Performance Data

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016 (Restated)	Change	**2017**	2016 (Restated)	Change
(CDN 000s, except per share data)	**($)**	($)	(%)	**($)**	($)	(%)
Revenue	**66,226**	48,827	36	**245,643**	160,446	53
Net income (loss) (1)	**5,014**	(10,446)	—	**25,190**	(41,792)	—
Per share – basic (1)	**0.06**	(0.12)	—	**0.30**	(0.49)	—
Per share – diluted (1)	**0.06**	(0.12)	—	**0.30**	(0.49)	—
EBITDA (2)	**26,651**	(2,291)	—	**96,663**	3,472	—
As a % of revenue	**40.2**	(4.7)	—	**39.4**	2.2	—
Adjusted EBITDA (2)	**27,797**	15,225	83	**98,224**	31,005	217
As a % of revenue	**42.0**	31.2	—	**40.0**	19.3	—
Funds flow from operations	**27,356**	15,324	79	**87,121**	26,815	225
Per share – basic	**0.32**	0.18	77	**1.03**	0.32	222
Per share – diluted	**0.32**	0.18	77	**1.02**	0.32	222
Cash from operating activities	**16,637**	665	—	**85,797**	19,642	337
Free cash flow (2)	**6,690**	(153)	—	**65,831**	5,931	1,010
Capital expenditures	**9,160**	(30)	—	**20,764**	12,856	62
Working capital	**193,692**	198,419	(2)	**193,692**	198,419	(2)
Total assets	**398,446**	435,251	(8)	**398,446**	435,251	(8)
Total long-term debt	**—**	—	—	**—**	—	—
Cash dividends declared	**0.17**	0.17	—	**0.68**	0.68	—
Shares outstanding end of period (#)	**85,158**	84,628	1	**85,158**	84,628	1

(1) As disclosed in Note 2 to the consolidated financial statements, the Company identified an immaterial non-cash re-classification error with respect to a component of its deferred income tax expense associated with accounting for the deferred tax on its net investment in foreign operations related to an inter-company financing. The reclassification is between the deferred tax provision in the statement of operations and foreign currency translation reserve in equity. This adjustment has been corrected on a retrospective basis with all prior period comparative figures being restated. Management is reviewing tax planning strategies to address this taxable gain and is confident that the Company can mitigate taxes owing when the inter-company financing expires. The Company believes that the impact is not material to its results of operations, financial position or cash flows.

(2) Non-IFRS financial measures are defined in the Management's Discussion and Analysis section.

Q4 2017 vs Q4 2016

The Company generated consolidated revenue of $66.2 million in the fourth quarter of 2017, up 36% from $48.8 million in the same period of 2016. An increase in the price of oil continues to support optimism within the petroleum industry and this combined with other macro-economic factors has led to increased drilling activity in most of the Company's major markets. US drilling activity in the fourth quarter of 2017 was up 59% from 2016 levels while Canadian activity was up 12%. An increase in US market share combined with increased activity in key International markets also contributed to the increase in revenue. Fourth quarter revenue was negatively impacted by a stronger Canadian dollar relative to the US dollar.

Consolidated Adjusted EBITDA was $27.8 million in the fourth quarter of 2017, an 83% increase from the same period of 2016 driven by stronger gross profit in each of the Company's three segments. Consolidated EBITDA increased by $28.9 million from the fourth quarter of 2016. 2016 EBITDA included a non-cash impairment charge of $17.5 million, the majority of which related to the write-off of intangible assets as a result of the Company's divestiture of the operating assets of 3PS, Inc., a previous wholly-owned subsidiary. Funds flow from operations increased by 79%.

The Company recorded net income of $5.0 million ($0.06 per share) in the fourth quarter of 2017, an increase of $15.4 million from the net loss of $10.4 million ($0.12 per share) recorded in the same period of 2016. The Company is benefiting from the cost reduction programs previously implemented, and this combined with a decline in depreciation expense from 2016 levels, are having a positive effect on operating results.

Included in the 2017 fourth quarter results is an increase in the Company's tax provision of $3.3 million as a result of recording the impact of the change in the Company's transfer pricing methodology, which is further described in Note 12 to the Consolidated Financial Statements. Management believes this change in methodology provides a long-term benefit to the the Company. The fourth quarter 2016 results include the impairment charge referred to above.

President's Message

Pason achieved robust fourth quarter results. We generated revenue of $66.2 million in the period, an increase of 36% from the prior year quarter and 3% from the third quarter. The main drivers of revenue growth were increased drilling activity in the North American land market and market share gains in the United States. As in the second quarter, revenue growth was again negatively impacted by a stronger Canadian dollar relative to the US dollar. Revenue from the International business unit was up 14% year over year, driven by activity improvements in Australia and the Andean region.

Adjusted EBITDA was $27.8 million for the quarter, an increase of 83% from the prior year quarter and 6% from the third quarter. Adjusted EBITDA as a percentage of revenue increased to 42%. The drivers of this improvement were the significant increase in revenue with high incremental margins and cost reduction programs that were executed during the downturn.

Pason recorded net income of $5.0 million ($0.06 per share) compared to a net loss of $10.4 million ($0.12 per share) in the prior year quarter. Free cash flow for the quarter was $6.7 million.

Full-year 2017 results include revenue of $245.6 million, up 53% from 2016, adjusted EBITDA of $98.2 million, up from $31.0 million in 2016, and net income of $25.2 million, compared to a net loss of $41.8 million in 2016. The incremental EBITDA margin on revenue growth in 2017, compared to 2016, was 79%. At December 31, 2017, our working capital position stood at $193.7 million, including cash of $154.1 million. There is no debt on our balance sheet. We are maintaining our quarterly dividend at $0.17 share.

Over the past three years of unprecedented market downturn, we have restructured all relevant parts of the company resulting in a leaner and more agile Pason. At the same time, we have continued to invest significant resources in R&D and IT. Our development efforts are focused on strengthening our position as a key enabler of big data analytics strategies and of drilling optimization and automation efforts pursued by our customers. In addition, we continuously enhance the functionality and performance of existing products.

Many of our products directly improve the efficiency, effectiveness and safety of drilling operations and wellbore quality. Examples of this include our PVT Smart Alarms, AutoDrillers, abbl Directional Advisor™ and the deployment of the advanced Exxon Drilling Advisory System™. We are building on our acquisition of Verdazo Analytics to provide customers with a holistic platform to analyze drilling, completions, production, financial and operational data. The deployment of an enhanced Pason Live web service to our cloud-based offering benefits office-based users of Pason data.

In response to the evolving needs of our customers, we increased our investment in R&D and IT by 10% in 2017 compared to 2016, with further growth planned in 2018. Our capital expenditures will be relatively modest going forward with a larger portion of development efforts focused on software and analytics. We intend to spend about $25 million in capital expenditures in 2018. Our highly capable and flexible IT and communications platform can host additional new Pason and third-party software at the rig site and in the cloud.

Led by a strong global economy, growth in demand for oil is projected to continue in 2018. On the supply side, the extension of the OPEC and Russia-led production cuts is translating into significant inventory draws. In the United States, 2018 shale oil production is set for another year of strong growth, as the positive oil market sentiment is likely to increase both investment appetite and availability of financing. US E&P spend is predicted to grow 15 to 20% in 2018, while the international market is expected to grow for the first time in four years, with a projected 5% increase in E&P spend.

As we enter 2018, there is enthusiasm throughout our organization. Our level of confidence in the successful commercialization of new products and services steadily grows as the number of successful technical and commercial trials increases. Pason's market positions are very strong. We are the service provider of choice for many leading operators and drilling contractors with Pason equipment installed on almost 1,000 drilling rigs, or over 65% of all active land drilling rigs in the Western Hemisphere. We are uniquely positioned to participate in the industry's growth.

Marcel Kessler
President and Chief Executive Officer
February 27, 2018

Management’s Discussion and Analysis

The following discussion and analysis has been prepared by management as of February 27, 2018, and is a review of the financial condition and results of operations of Pason Systems Inc. (Pason or the Company) based on International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements and accompanying notes.

Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

All financial measures presented in this report are expressed in Canadian dollars unless otherwise indicated.

Additional IFRS Measures

In its audited consolidated financial statements, the Corporation uses certain additional IFRS measures. Management believes these measures provide useful supplemental information to readers.

Funds flow from operations

Management believes that funds flow from operations, as reported in the Consolidated Statements of Cash Flows, is a useful additional measure as it represents the cash generated during the period, regardless of the timing of collection of receivables and payment of payables. Funds flow from operations represents the cash flow from continuing operations, excluding non-cash items. Funds flow from operations is defined as net income adjusted for depreciation and amortization expense, stock-based compensation expense, deferred taxes, and other non-cash items impacting operations.

Cash from operating activities

Cash from operating activities is defined as funds flow from operations adjusted for changes in working capital items.

Non-IFRS Financial Measures

These definitions are not recognized measures under IFRS, and accordingly, may not be comparable to measures used by other companies. These Non-IFRS measures provide readers with additional information regarding the Company's ability to generate funds to finance its operations, fund its research and development and capital expenditure program, and pay dividends.

Revenue per EDR Day

Revenue per EDR day is defined as the daily revenue generated from all products that the Company has on rent on a drilling rig that has the Company’s base EDR installed. This metric provides a key measure on the Company’s ability to increase production adoption and evaluate product pricing.

EBITDA

EBITDA is defined as net income before interest expense, income taxes, stock-based compensation expense, depreciation and amortization expense, and gains on disposal of investments.

Adjusted EBITDA

Adjusted EBITDA is defined as EBITDA, adjusted for foreign exchange, impairment of property, plant, and equipment, restructuring costs, and other items which the Company does not consider to be in the normal course of continuing operations.

Management believes that EBITDA and Adjusted EBITDA are useful supplemental measures as they provide an indication of the results generated by the Company's principal business activities prior to the consideration of how these results are taxed in multiple jurisdictions, how the results are impacted by foreign exchange or how the results are impacted by the Company's accounting policies for equity-based compensation plans.

Free cash flow

Free cash flow is defined as cash from operating activities plus proceeds on disposal of property, plant, and equipment, less capital expenditures (including changes to non-cash working capital associated with capital expenditures), and deferred development costs. This metric provides a key measure on the Company's ability to generate cash from it's principal business activities after funding the capital expenditure program, and provides an indication of the amount of cash available to finance, among other items, the Company's dividend and other investment opportunities.

Overall Performance

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	Change	**2017**	2016	Change
(000s)	**($)**	($)	(%)	**($)**	($)	(%)
Revenue						
Electronic Drilling Recorder	**27,876**	19,982	40	**110,226**	66,799	65
Pit Volume Totalizer/ePVT	**11,862**	8,001	48	**37,555**	22,833	64
Communications	**6,820**	4,840	41	**25,234**	15,228	66
Software	**5,660**	3,517	61	**20,906**	11,104	88
AutoDriller	**3,556**	2,815	26	**14,244**	9,357	52
Gas Analyzer	**5,149**	3,803	35	**18,376**	12,084	52
Other	**5,303**	5,869	(10)	**19,102**	23,041	(17)
Total revenue	**66,226**	48,827	36	**245,643**	160,446	53

Electronic Drilling Recorder (EDR), Pit Volume Totalizer (PVT), and Enhanced Pit Volume Totalizer (ePVT) rental day performance for Canada and the United States is reported below:

Canada

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	Change	**2017**	2016	Change
			(%)			(%)
EDR rental days (#)	**15,900**	14,600	9	**65,800**	44,500	48
PVT/ePVT rental days (#)	**14,600**	13,300	10	**60,600**	40,900	48

United States

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	Change	**2017**	2016	Change
			(%)			(%)
EDR rental days (#)	**50,800**	30,100	69	**179,300**	97,500	84
PVT/ePVT rental days (#)	**38,700**	24,000	61	**139,600**	75,500	85

The Pason EDR remains the Company's primary product. The EDR provides a complete system of drilling data acquisition, data networking, and drilling management tools and reports at both the wellsite and customer offices. The EDR is the base product from which all other wellsite instrumentation products are linked. By linking these products, a number of otherwise redundant elements such as data processing, display, storage, and networking are eliminated. This ensures greater reliability and a more robust system of instrumentation for the customer.

Total revenue increased 36% and 53% for the three and twelve months ending December 31, 2017, over the same period in 2016. This increase is attributable to an increase in drilling activity in the Company's Canadian, and US markets. The 2017 revenue results were negatively impacted from a stronger Canadian dollar relative to the US dollar.

Industry activity in the US market increased 59% in the fourth quarter of 2017 compared to the corresponding period in 2016 (76% on a year-to-date basis), while fourth quarter Canadian rig activity increased 12% (59% on a year-to-date basis). Canadian EDR days, which includes some non-oil and gas-related activity, increased 9% in the fourth quarter of 2017 from 2016 levels (48% on a year-to-date basis), while US EDR days increased by 69% from the fourth quarter of 2016 (84% on a year-to-date basis).

For the fourth quarter of 2017 the Pason EDR was installed on 61% of the land rigs in the US compared to 58% in the corresponding period in 2016. On full-year basis, the EDR was installed on 57% of the land rigs in the US compared to 55% during the same time period in 2016.

For the three months ended December 31, 2017, the Pason EDR was installed on 85% of the land rigs in the Canadian market; for the same time period in 2016 the EDR was installed on 88%. For the twelve months ending December 31, 2017 the EDR was installed on 88% of all Canadian rigs, compared to 95% in 2016. For the purposes of market share, the Company uses the number of EDR days billed and oil and gas drilling days as reported by accepted industry sources.

The percentage increase in revenue generated from the Company's other wellsite instrumentation products was similar to the increase in drilling activity. The notable exceptions were:

- increased product adoption of EDR peripherals, including workstations and Rig Display
- continued customer growth in the Company's software solutions which enhance drilling performance and increase efficiency at the wellsite

Included in the Software category is revenue from the Company's data analytics subsidiary, Verdazo.

The decrease in Other revenue is a result of the sale of the net operating assets of 3PS, Inc. (3PS) effective January 1, 2017.

For the fourth quarter of 2017, the Company saw an increase in activity in Australia and all of its key South American markets.

Discussion of Operations

United States Operations

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	Change	**2017**	2016	Change
(000s)	**($)**	($)	(%)	**($)**	($)	(%)
Revenue						
Electronic Drilling Recorder	**18,813**	12,057	56	**74,795**	40,168	86
Pit Volume Totalizer/ePVT	**8,799**	5,235	68	**25,331**	13,487	88
Communications	**3,627**	2,345	55	**13,053**	6,893	89
Software	**3,556**	2,367	50	**12,623**	7,291	73
AutoDriller	**1,940**	1,194	62	**7,221**	3,731	94
Gas Analyzer	**2,813**	1,871	50	**9,381**	5,974	57
Other	**2,598**	3,563	(27)	**9,581**	13,423	(29)
Total revenue	**42,146**	28,632	47	**151,985**	90,967	67
Rental services and local administration	**16,519**	14,324	15	**64,161**	52,971	21
Depreciation and amortization	**3,981**	5,651	(30)	**17,303**	23,130	(25)
Segment gross profit	**21,646**	8,657	150	**70,521**	14,866	374

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Revenue per EDR day - USD	**645**	667	**648**	643
Revenue per EDR day - CAD	**820**	890	**841**	852

US land-based drilling activity in 2017 was significantly higher than 2016 activity. US segment revenue increased by 47% in the fourth quarter of 2017 over the 2016 comparable period (54% increase when measured in USD). For the year, US segment revenue increased by 67% over the 2016 comparable period (71% increase when measured in USD). Included in the prior year results was revenue (included in other revenue) from 3PS, the net operating assets of which were sold January 1, 2017. Removing 3PS revenue from the comparative figures, revenue increased by 56% in the fourth quarter compared to 2016 (63% increase when measured in USD.) For the year ended December 31, 2017, and removing 3PS revenue increased by 81% (86% increase when measured in USD).

The increase in industry activity accounted for the majority of the gain in revenue for both the three and twelve months periods ended December 31, 2017. Industry activity in the US market during the fourth quarter of 2017 increased by 59% from the prior year and 76% for the full year. EDR rental days increased by 69% and 84%, respectively, for the three and twelve months ended December 31, 2017 over the same time periods in 2016, resulting in an increase in market share for both periods; 350bps for the fourth quarter of 2017 and a 260bsp for the full year.

Revenue per EDR day in the fourth quarter of 2017 decreased to US$645, a decrease of US$22 over the same period in 2016. For the year, revenue per EDR day was US$648, relatively flat compared to 2016. The increase in market share in the US business unit impacted the customer mix between operators and contractors which led to a decrease in this key metric. Also impacting this metric was selective discounts provided on some of the Company's products.

The fourth quarter and twelve months ended December 31, 2017 results were negatively impacted from a stronger Canadian dollar relative to the US dollar.

Operating costs increased by 15% in the fourth quarter relative to the same period in the prior year. When measured in USD, and removing 3PS costs, operating costs increased 53%. The increase in operating cost is attributable to the increase in activity; the hiring of additional staff and higher repairs costs associated with updating capital assets that were previously idle due to the downturn in activity in prior years.

Depreciation expense for the fourth quarter and the full year of 2017 is down significantly from the corresponding periods in 2016 primarily due to the lower capital expenditure program.

Segment gross profit increased by $12.9 million in the fourth quarter of 2017 compared to the corresponding period in 2016. Segment profit of $70.5 million for the twelve months of 2017 is an increase of 374% from the same period in 2016.

Canadian Operations

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	Change	**2017**	2016	Change
(000s)	**($)**	($)	(%)	**($)**	($)	(%)
Revenue						
Electronic Drilling Recorder	**6,511**	5,481	19	**25,405**	17,198	48
Pit Volume Totalizer/ePVT	**2,438**	2,254	8	**9,903**	7,347	35
Communications	**2,867**	2,265	27	**11,080**	7,129	55
Software	**1,958**	1,060	85	**7,837**	3,534	122
AutoDriller	**1,261**	1,095	15	**5,297**	3,296	61
Gas Analyzer	**1,949**	1,604	22	**7,709**	4,865	58
Other	**761**	861	(12)	**3,300**	2,831	17
Total revenue	**17,745**	14,620	21	**70,531**	46,200	53
Rental services and local administration	**7,109**	4,570	56	**24,935**	17,706	41
Depreciation and amortization	**6,618**	3,920	69	**24,250**	24,036	1
Segment gross profit	**4,018**	6,130	(34)	**21,346**	4,458	379

	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Revenue per EDR day - CAD	**1,072**	993	**1,024**	1,030

Growth in the Canadian rig count slowed during the fourth quarter after showing significant increase during the first three quarters of 2017.

Canadian segment revenue increased by 21% for the three months ended December 31, 2017, and 53% for the year as compared to the same periods in 2016. The increase is a result of higher activity levels, off set by the run-rate effects of previously established pricing arrangements with customers and a reduction in calculated market share. Included in the software category for 2017 is revenue earned by Verdazo.

On a year-to-date basis, revenue increased by 53% while industry days increased by 59%.

EDR rental days increased 9% in the fourth quarter compared to 2016 levels and 48% for the full twelve months of 2017.

Revenue per EDR day increased $79 to $1,072 during the fourth quarter of 2017 compared to 2016. The increase is a result of product penetration gains on certain key products during the fourth quarter of 2017. Revenue per EDR day for the year ended December 31, 2017, was $1,024, relatively flat from the same period in 2016.

Operating costs increased by 56% in the fourth quarter of 2017 relative to the same period in 2016 (41% on a year-to-date basis), with repair and direct field costs increasing due to higher activity, combined with the inclusion of Verdazo operating costs in the 2017 results.

Depreciation expense increased 69% in the fourth quarter of 2017 from 2016. The increase in deprecation expense is primarily the amortization of intangibles that were recognized on the acquisition of Verdazo.

The fourth quarter 2017 gross profit of $4.0 million is a decrease of $2.0 million over the prior year period. Segment gross profit for the twelve months ended December 31, 2017, was up 379% from last year's comparatives.

International Operations

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	Change	**2017**	2016	Change
(000s)	**($)**	($)	(%)	**($)**	($)	(%)
Revenue						
Electronic Drilling Recorder	**2,552**	2,444	4	**10,026**	9,433	6
Pit Volume Totalizer/ePVT	**625**	512	22	**2,321**	1,999	16
Communications	**326**	230	42	**1,101**	1,206	(9)
Software	**146**	90	62	**446**	279	60
AutoDriller	**355**	526	(33)	**1,726**	2,330	(26)
Gas Analyzer	**387**	328	18	**1,286**	1,245	3
Other	**1,944**	1,445	35	**6,221**	6,787	(8)
Total revenue	**6,335**	5,575	14	**23,127**	23,279	(1)
Rental services and local administration	**4,681**	5,077	(8)	**17,963**	19,158	(6)
Depreciation and amortization	**1,102**	944	17	**4,128**	8,218	(50)
Segment gross profit (loss)	**552**	(446)	—	**1,036**	(4,097)	—

The international rig count was in up in all of the Company's major markets in the fourth quarter of 2017 compared to the same period in 2016.

Revenue in the International operations segment increased 14% in the fourth quarter of 2017 compared to the same period in 2016. For the year ended December 31, 2017, revenue decreased by 1%, or $0.2 million.

The gross profit in the fourth quarter of 2017 of $0.6 million is $1.0 million higher than the loss recorded in the same period in 2016. Year-to-date profit increased by $5.1 million with the Company's Australia market and the Andean region of South America contributing to the majority of the increase.

Corporate Expenses

	Three Months Ended December 31,			Years Ended December 31,		
	2017	2016	Change	**2017**	2016	Change
(000s)	**($)**	($)	(%)	**($)**	($)	(%)
Other expenses						
Research and development	**6,136**	5,233	17	**25,219**	22,848	10
Corporate services	**3,984**	4,398	(9)	**15,141**	16,758	(10)
Stock-based compensation	**2,893**	1,538	88	**11,762**	6,195	90
Other						
Foreign exchange loss (gain)	**1,459**	284	414	**1,106**	(1,943)	—
Impairment loss	**—**	17,474	—	**—**	17,474	—
Restructuring costs	**—**	—	—	**—**	10,861	—
Other	**(313)**	(242)	29	**455**	1,141	(60)
Total corporate expenses	**14,159**	28,685	(51)	**53,683**	73,334	(27)

During 2016, the Company initiated a review of its investment in 3PS, Inc. (3PS). In the fourth quarter of 2016 a final agreement was entered into for the sale of the net operating assets of 3PS, effective January 2017. As a result of this divestiture, the Company recorded a non-cash impairment loss of $17.5 million in the fourth quarter of 2016, the majority of which is attributable to the write-down of goodwill that arose as a result of the initial acquisition of 3PS.

In the first quarter of 2016, the Company initiated additional cost reduction initiatives to address the prolonged downturn in oil and gas drilling activity. As a result, the Company recorded a restructuring charge of $10.9 million, which is comprised of $6.0 million for employee termination and other staff-related costs, an onerous lease obligation charge of $3.7 million, which is calculated at the present value of the expected net cost of continuing with the lease after adjusting for anticipated sublease rentals, and the write-off of leasehold improvements and other related costs totaling $1.2 million.

Q4 2017 versus Q3 2017

Consolidated revenue was $66.2 million in the fourth quarter of 2017 compared to $64.6 million in the third quarter of 2017, an increase of $1.6 million. Drilling activity in the Company's major markets was relatively flat over the third quarter. Canadian activity was down 2% when compared to the third quarter while US activity was down 3% . The Canadian segment earned revenue of $17.7 million in the fourth quarter compared to $18.3 million in the third quarter of 2017. Revenue in the US market increased from $40.7 million in the third quarter to $42.1 in the fourth quarter of 2017. The International segment revenue increased from $5.6 million in the third quarter of 2017 to $6.3 million in the fourth quarter of 2017.

Adjusted EBITDA of $27.8 million in the fourth quarter compared to $26.2 million in the third quarter of 2017, with the increase largely attributable to an increase in the gross profit realized in the US operating segment. The Company recorded a net profit in the fourth quarter of 2017 of $5.0 million ($0.06 per share) compared to $7.4 million ($0.08 per share) in the third quarter of 2017. Included in the 2017 fourth quarter results is an increase in the Company's tax provision of $3.3 million as a result of recording the impact of the change in the Company's transfer pricing methodology, which is further described in Note 12 to the Consolidated Financial Statements. Funds flow from operations increased by $7.5 million.

Summary of Quarterly Results

Three Months Ended	Mar 31, 2016	Jun 30, 2016	Sept 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sept 30, 2017	**Dec 31, 2017**
(000s, except per share data)	($)	($)	($)	($)	($)	($)	($)	($)
Revenue	45,813	27,173	38,633	48,827	59,049	55,792	64,576	**66,226**
(Loss) income restated [1]	(13,324)	(11,472)	(6,550)	(10,446)	6,804	5,968	7,404	**5,014**
Per share – basic restated [1]	(0.16)	(0.13)	(0.07)	(0.12)	0.08	0.07	0.08	**0.06**
Per share – diluted restated [1]	(0.16)	(0.13)	(0.07)	(0.12)	0.08	0.07	0.08	**0.06**
EBITDA [2]	(353)	(2,231)	8,347	(2,291)	23,469	21,050	25,493	**26,651**
Adjusted EBITDA [2]	8,763	(1,470)	8,487	15,225	24,908	19,361	26,158	**27,797**
Funds flow from (used in) operations	3,335	(974)	9,130	15,324	21,074	18,795	19,896	**27,356**
Per share – basic	0.04	(0.01)	0.11	0.18	0.25	0.22	0.23	**0.32**
Per share – diluted	0.04	(0.01)	0.11	0.18	0.25	0.22	0.23	**0.32**
Cash from operating activities	11,331	2,993	4,653	665	29,831	24,201	15,128	**16,637**
Free cash flow [2]	4,141	(2,461)	4,404	(153)	28,511	19,628	11,002	**6,690**

(1) As disclosed in Note 2 to the consolidated financial statements, the Company identified an immaterial non-cash re-classification error with respect to a component of its deferred income tax expense associated with accounting for the deferred tax on its net investment in foreign operations related to an inter-company financing. The reclassification is between the deferred tax provision in the statement of operations and foreign currency translation reserve in equity. This adjustment has been corrected on a retrospective basis with all prior period comparative figures being restated. Management is reviewing tax planning strategies to address this taxable gain and is confident that the Company can mitigate taxes owing when the inter-company financing expires. The Company believes that the impact is not material to its results of operations, financial position or cash flows. Refer to table below on the impact of the restatement on prior period figures.

(2) Non-IFRS financial measures are defined in the Management's Discussion and Analysis section.

Restatement of Prior Period Error (refer to Note 2 to the consolidated financial statements)

Three Months Ended	Mar 31, 2016	Jun 30, 2016	Sept 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sept 30, 2017	**Dec 31, 2017**
(000s)	($)	($)	($)	($)	($)	($)	($)	($)
Previously reported (Loss) income	(10,860)	(11,319)	(7,117)	(11,325)	7,153	6,895	8,813	**5,014**
Per share – basic	(0.13)	(0.13)	(0.08)	(0.13)	0.08	0.08	0.10	**0.06**
Per share – diluted	(0.13)	(0.13)	(0.08)	(0.13)	0.08	0.08	0.10	**0.06**
Increase (decrease in tax provision)	2,464	153	(567)	(879)	349	927	1,409	—
Restated (Loss) income	(13,324)	(11,472)	(6,550)	(10,446)	6,804	5,968	7,404	**5,014**
Per share – basic	(0.16)	(0.13)	(0.07)	(0.12)	0.08	0.07	0.08	**0.06**
Per share – diluted	(0.16)	(0.13)	(0.07)	(0.12)	0.08	0.07	0.08	**0.06**

Reconcile income (loss) to EBITDA

Three Months Ended	Mar 31, 2016	Jun 30, 2016	Sept 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sept 30, 2017	**Dec 31, 2017**
(000s)	($)	($)	($)	($)	($)	($)	($)	($)
(Loss) income restated [1]	(13,324)	(11,472)	(6,550)	(10,446)	6,804	5,968	7,404	**5,014**
Add:								
Taxes restated [1]	(4,353)	(6,575)	(1,489)	(3,898)	2,145	1,082	3,760	**7,043**
Depreciation and amortization	16,362	13,578	14,929	10,515	11,973	10,823	11,184	**11,701**
Stock-based compensation	962	2,238	1,457	1,538	2,547	3,177	3,145	**2,893**
EBITDA [2]	(353)	(2,231)	8,347	(2,291)	23,469	21,050	25,493	**26,651**

Reconcile EBITDA to Adjusted EBITDA

Three Months Ended	Mar 31, 2016	Jun 30, 2016	Sept 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sept 30, 2017	**Dec 31, 2017**
(000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
EBITDA	(353)	(2,231)	8,347	(2,291)	23,469	21,050	25,493	**26,651**
Add:								
Impairment charges	—	—	—	17,474	—	—	—	**—**
Restructuring costs	10,861	—	—	—	—	—	—	**—**
Foreign exchange	(2,719)	396	96	284	223	(689)	113	**1,459**
Other	974	365	44	(242)	1,216	(1,000)	552	**(313)**
Adjusted EBITDA [2]	8,763	(1,470)	8,487	15,225	24,908	19,361	26,158	**27,797**

Reconcile cash from operating activities to free cash flow

Three Months Ended	Mar 31, 2016	Jun 30, 2016	Sept 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sept 30, 2017	**Dec 31, 2017**
(000s)	($)	($)	($)	($)	($)	($)	($)	**($)**
Cash from operating activities	11,331	2,993	4,653	665	29,831	24,201	15,128	**16,637**
Less:								
Additions to property, plant and equipment	(5,493)	(4,437)	410	(1,827)	(1,027)	(3,913)	(3,881)	**(8,749)**
Deferred development costs	(1,697)	(1,017)	(659)	1,009	(293)	(660)	(245)	**(1,198)**
Free cash flow [2]	4,141	(2,461)	4,404	(153)	28,511	19,628	11,002	**6,690**

Pason's quarterly financial results vary quarter to quarter due in part to the seasonality of the oil and gas service industry in Canada, which is somewhat offset by the less seasonal nature of US and International operations. The first quarter is generally the strongest quarter for the Company due to strong activity in Canada, where location access is best during the winter. The second quarter is typically the slowest due to spring break-up in Canada, when many areas are not accessible due to ground conditions, and, therefore, do not permit the movement of heavy equipment. Activity generally increases in the third quarter, depending on the year, as ground conditions have often improved and location access becomes available; however, a rainy summer can have a significant adverse effect on drilling activity. By the fourth quarter, often the Company's second strongest quarter, access to most areas in Canada becomes available when the ground freezes. Consequently, the performance of the Company may not be comparable quarter to consecutive quarter, but should be considered on the basis of results for the whole year, or by comparing results in a quarter with results in the same quarter for the previous year.

Liquidity and Capital Resources

As at December 31,	2017	2016	Change
(000s)	($)	($)	(%)
Cash	**154,129**	146,479	5
Working capital	**193,692**	198,419	(2)
Funds flow from operations (1)	**87,121**	26,815	225
Capital expenditures (1)	**20,764**	12,856	62
As a % of funds flow (2)	**23.8%**	47.9%	(24)

(1) For the year ended.

(2) Calculated by dividing capital expenditures by funds flow from operations.

Effective December 31, 2016, the Company purchased all of the existing and outstanding shares of Verdazo Analytics, Inc. (Verdazo). In January 2017, the Company paid $5.0 million of the cash portion owing with an additional payment of $0.8 million in December of 2017

During 2016, the Company initiated a review of its investment in 3PS, Inc. (3PS). In the fourth quarter of 2016, a final agreement was entered into for the sale of the net operating assets of 3PS, effective January 1, 2017. Cash of $8.2 million was received in 2017.

In addition, during 2017 the Company received a tax refund of $6.7 million relating to the refiling of prior years' tax returns.

Contractual Obligations

	Less than 1 year	1–3 years	Thereafter	Total
(000s)	($)	($)	($)	($)
Operating leases	14,324	8,293	4,195	26,812

Contractual obligations relate primarily to minimum future payments required primarily for telecommunication charges and operating leases for certain facilities and vehicles.

At December 31, 2017, the Company had no capital lease obligations, and other than the operating leases detailed above, has no off-balance sheet arrangements.

The Company has available a $5.0 million demand revolving credit facility. At December 31, 2017, no amount had been drawn on the facility.

Disclosure of Outstanding Share and Options Data

As at December 31, 2017, there were 85.2 million common shares and 5.5 million options issued and outstanding.

Acquisition and Divestiture

Acquisition

Effective December 31, 2016, the Company purchased all of the existing and outstanding shares of Verdazo Analytics, Inc. (Verdazo), for total consideration of $12.3 million. The consideration is comprised of cash of $6.5 million and common shares of the Company of $5.8 million.

In accordance with IFRS 3, a portion of the deferred consideration payable is not considered part of the purchase price but is accounted for as future compensation expense. This amount, which is being accrued over a three year period, totaled $4.2 million and is comprised of cash of $1.1 million and $3.1 million of common shares of the Company. As a result the acquisition cost for accounting purposes was $8.1 million.

Divestiture

During 2016, the Company initiated a review of its investment in 3PS, Inc. (3PS). In the fourth quarter of 2016 a final agreement was entered into for the sale of the net operating assets of 3PS, effective January, 2017. As a result of this divestiture, the Company recorded a non-cash impairment loss of $17.5 million in the fourth quarter of 2016, the majority of which is attributable to the write-down of goodwill that arose as a result of the initial acquisition of 3PS.

SEDAR

Additional information relating to the Company can be accessed on the Company's website at www.pason.com and on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires that certain estimates and judgments be made with respect to the reported amounts of revenue and expenses and the carrying value of assets and liabilities. These estimates are based on historical experience and management's judgments, and as a result, the estimates used by management involve uncertainty and may change as additional experience is acquired.

Depreciation and Amortization

The accounting estimate that has the greatest impact on the Company's financial statements is depreciation and amortization. Depreciation of the Company's capital assets includes estimates of useful lives. These estimates may change with experience over time so that actual results could differ significantly from these estimates.

Carrying Value of Assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Judgements and assessments are made to determine whether an event has occurred that indicates a possible impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year.

Stock-Based Payments

The fair value of stock-based payments is calculated using a Black-Scholes option pricing model. There are a number of estimates used in the calculation, such as the future forfeiture rate, expected option life, and the future price volatility of the underlying security, which can vary from actual future events. The factors applied in the calculation are management's best estimates based on historical information and future forecasts.

Income Taxes

The calculation of deferred income taxes is based on a number of assumptions, including estimating the future periods in which temporary differences, tax losses, and other tax credits will reverse. Tax interpretations, regulations, and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change. See note 2 and 12 to the Condensed Consolidated Interim Financial Statements for additional information.

The estimation of deferred tax assets and liabilities includes uncertainty with respect to the reversal of temporary differences.

Deferred tax assets are recognized for the carry-forward of unused tax losses and unused tax credits when it is probable that taxable income will be available to utilize unused tax losses and unused tax credits. This requires estimation of future taxable income and usage of tax loss carry-forwards for a considerable period into the future. Income tax expense in future periods may be affected to the extent actual taxable income is not sufficient or available to use the temporary differences giving rise to the deferred tax asset.

Risk and Uncertainties

Pason has implemented a risk management framework that helps the Company manage the reality that future events, decisions or actions may cause undesirable effects. The framework takes a value-based approach to identifying, prioritizing, communicating, mitigating and monitoring risks, and aligns this with the organization's appetite for risk considering our culture, strategy, and objectives.

Although a framework can help the Company to manage its risks, the Company's performance is subject to a variety of risks and uncertainties. Although the risks described below are the risks that we believe are material, there may also be risks of which we are currently unaware, or that we currently regard as immaterial based upon the information available to us. Interested parties should be aware that the occurrence of the events described in these risk factors could have a material adverse effect on our business, operating results, and financial condition.

Operating Risks

Pason derives the majority of its revenue from the rental of instrumentation and data services to oil and gas companies and drilling contractors in Canada, the US, Australia, and Latin America. The demand for our products is directly related to land-based or offshore drilling activity funded by energy companies' capital expenditure programs. A substantial or extended decline in energy prices or diversion of funds to large capital programs could adversely affect capital available for drilling activities, directly impacting Pason's revenue.

Commodity Prices

Prices for crude oil and natural gas fluctuate in response to a number of factors beyond Pason's control. The factors that affect prices include, but are not limited to, the following: the actions of the Organization of Petroleum Exporting Countries, world economic conditions, government regulation, political stability in the Middle East and elsewhere, the foreign supply of crude oil, the price of foreign imports, the availability of alternate fuel sources, and weather conditions. Any of these can reduce the amount of drilling activity.

Seasonality

Drilling activity in Canada is seasonal due to weather that limits access to leases in the spring and summer, making the first and last quarters of each year the peak level of demand for Pason's services due to the higher level of drilling activity. The length of the drilling season can be shortened due to warmer winter weather or rainy seasons. Pason can offset some of this risk, although not eliminate it, through continued growth in the US and internationally, where activity is less seasonal.

Proprietary Rights

Pason relies on innovative technologies and products to protect its competitive position in the market. To protect Pason's intellectual property, the company employs trademarks, patents, employment agreements, and other measures to protect trade secrets and confidentiality of information. Pason also believes that due to the rapid pace of technological change in the industry, technical expertise, knowledge, and innovative skill, combined with an ability to rapidly develop, produce, enhance, and market products, also provides protection in maintaining a competitive position.

Litigation

The Company is involved in various claims and litigation arising in the normal course of business. While the outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in Pason's favour, the Company does not currently believe that the outcome of any pending or threatened proceedings related to these or other matters, or the amounts which the Company may be required to pay by reason thereof, would individually or in the aggregate have a material adverse impact on its day-to-day business operations.

Credit Risk

Pason is exposed to credit risk to the extent that its customers, operating primarily in the oil and natural gas industry, may experience financial difficulty and be unable to meet their obligations. However, Pason has a large number of customers on both the Operator and Contractor side, which minimizes exposure to any single customer.

Availability of Qualified Personnel

Due to the specialized and technical nature of Pason's business, Pason is highly dependent on attracting and retaining qualified or key personnel. There is competition for qualified personnel in the areas where Pason operates, and there can be no assurance that qualified personnel can be attracted or retained to meet the growth needs of the business. To mitigate this risk, Pason has a Human Resources department within each significant business unit to support that function.

Alternative Energies

There continues to be extensive discussion at all levels of government worldwide and by the public concerning the burning of fossil fuels and the impact this may have on the global environment. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines, and liability, which could lead to potentially increased capital expenditures and operating costs. Implementation of strategies for reducing greenhouse gases could have a material impact on the nature of operations of the Company. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and the possible resulting requirements, it is not possible to predict either the nature of those requirements or the impact on the Company.

International Operations

Assets outside of Canada and the US may be adversely affected by changes in governmental policy, social instability, or other political or economic developments beyond the Company's control, including expropriation of property, exchange rate fluctuations, and restrictions on repatriation of cash. The Company has mitigated these risks where practical and considered warranted. Approximately 90% of the Company's revenues are generated in Canada and the US, which limits exposure to risks and uncertainties in foreign countries.

Foreign Exchange Exposure

The Company operates internationally and is primarily exposed to exchange risk relative to the US dollar. The Canadian operations are exposed to currency risk on US denominated financial assets and liabilities with fluctuations in the rate recognized as foreign exchange gains or losses in the Consolidated Statements of Operations. The Company's self-sustaining foreign subsidiaries expose the Company to exchange rate risk on the translation of their financial assets and liabilities to Canadian dollars for consolidation purposes.

Adjustments arising when translating the foreign subsidiaries into Canadian dollars are reflected in the Consolidated Statements of Operations and Other Comprehensive Income as unrealized foreign currency translation adjustments. The Company has not hedged either one of these risks.

The Company does not employ any financial instruments to manage risk or hedge its activities. The vast majority of the Company's activities are conducted in Canada and the US, where local revenue is earned against local expenses and the Company is therefore naturally hedged.

Major Customers

Pason has a large customer base on both the Operator and Contractor side and does not rely on any single customer for a significant portion of its revenue. During the year ended December 31, 2017, no single customer accounted for more than 10% of the consolidated revenues of the company. The loss of one or more customers, or a reduction in the amount of business Pason does with any of its customers, if not offset by obtaining new customers or increasing the amount of business it does with existing customers, could have a detrimental impact on Pason's revenue.

Key Personnel

Pason's success depends to a significant extent on the contributions of a number of its officers and key employees. The company does not carry "key person" insurance on any of its key employees. As such, the loss of services of one or more of these key employees could have a material adverse effect on Pason's business, operating results, or financial condition.

Dividends

The decision to pay dividends and the amount paid is at the discretion of Pason's board of directors, which regularly reviews the Company's financial position, operating results, and industry outlook. Pason's ability to pay dividends is dependent on the company's ability to generate cash flow in excess of its operating and investment needs and the company's financial position.

Taxation

Pason and its subsidiaries are subject to income and other forms of taxation in the various jurisdictions in which they operate. Pason attempts to structure its operations in a tax efficient manner in light of prevailing tax regimes. Any adverse change to existing taxation measures, policies or regulations, or the introduction of new taxation measures, policies or regulations in any of the jurisdictions in which Pason operates could have a negative impact on Pason's business, operating results or financial condition.

The management of Pason believes that the provision for income taxes is adequate and in accordance with both generally accepted accounting principles and appropriate regulations. However, the tax filing positions of the Company are subject to review and audit by tax authorities who may challenge and succeed in management's interpretation of the applicable tax legislation.

Information Security

Pason's business operations use an extensive network of communications and computer hardware and software systems. In addition, Pason's equipment captures, transmits, and stores significant quantities of drilling data on behalf of its customers. The Company takes measures to protect the security and integrity of its information systems and data, however there is a risk that these measures may not fully protect against a potential security breach, which could have a negative impact on the Company's ability to operate or its reputation with existing and potential customers.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The preparation and presentation of the Company's consolidated financial statements and the overall reasonableness of the Company's financial reporting are the responsibility of management. The Board of Directors is responsible for overseeing management's performance of its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility with the assistance of the Audit Committee of the Board of Directors.

Management's Report on Disclosure Controls and Procedures (DC&P)

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified to the President and Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Board of Directors to ensure appropriate and timely decisions are made regarding public disclosure.

An evaluation of the Company's Disclosure Controls and Procedures was conducted by management under the supervision of the CEO and the CFO. Based on this evaluation, the CEO and CFO have concluded that as at December 31, 2017, our DC&P, as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), was effective.

Management's Report on Internal Control over Financial Reporting (ICFR)

Management, under the supervision and participation of the Company's CEO and CFO, is responsible for establishing and maintaining a system of internal controls over financial reporting to provide reasonable assurance that assets are safeguarded and that reliable financial information is produced for preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles. The assessment has been based on criteria established in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

An evaluation of the Company's ICFR was conducted by management under the supervision of the CEO and the CFO. Based on this evaluation, the CEO and CFO have concluded that as at December 31, 2017, our ICFR, as defined in NI 52-109, was effective. There were no changes in our ICFR during the year ended December 31, 2017 that have materially affected, or are reasonably likely to affect, our ICFR.

Corporate Information

Directors

James D. Hill
Chairman of the Board
Pason Systems Inc.
Calgary, Alberta

James B. Howe(1)(4)(6)(7)
President
Bragg Creek Financial Consultants Ltd.
Calgary, Alberta

Marcel Kessler
President & CEO
Pason Systems Inc.
Calgary, Alberta

T. Jay Collins(2)(3)(6)
Director
Oceaneering International Inc.
Houston, Texas

Judi Hess(2)(4)(5)
CEO & Director
Copperleaf Technologies Inc.
Vancouver, British Columbia

(1) Audit Committee Chairman
(2) Audit Committee Member
(3) HR and Compensation Committee Chairman
(4) HR and Compensation Committee Member
(5) Corporate Governance and Nominations Committee Chairman
(6) Corporate Governance and Nomination Committee Member
(7) Lead Director

Officers & Key Personnel

Marcel Kessler
President
& Chief Executive Officer

Jon Faber
Chief Financial Officer

David Elliott
Vice President, Finance

Timur Kuru
Vice President, Operations – United States

Bryce McLean
Vice President, Operations – Canada

Russell Smith
Vice President, Operations – International & Offshore

Ryan Van Beurden
Vice President, Rig-site Research & Development

Lars Olesen
Vice President, Product Management

Kevin Boston
Vice President, Business Development

Kevin Lo
Vice President, New Ventures

Melinda Ando
General Counsel & Corporate Secretary

Corporate Head Office

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InvestorRelations@pason.com
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Auditors

Deloitte LLP
Calgary, Alberta

Banker

Royal Bank of Canada
Calgary, Alberta

Registrar and Transfer Agent

Computershare Trust Company of Canada
Calgary, Alberta

Stock Trading

Toronto Stock Exchange
Trading Symbol: PSI.TO

Eligible Dividend Designation

Pursuant to the Canadian Income Tax Act, dividends paid by the Company to Canadian residents are considered to be “eligible” dividends.

Annual Meeting

Shareholders are also invited to attend the Company's Annual General and Special Meeting on Thursday, May 3, 2018 at 3:30 pm at the offices of Pason Systems Inc., 6120 Third Street SE, Calgary, Alberta.

Historical Review

Selected Financial Data (Unaudited)

Years Ended December 31,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
(CDN 000s, except per share data)	**($)**	($)	($)	($)	($)	($)	($)	($)	($)	($)
Operating Results										
Revenue	**245,643**	160,446	285,148	499,272	403,088	386,514	346,158	260,397	153,823	300,484
Expenses										
Rental services	**95,912**	80,115	120,445	153,151	134,874	125,269	113,568	94,299	72,428	106,600
Corporate services	**15,141**	16,758	20,040	22,243	17,373	15,723	12,975	17,770	11,611	13,250
Research and development	**25,219**	22,848	31,733	35,427	27,252	22,467	17,366	16,472	13,140	12,888
Stock-based compensation	**11,762**	6,195	7,398	19,471	32,511	23,792	1,309	11,233	5,684	7,525
Depreciation and amortization	**45,681**	55,384	81,381	69,201	62,171	68,213	58,565	49,108	55,842	55,719
EBITDA(1)	**96,663**	3,472	71,920	251,623	136,647	151,753	171,661	110,867	46,651	144,883
As a % of revenue	**39.4**	2.2	25.2	50.4	33.9	39.3	49.6	47.1	32.0	49.5
Funds flow from operations	**87,121**	26,815	94,263	224,204	134,930	158,948	145,358	93,973	41,354	124,726
Per share – basic	**1.03**	317.85	1.13	2.71	1.64	1.94	1.78	1.15	0.51	1.53
Income (loss) (Restated)	**25,190**	(41,792)	(7,917)	114,637	25,458	39,895	86,223	36,474	(5,510)	61,321
Per share – basic (Restated)	**0.30**	(0.49)	(0.09)	1.39	0.31	0.49	1.05	0.45	(0.07)	0.75
Capital expenditures	**20,764**	12,856	50,811	121,188	70,664	71,424	78,357	50,164	21,493	56,292
Financial Position										
Total assets	**398,446**	435,251	529,625	570,066	445,876	488,378	455,901	402,082	354,273	427,016
Working capital	**193,692**	198,419	244,972	206,571	127,933	163,371	126,605	105,815	108,113	152,337
Total equity	**347,486**	386,651	489,448	483,523	366,469	368,696	367,269	309,684	308,335	354,589
Return on total equity %(2)	**7**	(9)	(3)	26	6	11	25	12	(2)	20
Common Share Data										
Common shares outstanding (#)										
At December 31	**85,158**	84,628	84,063	83,363	82,158	82,049	81,904	81,714	81,487	81,456
Weighted average	**84,821**	84,365	83,675	82,647	82,098	81,968	81,851	81,525	81,476	81,426
Share trading										
High ($)	**22.36**	20.29	23.10	35.51	23.77	18.12	16.53	14.82	14.45	18.40
Low ($)	**16.65**	14.46	16.51	20.82	15.74	12.04	11.53	10.31	8.26	8.00
Close ($)	**18.19**	19.64	19.39	21.89	22.98	17.15	12.00	13.96	11.65	14.05
Volume (#)	**24,503**	42,898	37,476	37,538	24,105	25,053	24,658	23,793	28,605	36,505
Dividends ($)	**0.68**	0.68	0.68	0.64	0.53	0.46	0.38	0.33	0.26	0.22

(1) Non-IFRS financial measures are defined in the Management's Discussion and Analysis section.
(2) Return on total equity is calculated as earnings over the simple average of the beginning and ending total equity.