LOGAN INTERNATIONAL INC.
Management's Discussion and Analysis
For the Three Month and Nine Month Periods Ended September 30, 2015

Logan International Inc.'s (the "Company" or "Logan International") condensed interim consolidated financial statements for the three and nine month periods ended September 30, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IAS 34, "Interim Financial Reporting." The information in this Management's Discussion and Analysis ("MD&A") has been prepared based upon information in those financial statements.

The following table sets forth selected financial information with respect to the Company's consolidated financial condition and results of operations for the periods presented and should be read together with the condensed interim consolidated financial statements and related notes, as well as the MD&A that follows. All reported amounts are stated in thousands of U.S. dollars unless otherwise noted.

FINANCIAL HIGHLIGHTS

	Three month periods ended September 30,		Nine month periods ended September 30,	
	2015	2014	2015	2014
(000's, except per share amounts)				
Revenue	$ 20,561	$ 46,707	$ 69,497	$ 132,919
Gross profit	5,029	17,913	21,634	49,713
Net earnings (loss) for the period	(10,627)	4,074	(13,866)	9,734
Earnings (loss) per share – Basic	$ (0.32)	$ 0.12	$ (0.41)	$ 0.29
Earnings (loss) per share – Diluted	$ (0.32)	$ 0.12	$ (0.41)	$ 0.29
Weighted average common shares outstanding (000's):				
Basic	33,672	33,594	33,629	33,553
Diluted	33,672	34,063	33,629	33,970
EBITDA (1)	$ 156	$ 11,001	$ 4,263	$ 28,080
Modified EBITDA (1)	$ 732	$ 11,473	$ 5,567	$ 29,484

	September 30, 2015	December 31, 2014
Working Capital	$ 44,209	$ 97,807
Total Assets	$ 245,299	$ 271,763
Debt (2)	$ 52,067	$ 49,327
Shareholders' Equity	$ 170,498	$ 188,591

(1) Non-IFRS financial measure. See "Management's Discussion and Analysis - Non-IFRS Measurements".

(2) Includes borrowed debt and finance lease liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis has been prepared by management as at November 13, 2015 and is a review of the financial position and operating results for the three month and nine month periods ended September 30, 2015 and 2014 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the periods presented, which were prepared in accordance with IFRS. All reported amounts are stated in thousands of U.S. dollars unless otherwise noted.

Forward Looking Statements: This MD&A contains forward-looking statements. These statements relate to future events or future performance of Logan International Inc. and its subsidiaries. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "propose", "expect", "potential", "continue", and similar expressions, are intended to identify forward-looking statements. Specific forward-looking statements in this MD&A include, but are not limited to, statements regarding expected capital expenditures, future economic conditions, the generation of cash flow and working capital to support the Company's operating plan for the current year, the future recovery of oil and gas commodity prices, rig counts and related activity levels, future demand for the Company's products and services, the Company's ability to endure current industry and economic conditions, the Company's ability to maintain a flexible capital structure, the Company's exposure to uninsured cash balances, disclosure relating to a breach of a covenant included in the Company's credit agreement including the duration and potential ramifications thereof, the ability to negotiate an amendment to the Company's credit agreement and future liquidity associated with the continuance of the Company's credit agreement, the Company's ability to continue as a going concern, future cost reductions, potential dispositions of noncore assets, the Company's ability to place alternative debt or equity financing and the expected impact from the adoption of new accounting standards. These statements involve known and unknown risks, uncertainties and other factors that may cause reported results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect management's current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Although management believes that the expectations and assumptions upon which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Many factors could cause Logan International's actual results, performance or achievements to differ materially from those described in this document. Readers are referred to Logan International's Annual Information Form for the year ended December 31, 2014, filed on www.sedar.com, which identifies significant risk factors that could cause actual results to differ materially from those contained in the forward-looking statements. Should one or more risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this document. The forward-looking statements contained in this document are expressly qualified in their entirety by this cautionary statement. These statements speak only as of the date of this document. Logan International does not intend and does not assume any obligation, to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

Business Overview: Through its subsidiaries, the Company manufactures and sells a complete line of fishing and intervention tools, including retrieving, stroking and remedial tools and power swivel equipment (Logan Oil Tools, Inc.); designs, manufactures high performance polycrystalline diamond compact ("PDC") cutters and bearings used mostly in drilling activities (Logan SuperAbrasives, Inc.); provides proprietary products, services and technologies to enhance production in sand-laden oil wells (Scope Production Developments Ltd.); provides proprietary multi-zonal completion technology and conventional completion products and services (Logan Completion Systems Inc.); designs, develops, manufactures and sells completion products such as packers, bridge plugs and collar locators (Logan Kline Tools); rents a proprietary tool that improves horizontal drilling effectiveness by reducing well-bore friction (Xtend Energy Services Inc.); and rents drilling and fishing jars in North America (Logan Jar, LLC). Other than Xtend Energy Services Inc. and subsidiary and Logan Jar, LLC, all of the Company's operating subsidiaries are included in the Company's downhole tool segment. Xtend Energy Services Inc. and Logan Jar, LLC are included in the Company's rental tool segment.

Downhole Tool Operations

Logan Oil Tools, Inc. ("Logan Oil Tools")

Logan Oil Tools manufactures and sells fishing tools, stroking tools, remedial tools and power swivel equipment. Fishing tools are used in the retrieval of drill bits, drill pipe, tubing, casing and bottom hole assemblies from a well bore in order to permit drilling operations or production to continue. Stroking tools are used to free pipe that is stuck in a wellbore by delivering an upward or downward impact force. Remedial tools consist of casing patches and cutters that allow for the in-place repair of damaged pipe, thus eliminating the need to remove the casing string from the wellbore. Power swivel equipment is used in workover and drilling applications for improved pipe handling capability and enhanced safety and productivity of the drilling process. Logan Oil Tools sells its products in North America and in established international oil producing locations, including the North Sea, offshore West Africa, Russia, the Middle East, the Far East and Latin America. Logan Oil Tools conducts its manufacturing operations in Houston, Texas and has sales facilities in oil and gas producing areas, enabling the Company to provide localized inventory and service. Its North American locations are: Broussard and Houma, Louisiana; Oklahoma City, Oklahoma; Alice, Houston, Kilgore, and Odessa, Texas; Vernal, Utah; Williston, North Dakota; Williamsport, Pennsylvania; and Edmonton, Alberta. The Company also operates from locations in: Kintore, Scotland; Bogota, Colombia; Dubai, United Arab Emirates; and Singapore.

Logan SuperAbrasives, Inc. ("Logan SuperAbrasives")

Logan SuperAbrasives designs, manufactures and repairs a complete line of specialized super-abrasive products for tooling, including high-performance PDC cutters for oilfield drill bits and PDC and tungsten carbide thrust and radial bearings for downhole drilling motors and production pumps. Logan SuperAbrasives conducts its manufacturing and sales operations in Houston, Texas. Logan SuperAbrasives was formerly known as Dennis Tool Company.

Logan Completion Systems Inc. ("Logan Completion Systems")

Logan Completion Systems is a provider of specialized downhole completion equipment and services. Logan Completion Systems provides a wide range of conventional and unconventional completion equipment, as well as well site installation services, to the upstream well completion and workover markets. The product line consists of a wide range of packers, plugs, liner hangers and a proprietary multi-stage hydraulic fracturing ("frac") system for unconventional shale wells. Logan Completion Systems conducts its operations from a sales and administrative office in Calgary, Alberta and from its service locations in Lloydminster, Bonnyville, and Edmonton, Alberta; Estevan, Saskatchewan; and Longview, Texas. During the third quarter of 2015, service locations in Red Deer and Grande Prairie, Alberta were closed and are now being serviced out of Edmonton.

Logan Kline Tools ("Kline")

Kline is a leading manufacturer of downhole completion tools. Kline provides a wide range of conventional and unconventional completion equipment for the upstream well completion and workover markets. The product line consists of packers, plugs, tubing anchors, swivels and remedial tools for conventional applications and a multi-stage frac system for unconventional shale wells. Kline conducts manufacturing and sales operations in Tulsa, Oklahoma and maintains a sales and assembly facility in Odessa, Texas. In addition, Kline operates sales offices in Greeley, Colorado and Alice, Texas. Logan Kline Tools was formerly known as Kline Oilfield Equipment, Inc.

Scope Production Developments Ltd. ("Scope")

Scope is a provider of specialized and proprietary downhole tools and services that enhance production in heavy oil wells. Scope's technologies are optimally suited for wells producing sand-laden heavy oil from unconsolidated sandstone formations. The technologies include tools that limit sand intrusion into the pump intake as well as other tools that aid in cleaning out sanded wellbores. Scope conducts its operations in Lloydminster, Alberta and is currently focused on the Canadian market.

Rental Tool Operations

Xtend Energy Services Inc. (“Xtend”)

Xtend rents a proprietary tool (the “Xciter”) that improves drilling effectiveness by reducing well-bore friction. The Xciter is used in the drilling of unconventional horizontal oil and gas wells. The tool’s vibration improves penetration rates during the periods when the drill string is transitioning from vertical to horizontal and during the drilling of the horizontal section of the well. Xtend maintains operating locations in Nisku, Alberta and Houston, Texas.

Logan Jar, LLC (“Logan Jar”)

Logan Jar rents the Sup-R-Jar drilling jar, which is used to deliver a sharp blow to the drill string to free stuck drill pipe, and since the third quarter of 2014, fishing and coil tubing jars. Logan Jar has operations in: Oklahoma City, Oklahoma (closed in early October 2015); Houston and Alice, Texas; Broussard, Louisiana; and Nisku, Alberta.

Non-IFRS Measurements: This MD&A presents: (a) EBITDA as earnings before net finance cost, income tax expense (benefit), impairment losses and depreciation and amortization (“EBITDA”), and (b) Modified EBITDA as EBITDA before acquisition accounting adjustments, transaction fees, share-based compensation expense and severance costs (“Modified EBITDA”). Neither of these measurements should be considered an alternative to, or more meaningful than, “net earnings (loss) for the period” or “cash flow from (used in) operating activities” as determined in accordance with IFRS as an indicator of the Company’s financial performance. EBITDA and Modified EBITDA do not have standardized definitions as prescribed by IFRS; therefore, the Company’s presentation of these measurements may not conform to similar presentations by other companies. Management calculates EBITDA and Modified EBITDA each period and evaluates the Company’s operating performance based on these measurements. Management believes that Modified EBITDA, which eliminates significant non-cash or non-recurring items of revenue or cost, more accurately presents the results of the Company’s ongoing operations and its ability to generate the cash required to fund or finance future growth, acquisitions and capital investments. EBITDA and Modified EBITDA are provided as measures of the Company’s operating performance without regard to financing decisions, share-based compensation payments, age and cost of equipment used and income tax impacts, all of which are factors not controlled at the operating management level. The acquisition accounting adjustments reverse the effect of the increase or step-up in cost basis of inventories and subsequently sold fixed assets acquired in business combinations. Transaction fees include professional and other fees incurred in connection with the Company’s proposed business combinations, as well as the Company’s completed strategic review. Share-based compensation expense relates to amounts recognized from the granting of stock appreciation rights, stock options and restricted share units. A reconciliation of EBITDA and Modified EBITDA with net earnings (loss) for each period follows.

(000's)	Three month periods ended September 30, 2015	Three month periods ended September 30, 2014	Nine month periods ended September 30, 2015	Nine month periods ended September 30, 2014
Net earnings (loss) for the period	$ (10,627)	$ 4,074	$ (13,866)	$ 9,734
Addbacks:				
Depreciation and amortization	3,083	3,503	9,178	10,201
Impairment loss	8,882	-	8,882	-
Finance cost, net	1,702	1,442	3,664	3,087
Income tax expense (benefit)	(2,884)	1,982	(3,595)	5,058
EBITDA	156	11,001	4,263	28,080
Adjustments:				
Acquisition accounting adjustments	-	-	-	188
Transaction fees	17	82	146	137
Severance costs	361	237	543	401
Share-based compensation expense	198	153	615	678
Modified EBITDA	$ 732	$ 11,473	$ 5,567	$ 29,484

Results of Operations

	Three month periods ended September 30, 2015	Three month periods ended September 30, 2014	Nine month periods ended September 30, 2015	Nine month periods ended September 30, 2014
Revenue	$ 20,561	$ 46,707	$ 69,497	$ 132,919
Cost of goods sold	15,532	28,794	47,863	83,206
Gross profit	5,029	17,913	21,634	49,713
Gross profit margin	*24.5%*	*38.4%*	*31.1%*	*37.4%*
Administrative expenses	7,936	10,350	26,727	31,747
Impairment loss	8,882	-	8,882	-
Other expense (income)	20	65	(178)	87
Finance cost, net	1,702	1,442	3,664	3,087
Total expenses	18,540	11,857	39,095	34,921
Earnings (loss) before income tax expense	(13,511)	6,056	(17,461)	14,792
Income tax expense (benefit)	(2,884)	1,982	(3,595)	5,058
Net earnings (loss)	$ (10,627)	$ 4,074	$ (13,866)	$ 9,734

THREE MONTHS ENDED SEPTEMBER 30, 2015 COMPARED WITH THE THREE MONTHS ENDED SEPTEMBER 30, 2014

REVENUE

The Company's revenue decreased to $20.6 million for the three month period ended September 30, 2015 from $46.7 million for the three month period ended September 30, 2014. The collapse in energy prices has caused a

dramatic decline in oilfield activity, which in turn, has caused a reduction in demand for all of Logan International's products. The reduced demand has, to a lesser extent, led to price pressures from customers. Sales of fishing, intervention and consumable products declined $17.2 million, revenues from completion products sales and services decreased $6.4 million and rental revenues fell $2.5 million. The industry weakness has more severely impacted the Company's drilling and completion products. In addition, the Company has experienced a larger decline in its North American and especially Canadian operations. As a result, the Company experienced sales declines across substantially all product lines and in all geographic regions, with small offsets noted for new product offerings in certain markets of the U.S.

GROSS PROFIT

For the three month period ended September 30, 2015, gross profit was $5.0 million, or 24.5% of revenue, compared with $17.9 million, or 38.4% of revenue, for the three month period ended September 30, 2014. Logan's decline in gross profit was caused directly by the decline in revenues. Cost cutting initiatives, which were initiated earlier in 2015, including reduction in personnel costs, property and casualty insurance expenses, employer health plan premiums and overtime hours, were not sufficient to overcome the decrease in revenues. The decrease in gross profit margin was caused by the Company's inability to fully absorb its fixed manufacturing costs.

ADMINISTRATIVE EXPENSES

Administrative expenses declined $2.5 million to $7.9 million for the three month period ended September 30, 2015, from $10.4 million for the same period in 2014. This decrease was mostly caused by a reduction of $1.7 million in compensation expense, due to fewer administrative personnel, and a decrease of $0.3 million on commissions due to lower revenues. The Company's third-quarter results benefited from the favorable impact of cost reduction initiatives implemented earlier in the year, which resulted in a $1.0 million decrease in administrative expenses from the second quarter to the third quarter of 2015.

IMPAIRMENT LOSS

The Company recognized an impairment loss of $8.9 million related to its Logan Completion Systems cash generating unit (CGU). The Company considered the closing of underperforming service locations within this CGU, which occurred during the third quarter, to be an indicator for impairment. Management performed an impairment test on this CGU and determined that inventory was impaired by $5.7 million and goodwill was impaired by $3.2 million.

OTHER INCOME/ EXPENSE

The Company recorded other expense of $20 thousand for the three month period ended September 30, 2015 as compared with $65 thousand for the corresponding period in 2014. Other income / expense consists of gains and losses from the sale of assets and other miscellaneous items.

NET FINANCE COST

The Company recorded net finance cost, which includes interest on borrowings, banking fees on unborrowed bank-committed funds and gains/losses on remeasurement of intercompany borrowings, of $1.7 million for the three month period ended September 30, 2015 and $1.4 million for the comparable period in 2014. Interest expense increased $51 thousand from $615 thousand to $666 thousand as interest rates and average debt balances were comparable between the two periods. The Company recorded foreign exchange losses of $1.0 million in 2015 and $0.8 million in 2014.

INCOME TAXES

Income tax expense is recognized based on management's best estimate of the expected annual income tax rate for the full year applied to the pre-tax income of the period. The Group's effective tax rate was 21.3% for the three month period ended September 30, 2015 and 32.7% for the three month period ended September 30, 2014. The effective rate decreased in 2015 primarily due to the impairment loss, which is partially deductible for tax purposes,

and estimated losses in the Company's Canadian entities, which have lower tax rates than the United States, exceeding estimated earnings in the United States.

NINE MONTHS ENDED SEPTEMBER 30, 2015 COMPARED WITH THE NINE MONTHS ENDED SEPTEMBER 30, 2014

REVENUE

The Company's revenue decreased to $69.5 million for the nine month period ended September 30, 2015 from $132.9 million for the nine month period ended September 30, 2014. The severity of the industry slowdown caused by lower energy prices continued to affect demand in each of the Company's product lines. The lower volume also created a more competitive marketplace, which led to price reductions and other concessions. Sales of fishing, intervention and consumable products declined $39.4 million, revenues from completion products sales and services decreased $18.7 million and rental revenues fell $5.3 million.

GROSS PROFIT

For the nine month period ended September 30, 2015, gross profit was $21.6 million, or 31.1% of revenue, compared with $49.7 million, or 37.4% of revenue, for the nine month period ended September 30, 2014. The decrease in gross profit was mostly caused by the decrease in revenue and, to a lesser extent, by the Company's inability to fully absorb its fixed manufacturing costs at the current activity levels.

ADMINISTRATIVE EXPENSES

Administrative expenses declined $5.0 million to $26.7 million for the nine month period ended September 30, 2015, from $31.7 million for the same period in 2014. This decrease was mostly caused by lower compensation expense of $3.7 million, which was related to a reduction in local and corporate administrative and management personnel, and a decrease of $0.7 million on commissions due to lower revenues.

IMPAIRMENT LOSS

The Company recognized an impairment loss of $8.9 million related to its Logan Completion Systems cash generating unit (CGU). The Company considered the closing of underperforming service locations within this CGU, which occurred during the third quarter, to be an indicator for impairment. Management performed an impairment test on this CGU and determined that inventory was impaired by $5.7 million and goodwill was impaired by $3.2 million.

OTHER INCOME/ EXPENSE

The Company recorded other income of $178 thousand for the nine month period ended September 30, 2015 as compared with other expense of $87 thousand for the corresponding period in 2014. Other income / expense consists of gains and losses from the sale of assets and other miscellaneous items.

NET FINANCE COST

The Company recorded net finance cost of $3.7 million for the nine month period ended September 30, 2015 and $3.1 million for the comparable period in 2014. Interest expense was relatively flat as interest rates and average debt balances were comparable between the two periods. Foreign exchange losses increased $0.6 million for current-year period due to the U.S. dollar's strength against the Canadian dollar.

INCOME TAXES

Income tax expense is recognized based on management's best estimate of the expected annual income tax rate for the full year applied to the pre-tax income of the period. The Group's consolidated effective tax rate was 20.6% for the nine month period ended September 30, 2015 and 34.2% for the nine month period ended September 30, 2014.

The effective rate decreased in 2015 primarily due to the impairment loss, which is partially deductible for tax purposes, and estimated losses in the Company's Canadian entities, which have lower tax rates than the United States, exceeding estimated earnings in the United States.

Results of Operating Segments

	Three month periods ended September 30,		Nine month periods ended September 30,	
	2015	2014	2015	2014
Downhole Tool Segment				
Revenue				
Fishing, intervention and consumables (1)	$ 14,468	$ 31,691	$ 51,936	$ 91,324
Completion products and services (2)	4,607	10,959	12,793	31,528
	19,075	42,650	64,729	122,852
Costs of goods sold	13,849	25,876	42,555	75,197
Administrative expenses	5,344	7,537	18,039	22,901
Impairment loss	8,882	-	8,882	-
Other expense (income)	17	67	(128)	161
Operating earnings (loss)	$ (9,017)	$ 9,170	$ (4,619)	$ 24,593
Rental Tool Segment				
Revenue	$ 1,486	$ 4,057	$ 4,768	$ 10,067
Costs of goods sold	1,683	2,918	5,308	8,009
Administrative expenses	710	1,072	2,356	3,138
Other expense (income)	2	(2)	(50)	(74)
Operating earnings (loss)	$ (909)	$ 69	$ (2,846)	$ (1,006)
Corporate administrative expenses	$ 1,882	$ 1,741	$ 6,332	$ 5,708
Corporate other income	1	-	-	-
Corporate operating loss	$ (1,883)	$ (1,741)	$ (6,332)	$ (5,708)

(1) This product line includes Logan Oil Tools and Logan SuperAbrasives.

(2) This product line includes Logan Completion Systems, Kline and Scope.

SEGMENTED ENTITY REVIEW FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015 COMPARED WITH THE THREE MONTHS ENDED SEPTEMBER 30, 2014

DOWNHOLE TOOL REVENUE

Revenues from the downhole tool segment decreased 55% from $42.7 million in the three months ended September 30, 2014 to $19.1 million for the same period in 2015.

Fishing, intervention and consumable products sales decreased $17.2 million, or 54%, due to continued weakness in the workover segment of the industry as customers deferred tool purchases and reduced stocking levels in their existing inventories. Sales of stroking tools and power swivels, which the Company's customers carry as capital assets, were significantly lower than the prior year period as capital spending was significantly reduced throughout the industry. Fishing tool sales declined sharply during the period as well service activity slowed in response to lower market activity. Sales and service of PDC cutters, which are more closely correlated to drilling activities, also

experienced significant declines as customer inventory levels were deemed to be sufficient to meet the reduced demand.

Revenues from completions products and services declined $6.4 million, or 58%, from the prior year period primarily due to a significant decline in activity in Canada. Sales of packers, liner hangers and service tools in the U.S. were down from last year; however, the decline was less severe than was experienced in Canada. Revenues from Logan's expansion into the U.S. market for completion products and services declined moderately compared with the prior year period.

DOWNHOLE TOOL OPERATING EARNINGS

Operating earnings for the downhole tool segment decreased from $9.2 million in the three months ended September 30, 2014 to an operating loss of $9.0 million for the three months ended September 30, 2015. The decrease was the result of the revenue decline compared with the prior period and the loss recognized on impairment of the inventory and goodwill associated with the Logan Completion Systems CGU. Administrative expenses decreased $2.2 million, or 29%, year-over-year,. The operating earnings margin during the three months ended September 30, 2015 decreased to (47.3)% compared with 21.5% in the same period of 2014.

RENTAL TOOL REVENUE

Rental revenues for the three month periods ended September 30, 2015 declined to $1.5 million in the current year from $4.1 million in 2014, or by 63%. The decline in rental revenues was primarily due to lower Xciter rentals, which are directly related to drilling activity, specifically in unconventional wells in North America. Rental revenues from fishing and coil tubing jars in 2015, which are used mostly in well workovers, increased by $0.3 million over 2014 revenues, which began in the third quarter.

RENTAL TOOL OPERATING LOSS

The rental tool segment reported an operating loss of $0.9 million for the three months ended September 30, 2015 compared with operating income of $0.1 million for the same period in 2014. The increase in the loss was due to the large decrease in revenue, which also caused a decrease in operating margin, as the majority of the rental tool segment's costs are fixed.

SEGMENTED ENTITY REVIEW FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 COMPARED WITH THE NINE MONTHS ENDED SEPTEMBER 30, 2014

DOWNHOLE TOOL REVENUE

The downhole tool segment's revenue declined to $64.7 million for the nine months ended September 30, 2015, from $122.9 million for the nine months ended September 30, 2014, or 47%.

Fishing, intervention and consumable products sales decreased 43% from 2014 due to the sharp decrease in energy prices and the resultant impact on demand for the Company's products. Logan experienced sales declines in all tool categories, with the most significant declines seen in sales of power swivels and PDC cutters.

Revenues from completions products and services declined 59% from the prior year primarily due to abnormally slow activity in Canada during 2015. In addition, international product sales to China and Mexico decreased year-over-year, adding to the impact of the decline. U.S. demand for completion products and services provided a partial offset to the decreases noted in Canada. Sales of packers, liner hangers and service tools in the U.S. were down from last year; however, the decline was less severe than seen by the Company's Canadian subsidiaries.

DOWNHOLE TOOL OPERATING EARNINGS

Operating earnings for the downhole tool segment decreased $29.2 million, from $24.6 million in the first nine months of 2014 to an operating loss of $4.6 million for the same period of 2015. Operating earnings decreased at a

more rapid rate than revenues due to reduced leverage of fixed costs and, to inefficiencies associated with the lower volumes and to the impairment loss. These factors led to a reduction in the operating earnings margin to (7.1)% compared with 20.0% in the first nine months of 2014.

RENTAL TOOL REVENUE

Revenues from the rental tool segment decreased 53% to $4.8 million for the nine months ended September 30, 2015 from $10.1 million for the nine months ended September 30, 2014. Rental revenue from the Xciter product line represented most of the decline, decreasing 70% from 2014. Rental revenues from fishing and coil tubing jars, which began in the third quarter of 2014, added $1.2 million to rental tool revenues for 2015.

RENTAL TOOL OPERATING LOSS

The rental tool segment reported an operating loss of $2.8 million for the nine months ended September 30, 2015 compared with a $1.0 million operating loss for the same period in 2014. The greater loss was due to the 53% decrease in revenue, which also caused a decrease in operating margin, as the majority of the rental tool segment's costs are fixed.

SUMMARY OF QUARTERLY RESULTS

(000's, except per share amounts)

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Revenue	$ 20,561	$ 21,181	$ 27,755	$ 37,787	$ 46,707	$ 42,568	$ 43,644	$ 45,576
Net earnings (loss) for the period	(10,627)	(1,957)	(1,282)	(9,523)	4,074	2,759	2,901	3,751
EBITDA *	156	1,283	2,824	6,430	11,001	8,239	8,840	9,586
Modified EBITDA *	732	1,673	3,162	6,203	11,473	8,690	9,321	9,740
Earnings (loss) per share:								
Basic	$ (0.32)	$ (0.06)	$ (0.04)	$ (0.28)	$ 0.12	$ 0.08	$ 0.09	$ 0.11
Diluted	$ (0.32)	$ (0.06)	$ (0.04)	$ (0.28)	$ 0.12	$ 0.08	$ 0.09	$ 0.11
Weighted average number of shares outstanding:								
Basic	33,672	33,616	33,599	33,599	33,594	33,551	33,520	33,479
Diluted	33,672	33,724	33,748	33,938	34,063	33,933	33,928	33,917

* - Non-IFRS financial measure. See "Management's Discussion and Analysis - Non-IFRS Measurements" in each respective period for the reconciliation of net earnings (loss) to EBITDA and Modified EBITDA.

SIGNIFICANT ITEMS AFFECTING THE COMPARABILITY OF QUARTERLY RESULTS

Seasonality

The Company's Canadian operations are seasonal because the ability to transport oilfield drilling and service equipment is dependent on weather conditions. These operations are generally strongest in the first quarter when the ground is frozen, enabling field personnel and equipment easy access to project sites. Operations are usually weakest in the second quarter because, as the ground thaws, access to public roads is restricted by governmental agencies and access to well sites is difficult due to the instability of the ground.

In addition to seasonality, the comparability of quarterly results was affected by the following events:

2015

- The first nine months of 2015 was characterized by sharp decreases in oil and gas prices, beginning in the latter half of 2014, which resulted in a significant decline in the number of rigs operating and wells completed during the first nine months of 2015. The average number of rigs operating in Canada during the first nine months decreased approximately 44% from 2014 to 2015. Likewise, the number of drilling rigs operating in the United States fell 47% during the first nine months of 2015. Internationally, the number of working rigs declined 12%. The adverse effect of the decline in the number of rigs operating during 2015 led to operating results that were lower than historical trends.

- During the third quarter of 2015, the Company recognized an impairment loss of $8.9 million related to inventory and goodwill in its Logan Completion Systems CGU.

- Closure of four operating locations.

2014

- The Company reported revenues of $0.3 million and a net loss of $0.3 million for the first quarter of 2014, related to Logan Jar, which was formed during the second quarter of 2013.

- During the first quarter of 2014, the Canadian dollar continued to weaken in comparison with the U.S. dollar. This had the effect of reducing reported sales for the first quarter of 2014 by $0.5 million compared with exchange rates in effect during the fourth quarter of 2013 and $0.9 million compared with exchange rates in effect during the first quarter of 2013. The effect of the change in foreign exchange rates on net earnings for the first quarter of 2014 was not significant compared to the fourth quarter of 2013 and the first quarter of 2013. The currency fluctuations during the last three quarters of 2014 had a lower impact on reported results.

- During the fourth quarter of 2014, the Company recognized an impairment loss on goodwill of $10.6 million.

2013

- The Company reported revenues of $2.3 million and a net loss of $1.0 million for the twelve month period ended December 31, 2013, related to Logan Jar, which was formed during the second quarter of 2013.

- During 2013, the Canadian dollar weakened in comparison with the U.S. dollar. This had the effect of reducing reported 2013 sales from our Canadian operations by approximately $1.5 million, as well as reducing net earnings by $0.2 million.

LIQUIDITY AND CAPITAL RESOURCES

For the nine month period ended September 30, 2015, $2.7 million of cash was used for operating activities, compared with $11.1 million provided by operations for the same period in 2014. Cash used for investing activities for the nine month period ended September 30, 2015 was $3.8 million, compared with $3.1 million in the corresponding period of 2014. Cash provided by financing activities was $4.4 million for the nine month period ended September 30, 2015 versus cash used for financing activities of $7.4 million for the corresponding period in 2014. The Company believes that it is generating sufficient cash flow to support its operating plan for the current year.

Operating Cash Flows

The $13.8 million decrease in operating cash flows was due mostly to a $23.6 million decrease in earnings (loss) before taxes and impairment loss during the nine month period ended September 30, 2015 compared with the same period in 2014. Lower income tax payments of $3.9 million and less cash used in working capital of $5.7 million partially offset the decrease in operating cash flow resulting from the change in earnings during the first nine months of 2015.

Investing Cash Flows

Cash used for investing activities was $3.8 million in 2015 and consisted of capital expenditures of $4.8 million, net of proceeds of $1.3 million, as compared to capital expenditures of $4.2 million and $1.0 million in deferred acquisition payments, net of sales proceeds of $2.0 million in the comparable 2014 period.

Financing Cash Flows

Cash provided by financing activities for the nine months ended September 30, 2015 was $4.4 million and mostly consisted of additional draws on the revolving credit agreement. In the same period of the prior year, the Company reduced borrowings under its credit agreement by $6.8 million.

Working Capital

As at September 30, 2015, the Company's working capital decreased by $53.6 million to $44.2 million from $97.8 million as at December 31, 2014 due mostly to the reclassification of $51.2 million of bank borrowings to current liabilities and the $5.7 million impairment of inventory in the Company's Logan Completion Systems CGU. The reclassification of borrowings was caused by the Company's failure to comply with the financial leverage covenant in the credit agreement (see further discussion under "Capital Structure" below). Excluding the impact of these changes, other components of working capital changed as follows: (a) working capital was used in a $9.1 million decrease in accounts payable and accrued expenses and a $3.8 million increase in income tax receivable, and (b) working capital was provided by a $0.5 million decrease in inventory, a $13.5 million decrease in trade receivables and a $0.5 million decrease in prepaid expenses. Inventories other than the Logan Completion Systems CGU increased mostly due to the addition of two regional inventory hubs and, to a lesser extent, increases at certain LOT district locations. Accounts payable and accrued expenses declined due to the slowdown in manufacturing activities and the payment of accrued property tax and incentive compensation liabilities. In addition, accounts receivable declined commensurate with the decrease in revenues.

Property, Plant and Equipment

Net property, plant and equipment decreased to $47.2 million as at September 30, 2015 from $50.1 million as at December 31, 2014 and was the net result of depreciation expense of $6.7 million, equipment disposals of $0.7 million, a decrease of $1.4 million related to foreign exchange fluctuations, noncash additions of $1.1 million and capital expenditures of $4.8 million. The current year capital expenditures were, for the most part, the completion of projects that were planned in 2014. The Company has adopted a "wait and see" approach with respect to additional capital expenditures for the remainder of the year, pending a firmer foundation in industry activities.

Capital Structure

The Company considers all bank and other borrowed debt, finance lease liabilities and shareholders' equity as capital. The Company's objective with the management of its capital is to maximize the profitability of its investments in assets and enhance returns to its shareholders. This objective is achieved by prudent management of the capital provided by operations, by optimizing the use of lower-cost capital and by raising equity capital, when appropriate, to fund growth initiatives and a conservative approach to safeguarding its financial condition.

The use of debt financing is based upon the Company's preferred capital structure, which is determined by considering industry norms, risks associated with its business activities and covenants contained in its bank credit agreement. Under the Company's credit agreement, the Company is required to maintain: (i) a financial leverage ratio, which measures the Group's total borrowed debt to its total earnings before interest, tax, depreciation and amortization, other non-cash items and certain acquisition costs (defined in the agreement as "EBITDA"), no greater than 3.00:1; (ii) an interest coverage ratio, which measures the Group's EBITDA to its interest expense, of at least 3.00:1; and (iii) an asset coverage ratio, measured by the sum of certain Group assets to the Group's total borrowed debt, of at least 1.33:1. As at September 30, 2015, the Company was in compliance with the interest coverage ratio and with the asset coverage ratio of the financial covenants; however, the Company's financial leverage ratio of

4.6:1 exceeded the ratio allowed in the 2014 Amended Credit Agreement (the "Agreement").

The breach constitutes an event of default under the Agreement, which provides the lenders several alternatives including a waiver of the breach, an amendment to the Agreement to reset the covenant or, in the unlikely event, a requirement to repay the borrowings.

The Company and the bank executed a limited waiver and amendment to the Agreement (the "Waiver Agreement") effective September 30, 2015. The Waiver Agreement, which is effective through November 30, 2015, waived all breaches of financial covenants as at September 30, 2015 and reduced the banks' commitment to $70 million from $115 million. The Company is currently negotiating an amendment to the Agreement that would revise the financial covenants to avoid future breaches. Based on discussions to date, management believes that an acceptable amendment will be finalized prior to November 30, 2015.

However, since the lenders have the right to, and may, after the expiration of the waiver period, demand repayment, in the absence of an amended (or further waiver of the) covenant, or placement of alternative financing, the breach gives rise to a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company has not yet explored alternative external financing; however, management is confident that the Company could place either alternative debt or equity financing in the event the lenders elect to call the loan.

The Company intends to maintain a flexible capital structure that is consistent with the objectives stated above. In order to maintain or adjust its capital structure, the Company may issue new shares, increase debt or refinance existing debt with different characteristics.

As at September 30, 2015, borrowings under the Canadian revolving credit facility and U.S. revolving credit facility were $51.2 million. In addition, there were outstanding letters of credit of $10 thousand under the U.S. facility, resulting in borrowing availability of $18.8 million.

COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

The Company's future obligations consist of operating leases, finance leases, bank debt and other notes payable.

As at September 30, 2015, the Company's contractual maturities relating to future obligations are $52.2 million in 2015, $3.6 million in 2016, $2.9 million in 2017, $2.3 million in 2018, $2.1 million in 2019 and $9.5 million thereafter.

The Company is from time to time a party to lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, property damages, punitive damages, civil penalties, or injunctive or declaratory relief. The Company records reserves for claims when it is probable that a liability has been incurred and the amount of the ultimate loss can be reasonably estimated. None of these proceedings, separately or in the aggregate, are expected to have a material adverse effect on the Company's financial position, results of operations or cash flows. The Company maintains insurance coverage considered appropriate by management for matters for which insurance coverage can be maintained.

SHAREHOLDERS' EQUITY

Shareholders' equity decreased to $170.5 million as at September 30, 2015 from $188.6 million as at December 31, 2014 primarily due to the Company's net loss of $13.9 million and a $5.0 million loss on foreign currency remeasurement of intercompany borrowings, partially offset by share-based compensation expense of $0.7 million.

As at November 13, 2015, the number of issued and outstanding common shares was 33,685,386. As at November 13, 2015, there were outstanding options to purchase 1,720,260 common shares of the Company with exercise prices ranging from $2.75 to $7.05 (CDN) and 298,958 unvested restricted share units.

Off-Balance Sheet Arrangements

As at September 30, 2015, the Company is not a party to any off-balance sheet arrangements other than operating leases for warehouses, office facilities and equipment, which provide for terms of three to twelve years and, in certain cases, renewal options.

Related Party Transactions

The Company recorded $0.2 million and $0.7 million in sales during the three and nine month periods ended September 30, 2015 and $1.2 million and $2.9 million, respectively, during the same periods ended September 30, 2014, to an entity controlled by a significant shareholder of the Company. In addition, the Company was owed $0.1 million and $0.5 million by this entity as at September 30, 2015 and December 31, 2014, respectively. The terms of these sales were similar to those charged to unrelated customers. No ongoing commitments resulted from these transactions

Business Risks

The Company is subject to the risks inherent in the oilfield services industry. Customer demand for the Company's products and services depends on the exploration, development and production activities of energy companies, which are, in turn, affected by oil and natural gas prices, weather, legislation, exchange rates, the health of domestic and world economies, fuel surpluses or shortages, substitution of alternative energy sources, changes in taxation or regulatory regimes and international political risks such as war, civil unrest, nationalization and expropriation or confiscation. Oil prices are influenced by global supply and demand and by the supply management practices of the Organization of the Petroleum Exporting Countries ("OPEC"), and natural gas prices are influenced by North American supply and demand and, to a lesser extent, by the price of competing fuels. Management mitigates competitive risks by focusing its efforts in areas where the Company has technical and operational advantages and by employing highly competent professional staff. Environmental standards and regulations are becoming more stringent in the industry, particularly affecting the Company's completion services. Business risks are also mitigated by establishing strategic alliances with reputable partners, developing new technologies and methodologies, as well as investigating new business opportunities. Failure of the Company's products could result in a customer claim or could harm the Company's reputation.

Outlook

Over the course of this year, we have consistently reported on the severe downturn our industry has suffered, correlating the collapse in oil prices with the harsh reduction in rig and well count and, further, with our revenue. While our general mood has been pessimistic; at times, we have expressed mild optimism about a slight turnaround or, at least, a levelling off. Based on discussions with our field sales professionals and customers, our current conviction is for the depressed state to continue through the remainder of 2015 and well into 2016.

The optimism we expressed in our last report was quickly extinguished when oil prices dropped to $38/BBL and have appeared to stabilize in the low-to-mid $40/BBL range. Our quarterly reports confirm this weakness. Revenue for the quarter declined by 56% from last year's third quarter and by 3% from the second quarter. At this level, we are unable to fully absorb all of our manufacturing costs, which caused our gross profit margin to decline to 25% from 38%. Despite these headwinds, we were able to report a positive modified EBITDA of $0.7 million, reducing administrative expenses by $2.4 million since last year and by $1.0 since last quarter. Logan Oil Tools, Logan Kline and our Rental Tools segment each recorded positive EBITDA in the quarter, despite a revenue decline of 53%. Conversely, Logan SuperAbrasives, which is more influenced by drilling activity, Logan Completion Systems and Scope, which are more influenced by Canadian activity, each reported EBITDA losses. During the quarter, we closed several of our Logan Completion Systems locations in Canada and reduced administrative expenses by $0.6 million as compared to last year. Due to weak order flow in all of our businesses since late summer, we have initiated reductions in both our administrative staff and direct manufacturing, which allowed us to reduce our outstanding borrowings by $3.2 million in the quarter. However, due to our weak financial performance, we violated a financial covenant in the credit agreement with our banks. We have successfully negotiated a waiver of this breach and, in the process, the total commitment in the credit agreement was reduced from $115 million to $70 million.

As we look to the closing of 2015, our near term expectations are for continued headwinds as customers preserve cash and tighten operating budgets for the last quarter of the year. Accordingly, our attention will be focused on: (1) obtaining an amendment to the credit facility which will provide liquidity through the maturity of the facility in December 2016, (2) further cost reductions, and (3) exploring potential dispositions of noncore assets. We are currently negotiating an amendment to the credit facility and expect to finalize the amendment by the end of November. While we do not expect to make further significant reductions in personnel, we will continue to analyze our capacity to ensure we are properly sized for the level of activity. Finally, we are reviewing our portfolio for assets that are underperforming or noncore to Logan International and may pursue their disposition.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") as defined under National Instrument 52-109. As at September 30, 2015, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), together with the Company's management, have evaluated the design of the disclosure controls and procedures (as defined by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Reports ("NI 52-109"), adopted by the Canadian Securities Administrators) to provide reasonable assurance that: (i) material information relating to the Company is made known to them by others within those entities, particularly during the period in which the annual and interim filings are being prepared; and (ii) material information required to be disclosed in the annual and interim filings is recorded, processed, summarized and reported on a timely basis. In conformance with NI 52-109, the Company has filed certificates signed by the CEO and the CFO that deal with matters of disclosure controls and procedures and have concluded that the design of these disclosure controls and procedures provides reasonable assurance that material information required to be disclosed by the Company in reports filed with Canadian securities regulators is accurate and complete and filed within the periods required.

Internal Controls over Financial Reporting

The CEO and CFO are responsible for designing internal control procedures over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. The CEO and the CFO have concluded that there were no significant changes in the Company's internal control environment and that the design of the Company's internal controls over financial reporting, based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) – Integrated Framework (1992), was effective at September 30, 2015. Because of their inherent limitations, disclosure controls and procedures and internal controls over financial reporting may not prevent or detect misstatements, errors or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires the use of certain critical accounting judgments, estimates, and assumptions. The carrying amount of assets, liabilities, accruals, and other financial obligations, as well as the determination of fair values, contingent liabilities, reported income and expense in these consolidated financial statements depends on the use of these judgments, estimates and assumptions. In the process of applying the Company's accounting policies, management takes into consideration existing circumstances and estimates at the date of the consolidated financial statements, which affects the reported amounts of income and expenses during the reporting periods. Given the uncertainty inherent in estimating these factors, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. There have not been any significant changes to the Company's accounting policies since the issuance of the Company's most recent Consolidated Annual Financial Statements.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements, as well as having an effect on both of the Company's reportable segments:

Cash generating units
In performing impairment assessments of long-lived assets, assets that cannot be assessed individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Judgment is required in identifying these cash generating units, as they are based on how financial information is gathered and organized for review internally by management. The cash generating units that were identified by management were disclosed in the Company's most recent Consolidated Annual Financial Statements.

Deferred income taxes
The calculation of current and deferred income taxes requires management to make certain judgments regarding the tax rules in jurisdictions where the Company performs activities. Application of judgment is required regarding classification of transactions and in assessing probable outcomes of claimed deductions, including expectations about future operating results, the timing and reversal of temporary differences and possible audits of income tax and other tax filings to tax authorities.

Business acquisitions
Business acquisitions are accounted for using the acquisition method. Determining whether an acquisition meets the definition of a business combination or represents an asset purchase requires judgment on a case-by-case basis. If the acquisition meets the definition of a business combination, the assets and liabilities are recognized based on the contractual terms, economic conditions, the Company's operating and accounting policies, and other factors existing as at the acquisition date.

The following are key estimates and assumptions made by management affecting the measurement of balances and transactions in the Company's financial statements, as well as having an effect on both of the Company's reportable segments:

Recoverability of indefinite-lived intangible assets
The Company assesses the carrying values of goodwill and other indefinite-lived intangible assets annually, or more frequently if warranted by a change in circumstances. If it is determined that the carrying value of an indefinite-lived intangible asset or goodwill cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and estimates regarding future sales, costs of production, sustaining capital requirements and tax rates. A material change in assumptions may significantly impact the potential impairment of these assets. In addition, assumptions used in the calculation of recoverable amounts are discount rates, future cash flows and profit margins.

Valuation of assets and liabilities acquired in a business combination
Acquired assets, assumed liabilities (other than deferred taxes) and contingent consideration are recognized at fair value on the date the Company effectively obtains control. The measurement of each business combination is based on the information available at the acquisition date. The determination of fair value of the acquired intangible assets, including goodwill, property, plant and equipment and other assets and the liabilities assumed at the date of acquisition, as well as the useful lives of the acquired intangible assets and property, plant and equipment, is largely based on projected cash flows, discount rates and market conditions existing at the date of acquisition.

Lives of property, plant and equipment and intangible assets
The estimated useful life, residual value and depreciation method chosen are the Company's best estimate and are determined using historical experience, market conditions and other estimates that consider the period and distribution of future cash inflows.

NEW ACCOUNTING STANDARDS

No amendments to existing standards or new accounting standards, as issued by the International Accounting Standards Board ("IASB"), were adopted by the Company effective January 1, 2015. A number of new standards and amendments to standards are not yet effective for the period ended September 30, 2015 and have not been applied in preparing the condensed interim consolidated financial statements. These new standards include:

IFRS 9

In November 2009, IFRS 9 *Financial Instruments* was published, covering the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and a single impairment method replacing the multiple rules in IAS 39. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. The new requirements are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The adoption of IFRS 9 is not expected to have an impact on the Company's consolidated financial statements.

IFRS 15

In May 2014, the International Accounting Standards Board issued IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"). The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption is permitted. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Credit Risk

Credit risk refers to the risk of loss that a counterparty will fail to meet its contractual obligations. Credit risk arises from the Company's trade receivables balances, which are owed by entities in the energy exploration and production industry or by companies that provide services to this industry. The Company assesses the credit-worthiness of its customers, as well as monitors the age and balances outstanding on an ongoing basis. Payment terms with most customers are 30 days from invoice date, however industry practice can extend these terms. As at and for the nine month period ended September 30, 2015, one customer accounted for 12.5% of total receivables and no single customer accounted for 10% or more of total revenue. Approximately $5.8 million of trade receivables as at September 30, 2015 and $7.0 million as at December 31, 2014 were more than 90 days past due and the Company recorded an allowance for doubtful accounts of $309 thousand and $307 thousand, as at September 30, 2015 and December 31, 2014, respectively. The Company sells and delivers tools and products to remote international locations. Since customers defer payment until the product is received, international accounts are seldom settled within normal domestic payment periods. Historically, the Company has not recorded material losses of accounts receivable because the majority of its sales are to large, financially strong international companies.

The Company maintains cash balances in excess of the insured limits at certain financial institutions. Management believes that the Company's exposure to uninsured cash balances is mitigated by minimizing account balances at small financial institutions.

Interest Rate Risk

Since the Company's credit borrowings bear interest at a floating rate, the Company is exposed to changes in interest rates. The Company prepared a sensitivity analysis and determined that a change of 1% in the interest rate would result in a change in net income of approximately $273 thousand for the nine month period ended September 30, 2015 and $303 thousand for the nine month period ended September 30, 2014.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages this risk through its budgeting and monitoring process to ensure it has sufficient cash and credit facilities to meet its obligations. In addition, the Company's objective is to maintain a strong capital structure so that it is able to secure external funding when needed.

Foreign Currency Risk

The Company's Canadian operations purchase certain products in U.S. dollars. As a result, fluctuations in the value of the Canadian dollar relative to the U.S. dollar can result in foreign exchange gains and losses. The Company does

not currently have any agreements to fix or hedge the exchange rate of the Canadian dollar to the U.S. dollar, as the amounts exposed to foreign currency are primarily intercompany loans and payables between subsidiaries of the Company.

ADDITIONAL INFORMATION

Additional information regarding the Company, including the Annual Information Form of the Company, may be found on the Company's SEDAR profile at www.sedar.com.

CORPORATE INFORMATION

Directors

Paul McDermott, Chairman
Director and Managing Partner, Cadent Energy Partners, LLC
Houston,Texas

David Barr
Director and Independent Businessman
Houston, Texas

Jamie Biluk
Director and Independent Businessman
Calgary, Alberta

Ian Bruce
Director and Independent Businessman
Calgary, Alberta

David Coppé
Director and Chief Executive Officer, Probe Holdings, Inc.
Ft. Worth, Texas

David Kennedy
Director and Independent Businessman
Bluffton, South Carolina

David MacNeill
Director, President and Chief Executive Officer of the Company
Houston, Texas

Officers

David MacNeill
President and Chief Executive Officer

Lawrence Keister
Vice President – Finance, Chief Financial Officer and Corporate Secretary

Lori Robertson
Vice President – Human Resources

Michael Rhoden
Chief Accounting Officer

Corporate Headquarters

Logan International Inc.
850 635 – 8th Avenue SW
Calgary, Alberta T2P 3M3
Telephone: (403) 930-6810
Fax: (403) 930-6811
E-Mail: logan@loganinternationalinc.com
Website: www.loganinternationalinc.com

Auditors

KPMG LLP
Calgary, Alberta

Bankers

Wells Fargo, N.A.
Houston, Texas

HSBC
Calgary, Alberta

Legal Counsel

Norton Rose Fulbright Canada LLP
Calgary, Alberta

Squire, Sanders & Dempsey LLP
Cleveland, Ohio

Registrar and Transfer Agent

Inquiries regarding change of address, registered shareholdings, stock transfers or lost certificates should be directed to:

Computershare
600, 530 – 8th Avenue SW, 6th Floor
Calgary, Alberta T2P 3S8
Attention: Stock Transfer Department
Telephone (800) 564-6253

Stock Exchange Listing

Toronto Stock Exchange
Symbol: LII

Investor Contact

Lawrence Keister
Chief Financial Officer
Telephone: (832) 386-2500
larry.keister@loganinternationalinc.com