Condensed Consolidated Financial Statements

For the Three Months Ended March 31, 2020 and 2019

CES Energy Solutions Corp.
Condensed Consolidated Statement of Financial Position (unaudited)
(stated in thousands of Canadian dollars)

	As at	
	March 31, 2020	December 31, 2019
ASSETS		
Current assets		
Accounts receivable	**311,931**	257,480
Financial derivative asset	**642**	—
Income taxes receivable	**24**	88
Inventory (note 4)	**210,031**	220,472
Prepaid expenses and deposits	**22,238**	21,780
	544,866	499,820
Property and equipment (note 5)	**322,205**	301,874
Right of use assets (note 6)	**56,133**	52,739
Intangible assets	**61,459**	61,410
Deferred income tax asset	**17,928**	2,918
Other assets	**12,937**	12,054
Goodwill (note 7)	**56,541**	288,957
	1,072,069	1,219,772
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**126,837**	127,071
Financial derivative liability	—	78
Dividends payable (note 11)	**328**	1,320
Income taxes payable	**410**	1,573
Current portion of deferred acquisition consideration	—	150
Current portion of lease obligations	**24,524**	21,766
	152,099	151,958
Long-term debt (note 8)	**379,248**	362,785
Lease obligations	**22,788**	23,080
Deferred income tax liability	**2,489**	2,639
	556,624	540,462
Commitments (note 12)		
Shareholders' equity		
Common shares (note 9)	**657,528**	660,174
Contributed surplus	**44,116**	42,686
Deficit	**(394,497)**	(165,829)
Accumulated other comprehensive income	**208,298**	142,279
	515,445	679,310
	1,072,069	1,219,772

The accompanying notes are an integral part of these condensed consolidated financial statements.

CES Energy Solutions Corp.

Condensed Consolidated Statements of Net (Loss) Income and Comprehensive Loss (unaudited)
(stated in thousands of Canadian dollars, except per share amounts)

	Three Months Ended March 31,	
	2020	2019
Revenue	**349,447**	332,988
Cost of sales	**281,780**	263,833
Gross margin	**67,667**	69,155
General and administrative expenses	**53,065**	51,024
Operating profit	**14,602**	18,131
Finance costs	**6,333**	7,197
Impairment of goodwill (note 7)	**248,905**	—
Other (gain) loss	**(562)**	12
(Loss) income before taxes	**(240,074)**	10,922
Current income tax expense	**339**	892
Deferred income tax (recovery) expense	**(14,693)**	7,832
Net (loss) income	**(225,720)**	2,198
Other comprehensive income (loss) (items that may be subsequently reclassified to profit and loss):		
Unrealized foreign exchange gain (loss) on translation of foreign operations	**66,311**	(15,568)
Change in fair value of other assets, net of tax	**(292)**	205
Comprehensive loss	**(159,701)**	(13,165)
Net (loss) income per share (note 9)		
Basic	**(0.86)**	0.01
Diluted	**(0.86)**	0.01

The accompanying notes are an integral part of these condensed consolidated financial statements.

CES Energy Solutions Corp.

Condensed Consolidated Statements of Changes in Equity (unaudited)
(stated in thousands of Canadian dollars)

	Three Months Ended March 31,	
	2020	2019
COMMON SHARES		
Balance, beginning of period	**660,174**	651,116
Issued pursuant to stock-based compensation (note 10)	**2,144**	9,368
Issued pursuant to stock settled director fee	**15**	18
Common shares repurchased and canceled through NCIB (note 9)	**(4,805)**	(1,043)
Balance, end of period	**657,528**	659,459
CONTRIBUTED SURPLUS		
Balance, beginning of period	**42,686**	47,204
Reclassified pursuant to stock-based compensation (note 9)	**(2,144)**	(9,368)
Stock-based compensation expense (note 10)	**3,574**	5,700
Balance, end of period	**44,116**	43,536
DEFICIT		
Balance, beginning of period	**(165,829)**	(179,993)
Net (loss) income	**(225,720)**	2,198
Dividends declared (note 11)	**(2,948)**	(3,995)
Balance, end of period	**(394,497)**	(181,790)
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of period	**142,279**	179,243
Unrealized foreign exchange gain (loss) on translation of foreign operations	**66,311**	(15,568)
Change in fair value of other assets, net of tax	**(292)**	205
Balance, end of period	**208,298**	163,880
	515,445	685,085

The accompanying notes are an integral part of these condensed consolidated financial statements.

CES Energy Solutions Corp.

Condensed Consolidated Statements of Cash Flows (unaudited)
(stated in thousands of Canadian dollars)

	Three Months Ended March 31,	
	2020	2019
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net (loss) income	**(225,720)**	2,198
Adjustments for:		
Depreciation and amortization	**20,052**	19,882
Stock-based compensation (note 10)	**3,574**	5,700
Other non-cash loss	**94**	917
Deferred income tax (recovery) expense	**(14,693)**	7,832
Gain (loss) on disposal of assets	**114**	(235)
Impairment of goodwill	**248,905**	—
Change in non-cash working capital (note 13)	**(19,989)**	15,541
	12,337	51,835
FINANCING ACTIVITIES:		
Repayment of lease obligations	**(6,020)**	(5,673)
Increase (decrease) in Senior Facility	**14,210**	(29,213)
Shareholder dividends	**(3,940)**	(3,989)
Common shares repurchased and cancelled through NCIB (note 9)	**(4,805)**	(1,043)
	(555)	(39,918)
INVESTING ACTIVITIES:		
Investment in property and equipment	**(12,797)**	(12,658)
Investment in intangible assets	**(400)**	(647)
Distribution of (investment in) other assets	**276**	(482)
Deferred acquisition consideration	**(150)**	(337)
Proceeds on disposal of assets	**1,289**	2,207
	(11,782)	(11,917)
CHANGE IN CASH	—	—
Cash, beginning of period	—	—
Cash, end of period	—	—
SUPPLEMENTARY CASH FLOW DISCLOSURE		
Interest paid	**2,324**	2,531
Income taxes paid	**1,544**	1,144

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. The Company

CES Energy Solutions Corp. (the "Company" or "CES") is a company domiciled in Canada and was incorporated under the Canada Business Corporations Act on November 13, 1986. CES' principal place of business is located at Suite 1400, 332 – 6th Avenue SW, Calgary, Alberta, Canada T2P 0B2. The condensed consolidated financial statements of the Company as at and for the three months ended March 31, 2020 and 2019 comprise the accounts of the Company and its subsidiaries (together referred to as the "Company" or "CES").

CES' core business is to design, implement, and manufacture technically advanced consumable fluids and specialty chemicals for the North American oil and gas industry. CES operates under the following trade names and brands: AES Drilling Fluids, JACAM Chemicals, Catalyst Oilfield Services, Superior Weighting Products, Canadian Energy Services, PureChem Services, StimWrx Energy Services, Sialco Materials Ltd, and Clear Environmental Solutions.

2. Basis of Presentation

Statement of Compliance

These condensed consolidated financial statements have been prepared by management of the Company in accordance with International Accounting Standard ("IAS") 34, *"Interim Financial Reporting"*. These condensed consolidated financial statements include all necessary disclosures required for interim financial statements but do not include all disclosures required for annual financial statements. Therefore, these condensed consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2019. These condensed consolidated financial statements were authorized for issue by the Company's Board of Directors on May 14, 2020.

3. Significant Accounting Policies, Estimates and Judgments

These condensed consolidated financial statements have been prepared following the same accounting principles and methods of computation as outlined in the Company's consolidated financial statements for the year ended December 31, 2019. A description of accounting standards and interpretations that have been adopted by the Company can be found in the notes of the annual consolidated financial statements for the year ended December 31, 2019.

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual outcomes may differ from these estimates. These condensed consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Management has made significant assumptions about the future and other sources of estimation uncertainty at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ. Assumptions made relate to, but are not limited to, the following: determination of cash generating units ("CGU"), determination of lease terms, accounts receivable and provisions for expected credit losses, inventories, depreciation and amortization, recoverability of asset carrying values, fair value of outstanding derivatives, stock-based compensation, income taxes, and other provisions and contingencies.

4. Inventory

During the three months ended March 31, 2020, the Company recorded $11,068 of inventory valuation write-downs as certain commodity based products were revalued to net realizable value to reflect current prices (2019 - $nil).

(stated in thousands of Canadian dollars, except for share and per share amounts)

5. Property and Equipment

Balance at December 31, 2019	**301,874**
Additions	12,361
Disposals, net of amortization	(593)
Amortization	(11,276)
Effect of movements in exchange rates	19,839
Balance at March 31, 2020	**322,205**

6. Right of Use Assets

Balance at December 31, 2019	**52,739**
Additions	6,290
Disposals, net of amortization	(775)
Amortization	(4,976)
Effect of movements in exchange rates	2,855
Balance at March 31, 2020	**56,133**

7. Goodwill

	Canadian Operations	US Operations (1)	Total
Balance at December 31, 2019	79,589	209,368	288,957
Impairment of goodwill	(79,589)	(169,316)	(248,905)
Effect of movements in exchange rates	—	16,489	16,489
Balance at March 31, 2020	—	**56,541**	**56,541**

[1]*Amounts denominated in foreign currencies have been translated at the respective period-end exchange rates*

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indication of impairment, then the asset's recoverable amount is estimated. As at March 31, 2020, the Company noted indicators of impairment due to the significant decline in commodity prices and the resulting reduction in demand for the Company's products and services. The Company's impairment analysis indicated that the recoverable amount of the net assets for each CGU did not exceed its respective carrying value and resulted in goodwill impairment of $248,905.

The recoverable amount of the net assets for each CGU was based on their value in use and was estimated to be US$475,180 for the US Operations CGU and $253,256 for the Canadian Operations CGU. The key assumptions for the value in use calculations are the expected growth rates in future cash flows and the discount rates. At March 31, 2020 an estimated risk adjusted, pre-tax discount rate of 13.5% and 14.1% (December 31, 2019 - 13.5% and 13.7%) was used for the US Operations CGU and Canadian Operations CGU, respectively. For both CGUs, the Company has used a 2.0% terminal growth rate (December 31, 2019 - 2.0%). The Company prepares cash flow forecasts for the purpose of the impairment analysis for a five year period using growth rates that range from negative 29% in 2020 to positive 21% in later years for the US Operations CGU and a range of negative 21% in 2020 to positive 19% in later years for the Canadian Operations CGU. The growth or decline rates represent management's assessment of future industry trends and are based on both external and internal sources, as well as historical data. Future cash flows are based on various judgments and estimates including actual performance of the business, management's estimates of future performance, and indicators of future industry activity levels. At March 31, 2020, there was considerable uncertainty as to the level of demand for the Company's products and services which increased the estimation uncertainty associated with the future cash flows used in the goodwill impairment tests. Assumptions that are valid at the time of estimating the recoverable amount of each CGU may change significantly as new information becomes available.

(stated in thousands of Canadian dollars, except for share and per share amounts)

The estimated recoverable amount for the US CGU is sensitive to changes in the terminal growth rate and the estimated risk adjusted, pre-tax discount rates used. A decrease of 1.0% in the terminal growth rate or an increase of 0.5% of the estimated risk adjusted, pre-tax discount rate would result in an additional goodwill impairment of US$23,838 or US$21,087, respectively, for the US CGU.

8. Long-Term Debt

The Company's long-term debt is comprised of the following balances:

	As at	
	March 31, 2020	December 31, 2019
Senior Facility	**93,494**	77,341
Senior unsecured notes due Oct 21, 2024 bearing interest at 6.375% payable semi-annually ("Senior Notes")	**290,954**	290,954
	384,448	368,295
Less: unamortized debt issue costs	**(5,200)**	(5,510)
Long-term debt	**379,248**	362,785

Senior Facility

The Company has a syndicated senior facility (the "Senior Facility") which is comprised of a Canadian facility of $170,000 and US facility of US$50,000. The Senior Facility matures on September 28, 2022, subject to certain terms and conditions, and the Senior Facility may be extended by one year upon agreement of the lenders and the Company.

Amounts drawn on the Senior Facility incur interest at the bank's prime rate or US base rate plus an applicable pricing margin ranging from 0.25% to 1.00% or the Canadian Bankers' Acceptance rate or the LIBOR rate plus an applicable pricing margin ranging from 1.25% to 2.00%. The Senior Facility has a standby fee ranging from 0.25% to 0.40%. The applicable pricing margins are based on a sliding scale of Net Senior Debt to EBITDA ratio. The obligations and indebtedness under the Senior Facility are secured by all of the assets of CES and its subsidiaries.

As at March 31, 2020, the maximum available draw on the Senior Facility was $170,000 on the Canadian facility and US$50,000 on the US facility. As at March 31, 2020, the Company had a net draw of $92,934 on the Senior Facility (December 31, 2019 - $76,725), with capitalized transaction costs of $560 (December 31, 2019 - $616). Transaction costs attributable to the Senior Facility are recorded as part of the Senior Facility and amortized to finance costs over the remaining term.

Under the Senior Facility, CES is subject to the following financial covenants:

- The ratio of Net Senior Debt to trailing EBITDA must not exceed 2.50:1.00 calculated on a rolling four-quarter basis; and
- The ratio of EBITDA to interest expense must be greater than 2.50:1.00, calculated on a rolling four-quarter basis. At the Company's option, CES may elect to reduce the EBITDA to interest expense covenant minimum to 1.50:1:00 for three consecutive quarters, and would be subject to an asset coverage test during this reduced interest coverage period if exercised.

The relevant definitions of key ratio terms as set forth in the Senior Facility agreement are as follows:

- Net Senior Debt is defined as Total Net Debt, as defined below, minus the principal amount owing on the Company's Senior Notes, any permitted vendor take-back debt, and all cash and cash equivalents.
- EBITDA is defined as net income before interest, taxes, depreciation and amortization, gains and losses on disposal of assets, amortization of capitalized deferred financing costs, goodwill impairment, unrealized foreign exchange gains and losses, unrealized derivative gains and losses, stock-based compensation, and other gains and losses not considered reflective of underlying operations. EBITDA attributable to businesses acquired in the period are permitted to be added to EBITDA.

(stated in thousands of Canadian dollars, except for share and per share amounts)

- Total Net Debt is defined as all obligations, liabilities, and indebtedness excluding future income tax liabilities and deferred tax credits, office leases, other leases characterized as an operating lease, and accrued interest not yet due and payable. Total Net Debt is also reduced by any unencumbered cash and securities on deposit or invested with any of the members of the Company's banking syndicate.

The above noted definitions are not recognized under IFRS and are provided strictly for the purposes of the Company's Senior Facility covenant calculations.

The covenant calculations as at March 31, 2020 and December 31, 2019, are as follows:

	As at	
	March 31, 2020	December 31, 2019
Net Senior Debt	**125,776**	107,812
EBITDA for the four quarters ended	**166,695**	159,980
Ratio	**0.755**	0.674
Maximum	**2.500**	2.500
EBITDA for the four quarters ended	**166,695**	159,980
Interest Expense for the four quarters ended	**25,650**	26,226
Ratio	**6.499**	6.100
Minimum	**2.500**	2.500

As at March 31, 2020, the Company was in compliance with the terms and covenants of its lending agreements. For the three months ended March 31, 2020, the Company recorded $6,877 (2019 -$7,517) in interest expense related to its long-term debt and lease balances, including the amortization of debt issue costs.

Scheduled principal payments on the Company's long-term debt at March 31, 2020, are as follows:

2020 - 9 months	—
2021	—
2022	93,494
2023	—
2024	290,954
2025 and thereafter	—
	384,448

(stated in thousands of Canadian dollars, except for share and per share amounts)

9. Share Capital

a) Authorized

The Company is authorized to issue an unlimited number of common shares.

b) Issued and outstanding

A summary of the changes to common share capital is presented below:

	Three Months Ended March 31, 2020		Year Ended December 31, 2019	
Common Shares	**Number of Shares**	**Amount**	Number of Shares	Amount
Balance, beginning of period	**263,956,291**	**660,174**	265,886,609	651,116
Issued pursuant to stock-based compensation	**389,627**	—	3,847,713	—
Contributed surplus related to stock-based compensation	—	**2,144**	—	22,144
Issued pursuant to stock settled director fee	**6,283**	**15**	23,672	60
Common shares repurchased and canceled through NCIB	**(2,325,277)**	**(4,805)**	(5,801,703)	(13,146)
Balance, end of period	**262,026,924**	**657,528**	263,956,291	660,174

Normal Course Issuer Bid ("NCIB")

On July 11, 2019, the Company announced the renewal of its previous NCIB which ended on July 16, 2019. Under the renewed NCIB, effective July 17, 2019, the Company may repurchase for cancellation up to 18,649,192 common shares, being 7.5% of the public float of common shares at the time of renewal. The renewed NCIB will terminate on July 16, 2020 or such earlier date as the maximum number of common shares are purchased pursuant to the NCIB or the NCIB is completed or is terminated at the Company's election. Since inception of the Company's NCIB programs and up to March 31, 2020, the Company has repurchased 12,926,880 common shares at an average price of $2.90 per share for a total amount $37,483. For the three months ended March 31, 2020, the Company repurchased 2,325,277 common shares at an average price of $2.07 for a total amount of $4,805.

c) Net income per share

In calculating the basic and diluted net (loss) income per share for the three months ended March 31, 2020 and 2019, the weighted average number of shares used in the calculation is shown in the table below:

	Three Months Ended March 31,	
	2020	2019
Net (loss) income	**(225,720)**	2,198
Weighted average number of shares outstanding:		
Basic shares outstanding	**262,711,372**	266,141,659
Effect of dilutive shares	—	5,937,284
Diluted shares outstanding	**262,711,372**	272,078,943
Net (loss) income per share - basic	**($0.86)**	$0.01
Net (loss) income per share - diluted	**($0.86)**	$0.01

Excluded from the calculation of dilutive shares for the three months ended March 31, 2020, are 9,689,346 of Share Rights (2019 – 11,399,445) that are considered anti-dilutive.

10. Stock-Based Compensation

As at March 31, 2020, a total of 26,202,692 common shares were reserved for issuance under the Company's Restricted Share Unit Plan, Share Rights Incentive Plan, and Stock Settled Director Fee Program, of which 4,712,529 common shares remained available for grant. For the three months ended March 31, 2020, stock compensation expense of $3,574 (2019 – $5,700) was recorded in general and administrative expenses relating to the Company's stock-based compensation plans.

(stated in thousands of Canadian dollars, except for share and per share amounts)

a) Restricted Share Unit ("RSU") Plan

CES' RSU Plan provides incentives to eligible employees, officers, and directors of the Company through the issuance of RSUs. The RSUs generally vest from one year, and up to three years, on the anniversary from the date of grant, subject to other such vesting schedules or conditions as determined by the Board of Directors. Throughout the vesting period, holders of Restricted Shares will be entitled to the dividend equivalents in the form of additional Restricted Shares on each dividend payment date, to be held in the RSU account until such time as the awards have vested.

A summary of changes under the RSU plan is presented below:

	Three Months Ended March 31, 2020		Year Ended December 31, 2019	
	Restricted Share Units	**Average Price**	Restricted Share Units	Average Price
Balance, beginning of period	**6,411,540**	**$3.79**	6,267,482	$6.03
Granted during the period	**5,800,818**	**0.93**	4,542,907	2.52
Reinvested during the period	**57,923**	**3.81**	169,009	4.51
Vested during the period	**(389,627)**	**5.50**	(3,847,713)	5.76
Forfeited during the period	**(45,336)**	**4.26**	(720,145)	4.96
Balance, end of period	**11,835,318**	**$2.35**	6,411,540	$3.79

The stock-based compensation costs for RSUs granted are based on the five day volume weighted average share price at the date of grant. The amount of compensation expense recorded for the three months ended March 31, 2020 , was reduced by an estimated weighted average forfeiture rate of 0.01% per year at the date of grant.

b) Share Rights Incentive Plan ("SRIP")

CES' SRIP expired June 16, 2019 as the Company elected not to renew the plan. As such, no further Share Rights have been granted. CES' SRIP provided incentives to the employees, officers, and directors of the Company by issuing options to acquire common shares. Share Rights generally vest as to one-third on each of the first, second, and third anniversary dates of the grant, or such other vesting schedule as determined by the Board of Directors, and expire no later than five years after the date of the grant. Under the SRIP, employees may elect to exercise the Share Rights at an adjusted exercise price in which the option exercise price will be adjusted downwards by the cumulative dividends paid by the Company.

A summary of changes under the SRIP is presented below:

	Three Months Ended March 31, 2020		Year Ended December 31, 2019	
	Share Rights	**Average Exercise Price**	Share Rights	Average Exercise Price
Balance, beginning of period	**9,787,645**	**$5.89**	12,333,645	$6.29
Expired during the period	—	—	(1,179,000)	10.09
Forfeited during the period	**(132,800)**	**6.42**	(1,367,000)	5.93
Balance, end of period	**9,654,845**	**$5.88**	9,787,645	$5.89
Exercisable Share Rights, end of period	**8,787,045**	**$5.88**	8,856,645	$5.88

(stated in thousands of Canadian dollars, except for share and per share amounts)

The following table summarizes information about the outstanding grants under the Company's SRIP as at March 31, 2020:

	Share Rights Outstanding			Share Rights Exercisable	
Range of exercise prices	Share Rights	Weighted average exercise price	Weighted average term remaining in years	Share Rights	Weighted average exercise price
\$3.10 - \$4.83	2,766,045	\$4.20	1.37	2,766,045	\$4.20
\$4.84 - \$6.17	2,438,800	5.87	2.26	1,638,000	5.87
\$6.18 - \$6.77	361,000	6.46	1.48	306,000	6.48
\$6.78 - \$7.07	3,548,000	6.92	0.14	3,548,000	6.92
\$7.08 - \$7.55	541,000	7.32	1.44	529,000	7.32
	9,654,845	\$5.88	1.15	8,787,045	\$5.88

11. Dividends

The Company declared dividends to holders of common shares for the three months ended March 31, 2020, as follows:

	Dividend Record Date	**Dividend Payment Date**	**Per Common Share**	**Total**
January	Jan 31	Feb 15	\$0.005	**1,311**
February	Feb 28	Mar 13	\$0.005	**1,309**
March	Mar 29	Apr 15	\$0.001	**328**
Total dividends declared			\$0.011	**2,948**

Subsequent to March 31, 2020, in light of declining commodity prices and uncertainty surrounding North American oil and gas demand, production, and storage levels, the Company announced that it suspended its monthly dividend.

12. Commitments

The Company has commitments related to short-term leases, leases of low-value assets, variable payments associated with long-term leases, and capital commitments with payments due as follows:

Less than 1 year	2,702
1-5 years	16
5+ years	—
Total	**2,718**

Payments denominated in foreign currencies have been translated using the March 31, 2020 exchange rate

The Company is involved in litigation and disputes arising in the normal course of operations. Management is of the opinion that any potential litigation will not have a material adverse impact on the Company's financial position or results of operations and, therefore, the commitment table does not include any provisions for outstanding litigation and potential claims.

(stated in thousands of Canadian dollars, except for share and per share amounts)

13. Supplemental Information

The changes in non-cash working capital were as follows:

	Three Months Ended March 31,	
	2020	2019
(Increase) decrease in current assets		
Accounts receivable (includes income taxes receivable)	**(54,387)**	10,240
Inventory	**10,441**	14,522
Prepaid expenses and deposits	**(458)**	(1,077)
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities (includes income taxes payable)	**(1,397)**	(5,744)
Effects of movement in exchange rate	**25,376**	(5,656)
	(20,425)	12,285
Relating to:		
Operating activities	**(19,989)**	15,541
Investing activities	**(436)**	(3,256)

The changes in non-cash working capital exclude the impact of any working capital acquired through business combinations in the respective periods

For the three months ended March 31, 2020 and 2019, changes in non-cash working capital relating to investing activities have been included in "Investment in property and equipment" on the Condensed Consolidated Statements of Cash Flows.

14. Geographical Information

Geographical information relating to the Company's activities is as follows:

	Revenue	
	Three Months Ended March 31,	
	2020	2019
United States	**227,958**	224,892
Canada	**121,489**	108,096
	349,447	332,988

	Long-Term Assets [1]	
	March 31, 2020	December 31, 2019
United States	**365,445**	491,547
Canada	**143,830**	225,487
	509,275	717,034

[1] *Includes: Property and equipment, right of use assets, intangible assets, other assets and goodwill*

15. Related Parties

During the three months ended March 31, 2020, CES paid rent of $27 (2019 - $29) to an executive officer of the Company for use of a temporary rental property. These transactions have been accounted for at the exchange amount being the amount agreed to by the related parties, which approximates the arm's length equivalent fair value.

STOCK EXCHANGE LISTINGS
The Toronto Stock Exchange
Trading Symbol: CEU

OTC
Trading Symbol: CESDF

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[3]Member of the Health, Safety and Environment Committee

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Chief Financial Officer

Kenneth E. Zinger
Chief Operating Officer & President, Canadian Operations

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President, US Drilling Fluids

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