15,842)	(8,976)
Loss on sale of discontinued operations	(870)	-	(1,931)	-	(2,801)	-
Income from equity investments	-	-	(221)	(2,226)	(221)	(2,226)
Income tax recovery - deferred	(372)	2,382	(73)	-	(445)	2,382
Net income (loss) from discontinued operations	$ (52,996)	$ (21,990)	$ (3,702)	$ (5,905)	$ (56,698)	$ (27,895)
Net loss per share - basic	$ (0.48)	$ (0.26)	$ (0.03)	$ (0.07)	$ (0.52)	$ (0.33)
Net loss per share - diluted	$ (0.48)	$ (0.26)	$ (0.03)	$ (0.07)	$ (0.52)	$ (0.33)

The income tax expense related to discontinued operations for the year ended December 31, 2015 is related to the write-off of the deferred tax assets for which no benefit was recognized in 2015.

The following table shows the revenue and net income (loss) from assets held for sale for the year ended December 31, 2015:

	Other
	December 31, 2015
Income from equity investments	(4,012)
Impairment loss recognized on the remeasurement of net assets to FVLCS	(6,379)
Net income (loss) from assets held for sale	$ (10,391)

The major classes of assets and liabilities of Quantum Murray and Titan (December 31, 2015) and Thomson Metals (December 31, 2014) classified as discontinued operations and held for sale are as follows:

For the period ending,	December 31, 2015	December 31, 2014
Assets		
Accounts receivable	34,448	1,939
Inventory	13,777	1,354
Prepaids & Other Assets	2,302	-
Long-term investments	3,783	-
	54,310	3,293
Liabilities		
Accounts payable & accrued liabilities	32,119	2,290
Deferred Revenue	4,645	
Capital lease obligation	2,872	543
Other liabilities	3,001	460
	42,637	3,293
Net assets directly associated with the disposal group	11,673	-

The net cash flows incurred by Quantum Murray and Titan are, as follows:

For the period ending,	December 31, 2015	December 31, 2014
Operating	1,482	366
Investing	(732)	(3,137)
Financing	(617)	902
Net cash (outflow) / inflow	133	(1,869)

During the year ended December 31, 2015 and prior to the reclassification of Quantum Murray as an asset held for sale and discontinued operations, indicators of impairment were identified which required management to perform an impairment analysis. Quantum Murray continued to experience losses and a decline in margins as management continued to work through the final stages of rationalizing its cost structure and implementing business process improvements. Quantum Murray recognized an impairment loss of $3,544 related to fixed assets of Quantum Murray and $2,026 related to intangible assets of Quantum Murray. These amounts are included in expenses in the table above. The recoverable amount was based on an estimate of FVLCS of the Quantum Murray CGU. This was determined using level 3 inputs under IFRS, including indicative business sale transactions, fixed asset appraisals and auction results for certain types of equipment. The impairment charge recorded was most sensitive to the fixed asset appraisals and auction results used to determine the FVLCS of the individual assets.

Prior to its classification to discontinued operations, Quantum Murray was reported under the Industrial Services segment.

Immediately before the classification of Quantum Murray and Titan as assets held for sale, the recoverable amount was estimated for these entities. The short-fall of $22,221 was recorded as an impairment charge to the assets of Quantum Murray in the amount of $15,842 by reducing non-current assets, with any remainder being used to reduce the value of current assets. The carrying amount of the long-term investment in Titan was written down by $6,379.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

	2015	2014
Cash provided by operating activities	$ 15,566	$ 10,280
Cash used in investing activities	2,701	(5,077)
Cash used in financing activities	(16,572)	(11,372)
Consolidated cash as at December 31	24,409	22,714

The

During 2015, the Company was operating under an Amended Senior Credit Facility and debenture agreements which included restrictive financial covenants. Additional borrowings were not allowed, financing through capital leases was limited, and 75% of quarterly excess cash flow was required to be used to permanently repay the Amended Senior Credit Facility. The Company's cash flows are critical to the successful growth of the businesses and there can be no guarantee that the Company will be able to provide the working capital funding to satisfy or optimize business growth. The working capital needs of the Company largely follow the seasonality of ClearStream's business and are the highest in the second and third quarters of the calendar year.

CASH PROVIDED BY OPERATING ACTIVITIES

The following table provides a break-down of cash provided by operations, changes in non-cash balances and cash from discontinued operations.

	2015	2014
Cash provided by operations	$ 5,399	$ 23,827
Changes in non-cash balances		
Accounts receivable	36,218	(15,141)
Inventories	1,349	(1,299)
Prepaid expenses	94	3,147
Other current assets	563	624
Accounts payable, accrued liabilities and income taxes payable	(8,352)	1,769
Deferred revenue	(510)	(2,057)
Increase (decrease) in cash due to changes in non-cash balances	29,362	(12,957)
Cash and distributions used by discontinued operations	(19,195)	(590)
Cash provided by operating activities	$ 15,566	$ 10,280

CASH USED IN INVESTING ACTIVITIES

Cash provided by (used in) investing activities totaled $2,701compared to ($5,077) in the prior year period. See table below for further details.

		2015		2014
Distributions from long-term investments	$	1,740	$	5,186
Purchase of property, plant and equipment		(3,260)		(7,109)
Proceeds on disposition of property plant and equipment, net		311		699
Proceeds on disposition of businesses		4,750		-
Purchase of intangibles		(108)		(408)
Acquisition of businesses, net		-		(308)
Cash used by discontinued operations		(732)		(3,137)
Cash provided by (used in) investing activities	$	2,701	$	(5,077)

CASH USED IN FINANCING ACTIVITIES

Cash used in financing activities was ($16,572) for the year ended December 31, 2015 and cash used in financing activities was ($11,372) in the prior year.

		2015		2014
Repayment of long-term debt	$	(8,934)	$	(22,968)
Increase in cash held in trust		(1,430)		-
Repayment of capital lease obligations		(5,591)		(6,792)
Proceeds from issuance of common shares		-		12,500
Proceeds from exercise of options for common shares		-		4,986
Cash used in discontinued operations		(617)		902
Cash used in financing activities	$	(16,572)	$	(11,372)

FINANCING

SENIOR CREDIT FACILITY

On March 9, 2012 Tuckamore completed an assignment to Bank of Montreal ("BMO") of its then existing senior secured credit agreement (as assigned, the "Senior Credit Agreement"). The Senior Credit Agreement had an interest rate, which ranged from prime plus 1.5% to prime plus 1.75%, and contained customary covenants which included financial covenants in respect of Tuckamore's interest coverage ratio, priority senior debt ratio and minimum EBITDA amount.

Tuckamore was obligated to repay outstanding indebtedness under the Senior Credit Agreement prior to the maturity thereof using net proceeds from specified dispositions, issuances of equity instruments or from excess operating cash flows, as further set out in the Senior Credit Agreement. In March 2014, Tuckamore reduced outstanding indebtedness under the Senior Credit Agreement in the amount of $5,481, representing 75% of excess cash flow for the fourth quarter of 2013. On August 1, 2014 Tuckamore issued 16,666,667 common shares to Orange Capital Master l, Ltd. for $0.80 per share (the "Private Placement"). Tuckamore received gross proceeds of $13,333 resulting from the Private Placement, of which net proceeds of $12,500 were used to reduce outstanding indebtedness under the Senior Credit Agreement. In conjunction with the Private Placement and the repayment of outstanding indebtedness under the Senior Credit Agreement from such net proceeds, the Company obtained approval from the lenders under the Senior Credit Agreement to extend the maturity date thereunder from March 9, 2015 to December 31, 2015. The total cost of the amendment was $149.

During the year ended December 31, 2014 options were exercised by management, resulting in the issuance of 13,150,000 common shares. Proceeds of $4,986, from all options exercised during the year, were used to reduce outstanding indebtedness under the Senior Credit Agreement.

During the second quarter of 2015, Tuckamore repaid a total of $4,184 of indebtedness under the Senior Credit Agreement. This was comprised of a payment on May 22, 2015 of $2,184 on account of 75% of the excess cash flow from the first quarter of 2015 as well as a second payment of $2,000 made on June 26, 2015, which was a voluntary repayment.

On June 26, 2015 Tuckamore reached an agreement with the lenders under the Senior Credit Agreement to amend certain financial covenants . The amended covenants included those relating to interest coverage ratio, priority senior debt ratio and the minimum EBITDA amount, and were in effect for all quarters, commencing with the quarter ended September 30, 2015 through to December 31, 2015. The total cost of the amendment was $148.

During the third quarter of 2015 Tuckamore repaid a total of $4,750 of indebtedness under the Senior Credit Agreement using aggregate net proceeds from the dispositions of IC Group and Gemma.

Advances outstanding under the Senior Credit Agreement as at December 31, 2015 totaled $58,735. At that time, the entire balance of the Senior Credit Agreement was a revolving facility and was fully drawn at December 31, 2015.

Subsequent to the year ended December 31, 2015, on March 23, 2016 the Company completely and permanently repaid all indebtedness outstanding under the Senior Credit Agreement. See Corporate Developments on page 6.

8.00% SECURED DEBENTURES

The Company issued debentures designated as "8.00% Secured Debentures due 2016" (the "**8.00% Secured Debentures**") in an aggregate principal amount of $176,228 pursuant to a secured trust indenture dated as of March 23, 2011 (as supplemented). The 8.00% Secured Debentures were listed on the Toronto Stock Exchange ("TSX") on the date of closing of March 23, 2011.

The maturity date of the 8.00% Secured Debentures was March 23, 2016. Subsequent to the financial year ended December 31, 2015, the Company called for redemption on March 21, 2016 of all outstanding Senior Secured Debentures which were to be redeemed together with the completion of the Refinancing Transactions and Asset Sales on the same date, however the completion of these transactions and the repayment in full of all outstanding principal and accrued interest on the Senior Secured Debentures was completed on March 23, 2016. See Corporate Developments on page 6.

The 8.00% Secured Debentures accrued interest at the rate of 8.0% per annum, payable semi-annually in arrears on June 30 and December 31 in each year. Under the terms of the 8.00% Secured Debentures, Tuckamore had the option to repurchase any or all of the 8.00% Secured Debentures outstanding at any time and also the right to redeem in cash any or all 8.00% Secured Debentures outstanding at any time, in its sole discretion, and without bonus or penalty, provided all accrued interest is paid at redemption, and subject to any restrictions in the Senior Credit Agreement. The terms of the 8.00% Secured Debentures also required Tuckamore to redeem a portion of the 8.00% Secured Debentures in certain circumstances prior to the maturity thereof using proceeds from specified dispositions, issuances of equity instruments or from excess operating cash flow, as defined. The Company's obligations under the 8.00% Secured Debentures were secured with a security interest in substantially all of Tuckamore's assets, which was subordinated to similar security interests granted in connection with the

Company's obligations under the Senior Credit Agreement or certain other debt incurred in the future by Tuckamore's subsidiaries.

Unsecured Debentures

The Company had previously issued unsecured debentures (the "Unsecured Debentures") in the aggregate principal amount of $26,552 pursuant to an unsecured trust indenture dated as of March 23, 2011. The Unsecured Debentures matured on March 23, 2014. Interest accrued on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, and was paid in cash in the amount of $2,887 at maturity. The Company satisfied the total principal owing under the Unsecured Debentures in the amount of $26,552 through a mandatory conversion of such principal into a total of 8,493,143 common shares of the Company, issued on maturity.

SUMMARY OF CONTRACTUAL OBLIGATIONS

Tuckamore's contractual obligations for the years 2016 to 2020 and thereafter are as follows:

	2016	2017	2018	2019	2020	Thereafter	Total
Accounts payable and accrued liabilities	$ 32,132	$ -	$ -	$ -	$ -	$ -	$ 32,132
Senior credit facility	58,735	-	-	-	-	-	58,735
Secured debentures	176,228	-	-	-	-	-	176,228
Finance lease obligations	5,247	3,751	2,062	713	270	-	12,043
Operating leases	12,454	10,921	8,531	5,773	4,351	25,694	67,724
Contractual undiscounted interest payments[1]	4,215	-	-	-	-	-	4,215
Total Contractual Obligations	$ 289,011	$ 14,672	$10,593	$ 6,486	$ 4,621	$25,694	$351,077

[1] Contractual undiscounted interest payments are calculated using fixed interest rates on the Senior Credit Facility, Secured Debentures and Unsecured Debentures. These calculations are made using the assumption that the debt balances as at December 31, 2015 will not change until they are fully repaid at maturity.

SOURCES OF FUNDING

Tuckamore will continue to look to reduce its debt leverage. The financing arrangements are designed to ensure that debt balances are reduced as quickly as possible. Consequently 75% of excess cash flow is required to retire the senior secured debenture.

ClearStream will utilize the Asset Backed Credit Facility to fund working capital requirements, primarily in the second and third quarters of each year. The services provided by ClearStream are labour intensive. Employees are remunerated every two weeks and clients typically pay invoices in 60 to 90 days. During peak business activity, for example the spring and fall shutdown maintenance programs at ClearStream, a higher number of employees are at customer sites, and this increases the need for working capital funding.

WORKING CAPITAL

	December 31, 2015	December 31, 2014
Current assets	$ 164,773	$ 213,007
Current liabilities	312,247	153,257
Total w orking capital	$ (143,290)	$ 59,750

CAPITAL EXPENDITURES

The Industrial Services segment contains the only capital intensive entities within Tuckamore. The following table shows capital expenditures and finance lease payments by segment for continuing operations.

Year ended December 31, 2015	Industrial Services - ClearStream	Other	Corporate	Eliminations	Total
Capital expenditures	$ 3,229	$ 348	$ 32	$ (348)	$ 3,261
Finance lease repayments	5,591	$ 108	-	(108)	$ 5,591
Total capital expenditures	$ 8,820	$ 456	$ 32	$ (456)	$ 8,852

Year ended December 31, 2014	ClearStream	Other	Corporate	Eliminations	Total
Capital expenditures	$ 4,072	$ 842	$ -	$ (842)	$ 4,072
Finance lease repayments	5,131	$ 307	-	(307)	$ 5,131
Total capital expenditures	$ 9,203	$ 1,150	$ -	$ (1,150)	$ 9,203

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Tuckamore prepares its consolidated financial statements in accordance with IFRS. The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the period of the consolidated financial statements. Significant accounting policies and methods used in the preparation of the consolidated financial statements are described in note 1 in the December 31, 2015 consolidated financial statements. Tuckamore evaluates its estimates and assumptions on a regular basis, based on historical experience and other relevant factors. Included in the consolidated financial statements are estimates used in determining allowance for doubtful accounts, inventory valuation, the useful lives of property, plant and equipment and intangible assets, revenue recognition, income taxes, provisions, impairment, earn-outs, going concern assumptions and other matters. Actual results could differ from those estimates and assumptions.

The assessment of goodwill and intangible assets for impairment requires the use of judgments, assumptions and estimates. Due to the material nature of these factors, they are discussed here in greater detail.

GOODWILL AND INTANGIBLE ASSETS

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values. When Tuckamore enters into a business combination, the acquisition method of accounting is used. Goodwill is assigned as of the date of the business combination to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination. Goodwill is not amortized and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. The book value of goodwill was $30,988 at December 31, 2015 (December 31, 2014 - $61,128).

Intangible assets acquired individually or as part of a group of other assets are recognized and measured at cost. Intangible assets acquired in a transaction, including those acquired in business combinations, are recorded at their fair value. Intangible assets with determinable useful lives, such as customer relationships and contracts, are amortized over their useful lives and are tested for impairment when there is an indicator of impairment. Intangible assets having an indefinite life, such as brands, are not amortized but instead are tested for impairment on an annual or more frequent basis. The net book value of intangible assets was $18,904 at December 31, 2015 (December 31, 2014- $38,506).

LONG-TERM INVESTMENTS

Investments in joint ventures and associates over which Tuckamore is able to exercise significant influence are accounted for using the equity method. Under the equity method, the original cost of the investment is adjusted for Tuckamore's share of post-acquisition earnings or losses, less distributions in the case of investments in partnerships and dividends in the case of investments in companies. Investments are written down when there is evidence that a decline in value has occurred. Tuckamore reviews all of its investments for possible impairment on an annual basis, or more frequently if there is an event which in the view of management would trigger an earlier review. Long term investments at December 31, 2015 include Tuckamore's investment in Gusgo.

DEFERRED TAXES

Tuckamore has computed deferred income taxes based on temporary differences that are expected to reverse after December 31, 2015. In general, there are no material differences in the values for operating assets and liabilities such as accounts receivable, inventory and trade payables. There are, however, differences, for example between the carrying values of definite life intangibles (e.g. customer contracts) and indefinite life intangibles (e.g. brands) that arise as part of Tuckamore's accounting for its investments in the underlying Operating Partnerships. As one example, under IFRS, Tuckamore records intangible assets related to acquisitions and these assets typically have a lesser value for tax purposes depending on the manner in which the acquisition was structured. In this case, a deferred tax liability would be recorded for the difference. If Tuckamore was to divest one or more of its Operating Partnerships for an amount that is greater than the tax carrying value this would give rise to a taxable income because the proceeds would be greater than the tax value of the assets.

At December 31, 2015 Tuckamore has calculated deferred taxes using the applicable estimated tax rate of approximately 26.9%.

The recognition of a deferred tax expense or recovery has no impact on cash generated by operating activities.

ADDITIONAL INFORMATION

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations were not yet effective as at January 1, 2015 and have not been applied in preparing the annual consolidated financial statements. Tuckamore's intention is to adopt the standards when they become effective.

The following is a brief summary of the new standards:

International Financial Reporting Standard 9, Financial Instruments – IFRS 9

IFRS 9, Financial Instruments introduces new requirements for the classification and measurement of financial instruments, a new expected-loss impairment model that will require more timely recognition of expected credit losses and a substantially reformed model for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that was caused by changes in an entity's own credit risk for liabilities elected to be measured at fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet begun the process of evaluating the impact of this standard on its consolidated financial statements

International Financial Reporting Standard 15, Revenue from Contracts with Customers – IFRS 15

IFRS 15, Revenue from Contracts with Customers was issued in May 2014, which will replace IAS 11, Construction Contracts, IAS 18 Revenue Recognition, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and Standard Interpretations Committee ("SIC") – 31, Revenue – Barter Transactions Involving Advertising Services. IFRS 15 provides a single, principles-based five-step model that will apply to all contracts with customers with limited exceptions. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 was originally required for annual periods beginning on or after January 1, 2017. On April 28, 2015, the IASB agreed to publish an exposure draft proposing a one-year deferral to the effective date of revenue standard to Janaury 1, 2018. Earlier adoption is permitted. The Company has not yet begun the process of evaluating the impact of this standard on its consolidated financial statements.

International Financial Reporting Standard 16, Leases

IFRS 16, Leases was issued in January 2016, which will replace IAS 17, Leases. The Standard provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a rightof-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15 is also applied. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS – ($000S EXCEPT UNIT AMOUNTS)

	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
		Restated[1]	Restated[1]	Restated[1]	Restated[1]	Restated[1]	Restated[1]	Restated[1]
Revenues	$ 88,956	$ 116,662	$ 118,535	$ 91,969	$ 140,715	$ 145,741	$ 133,049	$138,283
Gross Margin	15,604	25,278	22,334	20,038	28,447	29,125	29,582	27,111
Gross Margin %	17.5%	21.7%	18.8%	21.8%	20.2%	20.0%	22.2%	19.6%
Net (loss) income from continuing operations	(68,859)	4,227	1,700	(1,504)	2,505	(1,177)	2,496	4,442
Net (loss) income	(107,848)	(6,350)	(6,273)	(4,416)	(17,217)	(2,975)	655	2,290
Income (loss) per unit from continuing operations	(0.63)	0.04	0.02	(0.01)	0.02	(0.01)	0.03	0.06
Income (loss) per unit	(0.98)	(0.06)	(0.06)	(0.04)	(0.16)	(0.03)	0.01	0.03

[1]Please note that some of the figures above have been restated from those published in previous periods to reflect Quantum Murray, Gemma and IC Group as discontinued operations.
[2] The diluted income (loss) per share unit has not been included the table above as the effect of potentially dilutive shares would be anti-dilutive.

Revenues at ClearStream are somewhat seasonal. At ClearStream, typically there are scheduled shutdown turnaround projects in the spring and fall which increases revenues over and above the standard maintenance and operational support services. More specifically, Q2 2014 revenues were lower than typical at ClearStream because of production issues at a major client.

Gross margin percentage fluctuations by quarter are usually a function of revenue mix. Notwithstanding this, the first quarter of each year will usually show lower gross margin percentages as the employer portion of payroll benefit costs will not be maximized until later in the year. Quarterly revenues in 2015 reflect deferrals by clients of maintenance programs, as well as price reductions.

CONTINGENCIES

Tuckamore is subject to claims and litigation proceedings arising in the normal course of operations. These contingencies are provided for when they are likely to occur and can be reasonably estimated. Management believes that these claims are without merit and as such they are being rigorously defended.

A statement of claim has been filed by a seller of a minority position in a subsidiary of Tuckamore in connection with the calculation of income as related to a promissory note forming part of the transaction. The claim is being defended and management feels the claim is without merit. The Company has also made a counterclaim.

In March 2015, the Company was advised by Brompton Corp. ("Brompton") that Brompton has received notices of reassessment from the Canada Revenue Agency (the "CRA") in which the CRA has denied the deduction to Brompton of certain non-capital losses and other tax attributes in computing Brompton's income for the 2010 to 2014 taxation years. Brompton is seeking indemnification in the amount of $4,099 (which includes interest) and costs from Tuckamore Holdings LP, representing approximately 40% of its taxes, losses or costs, pursuant to certain agreements entered into by Tuckamore Holdings LP prior to the sale of its interest in Brompton.

Tuckamore previously announced, in September 2014, that it had been notified by Brompton that in the event that Brompton is subject to taxes assessed by CRA or incurs losses or costs associated with the CRA's review, it would be seeking indemnification for approximately 40% of these taxes, losses or costs pursuant to agreements entered into by Tuckamore Holdings LP. Tuckamore Holdings LP, a wholly-owned subsidiary of Tuckamore, previously held approximately 40% of the outstanding equity of Brompton. Tuckamore Holdings LP sold its Class A shares in Brompton in September 2011.

On June 12, 2015, Brompton served Tuckamore and certain of its affiliates with a Statement of Claim seeking among other things, indemnification in the amount of 40% of the CRA's notices of reassessment for the 2010-2012 taxation years. On July 13, 2015, Tuckamore and its affiliates served their Statement of Defence denying Brompton's allegations and relying on, among other things, a corresponding warranty and indemnity provided by Brompton to Tuckamore. Brompton has brought a motion for summary judgment, which it is seeking to have heard in the summer of 2016. The Company has not provided for any amount with respect to this matter in its consolidated audited financial statements for the year ended December 31, 2015.

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of December 31, 2015, directors, officers and employees beneficially hold an aggregate of 15,371,459 common shares or 14.0% on a fully diluted basis.

TRANSACTIONS

Tuckamore provides funding to the Operating Partnerships to fund working capital requirements. Advances bear interest at the rate of prime plus one percent, are unsecured and are due on demand.

Included in Other Assets are advances of $NIL (December 31, 2014 – $1,418) made to the Operating Partnerships, based on the percentage not owned by the Company.

Income from long-term investments include $836 of rent expense paid to related parties of Gusgo for the year ended December 31, 2015 (2014 $836).

Tuckamore previously shared space and services with a business which employs one of its former directors, and paid $nil for the year ended December 31, 2015 (December 31, 2014 - $235) for such services.

Two operating leases for property, with annual rents of $312 and $400 are with a landlord in which certain executives of Tuckamore hold an indirect minority interest (2014 - $312 and $400).

These transactions occurred in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to between the parties.

Employee loans were made to certain management and employees in 2006 and 2007. In accordance with the terms and conditions, the loans bear interest at prime, were used to purchase shares of Tuckamore and are collateralized by shares and in certain cases personal guarantees. The loan balance was $110 as at December 31, 2015 and $1,335 at December 31, 2014.

SHARE CAPITAL

The authorized share capital of the Company consists of: (i) an unlimited number of common shares, and (ii) preferred shares issuable in series to be limited in number to an amount equal to not more than one half of the issued and outstanding common shares at the time of issuance of such preferred shares. As of the date hereof, there were 109,941,241 common shares issued and outstanding and nil preferred shares issued and outstanding. If all of the $35,000 Convertible Debentures were converted, there would be 209,941,241 common shares outstanding. The number of common shares outstanding would increase if Tuckamore chose to settle interest payments on the Convertible Debentures through the issue of Convertible Debentures.

2016 FIRST QUARTER OUTLOOK

The sharp decline in oil prices in the 4th quarter of 2015, has seen oil price per barrel dipping below $30, and has resulted in ClearStream management anticipating that this low price environment will be lower for longer. As a result, further cost savings measures are being put into place that will help mitigate the decline in customer activity levels forecasted for the Western Canadian Sedimentary basin in which the company operates. ClearStream's maintenance-heavy platform is more resilient to the downturn, however continued customer maintenance delays and deferrals combined with client pressure for additional price concessions are expected to continue well into the first half of 2016. ClearStream is working diligently with its customers to ensure business is retained, operated safely, and new ways to provide services are delivered more cost effectively. ClearStream and all oilfield services companies in North America are facing a difficult operating environment. Management is focussed on delivering a more efficient leaner organization that retains and gains a greater portion of market compared to competitors.

RISK FACTORS

An investment in shares of Tuckamore involves a number of risks. In addition to the other information contained in this MD&A and Tuckamore's other publicly filed disclosure documents, investors should give careful consideration to the following factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this MD&A. Any of the matters highlighted in these risk factors could have a material adverse effect on Tuckamore's results of operations, business prospects or financial condition.

Tuckamore's financial results are impacted by the performance of each of its Operating Partnerships, and, subsequent to March 23, 2016, ClearStream as the Company's primary asset, and its

Please refer to the AIF dated March 28, 2016 for a discussion of Risk Factors particular to the Operating Partnerships, and, subsequent to March 28, 2016, ClearStream as the Company's primary asset, and its direct and indirect subsidiaries, and Tuckamore.

Risks Relating to the Company and ClearStream

Refinancing Transactions May Not Improve the Company's Financial Condition

The Refinancing Transactions may not improve the Company's liquidity and operating flexibility or allow it to continue operating its business in the normal course. Deterioration in the Company's consolidated revenues and relationships with suppliers, or the inability of the Company to successfully manage costs, liquidity and results of operations, or the impact of external factors beyond the control of the Company such as further deterioration in general economic conditions (including commodity prices such as oil and natural gas), may have a material adverse effect on the Company and may result in the Company not being able to pay its debts as they become due. While the Company had positive cash flows from operations for the financial year ended December 31, 2015, there can be no assurance that the Company will be able to maintain positive cash flow from operations in subsequent financial periods.

There are no assurances that the Company will be able to achieve or maintain compliance with the terms, conditions and covenants contained in the Convertible Secured Indenture, Senior Secured Indenture, and the New ABL Facility and any such non-compliance could lead to defaults thereunder which could materially adversely affect the Company's financial condition, liquidity and results of operations. A failure to comply with the obligations in the Convertible Secured Indenture, Senior Secured Indenture, and/or the New ABL Facility could result in an event of default that, if not cured or waived, could permit acceleration of the Company's obligations thereunder. If the indebtedness under the Convertible Secured Indenture, Senior Secured Indenture, and/or the New ABL Facility were to be accelerated, there can be no assurance that the assets would be sufficient to repay in full that indebtedness.

The degree to which the Company is leveraged could have important consequences to shareholders, including the following: (i) the ability to obtain additional financing for working capital, capital expenditures or acquisitions; (ii) a material portion of cash flow from operations may need to be dedicated to payment of the principal of and interest on indebtedness, thereby reducing funds available for future operations; (iii) the Company may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. The ability to make scheduled payments of principal and interest on, or to refinance, its indebtedness will depend on its future operating performance and cash flows, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The Refinancing Transactions Could Result in a Change of Control of the Company

In connection with the Refinancing Transactions, the Company issued a significant number of Convertible Secured Debentures to Canso, in its capacity as portfolio manager for and on behalf of certain accounts that it manages. In addition, the Company may be required to issue additional Convertible Secured Debentures to Canso, in its capacity as portfolio manager for and on behalf of certain accounts that it manages, as PIK Debentures. Assuming that: (a) all interest on the Convertible Secured Debentures is paid as PIK Debentures over the term of the Convertible Secured Debentures to maturity; (b) no Convertible Secured Debentures are redeemed; (c) all Convertible Secured Debentures are converted immediately prior to maturity; and (d) there is no adjustment to the conversion price of the Convertible Secured Debentures, a maximum of **260,273,493** common shares of the Company may be issued to Canso, in its capacity as portfolio manager for and on behalf of certain accounts that it manages (to the extent permitted under securities legislation), or any transferee of Canso's holdings, upon

conversion of the Convertible Secured Debentures that were issued pursuant to the Refinancing Transactions. Canso, to the extent permitted under securities legislation, or any transferee of Canso's holdings, will be in a position to unilaterally elect a majority of the directors of the Company should it choose to do so.

Volatility of Industry Conditions Relating to ClearStream

The demand, pricing and terms for oilfield services largely depend upon the level of oil and gas industry activity. Industry conditions are influenced by numerous factors over which ClearStream will have no control, including: the level of oil and gas prices; expectations about future oil and gas prices; the cost of exploring for, producing and delivering oil and gas; the expected rates of declining current production; the discovery rates of new oil and gas reserves; available pipeline and other oil and gas transportation capacity; worldwide weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and gas companies to raise equity capital or debt financing.

The level of activity in the oil and gas exploration and production industry is volatile. No assurance can be given that expected trends in oil and gas production activities will continue or that demand for oilfield services will reflect the level of activity in the industry. Crude oil and natural gas prices have decreased significantly in recent months and are expected to remain volatile for the near future as a result of market uncertainties over the supply and demand of these commodities due to concerns of oversupply, the current state of the world economics, actions taken by the Organization of the Petroleum Exporting Countries, and the ongoing credit and liquidity concerns. Any prolonged substantial reduction in oil and natural gas prices would likely adversely affect oil and gas production levels and therefore adversely affect the demand for services to oil and gas customers. A material decline or sustained depression in oil or gas prices or industry activity could have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows. The business and activities of ClearStream are directly affected by fluctuations in levels of exploration, development and production activity carried on by its customers.

In addition, demand for the services provided by ClearStream is directly impacted by the prices that ClearStream's customers receive for the crude oil and natural gas they produce and the prices received have a direct correlation to the cash flow available to invest in transportation, equipment rental and other oilfield services provided by ClearStream. The markets for oil and natural gas are separate and distinct. Oil is a global commodity with a vast distribution network. As natural gas is most economically transported in its gaseous state via pipeline, its market is dependent on pipeline infrastructure and is subject to regional supply and demand factors. However, recent developments in the transportation of liquefied natural gas ("LNG") in ocean going tanker ships have introduced an element of globalization to the natural gas market. Crude oil and natural gas prices are quite volatile, which accounts for much of the cyclical nature of the oilfield services business. World crude oil prices and North American natural gas prices, including LNG, are not subject to control by ClearStream.

Dependence on ClearStream

The Company is a holding company that is entirely dependent on the operations and assets of ClearStream. The ability of the Company to make payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing its material indebtedness (including the New ABL Facility and pursuant to the Convertible Secured Debentures and the Senior Secured Debentures).

Failure to Realize Anticipated Benefits of Investments Made

The Company and its Operating Partnership may partner with additional entrepreneurs in the future. The ability to identify new partnership opportunities and to acquire an ownership interest in new partnerships at attractive prices

is not guaranteed. Achieving the benefits of future acquisitions will depend in part on successfully consolidating functions and integrating operations, procedures and personnel of all of the partnerships in a timely and efficient manner. The integration of these future acquisitions will require the dedication of management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of ongoing business and customer and employee relationships that may adversely affect the Company or an Operating Partnership's ability to achieve the anticipated benefits of future acquisitions.

Condition of Capital Markets

While the Company has successfully restructured its balance sheet, the majority of cash flow, and all asset sale proceeds, if any, is anticipated to be used to pay down debt for the foreseeable future.

Dependence on Key Personnel

The success of the Company and of the Operating Partnership depends on their respective senior management teams and other key employees, including their ability to retain and attract skilled management and employees. The loss of the services of key personnel could have a material adverse effect on the business, financial condition, results of operations or future prospects of the Company and its Operating Partnership. In addition, growth plans may require additional employees, increase the demand on Management and produce risks in both productivity and retention levels. The Company and its Operating Partnership may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that the Company will be able to effectively manage its future business plan, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

General Economic Factors

The Company's business and the business of the Operating Partnership are subject to changes in general economic conditions including but not limited to, recessionary or inflationary trends, equity market levels, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence.

Customer Contracts

The business operations of ClearStream depend on its ability to perform under the agreements with its customers and the ability to attract new business. The key factors, which determine whether a client continues to use ClearStream are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety performance and competitive pricing. Although Clearstream's key customer relationships are measured in decades, there can be no assurance that ClearStream's relationship with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

Customer Concentration

Large contracts often create a situation where a significant portion of ClearStream's main revenue and accounts receivables may be from a small number of customers increasing the risks of economic dependence and concentration of credit. ClearStream is economically dependent upon its top three clients who made up approximately 54.7% of Tuckamore's revenues for 2015.

LABOUR

The success of the Company depends on the ability of ClearStream to maintain its respective productivity and profitability. The productivity and profitability of ClearStream may be limited by its ability to employ, train and retain the skilled personnel necessary to meet its requirements. ClearStream cannot be certain that it will be able to maintain the adequate skilled labour force necessary to operate efficiently and to support its growth strategy. As well, ClearStream cannot be certain that its labour expenses will not increase as a result of shortage in the supply of these skilled personnel. Labour shortages or increased labour costs could impair the ability of ClearStream to maintain or grow its business.

27% of ClearStream's hourly employees, workers in both ClearWater Fabrication and ClearWater Energy Service, are subject to collective agreements to which it is a party or is otherwise subject. Any work stoppage resulting from a strike or lockout could have a material adverse effect on the Company's business, financial condition and results of operations, including increased labour costs and service disruptions. In addition, ClearStream's clients employ workers under collective agreements. Any work stoppage or labour disruption experienced by ClearStream's key clients could significantly reduce the amount of its services that they need.

REGULATION

The Company and ClearStream are subject to a variety of federal, provincial and local laws, regulations, and guidelines and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Company and ClearStream. Although such expenditures historically have not been material, such laws and regulations are subject to change. Accordingly, it is impossible for the Company or ClearStream to predict the cost or impact of such laws and regulations on their respective future operations.

COMPETITION

The businesses in which ClearStream operates are highly competitive. It often competes with companies that are much larger and have greater resources than ClearStream. There can be no assurance that the Company and ClearStream will be able to successfully compete against their respective competitors or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows.

SEASONALITY

In Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. Spring break-up during the second quarter leaves many secondary roads temporarily incapable of supporting the weight of heavy equipment, which results in severe restrictions in the level of oilfield services. The duration of this period will have a direct impact on the level of ClearStream's activities. Spring break-up occurs earlier in the year in south-eastern Alberta than it does in northern Alberta. The timing and duration of spring break-up is dependent on weather patterns but it generally occurs in April and May. Additionally, if an unseasonably warm winter prevents sufficient freezing, ClearStream may not be able to access well sites and its operating results and financial condition may therefore be adversely affected. The demand for oilfield services may also be affected by the severity of the Canadian winters. In addition, during excessively rainy periods, equipment moves may be delayed, thereby adversely affecting revenues. The volatility in the weather and temperature can therefore create unpredictability in activity and utilization rates, which can have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

Sources, Pricing and Availability of Equipment and Equipment Parts

ClearStream sources its equipment and equipment parts from a variety of suppliers. Should any suppliers of ClearStream be unable to provide the necessary equipment or parts or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of services or in the time required to find new suppliers could have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

Project Risk

A portion of ClearStream's revenues is derived from stand-alone construction projects under a "lump sum" contracting strategy. Although these projects provide opportunities for increased revenue and profit contributions they can occasionally result in significant losses. Although "lump sum" projects do not represent a high percentage of the work ClearStream performs, ClearStream may experience periods of irregular or reduced revenues. The recording of the results of these project contracts can distort revenues and earnings on both a quarterly and an annual basis and can, in some cases, make it difficult to compare the financial results between reporting periods.

Environmental

The operations of ClearStream are, and will continue to be, affected in varying degrees by federal and provincial statutes and regulations regarding the protection of the environment. Changes to existing statutes or regulations could have a negative impact on development projects in the oil sands. Furthermore, under existing legislation, all capital projects in the oil sands are subject to regulatory approval. Planned capital projects that have not yet obtained regulatory approval will require such approvals in order to proceed.

No assurance can be given that future environmental approvals, laws or regulations will not adversely impact the ability of ClearStream's customers to develop and operate in the oil sands.

Unexpected Adjustments and Cancellations in Backlog

ClearStream may not be able to convert its backlog into revenue and cannot guarantee that the revenues projected in its backlog will be realized or, if realized, will result in profits. This is a fundamental condition of the energy services industry. Projects may remain in its backlog for an extended period of time. ClearStream includes in its backlog binding and non-binding letters of intent, work orders and cost reimbursable contracts, which may be different than the items other issuers include in backlog. In addition, as many of ClearStream's clients have the right to terminate their contracts on short notice, project cancellations or scope adjustments may occur, from time to time, with respect to contracts reflected in its backlog and with respect to backlog evidenced by a non-binding letter of intent, the formal contract respecting same may never be finalized, resulting in such engagement being terminated. Backlog reductions can adversely affect the revenue and profit ClearStream actually receives from projects reflected in its backlog. Future project cancellations and scope adjustments could further reduce the dollar amount of the Company's backlog and the revenues and profits that ClearStream actually receives. Additionally, in the event of a project cancellation, the Company may be reimbursed for certain costs, but typically has no contractual rights to the total revenue that was expected to be derived from such project.

Price and Availability of Alternative Fuels

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. ClearStream cannot predict the impact of changing demand for oil and gas products, and any major changes may have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

POTENTIAL UNKNOWN LIABILITIES

In connection with the prior formation of ClearStream (or future operating partnerships acquired by the Company), there may be unknown liabilities directly or indirectly assumed by the Company through its interests in such operating partnerships for which the Company or its direct and indirect subsidiaries may not be indemnified by the prior owner. The discovery of any material liabilities could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Company.

AVAILABILITY OF FUTURE FINANCING

As of the date hereof, the Company's principal source of funds is cash generated from ClearStream. The Company however, may require additional equity or debt financing to meet its financing requirements. There can be no assurance that this financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to the Company, in which event the financial condition of the Company may be materially adversely affected.

POTENTIAL FUTURE DEVELOPMENTS

Management of the Company, in the ordinary course of business, regularly explores potential strategic opportunities and transactions. The public announcement of any of these or similar strategic opportunities or transactions might have a significant effect on the price of the Company's securities. The Company's practice is not to publicly disclose the pursuit of a potential strategic opportunity or transaction unless and until a definitive binding agreement is reached unless otherwise required by applicable law. There can be no assurance that investors who buy or sell securities of the Company are doing so at a time when the Company is not pursuing a particular strategic opportunity or transaction that when announced, would have a significant effect on the price of the Company's securities.

Risks Relating to the Company's Corporate Structure

POTENTIAL SALES OF ADDITIONAL SHARES

The Company may issue additional Shares or securities exchangeable for or convertible into shares in the future. Such additional Shares may be issued without the approval of shareholders. The shareholders will have no pre-emptive rights in connection with such additional issues. Additional issuance of Shares will result in the dilution of the interests of shareholders.

INCOME TAX MATTERS

Although the Company, Tuckamore Holdings LP and ClearStream and its subsidiaries are of the view that all expenses to be claimed by them in the determination of their respective incomes under the *Income Tax Act* (Canada) (the "Tax Act") are reasonable and deductible in accordance with the applicable provisions of the Tax Act, and that the allocation of partnership income for purposes of the Tax Act are reasonable, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the Canada Revenue Agency (the "CRA") will agree with the expenses claimed or such allocation of partnership income. If CRA successfully challenges the deductibility of such expenses or the allocation of such income, the allocation of taxable income to the Company, and taxable income of ClearStream and its subsidiaries, may change.

Elections have been made under the Tax Act such that the transactions under which Tuckamore Holdings LP acquired its interest in the Operating Partnership may be effected on a tax-deferred basis. The adjusted cost base

of any property transferred to an Operating Partnership pursuant to such agreements may be less than its fair market value, such that a gain may be realized on the future sale of the property.

The past acquisitions of the operating partnerships involved various structuring events to complete the transactions in a tax effective manner. These transactions involved interpretations of the Tax Act which could, if interpreted differently, result in additional tax liabilities.

Risks Relating to Common Shares of the Company

Unpredictability and Volatility of Common Share Price

A publicly traded holding company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the common shares of the Company will trade cannot be predicted. The market price of the common shares of the Company could be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the common shares of the Company.

Restrictions on potential growth

The use of operating cash flow to reduce debt will make additional capital and operating expenditures somewhat dependent on increased cash flow. Lack of those funds could limit the future growth of ClearStream and its cash flow.

Risks Relating to the Senior Secured Debentures and the Convertible Secured Debentures

Prior Ranking Indebtedness and Insolvency Laws

The first priority security interest on the assets of Tuckamore held by the Senior Debenture Trustee on behalf of holders of Senior Secured Debentures could mean that such assets will not be available to satisfy any obligations owing on the Convertible Secured Debentures. In addition, the security interest on the assets of Tuckamore held by the Convertible Debenture Trustee on behalf of holders of Convertible Secured Debentures does not extend to collateral securing the New ABL Facility. As a result, in the event of a liquidation of the Company and/or certain subsidiaries of the Company, it is possible that the holders of Convertible Secured Debentures would not recover the full or any amount of their investment.

In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the Company and the other obligors, and their respective property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Company or the other obligors, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Company or the other obligors, holders of Senior Secured Debentures will receive payment to the extent of their security interest in the assets of the obligors granted to them, before the holders of Convertible Secured Debentures are entitled to receive any payment or distribution of any kind or character.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the Winding-up and Restructuring Act, and various provincial corporate statutes (collectively, "Canadian Insolvency and Restructuring Laws"), the Convertible Debenture

Trustee's rights and ability to repossess its security from any obligor may be significantly impaired or delayed. Moreover, Canadian Insolvency and Restructuring Laws may permit the obligors to continue to retain and to use their assets, and the proceeds, products, rents, or profits of their assets, even though the obligors are in default under the Indentures or the New Debentures. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is impossible to predict how long payments under the New Debentures could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws or whether or when the Trustees would be able to repossess or dispose of the assets over which it holds a security interest. The powers of the court under Canadian Insolvency and Restructuring Laws are exercised broadly to protect a debtor and its estate from actions taken by creditors and others.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor or obligors to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including potentially all holders of the New Debentures. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to holders of the New Debentures or the Trustees.

PAYMENT OF INTEREST

The Company's ability to pay principal and interest on the New Debentures when due will depend, in part, on the ability of the Refinancing Transactions to improve the Company's financial condition over the long term. In the event that the financial condition of the Company does not improve, or deteriorates following the closing of the Refinancing Transactions, the Company may not be able to pay principal and interest on the New Debentures.

COVENANT OBLIGATIONS

The Indentures and the New Debentures will impose negative and positive covenants on the Company and specified events of default. A failure to comply with the Company's obligations under the Indentures, the New ABL Facility and any other credit arrangements, as applicable, could result in a default or cross-default which would have a material adverse effect on the Company and its ability to operate as a going concern.

REDEMPTION PRIOR TO MATURITY

Except upon the occurrence of a Change of Control (as defined in the Convertible Secured Indenture), the Convertible Secured Debentures will not be redeemable on or before the fifth anniversary of the Effective Date and, thereafter, they become redeemable at the election of the Company, in whole or in part, at any time on or before the business day before their maturity sate. Holders of Convertible Secured Debentures should assume that the Company will exercise this redemption option if the Company is able to refinance at a lower interest rate or it is otherwise in the interests of the Company to redeem the Convertible Secured Debentures.

INABILITY OF THE COMPANY TO PURCHASE DEBENTURES

Upon the occurrence of a Change of Control (as defined in the Convertible Secured Indenture), the Company will be required to make an offer to purchase all of the Convertible Secured Debentures then outstanding at a price equal to 115% of the principal amount thereof, plus accrued and unpaid interest. It is possible that following a Change of Control, the Company will not have sufficient funds to make the required repurchase of Convertibles Secured Debentures or that restrictions contained in other indebtedness will restrict those purchases.

DILUTION

The Company will issue common shares of the Company in connection with any conversion of the Convertible Secured Debentures resulting in the dilution of a shareholder's current percentage ownership in the Company.

INVESTMENT ELIGIBILITY

There can be no assurance that the Convertible Secured Debentures, the PIK Debentures and the Common Shares will continue to be "qualified investments" under the Tax Act for trusts governed by RRSPs, RRIFs, TFSAs, registered education savings plans, registered disability savings plans and deferred profit sharing plans (collectively, "Registered Plans"). The Tax Act imposes penalties where trusts governed by Registered Plans acquire or hold non-qualified investments.

MARKET VALUE FLUCTUATION

Prevailing interest rates will affect the market value of the New Debentures, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the New Debentures, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

TRADING MARKET FOR THE CONVERTIBLE SECURED DEBENTURES

Although the Convertible Secured Debentures are listed on the TSX, the Company cannot be sure that an active trading market will develop for the Convertible Secured Debentures. In such case, holders of the Convertible Secured Debentures may not be able to resell their Convertible Secured Debentures at their fair market value or at all. Future trading prices of the Convertible Secured Debentures will depend on many factors, including, among other things, prevailing interest rates, the Company's operating results and the market for similar securities.

DISCLOSURE CONTROLS & PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

DISCLOSURE CONTROLS AND PROCEDURES

National Instrument 51-109, "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 51-109"), issued by the CSA requires CEOs and CFOs to certify that they are responsible for establishing and maintaining the disclosure controls and procedures for the issuer, that disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's disclosure controls and procedures, and that their conclusions about effectiveness of those disclosure controls and procedures at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

Tuckamore's management, including its CEO and CFO, have evaluated the effectiveness of Tuckamore's disclosure controls and procedures as at December 31, 2015 and have concluded that those disclosure controls and procedures were effective to ensure that information required to be disclosed by Tuckamore in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended. The CEO and CFO have certified the appropriateness of the financial disclosures in Tuckamore's filings for the year ended December 31, 2015 with securities regulators, including this MD&A and the accompanying audited consolidated financial statements and that they are responsible for the design of the disclosure controls and procedures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

NI 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting for the issuer, that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the issuer has disclosed any changes in its internal controls during its most recent year end that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

There have been no changes in internal controls over financial reporting during the year ended December 31, 2015 that have materially affected or are reasonably likely to materially affect internal controls over financial reporting.

Due to the inherent limitations common to all control systems, management acknowledges that disclosure controls and procedures and internal control over financial reporting may not prevent or detect all misstatements. Accordingly, management's evaluation of our disclosure controls and procedures and internal control over financial reporting provide reasonable, not absolute, assurance that misstatements resulting from fraud or error will be detected.

ADDITIONAL INFORMATION

Additional information relating to Tuckamore including Tuckamore's AIF is on SEDAR at www.sedar.com or on our website www.tuckamore.ca

DEFINITIONS

"AIF" – means Annual Information Form;

"Armstrong" – means Armstrong Partnership LP, a limited partnership formed under the laws of Ontario;

"BMO" – means Bank of Montreal;

"CEO" – means Chief Executive Officer of Tuckamore;

"CFO" – means Chief Financial Officer of Tuckamore;

"CICA" – means Canadian Institute of Chartered Accountants;

"ClearStream" – means ClearStream Energy Services (formerly known as "NPC Integrity Energy Services Limited Partnership"), a limited partnership formed under the laws of Alberta;

"Debentures" – means collectively the Secured and Unsecured Debentures of Tuckamore, due March 23, 2016 and March 23, 2014;

"GAAP" – means, at any time, Canadian generally accepted accounting principles, including those set out in the Handbook of the CICA, applied on a consistent basis;

"Gemma" – means Gemma Communications LP, a limited partnership formed under the laws of Ontario;

"Gusgo" – means Gusgo Transport LP, a limited partnership formed under the laws of Ontario;

"IC Group" – means IC Group LP, a limited partnership formed under the laws of Ontario;

"IFRS" – means International Financial Reporting Standards;

"Lenders" – means the various persons from time to time acting as lenders under the Senior Credit Agreement;

"MD&A" – means Management's Discussion and Analysis;

"Marret" – means Marret Asset Management;

"Operating Partnerships" – means businesses in which Tuckamore holds an ownership interest;

"Quantum Murray" – means Quantum Murray LP (formerly Murray Demolition LP) a limited partnership formed under the laws of Ontario;

"Rlogistics" – means Rlogistics LP, a limited partnership formed under the laws of Ontario;

"Secured Debentures" – means the Secured Debentures of Tuckamore, due March 23, 2016.

"Titan" – means Titan Supply LP, a limited partnership formed under the laws of Alberta;

"TH"- means Tuckamore Holdings LP;

"TSX" – means Toronto Stock Exchange; and

"Tuckamore" – means Tuckamore Capital Management Inc.