LOGAN INTERNATIONAL INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2015

March 30, 2016

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Unless otherwise indicated, all dollar amounts set forth herein are expressed in U.S. dollars and all financial information set forth herein is prepared in accordance with International Financial Reporting Standards.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information and statements contained in this Annual Information Form constitute "forward-looking information" within the meaning of applicable securities laws. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "goal", "predict", "potential", "should", "believe", and similar expressions are intended to identify forward-looking information and statements, which are not historical facts. The information and statements involve known and unknown risks, uncertainties and other factors that may cause future results or events to differ materially from those anticipated in such forward-looking information and statements. Such statements and information reflect Logan International Inc.'s (the "**Company**" or "**LII**"), current views or expectations with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's future results, performance, or achievements to vary from those described in this Annual Information Form as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this Annual Information Form include, among others, statements pertaining to the following:

- Competitiveness of the Company in its principal markets;
- Business strategy;
- Expansion and growth expectations of the Company;
- Realization of the anticipated benefits of acquisitions and dispositions;
- Operating costs, general and administrative costs, costs of services and other costs and expenses;
- Treatment under government regulation and taxation regimes;
- Acquiring and/or leasing facilities in respect of operations in North America;
- Cost, timing and completion of expansion of production capacity;
- Risks associated with the companies to whom the Company extends credit;
- Volatility and activity of the oil and gas industry; and
- Future developments and investments of the Company.

Although the Company believes that the expectations with respect to such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form:

- Fluctuations in the price of and demand for oil and gas;
- Fluctuations in the level of oil and gas exploration and development activities;
- Fluctuations in the demand for the Company's products and services;
- The availability of capital for the energy industry, in general, and for the Company, in particular; including the Company's ability to replace its existing credit facility on or before its maturity in December 2016;
- General economic conditions in Canada, the United States and globally;
- Industry conditions;
- The existence of credit risk inherent within the international oil and gas services business;
- Technological changes and developments in the oil and gas industry;
- The existence of operating risks inherent in the Company's services;
- Effects of unpredictable weather conditions on operations and facilities;
- Governmental regulation of the oil and gas industry, including environmental regulation and taxation regimes;
- Fluctuations in foreign exchange rates or interest rates;
- Environmental risks;
- Failure to realize anticipated benefits of acquisitions and dispositions;
- Failure to obtain third party consents and approvals, when required;
- Stock market volatility and market valuations;

- Competition for, among other things, capital, acquisitions and the ability to attract and retain key skilled personnel;
- Delays in developing, constructing and deploying equipment, including difficulties in sourcing services, raw materials and parts at reasonable prices for such rigs and equipment;
- Political and labor unrest in countries in which the Company does business;
- Competition for and inability to retain services;
- Identifying and acquiring suitable acquisition targets on reasonable terms and successful integration of such targets when acquired;
- Failure to realize anticipated benefits of acquisitions and dispositions; and
- Other factors, many of which are beyond the control of the Company, which could impact the use of services supplied by the Company and those identified under the heading "Risk Factors" in this Annual Information Form.

With respect to the forward-looking statements contained herein, the Company has made assumptions regarding, among other things: no material disruption in operations; ability to obtain required capital to finance operations; no material changes in the current tax and regulatory environments and the ability to obtain equipment, services, supplies and personnel in a timely manner to carry out its activities. Forward-looking statements and other information contained herein concerning the oil field services industry and the Company's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change.

The forward-looking statements contained in this Annual Information Form identify additional factors that could affect the operating results and performance of the Company. Readers are cautioned that the foregoing list and as identified in "Risk Factors" is not exhaustive and that these factors and risks are difficult to predict and the assumptions used in the preparation of such information, although considered reasonably accurate at the time of preparation, may prove to be incorrect. We urge you to consider those factors. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements speak only as of the date of this Annual Information Form. The Company does not intend to nor does it assume any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, subsequent events or otherwise, except as required by law.

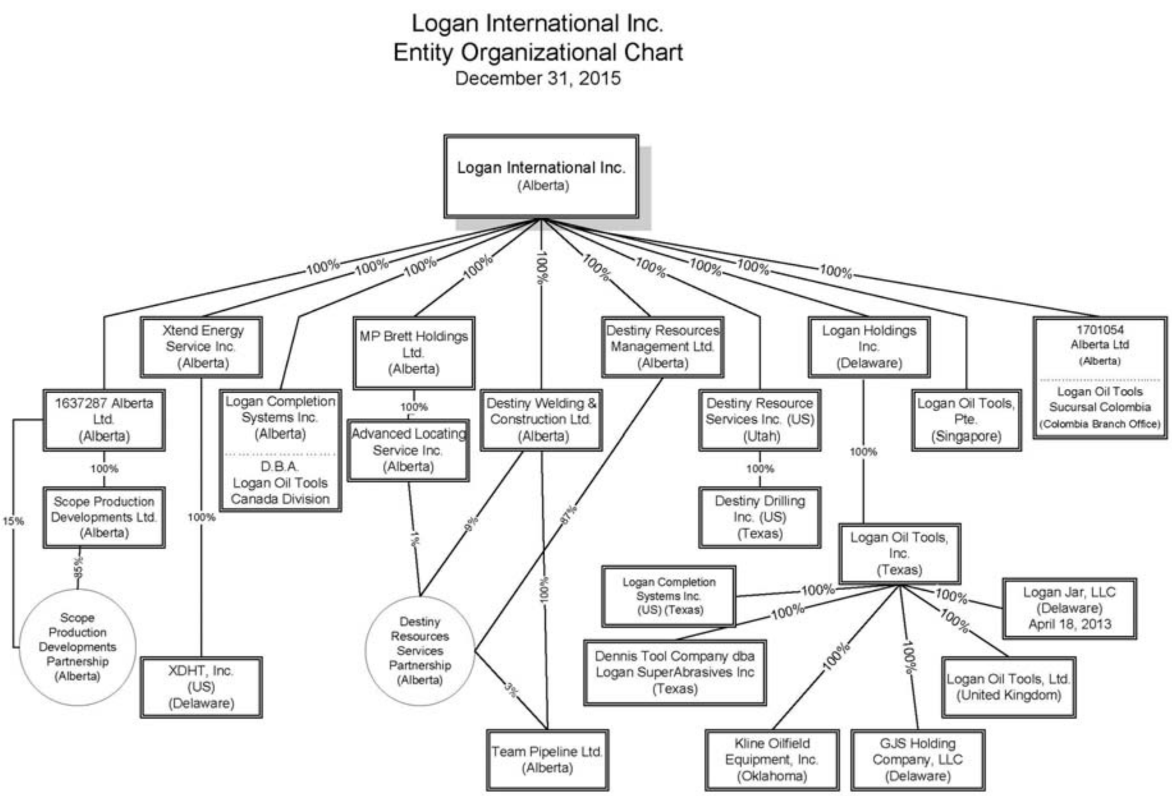
THE CORPORATION

The Company (formerly Destiny Resource Services Corp.) was incorporated under the *Business Corporations Act* (Alberta) ("**ABCA**") on April 7, 1993 as 562328 Alberta Ltd. On November 10, 1993, the Company's articles were amended to change its name to Destiny Resource Services Corp. On May 31, 1999, the Company amalgamated with its wholly-owned subsidiaries, Destiny Resources Ltd., Triple B Reclamation Ltd., Sharp Environment Ltd., and J.D. & M.E. Holdings Ltd. On June 30, 2000, it amalgamated with its wholly-owned subsidiary, Wolf Survey & Mapping Inc. Effective February 1, 2002, the Company and its wholly-owned subsidiaries, Destiny Welding & Construction Ltd. and Team Pipeline Ltd., each incorporated under the ABCA and transferred their respective businesses to Destiny Resource Services Partnership, a partnership formed under the *Partnership Act* (Alberta).

Effective March 1, 2010, the Company completed a merger (the "**Merger Transaction**") between a wholly-owned subsidiary of the Company, Destiny MergeCo. ("**Mergeco**") and Logan Holdings, Inc. ("**Logan Holdings**"). On May 13, 2010, the Company amended its articles to change its name from "Destiny Resource Services Corp." to "Logan International Inc."

The address of the Company's corporate and registered office is Suite 850, 635 – 8th Avenue S.W., Calgary, Alberta T2P 3M3. The Company is a reporting issuer in British Columbia, Alberta, Manitoba, Ontario and Quebec.

The following diagram illustrates the inter-corporate relationship between the Company and its subsidiaries as at December 31, 2015.



None of the above subsidiaries have any non-voting securities outstanding.

GENERAL DEVELOPMENT OF BUSINESS

2015

Operations Summary

The Company's operations were severely affected by a steep reduction in energy prices, which in turn, led to a drastic contraction in activity levels within the energy industry. Logan's revenue from continuing operations decreased by 47% to $77.7 million in 2015 from $147.2 million in 2014.

The decline in financial performance caused the Company to breach a covenant in its credit facility which led to an amendment to its existing credit agreement. See "2015 Amended Credit Agreement" below.

During the year, the Logan Oil Tools, Inc. ("**Logan Oil Tools**") closed its sales and distribution office in Bakersfield, California and Logan Completion Systems Inc. closed branch offices in Estevan, Grand Prairie, and Red Deer, Alberta. The Company also reduced total employment to 361 at December 31, 2015 from 672 at December 31, 2014. Finally, the board of directors authorized management to dispose of certain assets of Logan Completions Systems Inc. ("**Logan Completions**").

2015 Amended Credit Agreement

In December 2015, the Company and Logan Holdings entered into an amended and restated credit agreement with the Company's lenders (the "**2015 Amended Credit Agreement**"). Among other things, the 2015 Amended Credit Agreement reduced the commitment under the agreement to $60 million (the "**Revised Commitment**") from $115 million, replaced the interest coverage covenant with a revised interest coverage covenant calculated on an individual quarterly basis, removed the leverage and asset coverage covenants, limited capital expenditures and restricted borrowings to the lesser of the Revised Commitment and an amount determined by a borrowing base. See "Material Contracts".

Board of Director Changes

Messrs. Gerald Hage and Glen Roane did not stand for re-election as directors of the Company at the annual and special meeting of shareholders held in May 2015 and Messrs. Jamie Biluk and David MacNeill were elected as new directors of the Company at such meeting. See "Directors and Officers" for a complete list of the Company's directors as of the date of this Annual Information Form.

2014

Operations Summary

The Company's revenue declined to $170.7 million in the year ended December 31, 2014 from $194.1 million in 2013. The Company generally saw demand for its products and services soften as customers assessed the impact of lower crude oil prices. Net earnings decreased to $211 thousand in 2014 from $18.7 million in 2013. The decline was mostly attributable to an impairment loss of $10.6 million, which was related to Xtend Energy Services Inc., and, to a lesser extent, the decrease in revenue.

Acquisition of Houston Engineering line of fishing tools

In November 2014, the Company, through a subsidiary, purchased the rights to manufacture and sell the Houston Engineering line of speciality fishing tools for a cash payment of $2.46 million. The Company sells the tools through its network of Logan Oil Tools sales locations.

Amendment of 2012 Credit Agreement

In December 2014, the Company and Logan Holdings entered into an amended and restated credit agreement with the Company's lenders (the "**2014 Amended Credit Agreement**"). The 2014 Amended Credit Agreement amended certain provisions of the Company's $95 million Amended Credit Agreement (as hereinafter defined) including, among other things, expanding the commitment to $115 million, extending the maturity to December 2016, and restructuring the underlying borrowings as revolving loans.

Management Changes

In March 2014, David MacNeill was appointed the Company's Chief Operating Officer. In June 2014, Gerald Hage resigned as President and Chief Executive Officer of the Company and Mr. MacNeill was appointed his successor as President and Chief Executive Officer.

2013

Supported by robust oil prices, the Company reported record operating results in 2013. Exceptionally strong industry conditions coupled with increases in international sales of completion products contributed to the Company's performance.

Expansion of International Sales

During 2013, the Company increased its international sales of completion products, fishing and intervention tools and polycrystalline diamond compact ("**PDC**") cutters, in general, and to customers in South America, North Africa and China, in particular.

Strategic Review Process

On May 22, 2013, the Company announced that its board of directors approved a plan to identify, examine and consider strategic alternatives to maximize shareholder value. The board of directors engaged an exclusive financial advisor to assist with this process. With the assistance of advisors, the board of directors conducted a strategic review of the alternatives available to the Company that included a sale of the Company, among other things. During this process, the board of directors received several expressions of interest that were at a premium to the then current market value of the Company. However, none of such expressions of interest resulted in an acceptable offer as either the potential buyers withdrew from the process for their own reasons or the Board concluded that their indications did not represent sufficient value for shareholders in light of the Company's continued revenue and earnings growth and debt reduction. The Company subsequently terminated this process on December 16, 2013.

Management Changes

In April 2013, John Cochrun resigned as Vice President of Human Resources. Effective December 31, 2013, Robert Russell resigned as President of LII's Canadian operations.

Acquisition of the Sup-R-Jar product line

Effective April 17, 2013, the Company, through two of its wholly-owned subsidiaries, purchased certain assets and operations related to the Sup-R-Jar drilling jar product line. The Company acquired Sup-R-Jar's rental and service assets, inventories, manufacturing specifications and trade name. The purchase price was $17.2 million and consisted of a cash payment at closing of $15.6 million and a deferred payment of $1.6 million, which was conditioned on the delivery of specified inventory items. The Company also assumed certain future obligations related to a facility lease.

The Sup-R-Jar product line consists of a complete line of drilling jars. These jars deliver a sharp blow to the drill string to free stuck drill pipe. The Company combines the Sup-R-Jar and Xciter sales and operating activities in its rental tool segment. In addition, Logan Oil Tools manufactures and sells the Sup-R-Jar to its international customers. The Sup-R-Jar product line acquisition was not considered a significant acquisition under National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**")

DESCRIPTION OF THE BUSINESS

Following the completion of the acquisition of the Sup-R-Jar product line and effective the fourth quarter of 2013, the Company revised the disclosure of its reportable business segments. The reportable segments of the Company are Downhole Tool and Rental Tool.

The following is a description of the segments:

Downhole Tool Operations

The Company's downhole tool segment's operations consist of the manufacturing and sales of tools and equipment used in drilling, completion and workover, or intervention activities and conventional completion services.

Through Logan Oil Tools, the Company manufactures intervention tools that are used to: free downhole equipment; retrieve twisted-off drill or workover string; retrieve miscellaneous tools, bits, parts of bits, chain or other small objects from the well bore; or repair casing. Stroking tools manufactured by the Company are used to free pipe that is stuck in a wellbore by delivering a striking force. Remedial tools manufactured by the Company consist of casing patches and cutters that allow for the in-place repair of damaged pipe, thus eliminating the need to remove the entire casing string from the wellbore. Fishing tools manufactured by the Company are used in the retrieval of drill bits, drill pipe, tubing, casing and bottom hole assemblies from a well bore in order to permit normal drilling operations or production to continue. Power swivel equipment manufactured by the Company is used in workover and drilling applications for improved pipe handling capability and enhanced safety and production of the drilling process.

Through Logan SuperAbrasives Inc. ("**Logan SuperAbrasives**"), the Company also manufactures a complete line of specialized super-abrasive products including high-performance PDC cutters for oilfield drill bits; PDC and tungsten carbine thrust and radial bearings for downhole drilling motors and production pumps; and, to a lesser extent, also provides repair services related to its products. Logan SuperAbrasives, which was formerly known as Dennis Tool Company, was renamed in October 2013 in order to develop branding consistency with the other Logan entities.

The Company also sells and provides completion services and products through Logan Completions. These products include bridge plugs, packers and patented multistage fracturing tools and systems. In addition, Logan Completions' services include conventional completion services, primarily provided in North America and specialty multi-stage fracturing tools which are used in unconventional horizontal wells. As at December 31, 2015, the Company had committed to a plan to dispose of substantially all of the assets and operations of Logan Completion Systems.

Through Kline Oilfield Equipment, Inc. ("**Kline**"), the Company designs and manufactures packers, valves and other completion products. Its sales are conducted from locations in Tulsa, Oklahoma and Odessa, Texas to customers in North America.

Through Scope Production Developments Ltd. and Scope Production Development Partnership (collectively, "**Scope**"), the Company provides patented and proprietary products and services to customers primarily located in Alberta, Canada who are involved in the production of heavy oil deposits.

Rental Tool Operations

The Company's rental tool operations include the rental of specialty drilling tools, the Xciter and the Sup-R-Jar, and fishing jars, which are used in intervention and workover activities.

Through Xtend Energy Services Inc. ("**Xtend**"), the Company rents the Xciter drilling tool which improves horizontal drilling effectiveness by increasing the drilling penetration rate. Xtend operates from locations in Griffin, Saskatchewan; Nisku Alberta; and Houston, Texas. Its customers are oil and gas operators and drilling contractors.

Through Logan Jar, LLC ("**Logan Jar**"), the Company rents fishing and drilling jars. The fishing jars are rented to oilfield service companies located in South Texas and in Louisiana. In addition, Logan Jar rents the Sup-R-Jar drilling jar from locations in Houston, Texas; and Nisku, Alberta to oil and gas operators located in Canada and the U.S. The Sup-R-Jar drilling jar is used to deliver a sharp blow to the drill string to free stuck drill pipe.

The Company's segment revenues for the periods noted below were as follows:

(000's)	**Year ended December 31, 2015**	**Year ended December 31, 2014**
	US$	**US$**
Downhole Tools	71,779	133,388
Rental Tools	5,916	13,799

Specialized Skill and Knowledge

The Company's ability to provide reliable drilling, completion and intervention products and services is dependent on the availability of well-trained, experienced field-qualified personnel to operate its equipment.

The Company's ability to produce high quality products and to provide innovative services to drilling and oilfield services companies is dependent on finding and retaining qualified machine operators and service tool hands/technicians.

Geographic Reach of Operations

Logan Oil Tools sell products throughout North America, in established international oil producing locations of Scotland, Singapore, Colombia, Canada and the United Arab Emirates and in emerging energy producing markets including China, India, Russia, Eastern Europe, Brazil, offshore West Africa and the Middle East. Logan Completions, Kline, Xtend, Logan Jar and Scope currently conduct their operations mostly in Canada and the United States.

Logan Oil Tools' sales facilities are located in oil and gas producing areas, enabling the Company to provide localized inventory and service. Its North American locations are: Broussard and Houma, Louisiana; Laurel, Mississippi; Oklahoma City, Oklahoma; Alice, Houston, Kilgore and Odessa, Texas; Vernal, Utah; Williston, North Dakota; Williamsport, Pennsylvania and Edmonton, Alberta. Logan Oil Tools also operates from four international locations in Kintore, Scotland; Dubai, United Arab Emirates; Bogota, Colombia; and Singapore. Logan Completion Systems conducts its operations throughout Canada from its service locations in Lloydminster, Bonnyville, Edmonton, Grande Prairie and Red Deer, Alberta and Esteven, Saskatchewan. Kline conducts its operations in Tulsa, Oklahoma; Greeley, Colorado and Odessa, Texas. Scope conducts its operations in Lloydminster, Alberta. Xtend maintains operating locations in Griffin, Saskatchewan; Nisku, Alberta and Houston, Texas.

Competitive Environment

The Company encounters competition in all of its businesses. Except for Logan Oil Tools' business, the Company's competition ranges from small owner-operated businesses to large publicly held companies. Conversely, Logan Oil Tools has one primary competitor and several smaller, local competitors in the fishing and intervention industry. Significant competitive factors for Logan Oil Tools are tool availability and responsiveness. Management believes that Logan is an effective competitor in its principal markets.

Seasonal Fluctuations

The Company's Canadian operations are highly seasonal. Operations tend to be extremely strong in the first quarter when the ground is frozen and easily accessed. Conversely, second quarter operations are usually weak as access to well sites is hindered by government-imposed bans and slushy well locations. Since U.S. weather in most oil and gas producing regions is more moderate than in Canada, the Company's U.S. operations are less seasonal.

Employees

Due to the seasonal and cyclical nature of the oil and gas service sector, combined with the work performed being project oriented, the Company monitors the low and high number of people that each of its business units employs. As at December 31, 2015, the Company had approximately 361 employees. As at February 28, 2016, the number of employees decreased to approximately 337. In 2015, the number of people employed in the Company's business segments were as follows:

	Low	**High**
Downhole Tool	324	632
Rental Tools	12	21
Other (Corporate)	25	34
Total	361	687

Client Economic Dependence

The Company's revenues are derived from sales and services to customers in the oil and gas industry, resulting in a concentration of credit risk. The majority of the Company's revenues are generated from large publicly held operators and service companies and, as a result, has not experienced significant losses For domestic sales, the Company generally extends unsecured credit to its customers. Collection may be affected by changes in economic or other conditions which, in turn, may affect the Company's overall credit risk. For international sales, the Company often requires collateral in the form of a cash deposit based on order size, type of order, customer credit history and the shipping destination of the related sale. Management believes the credit risk is mitigated by the size, reputation and diversified nature of the companies to which the Company extends credit.

DIVIDENDS

No cash dividends were declared or paid in 2013, 2014 or 2015.

The Company currently intends to retain earnings to finance its ongoing business and accordingly does not anticipate paying dividends in the foreseeable future. Payment of dividends in the future will be dependent on, among other things, the Company's cash flow, results of operations, financial condition, the need for funds to finance ongoing operations and other considerations as the board of directors of the Company considers relevant.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series designated as "Second Preferred Shares". As at December 31, 2015 there were 33,685,386 common shares and nil Second Preferred Shares issued and outstanding, and as at March 25, 2016, there were 33,685,386 common shares and nil Second Preferred Shares issued and outstanding.

Common Shares

The common shares have attached thereto the following rights, privileges, restrictions and conditions:

(i) The right to vote at all meetings of shareholders of the Company, except meetings at which only holders of a specified class of shares are entitled to vote;

(ii) Subject to the prior rights and privileges attaching to any other class of shares of the Company, the right to receive any dividend declared by the Company; and

(iii) Subject to the prior rights and privileges attaching to any other class of shares of the Company, the right to receive the remaining property and assets of the Company upon dissolution.

Second Preferred Shares

The second preferred shares have attached thereto the following rights, privileges, restrictions and conditions:

(i) The Second Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the directors of the Company; and

(ii) Subject to the provisions of the ABCA, the directors of the Company may by resolution fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to each series of the Second Preferred Shares.

MARKET FOR SECURITIES

The Company's common shares are listed and posted for trading on the TSX under the symbol "LII". The following table provides the reported high and low trading prices in Canadian dollars and volume of trading of common shares for the periods noted.

2015	$ High	$ Low	Volume
January	4.74	3.81	30,084
February	4.25	4.05	7,400
March	4.25	3.96	25,209
April	3.91	3.51	24,310
May	3.77	2.92	25,810
June	3.29	2.85	415,865
July	3.31	2.55	16,161
August	2.98	1.61	253,154
September	2.22	1.99	34,230
October	2.06	1.90	14,900
November	2.08	1.80	37,663
December	1.85	1.33	46,900

PRIOR SALES

In 2015, the Company granted the following options and restricted share units ("**RSUs**"):

Date of Grant	Number and Type of Security Issued(1)(2)	Average Exercise Price or Award Value (CAD$)
May 25, 2015	70,590 restricted share units	3.29
May 29, 2015	5,000 options	3.07
August 11, 2015	203,798 restricted share units	2.75
August 11, 2015	545,500 options	2.75

Notes:

(1) Each option entitles the holder thereof to acquire one common share, on the terms and conditions set forth in the Company's stock option plan and expires generally six to eight years from the grant date of the options.

(2) Grants of RSUs are made on the terms and conditions set forth in the Company's restricted share unit plan. Grants of RSUs are subject to vesting periods of one to three years and are exchangeable for LII common shares upon vesting.

In 2015, the Company recorded forfeitures or cancellations of 395,665 stock options and 1,000 RSUs.

DIRECTORS AND OFFICERS

The Company's board of directors is currently comprised of Paul McDermott, Jamie Biluk, David Barr, Ian Bruce, David Coppé, David Kennedy and David MacNeil. Each person elected as a director of the Company will hold office until the close of the next annual meeting of the shareholders or until his or her successor is duly elected or appointed or his office is earlier vacated in accordance with the ABCA and the articles and by-laws of the Company. Pursuant to the articles of the Company, the board of directors of the Company may, between annual meetings, appoint one or more additional directors to serve until the next annual meeting, provided that the number of new appointees in any year may not exceed 1/3 of the number of directors who held office at the previous annual meeting.

The following table lists the name, municipality of residence, respective positions and offices, principal occupations, and the period(s) served as a director or officer of the Company:

Name, Province/State and Country of Residence	**Principal Occupation For Past 5 Years**	**Director or Officer Since**
Paul McDermott(2)(3) Chairman *Connecticut, USA*	Mr. McDermott has served as the Chairman of the board of directors of LII since December 1, 2012. Mr. McDermott is also a managing partner of Cadent Energy Partners, LLC ("**Cadent**"), which he co-founded in 2004. Cadent manages Cadent Logan S.à.r.l., a principal shareholder of the Company. He is a director of three other privately owned energy companies.	March 1, 2010
Jamie Biluk(2) Director, *Alberta, Canada*	Mr. Biluk is an Independent Businessman. He serves as a Director of TriAxon Oil Corp Ltd. and Nordegg Resources Inc. He previously served as a Director of TriAxon Resources Ltd., IROC Energy Services Corp. and Producers Oilfield Services Inc.	May 1, 2015
David Barr(2) Director *Texas, USA*	Mr. Barr is a corporate director and independent businessman. He currently serves on the board of directors of Ion Geophysical Corp. (NYSE), Enerplus Corporation (TSX), and Probe Technologies, a privately owned company. Mr. Barr previously served as the President and Chief Executive Officer of LII from May 2011 to December 2012 as well as Chairman of the board of directors of LII from March 2010 to May 2011. He also served as Group President, Completion and Production of Baker Hughes Inc. from 2007 until 2009. In this capacity, he was responsible for Baker Oil Tools, Centrilift and Baker Petrolite.	March 1, 2010
Ian Bruce(1)(2)(3)(4) Director *Alberta, Canada*	Mr. Bruce is a corporate director and independent businessman. He currently serves as a director of Cameco Corp. (TSX and NYSE) and private companies Laricina Energy Ltd., Northern Blizzard Resources Inc. (TSX) and TriAxon Oil Corp. Mr. Bruce was the former Co-Chairman of Peters & Co. Limited, an independent investment dealer, from 2010 to 2011 and Chief Executive Officer from 2002 to 2010. Mr. Bruce is a fellow of the Canadian Institute of Chartered Accountants of Alberta and a recognized Specialist in Valuation under Canadian CICA rules.	May 12, 2011

Name, Province/State and Country of Residence	Principal Occupation For Past 5 Years	Director or Officer Since
David Coppé[1] Director *Texas, USA*	Mr. Coppé has been a director and the President and Chief Executive Officer of Probe Holdings, Inc., an oilfield services company, since November 2012. He was a partner of Cadent, which he co-founded in 2004, until January 2014. He previously served as a director of four other private oil & gas companies.	May 13, 2010
David Kennedy[1] Director *South Carolina, USA*	Mr. Kennedy is a consultant and investor in the energy industry. He currently serves on the Audit Committee of Carbon Natural Gas Company, a publicly held company ("**CRBO**"). He has served as an Executive Advisor to Cadent since 2005. Mr. Kennedy has served on the boards of numerous privately-owned and public US and Canadian energy companies.	March 1, 2010
Lawrence Keister Vice President, Chief Financial Officer and Corporate Secretary *Texas, USA*	Mr. Keister has been Chief Financial Officer of LII since January 2011 and Vice President and Chief Accounting Officer since June 2010. From 2004 to 2010, Mr. Keister was engaged in corporate finance and accounting consulting.	June 1, 2010
David MacNeill Director President and Chief Executive Officer *Texas, USA*	Mr. MacNeill was appointed President and Chief Executive Officer of LII in June 2014 and served as Chief Operating Officer of the Company from March 2014 to June 2014. Prior thereto, he was the President and Chief Operating Officer of DoubleBarrel Downhole Technologies, an independent supplier of drilling equipment from July 2011 to March 2014. From July 2009 to July 2011, Mr. MacNeill held several positions with National Oilwell Varco, including Vice-President Eastern Hemisphere Operations, where he was responsible for managing drilling tools and fishing tools, among other products.	March 18, 2014

Notes:

(1) Member of the Audit Committee. The Chair of the Audit Committee is David Kennedy.
(2) Member of the Compensation Committee. The Chair of the Compensation Committee is David Barr. The Company does not have an Executive Committee.
(3) Member of the Nominating Committee. The Chair of the Nominating Committee is Paul McDermott.
(4) Independent directors. Messrs. Biluk, Kennedy and Bruce are considered "independent" (as defined in National Instrument 58-101 – *Corporate Governance Disclosure*).

As at December 31, 2015, the directors and officers as a group beneficially owned, directly or indirectly, or could exercise control or direction over 844,523 common shares or 2.5% of the issued common shares of the Company. As at March 25, 2016, the directors and officers as a group beneficially owned, directly or indirectly, or could exercise control or direction over 844,523 common shares or 2.5% of the issued common shares of the Company.

The information as to common shares of the Company beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Company by each of the individuals listed above.

Corporate Cease Trade Orders

No current director or executive officer is, or has been within 10 years prior to the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation and that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation and that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Penalties or Sanctions

None of the Company's directors, executive officers, or shareholders holding a sufficient number of securities of the Company to affect materially the control of the Company have been subject to

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision,

except that David Barr was Group President, Completion and Production of Baker Hughes Inc. ("**Baker Hughes**") when the company pled guilty in April 2007 to certain *Foreign Corrupt Practices Act* (the "**FCPA**") violations brought by the United States Department of Justice, with such violations having occurred prior to Mr. Barr becoming Group President, Completion and Production of Baker Hughes and for which Mr. Barr was found not to have had any personal involvement. Under the settlement, without admitting or denying the allegations, Baker Hughes consented to the entry of a final judgment enjoining it from future violations of the FCPA and paid penalties and profit disgorgement of approximately $44 million. Additionally, Baker Hughes entered into an agreement with the United States Department of Justice to defer prosecution for two years on charges of violating the anti-bribery and books and records provisions of the FCPA. The agreement was lifted in May 2009 and Baker Hughes will not face prosecution for matters covered by the settlement.

Bankruptcies

Except as set forth in this Annual Information Form, no current director, executive officer or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or has within 10 years prior to the date of this Annual Information Form:

(a) been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; or

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Bruce serves as a director of Laricina Energy Ltd. ("**Laricina**"), a company that is not a reporting issuer. Laricina had secured protection under the *Companies' Creditors Arrangement Act* (Canada) pursuant to an order dated March 30, 2015, with effect as of March 26, 2015, from the Court of Queen's Bench of Alberta, which order stayed Laricina's creditors and others from enforcing rights against it while it restructured its financial affairs. Larcinia exited from protection under the *Companies' Creditors Arrangement Act* (Canada) on February 1, 2016.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Company will be subject in connection with the operations of LII. In particular, certain of the directors and officers of LII are involved in managerial and/or director positions with other companies who may make purchases from the Company or whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company, see "Directors and Officers". Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

The Company has adopted a set of business principles and code of ethics (the "**Code**"), which applies to all employees, directors and consultants. The Code deals with the business conduct of the Company, particularly with respect to transactions in securities of the Company, potential conflicts of interests, the taking of corporate opportunities for personal benefit and competing with the Company.

AUDIT COMMITTEE INFORMATION

Information concerning the Audit Committee of the board of directors of the Company is provided in Schedule A to this Annual Information Form.

RISK FACTORS

These factors should not be considered exhaustive. The holding of common shares of the Company should be considered speculative due to the nature of the Company's business. An investor should consider carefully the risk factors set out below. In addition, investors should carefully review and consider all other information contained in this Annual Information Form before making an investment decision. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment.

Industry Conditions

The oil and gas service industry is highly reliant on spending by oil and gas producers and explorers for drilling, completion and production equipment, tools and services. Exploration and production companies spending is based on several factors, including but not limited to, hydrocarbon prices, exploration and development prospects, production levels and access to capital. Oil and gas producers and explorers tend to examine long-term fundamentals affecting the foregoing factors before they adjust their spending plans. Risk factors associated with the Company's operations also include government regulation. In recent years, commodity prices, and therefore, the levels of drilling, production and exploration activity have been volatile. . Recent market events and conditions, including global excess oil and natural gas supply, recent actions taken by the Organization of the Petroleum Exporting Countries, slowing growth in China and other emerging economies, market volatility and disruptions in Asia, and sovereign debt levels in various countries, have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. These difficulties have been exacerbated in Canada by the recent changes in government at a federal level and, in the case of Alberta, the provincial level and the resultant uncertainty surrounding regulatory, tax and royalty changes that may be implemented by the new governments. Lower commodity prices have restricted, and are anticipated to continue to restrict, oil and gas companies' cash flows resulting in reduced capital expenditure budgets. Such events directly affect the activity levels of the exploration and production companies and the demand for LII's products and services and could have a material adverse effect on LII's business, results of operations and financial condition, including LII's ability to pay dividends to its shareholders.

The risks inherent in the oilfield services industry could impact the Company's ability to fulfill its covenants contained in the 2015 Amended Credit Agreement and the Company's ability to refinance the borrowings under the

2015 Amended Credit Agreement, among other things. See “Material Contracts”, “Risk Factors – Access to Additional Financing” and “Risk Factors – Credit Facility”.

Oil and Gas Prices

Market fluctuations in the price of oil and gas affect the level of drilling, completion, production and intervention activities in the oil and gas industry. A decline in the market price of oil and gas generally results in reduced drilling activity, which in turn affects the demand for the Company’s products and services. Large fluctuations in the demand for the Company's products and services could adversely affect the Company's manufacturing operations and product distribution, thereby affecting the profitability of the Company. The Company is heavily dependent on the general activity level of oil and gas exploration and production in North America and internationally, and the level of that activity can fluctuate dramatically according to political and economic factors which are beyond the control of the management of the Company.

Access to Additional Financing

The 2015 Amended Credit Agreement matures in December 2016. In order to refinance the outstanding borrowings, LII will find it necessary to obtain additional debt or issue equity to support ongoing operations. These transactions may be financed in whole or in part with debt, which may increase LII’s debt levels above industry standards for oilfield service companies of similar size. There can be no assurance that additional financing will be available to LII when it is needed or on terms acceptable to LII. The Company’s inability to raise financing to refinance its existing debt would have an adverse effect upon the Company. In addition, the level of LII’s indebtedness from time to time could impair LII’s ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Credit Facility

Failure by the Company to comply with certain covenants contained in the 2015 Amended Credit Agreement will constitute an event of default, which could result in the requirement that all outstanding obligations thereunder become immediately payable and, in addition, allow the lenders to foreclose on the assets of the Company and its subsidiaries. Such default and enforcement would have a material adverse effect on the Company’s business, financial condition, results of operations and cash flows. The Company is dependent on the availability of credit as provided by the 2015 Amended Credit Agreement, which matures in December 2016. The inability of the Company to refinance the outstanding borrowings prior to December 2016, would have a material adverse effect on the Company’s business, financial condition, results of operations and cash flows. Any disruption in the Company’s liquidity, including the potential consequences of future breaches under the 2015 Amended Credit Agreement or the Company’s inability to replace or refinance the 2015 Amended Credit Agreement upon maturity, gives rise to a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. In addition, and to a lesser extent, the Company is subject to the risk of interest rate fluctuations which could have a material adverse effect on the Company because the corresponding interest rates vary based on capital market conditions.

Reliance on Key Personnel

LII’s success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company’s business, financial condition, results of operations and prospects. The contributions of the existing management team to the immediate and near term operations of LII are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry can be intense and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

Fluctuations in Operating Results

The Company has experienced fluctuations in quarterly operating results in the past. There can be no assurance that LII will realize earnings growth or that earnings in any particular quarter will not fall short of either a prior fiscal quarter or investors' expectations. The following factors, in addition to others not listed, may affect the Company's quarterly operating results in the future: fluctuations in the oil and gas industry; competition; the ability to service the Company's debt obligations; the ability to identify strategic acquisitions at reasonable prices; the ability to manage and control the Company's operating costs; fluctuations in political and economic conditions in Canada, the United States and abroad; and the ability to protect the Company's intellectual property rights.

Vulnerability to Market Changes

Fixed costs (those associated with operating leases, labour costs, and depreciation) account for a significant portion of the Company's operating costs and expenses. Reduced productivity resulting from lowered demand, equipment failure, weather or other factors could significantly affect financial results.

Uncertain or Negative Global Economic Conditions

Uncertain or negative global economic conditions could have an adverse effect on LII's industry and its business, including LII's future operating results and the ability to recover LII's assets, including goodwill, at their stated values. Reduced demand for oil and natural gas generally results in lower prices for these commodities and may impact the economics of planned drilling projects and ongoing production projects, resulting in the curtailment, reduction, delay or postponement of such projects for an indeterminate period of time. A prolonged period of lower oil and natural gas prices could result in a continued decline in demand and/or dayrates. In addition, certain of LII's customers could experience an inability to pay suppliers, including LII, in the event they are unable to access the capital markets to fund their business operations. Likewise, LII's suppliers may be unable to sustain their current level of operations, fulfill their commitments and/or fund future operations and obligations. If any of the foregoing were to occur, it could have a material adverse effect on LII's business and financial results.

Geo Political Risks

The marketability and price of oil and natural gas that may be acquired or discovered by customers of LII may continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in South America and other areas of the world, may have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of net production revenue to LII's customers which, can decrease the demand for LII's services.

Competition

The oil and natural gas services business in which the Company operates is highly competitive. LII competes with several large national and multinational companies. Many of those national and multinational companies have greater financial and other resources. To be successful, the Company must provide products and services that meet the specific needs of the Company's clients at competitive prices. The principal competitive factors in the markets in which LII operates are: service quality and availability, reliability and performance of products and equipment used to perform services, technical knowledge and experience, reputation for safety and competitive pricing. LII will also compete with several regional competitors that are smaller than LII. These competitors offer similar products and services in all geographic regions in which LII operates. As a result of competition, LII may be unable to continue to provide its present products and services and maintain its current market share or to acquire additional business opportunities, which could have a material adverse effect on the Company's business, financial condition, result of operations and cash flows.

Reduced levels of activity in the oil and natural gas industry can intensify competition and result in lower revenue. Variations in the exploration and development budgets of oil and natural gas companies, which are directly affected by fluctuations in energy prices, the cyclical nature and competitiveness of the oil and natural gas industry and governmental regulation, will affect the Company's ability to generate revenue and earnings.

Sources, Pricing and Availability of Raw Materials, Equipment and Equipment Parts

LII sources its raw material, equipment and equipment parts from a variety of suppliers, most of whom are located in Canada and the United States. Should any of the Company's suppliers be unable to provide the necessary raw material, 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 the Company's business, financial condition, results of operations and cash flows.

Risks of Foreign Operations

The Company's strategy is to export its expertise and technologies to oil and gas companies in both North and South America. Working outside of Canada gives rise to the risk of dealing with business and political systems that are different than the Company is accustomed to in Canada. The Company has hired employees who have experience working in the international arena and it is committed to recruiting qualified resident nationals on the staff of all of its international operations. These potential risks include: expropriation or nationalization; civil insurrection; kidnapping or other risk of violence; labour unrest; strikes and other political risks; fluctuations in foreign currency and exchange controls; increases in duties and taxes; and changes in laws and policies governing operations of foreign-based companies**.** There can be no assurance that liabilities which may be incurred by the Company will be covered by insurance or, if covered, that the dollar value of such liabilities will not exceed the Company's policy limits. A partially or completely uninsured claim, if successful and of sufficient magnitude, could have an adverse effect on the Company.

Credit Risk

The Company's sales are to customers in the oil and gas industry, which results in a concentration of credit risk. The Company generally extends unsecured credit to these customers, and therefore the collection of receivables may be affected by changes in economic or other conditions and may accordingly affect the Company's overall credit risk. LII may be exposed to third party credit risk through its contractual arrangements with current or future customers and other parties. In the event such entities fail to meet their contractual obligations, such failures could have a material adverse effect on the Company's cash flow from operations. Management believes the risk is mitigated by the size, reputation and diversified nature of the companies to which the Company extends credit.

Equipment and Technology Risks

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

In the future, the Company may seek patents or other similar protections in respect of particular products, tools, equipment and technology; however, the Company may not be successful in such efforts. Competitors may also develop similar products, tools, equipment and technology, thereby adversely affecting the Company's competitive advantage in one or more of LII's businesses. Additionally, there can be no assurance that certain products, tools, equipment or technology the Company develops will not be the subject of future patent infringement claims or other similar matters which could result in litigation, the requirement to pay licensing fees or other results that could have a material adverse effect on LII's business, financial condition, results of operations and cash flows.

Product Liability

The Company is subject to potential product liabilities connected with its operations, including liabilities and expenses associated with product defects. These operations of the Company have product liability and other insurance coverage that management of the Company believes is generally in accordance with the market practice in its industry, but there can be no assurance that the Company will always be adequately insured against all such potential liabilities.

Potential Replacement or Reduced Use of Products and Services

Certain of the Company's products, equipment or systems may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be more preferable for operational, environmental or other reasons. LII will need to keep current with the changing market for oil and natural gas services and technological and regulatory changes. If the Company fails to do so, this could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Inflationary Pressures

Strong economic conditions and competition for available personnel, materials and major components may result in significant increases in the cost of obtaining such resources. To the greatest extent possible, LII passes such cost increases on to its customers and it attempts to reduce these pressures through proactive procurement, human resource practices, competitive bidding and contracts for raw materials. Should these efforts not be successful, the gross margin and profitability of LII could be adversely affected.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial, state and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Certain of the Company's operations routinely deal with natural gas, oil and other petroleum products. LII is therefore exposed to potential environmental liability in connection with the Company's business. LII has programs to address compliance with current environmental standards and monitor its practices concerning the handling of environmentally hazardous materials; however, there can be no assurance that the Company's procedures will prevent environmental damage from occurring due to spills of materials handled or that such damage has not already occurred.

Although LII strictly enforces a program to identify and address contamination issues before acquiring or leasing properties and attempts to utilize generally accepted operating and disposal practices, hydrocarbons or other wastes may have been disposed on or released on or under properties the Company owns, leases, or operates. These properties and the wastes disposed thereon may be subject to environmental laws that could require the Company to remove the wastes or remediate sites where they have been released.

The trend in environmental regulation has been to impose more restrictions and limitations on activities that may impact the environment, including the generation and disposal of wastes and the use and handling of chemical substances. These restrictions and limitations have increased operating costs for both LII and its customers. Any regulatory changes that impose additional environmental restrictions or requirements on the Company or its customers could adversely affect the Company through increased operating costs and potential decreased demand for the Company's services.

While LII maintains liability insurance, including insurance for environmental claims, the insurance is subject to coverage limits and certain of LII's policies exclude coverage for damages resulting from environmental contamination. There can be no assurance that insurance will continue to be available to the Company on commercially reasonable terms, that the possible types of liabilities that may be incurred by LII will be covered by the Company's insurance, or that the dollar amount of such liabilities will not exceed LII's policy limits. Even a partially uninsured claim, if successful and of sufficient magnitude, could have a material adverse effect on the Company's business, results of operations, prospects and funds available for distributions.

Risk of Over-Supply of Equipment

Because of the lengthy life span of oilfield service equipment and the lag between the time a decision is made to build new equipment and the time such new equipment is placed into service, the supply of equipment in the industry does not always correlate to the level of demand for that equipment. Periods of high demand often spur increased capital expenditures on oilfield service equipment, and those capital expenditures may exceed actual demand. Management believes that there is currently an excess of certain classes of oilfield service equipment in North America in relation to current levels of demand. This capital overbuild could cause our competitors to lower their rates and could lead to a decrease in rates in the oilfield services industry generally, which would have an adverse effect on our revenues, cash flows and earnings.

The Company is exposed to foreign currency risk

The Company utilizes the U.S. Dollar as its reporting currency. However, a significant portion of the Company's activities related are transacted in Canadian dollars. The Company does not maintain an active hedge program to mitigate this risk. There can be no assurance that the Company's exposure to currency fluctuations will not be material.

Activity in the oilfield services industry is seasonal and may affect the Company's revenues during certain periods

In Canada and the northern part of the United States, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads and, as a result, road bans are implemented prohibiting heavy loads from being transported in certain areas. As a result, the movement of the heavy equipment required for drilling and well servicing activities is restricted and the level of activity of LII's customers is consequently reduced. The timing and length of road bans is dependent upon the weather conditions leading to the spring thaw and the weather conditions during the thawing period. Additionally, certain oil and natural gas producing areas are located in areas of western Canada that are inaccessible, other than during the winter months, because the ground surrounding or containing the drilling sites in these areas consists of terrain known as muskeg. Until the muskeg freezes, the rigs and other necessary equipment cannot cross the terrain to reach the drilling site. Moreover, once the rigs and other equipment have been moved to a drilling site, they may become stranded or otherwise unable to relocate to another site should the muskeg thaw unexpectedly. LII's business results depend, at least in part, upon the severity and duration of the winter season.

The Company may not be able to fully integrate future acquisitions

In the past five years, the Company completed the acquisitions of Scope, Kline and Xtend and the Sup-R-Jar and Houston Engineering product lines. Further, the Company may undertake future acquisitions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on having the acquired assets perform as expected, successfully consolidating functions, retaining key employees and customer relationships, and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters, and ultimately the Company may fail to realize the anticipated benefits of such acquisitions.

Merger and acquisition activity in the oil and natural gas exploration and production sector may impact demand for the Company's products and services as customers focus on reorganizing their business prior to committing funds to exploration and development projects. Further, the acquiring company may have preferred supplier relationships with oilfield product and service providers other than LII.

Reliance on Major Customers

The loss of one or more major customers, or any significant decrease in services provided to a customer, prices charged or any other changes to the terms of services with customers, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Agreements and Contracts

The business operations of the Company will depend on written and verbal performance based agreements with its customer base, some of which are cancellable at any time by the Company, or its customers. The key factors which will determine whether a client continues to use the Company are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety and competitive price. There can be no assurance that the Company's relationship with former customers will continue, and a significant reduction or total loss of business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Reduced levels of activity in the oil and natural gas industry can intensify competition and result in lower revenue to the Company. Variations in the exploration and development budgets of oil and natural gas companies, which are directly affected by fluctuations in energy prices, the cyclical nature and competitiveness of the oil and natural gas industry and governmental regulation, will have an effect upon the Company's ability to generate revenue and earnings.

Alternatives to and Changing Demand for Petroleum Products

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. Management cannot predict the impact of changing demand for oil and natural gas could have on the demand for oil and gas services, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Management of Growth

The Company may be subject to growth related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Income Taxes

LII believes that it is in full compliance with the provisions of all tax legislation applicable to it. However, the tax filings of LII are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of LII, whether by re-characterization of business expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Operating Risks and Insurance

The Company's operations are subject to hazards inherent in the oil and gas industry, such as equipment defects, malfunction and failures, and natural disasters which result in fires, vehicle accidents, explosions and uncontrollable flows of natural gas or well fluids that can cause personal injury, loss of life, suspension of operations, damage to oil and gas formations, wells or facilities of customers, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose the Company to substantial liability for personal injury, wrongful death, property damage, loss of oil and gas production, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

The Company continuously monitors its operations for quality control and safety. However, there are no assurances that the Company's safety procedures will always prevent such damages. Although the Company maintains insurance coverage that it believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover its liabilities. In addition, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by the Company, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Company, the Company's ability to conduct normal business operations and on the Company's business, financial condition, results of operations and cash flows.

Potential Unknown Litigation and Potential Unknown Liabilities

The Company may in the future be involved in disputes with other parties which could result in litigation or other actions, proceedings or related matters. Further, there may be unknown liabilities assumed by the Company in relation to prior acquisitions or dispositions including, among other things, environmental or tax liabilities which are not indemnified. Such liabilities, if material, could have an adverse effect on the Company's financial condition and results of operations.

Dilution

In connection with the refinancing of the outstanding borrowings under the 2015 Amended Credit Agreement, the Company may enter into a financing transaction involving the issuance of securities of the Company which may be dilutive to existing shareholders.

Dividends

The Company has not paid any dividends on its outstanding shares since 2010. Payment of dividends in the future will be dependent on, among other things, the Company's cash flow, results of operations, financial condition, the need for funds to finance ongoing operations and other considerations as the board of directors of the Company considers relevant.

Conflicts of Interest

Certain directors of the Company are also directors of other companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the ABCA. See "Conflicts of Interest".

Forward-Looking Statements May Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statement or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on risks, assumptions and uncertainties are found in this Annual Information Form under the heading "*Cautionary Statement Regarding Forward-Looking Statements*".

LEGAL PROCEEDINGS

The Company, through the performance of its obligations, is sometimes named as a defendant in litigation. The nature of these claims is usually related to personal injury or operations not considered to be complete. The Company maintains a level of insurance coverage considered appropriate by management for matters for which insurance coverage can be maintained.

To the knowledge of the Company, there are no legal proceedings or regulatory actions material to the Company to which the Company is or was a party or of which any of its properties are or were the subject matter during the financial year ended December 31, 2015, nor, to the knowledge of the Company, are any such proceedings contemplated.

During the financial year ended December 31, 2015, there have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision. The Company did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority in 2015.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During 2015, LII recorded sales of $0.8 million to a company that is controlled by a significant shareholder controlling more than 10% of the voting rights of LII. The terms for these sales were similar to those charged to other customers. No ongoing commitments resulted from these sales. Other than these sales and as disclosed in this Annual Information Circular, to the knowledge of the directors and officers of the Company, none of the directors or executive officers of the Company, nor any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all outstanding voting securities of the Company, nor any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the Company's current financial year or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for common shares of the Company is Valiant Trust Company at its principal office in Calgary, Alberta with a branch office in Toronto, Ontario.

INTERESTS OF EXPERTS

The auditors of the Company are KPMG LLP, appointed on April 6, 2011.

KPMG LLP is the auditor who prepared the auditor's report for the Company's annual financial statements as at and for the years ended December 31, 2015 and December 31, 2014. As at December 31, 2015, KPMG LLP has reported that it is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

MATERIAL CONTRACTS

In December 2015, the Company and Logan Holdings entered into the 2015 Amended Credit Agreement. The 2015 Amended Credit Agreement amended certain provisions of the 2014 Amended Credit Agreement including, among other things, the Revised Commitment, creating a borrowing base determined on the value of certain assets of the Company, including accounts receivable, inventory and equipment, removal of the leverage and asset coverage covenants and replacing the existing interest coverage covenant with a revised interest coverage covenant calculated on an individual quarterly basis. A copy of the 2015 Amended Credit Agreement has been filed on SEDAR at www.sedar.com.

Except for contracts entered into in the ordinary course of business and the agreements referenced above, no other material contracts were entered into by the Company during the most recently completed financial year, nor are any material contracts in effect that were entered into prior to the beginning of the most recently completed financial year.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's management proxy circular of the Company prepared in connection with the most recent annual meeting of shareholders of the Company that involved the election of directors. Additional financial information is provided in the Company's consolidated annual financial statements and the related management's discussion and analysis for the financial year ended December 31, 2015.

SCHEDULE A
AUDIT COMMITTEE INFORMATION

Composition of the Audit Committee

The Audit Committee as at December 31, 2015, was made up of three unrelated and independent directors: David Kennedy (Chairman), Ian Bruce, and David Coppé. Canadian securities regulation requires all Audit Committee members to be financially literate. The Company's board of directors has determined all members of the Audit Committee are financially literate.

Education and Experience

David Kennedy is a consultant and investor in the energy industry. He serves as Executive Advisor to Cadent. Previously, he was a managing director with First Reserve Corporation for 20 years and a manager at Price Waterhouse for seven years during which time he was a Certified Public Accountant. Mr. Kennedy serves on the audit committee of the board of directors of Carbon Natural Gas Company. Mr. Kennedy has served on the boards and audit committees of numerous privately-owned and public US and Canadian energy companies.

Ian Bruce is a corporate director and independent businessman. Prior to this, he was Co-Chairman of Peters & Co. Limited. He joined Peters & Co. Limited in 1998, following senior roles with RBC Dominion Securities and Scotia Capital Markets. Mr. Bruce is a director of Cameco Corp., a director of TriAxon Oil Corp. and past Chair of the Investment Industry Association of Canada. He is a former director of Taylor NGL LP and Hardy Oil and Gas PLC, and a former director and Executive Committee member of the Investment Dealers Association of Canada. Mr. Bruce is a Chartered Accountant. Mr. Bruce has over thirty years of experience in the financial services industry, including six years as a Canadian Chartered Accountant and over twenty-five years as an investment banker.

David Coppé is a corporate director and businessman in the energy industry. He serves as a director and Chief Executive Officer of Probe Holdings Inc., an oilfield services company. Until 2014 he was a partner at Cadent Energy Partners, LLC, an energy private equity fund which he co-founded in 2004. Prior to Cadent, he worked for the Royal Bank of Canada, as a member of the principal investment team and Goldman Sachs, as an investment banker. Mr. Coppé has served on the boards and audit committees of numerous privately-owned energy companies.

Audit Committee Oversight

Since the commencement of the Company's most recently completed fiscal year, the Company's board of directors has adopted all recommendations of the Audit Committee with respect to the nomination or compensation of an external auditor.

Pre-Approval Policies and Procedures

The Company has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee reviews the engagement of non-audit services as required.

Audit Fees and Pre-Approval of Audit Services

The following table presents fees for the audits of the Company's annual consolidated statements for 2015 and 2014 and for other services provided by the Company's auditors, KPMG LLP.

	2015 (USD$000s)	2014 (USD$000s)
Audit Fees(1)	358	285
Audit-Related Fees(2)	114	90

Notes:

(1) The services comprising the fees under this category consisted of those matters related to the examination of the Company's annual audited financial statements for the year ended December 31, 2015 and December 31, 2014, as well as services performed in connection with Company's annual audited financial statements .

(2) The fees set forth in this category consisted of fees charged by the Company's auditors in connection with review engagements of interim financial statements, as well as audit engagements related to regulatory filings for business acquisitions.

Under the Mandate of the Audit Committee (which follows), the Audit Committee is required to review and pre-approve the objectives and scope of the external audit work and the proposed fees. In addition, the Audit Committee is required to review and pre-approve all non-audit services the Company's external auditors are to perform. Pursuant to these requirements, since the Audit Committee's implementation in 2003, 100% of each of the services relating to fees reported above was pre-approved by the Audit Committee or its delegate, the Chair of the Audit Committee.

Mandate of the Audit Committee

Policy Statement

It is the policy of Logan International Inc. to establish and maintain an Audit Committee, composed entirely of independent directors, to assist the Board of Directors (the "**Board**") in carrying out their oversight responsibility for the Company's internal controls, financial reporting and risk management processes. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

Composition of the Committee

1. The Audit Committee shall consist of at least three directors. The Board shall appoint the members of the Audit Committee. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.

2. Each director appointed to the Audit Committee by the Board shall be an outside director who is unrelated. An outside, unrelated director is a director who is independent of management and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In determining whether a director is independent of management, the Board shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.

3. Each member of the Audit Committee shall be "financially literate". In order to be financially literate, a director must be, at a minimum, able to read and understand basic financial statements, and at least one member shall have "accounting or related financial management expertise", meaning the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

4. A director appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board or until his or her resignation.

Meetings of the Committee

1. The Audit Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Audit Committee and whenever a meeting is requested by the Board, a member of the Audit Committee, the auditors, or a senior officer of the Company. Meetings of the Audit Committee shall correspond with the review of the quarterly financial statements and management discussion and analysis.

2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee and to the auditors, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit Committee.

3. Notice of a meeting of the Audit Committee shall:

    (a) Be in writing;

    (b) State the nature of the business to be transacted at the meeting in reasonable detail;

    (c) To the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and

    (d) Be given at least two business days' notice prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.

4. A quorum for the transaction of business at a meeting of the Audit Committee shall consist of a majority of the members of the Audit Committee. However, it shall be the practice of the Audit Committee to require review, and, if necessary, approval of certain important matters by all members of the Audit Committee.

5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be the Chair of the meeting. In addition, the members of the Audit Committee shall choose one of the persons present to be the Secretary of the meeting.

7. The Chairman of the Board, senior management of the Company and other parties may attend meetings of the Audit Committee; however, the Audit Committee (i) shall meet with the external auditors independent of management and (ii) may meet separately with management.

8. Minutes shall be kept at all meetings of the Audit Committee and shall be signed by the Chair and the Secretary of the meeting.

Duties and Responsibilities of the Committee

1. The Audit Committee's primary duties and responsibilities are to:

    (a) Identify and monitor the management of the principal risks that could impact the financial reporting of the Company;

    (b) Monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

    (c) Monitor the independence and performance of the Company's external auditors;

(d) Deal directly with the external auditors to approve external audit plans, other services (if any) and fees;

(e) Directly oversee the external audit process and results (in addition to items described in Section 4 below);

(f) Provide an avenue of communication among the external auditors, management and the Board;

(g) Ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and

(h) Ensure that an appropriate Code of Conduct is in place and understand by employees and directors of the Company. The Company does not have an explicit code of conduct.

2. The Audit Committee shall have the authority to:

(a) Inspect any and all of the books and records of the Company, its subsidiaries and affiliates;

(b) Discuss with the management of the Company, its subsidiaries and affiliates and senior staff of the Company, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;

(c) Engage independent counsel and other advisors as it determines necessary to carry out its duties; and

(d) To set and pay the compensation for any advisors employed by the Audit Committee.

3. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

4. The Audit Committee shall:

(a) Review the audit plan with the Company's external auditors and management;

(b) Discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;

(c) Review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

(d) Review any problems experienced or concerns expressed by the external auditors in performing their audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

(e) Review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;

(f) Review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;

(g) Consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Company and subsequent follow-up to any identified weaknesses;

(h) Review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis before release to the public;

(i) Before release, review and, if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, Annual Information Forms, management discussion and analysis and press releases; and

(j) Oversee any of the financial affairs of the Company, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management.

5. The Audit Committee shall:

(a) Evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted;

(b) Consider the recommendations of management in respect of the appointment of the external auditors;

(c) Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its external auditors, or the external auditors of the Company's subsidiary entities;

(d) Approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;

(e) Where there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be in the Notice of Change of Auditors and documentation required pursuant to National Policy 31 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period; and

(f) Review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

6. The Audit Committee shall:

(a) Review with management, at least annually, the financing strategy and plans of the Company; and

(b) Review all securities offering documents (including documents incorporated therein by reference) of the Company.

7. The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Company with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

8. The Audit Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.

9. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a shareholder of the Company, the external auditors, or senior management.

10. The Audit Committee shall periodically review with management the need for an internal audit function.

11. The Audit Committee shall review the Company's accounting and reporting of environmental costs, liabilities and contingencies.

12. The Audit Committee shall establish and maintain procedures for:

    (a) The receipt, retention and treatment of complaints received by the Company regarding accounting controls, or auditing matters; and

    (b) The confidential, anonymous submission by employees of the Company on concerns regarding questionable accounting or auditing matters.

13. The Audit Committee shall review and approve the Company's hiring policies regarding employees and former employees of the present and former external auditors or other auditing matters.

14. The Audit Committee shall review with the Company's legal counsel as required but at least annually, any legal matter that could have a significant impact on the Company's consolidated financial statements, and any enquiries received from regulators or government agencies.

15. The Audit Committee shall assess, on an annual basis, the adequacy of this Mandate and the performance of the Audit Committee.