cequence energy ltd

HIGHLIGHTS

	Three months ended September 30,			Nine months ended September 30		
(000's except per share and per unit amounts)	2016	2015	% Change	2016	2015	% Change
FINANCIAL						
Production revenue	14,071	19,015	(26)	40,746	61,372	(34)
Total revenue [1]	14,707	19,383	(24)	41,821	64,779	(35)
Comprehensive loss	(880)	(99,070)	(99)	(18,980)	(103,487)	(82)
Per share – basic and diluted	(0.00)	(0.47)	(100)	(0.09)	(0.49)	(82)
Funds flow from operations [2] [5]	3,385	5,139	(34)	4,625	20,704	(78)
Per share, basic and diluted	0.02	0.02	–	0.02	0.10	(80)
Capital expenditures, before acquisitions (dispositions)	2,810	4,656	(40)	11,130	47,086	(76)
Capital expenditures, including acquisitions (dispositions)	(2,357)	5,792	(141)	5,890	2,208	167
Net debt [3] [6]	67,913	53,633	27	67,913	53,633	27
Weighted average shares outstanding – basic and diluted	211,028	211,028	–	211,028	211,028	–
OPERATING						
Production volumes						
Natural gas (Mcf/d)	44,320	43,987	1	45,562	49,541	(8)
Crude oil (bbls/d)	175	199	(12)	190	138	38
Natural gas liquids (bbls/d)	261	485	(46)	247	534	(54)
Condensate (bbls/d)	798	807	(1)	869	984	(12)
Total (boe/d)	8,621	8,822	(2)	8,899	9,913	(10)
Sales prices						
Natural gas, including realized hedges ($/Mcf)	2.28	3.46	(34)	2.05	3.38	(39)
Crude oil and condensate, including realized hedges ($/bbl)	53.78	50.08	7	51.00	54.20	(6)
Natural gas liquids ($/bbl)	24.09	16.80	43	20.89	17.15	22
Total ($/boe)	18.54	23.88	(22)	17.15	23.94	(28)
Netback ($/boe)						
Price, including realized hedges	18.54	23.88	(22)	17.15	23.94	(28)
Royalties	(0.80)	(0.45)	78	(0.44)	(1.26)	(65)
Transportation	(1.26)	(1.63)	(23)	(1.18)	(1.84)	(36)
Operating costs	(7.85)	(11.03)	(29)	(8.72)	(9.13)	(4)
Operating netback	8.63	10.77	(20)	6.81	11.71	(42)
General and administrative [5]	(2.49)	(2.53)	(2)	(3.08)	(2.20)	40
Interest [4]	(1.94)	(2.06)	(6)	(1.93)	(1.91)	1
Cash netback	4.20	6.18	(32)	1.80	7.60	(76)

(1) Total revenue is presented gross of royalties and includes realized gains (loss) on commodity contracts.
(2) Funds flow from operations is calculated as cash flow from operating activities before adjustments for decommissioning liabilities expenditures and net changes in non-cash working capital.
(3) Net debt is calculated as working capital (deficiency) less the principal value of senior notes.
(4) Represents finance costs less amortization on transaction costs and accretion expense on senior notes and provisions.
(5) For the three and nine months ended September 30, 2016, general and administrative expenses and funds flow from operations includes $410 ($0.52/boe) and $2,341 ($0.96/boe) in restructuring charges, respectively.
(6) Prior period amounts have been adjusted to confirm to current period presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the financial and operating results of Cequence Energy Ltd. ("Cequence" or the "Company") should be read in conjunction with the Company's unaudited condensed consolidated financial statements (the "consolidated financial statements") and related notes for the three and nine months ended September 30, 2016 as well with the audited consolidated financial statements (the "annual financial statements") and related notes for the years ended December 31, 2015 and 2014.

Additional information relating to the Company, including its MD&A for the prior year and the annual information form is available on SEDAR at www.sedar.com.

This MD&A is dated November 10, 2016.

Basis of Presentation

The consolidated financial statements and comparative information have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). The financial information presented reflects the consolidated financial statements of Cequence.

The reporting and the measurement currency is the Canadian dollar. For the purpose of calculating unit costs, natural gas is converted to a barrel of oil equivalent ("boe") using six thousand cubic feet of natural gas equal to one barrel of oil unless otherwise stated. The term barrel of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio for gas of 6 Mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

For nine months ended September 30, 2016 the ratio between the average price of West Texas Intermediate ("WTI") crude oil at Cushing and NYMEX natural gas was approximately 18:1 ("Value Ratio"). The Value Ratio is obtained using the first nine months of 2016 WTI average price of $41.27 (US$/Bbl) for crude oil and the first nine months 2016 NYMEX average price of $2.34 (US$/MMbtu) for natural gas. This Value Ratio is significantly different from the energy equivalency ratio of 6:1 and using a 6:1 ratio would be misleading as an indication of value.

Unless otherwise stated and other than per unit items, all figures are presented in thousands.

Non-GAAP Measurements

Within the MD&A references are made to terms commonly used in the oil and gas industry, including operating netback, cash netback, net debt, funds flow from (used in) operations and total revenue.

Operating netback is not defined by IFRS in Canada and is referred to as a non-GAAP measure. Operating netback equals per boe revenue less royalties, operating costs and transportation costs. Management utilizes this measure to analyze operating performance of its assets and operating areas, compare results to peers and to evaluate drilling prospects.

Cash netback is not defined by IFRS in Canada and is referred to as a non-GAAP measure. Cash netback equals operating netback less per boe general and administrative expenses and interest expense. Management utilizes this measure to analyze the Company's per boe profitability for future capital investment or repayment of debt after considering cash costs not specifically attributable to its assets or operating areas.

Net debt is a non-GAAP term that is calculated as working capital (deficiency) less the principal value of senior notes. For this calculation, Cequence uses the principal value of the senior notes rather than the carrying value on the statement of financial position as it reflects the amount that will be repaid upon maturity. Cequence uses net debt as it provides an estimate of the Company's assets and obligations expected to be settled in cash.

Funds flow from (used in) operations is a non-GAAP term that represents cash flow from operating activities before adjustments for decommissioning liabilities expenditures and net changes in non-cash working capital. The Company evaluates its performance based on earnings and funds flow from (used in) operations. The Company considers funds flow from (used in) operations a key measure as it demonstrates the Company's ability to generate the cash flow necessary to fund future growth through capital investment and to repay debt. The Company's calculation of funds flow from (used in) operations may not be comparable to that reported by other companies. Funds flow from (used in) operations per share is calculated using the same weighted average number of shares outstanding used in the calculation of comprehensive income (loss) per share.

Total revenue equals production revenue gross of royalties and including realized gain (loss) on commodity contracts. Management utilizes this measure to analyze revenue and commodity pricing and its impact on operating performance.

Non-GAAP financial measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

Description of the Business

Cequence is engaged in the exploration for and the development of oil and natural gas reserves. Cequence's primary focus is the development of its Simonette asset in the Alberta Deep Basin. The Company also has assets in Northeast British Columbia and the Peace River Arch of Alberta. The common shares of Cequence trade on the Toronto Stock Exchange under the symbol CQE.

AECO natural gas prices averaged $1.87/mcf for the first nine months of 2016, a 33 percent decline from prior year. During this period of low prices the Company has reduced capital expenditures, curtailed uneconomic production and has taken measures to reduce both operating and general and administrative expenses. As natural gas prices increased in the third quarter the Company began producing some wells that had been shut in for economic reasons. As a result, production in the third quarter increased 10 percent from the second quarter of 2016 to 8,621 boe/d.

During the year, the Company downsized its staff and office space. After considering all the expected changes in G&A, management expects fourth quarter run rate G&A expense to be approximately $6,000 per year representing a 30 percent decrease from 2015.

On October 28, 2016, the Company completed the sale, on a private placement basis, of 34,500,000 common voting shares on a Canadian development expenses "flow-through" basis at $0.29 per share for gross proceeds of $10,005. The financing allows the Company to resume drilling operations in the fourth quarter. Planned capital expenditures, net of dispositions, for 2016 have been increased to $17,000 and the Company now plans to drill two Montney wells and one net Dunvegan well in the winter of 2016/17.

In the first quarter of 2016, the Company completed the addition of a shallow cut refrigeration upgrade at the Company's Simonette natural gas processing facility. The addition of a refrigeration system is expected to provide Cequence with greater long term flexibility and improved pricing for natural gas and liquids from its Simonette property. Capital expenditures during the year also include a water injection well at Simonette that was drilled in the third quarter. The well is expected to reduce water handling costs incurred when drilling and producing wells and is expected to have an impact on operating costs in the fourth quarter.

Financial and Operating Results

PRODUCTION

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	**2016**	2015
Natural gas (Mcf/d)	**44,320**	43,987	**45,562**	49,541
Crude oil (bbls/d)	**175**	199	**190**	138
Natural gas liquids (bbls/d)	**261**	485	**247**	534
Condensate (bbls/d)	**798**	807	**869**	984
Total (boe/d)	**8,621**	8,822	**8,899**	9,913
Total production (boe)	**793,117**	811,591	**2,438,365**	2,706,216

Production for the three and nine months ended September 30, 2016 averaged 8,621 boe/d and 8,899 boe/d compared to production of 8,822 boe/d and 9,913 boe/d, respectively in 2015. Throughout 2016 the Company has curtailed uneconomic natural gas production for pricing considerations. As natural gas prices improved during the third quarter, Cequence began producing several shut-in wells and production increased 10 percent from the second quarter. As a result, annual production has been revised to 8,800 boe/d from 8,500 boe/d.

REVENUE AND PRICING

	Three months ended September 30,		Nine months ended September 30,	
$(000's)	**2016**	2015	**2016**	2015
Sales of natural gas, oil and condensate	**14,707**	19,383	**41,821**	64,779
Royalties	**(636)**	(368)	**(1,075)**	(3,407)
Production revenue	**14,071**	19,015	**40,746**	61,372

The following tables present total revenue which is a non-GAAP financial measure, with no standardized meaning under the Company's GAAP and therefore may not be comparable to similar measures presented by other issuers:

	Three months ended September 30,				
$(000's)	Natural gas	Crude oil and condensate	Natural gas liquids	**2016 Total**	2015 Total
Sales of natural gas, oil and condensate	8,376	4,570	578	**13,524**	17,710
Realized gain on commodity contracts	936	247	–	**1,183**	1,673
Total revenue (1)	9,312	4,817	578	**14,707**	19,383

(1) Refer to non-GAAP measurements.

	Nine months ended September 30,				
$(000's)	Natural gas	Crude oil and condensate	Natural gas liquids	**2016 Total**	2015 Total
Sales of natural gas, oil and condensate	19,826	13,603	1,412	**34,841**	58,155
Realized gain on commodity contracts	5,786	1,194	–	**6,980**	6,624
Total revenue (1)	25,612	14,797	1,412	**41,821**	64,779

(1) Refer to non-GAAP measurements.

$(000's)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Average prices				
Natural gas ($/Mcf)	**2.05**	3.05	**1.59**	2.89
Realized natural gas hedges ($/Mcf)	**0.23**	0.41	**0.46**	0.49
Natural gas including hedges ($/Mcf)	**2.28**	3.46	**2.05**	3.38
Crude oil and condensate ($/bbl)	**51.02**	50.08	**46.89**	54.20
Realized crude oil hedges ($/bbl)	**2.76**	–	**4.11**	–
Crude oil and condensate including hedges ($/bbl)	**53.78**	50.08	**51.00**	54.20
Natural gas liquids ($/bbl)	**24.09**	16.80	**20.89**	17.15
Average sales price before hedges ($/boe)	**17.05**	21.82	**14.29**	21.49
Average sales price including hedges ($/boe)	**18.54**	23.88	**17.15**	23.94
Benchmark pricing				
AECO-C spot (CDN$/Mcf)	**2.38**	2.91	**1.87**	2.78
WTI crude oil (US$/bbl)	**44.88**	46.48	**41.27**	50.94
Edmonton par price (CDN$/bbl)	**54.34**	55.37	**50.28**	59.18
US$/CDN$ exchange rate	**0.77**	0.76	**0.76**	0.79

Total revenue was $14,707 in the third quarter of 2016 compared to $19,383 in 2015. The decrease in revenue is attributable to the 22 percent decrease in realized sales prices and two percent decrease in production. For the nine months ended September 30, 2016, total revenue decreased 35 percent to $41,821 from $64,779 in the comparable period of 2015. The decrease in revenue is attributable to the 28 percent decrease in realized sales prices and 10 percent decrease in production.

Natural gas prices remained low throughout the first nine months of 2016 as North American inventories are at record high levels following a warm North American winter. Canadian benchmark natural gas prices averaged $2.38 per mcf and $1.87 per mcf for the three and nine months ended September 30, 2016, respectively, down 18 percent and 33 percent from the same time period in 2015.

The Company realized natural gas prices before hedging for the three and nine months ended September 30, 2016 of $2.05 per mcf and $1.59 per mcf. The Company's average natural gas price realization in the third quarter of 2016 was a 14 percent discount to AECO compared to a premium of five percent in 2015. The Company is currently marketing most of its natural gas at Simonette with short term sales contracts at fixed differentials to AECO. In the third quarter, the Company realized an average price discount to AECO of $0.43/GJ prior to adjustments for heat content. For the fourth quarter of 2016, Cequence has contracts on Alliance and TCPL that average 42,000 GJ/d with a blended discount to AECO of $0.35/GJ.

Crude oil and condensate prices have also declined significantly in 2015 and 2016 with Edmonton par prices declining fifteen percent. Crude oil and condensate prices before hedges for the third quarter of 2016 and nine months ended September 30, 2016 were $51.02 per barrel and $46.89 per barrel, respectively, up two percent and down 13 percent from the same time period in 2015.

Natural gas liquids prices for the three and nine months ended September 30, 2016 were $24.09 and $20.89 per barrel, respectively, up 43 percent and 22 percent from the same time period in 2015.

COMMODITY PRICE MANAGEMENT

$(000's)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Realized gain on commodity contracts	**1,183**	1,673	**6,980**	6,624
Unrealized gain (loss) on commodity contracts	**73**	(1,303)	**(3,891)**	(4,937)
Total	**1,256**	370	**3,089**	1,687

Cequence has a commodity price risk management program which provides the Company flexibility to enter into derivative and physical commodity contracts to protect future cash flows for planned capital expenditures against an unpredictable commodity price environment. In the third quarter of 2016, the realized hedging gains are a result of the weakness in both current crude oil and natural gas prices. The fair value of the commodity contracts outstanding at September 30, 2016 was a current asset of $66, current liability of $77 and non-current liability of $237 (December 31, 2015 - current asset of $3,644). Cequence has the following natural gas and crude oil hedges as at the date of this MD&A:

Term	Product	Type	Average Volume (GJ/d)	Average Price ($/GJ)	Average Price ($/mcf)[1]	Basis
October 1, 2016 to December 31, 2016	Gas	Swap	20,000	$2.65	$2.84	AECO
January 1, 2017 to March 31, 2017	Gas	Swap	17,500	$2.63	$2.82	AECO
April 1, 2017 to September 30, 2017	Gas	Swap	17,500	$2.73	$2.92	AECO
October 1, 2017 to December 31, 2017	Gas	Swap	15,842	$2.72	$2.91	AECO
January 1, 2018 to March 31, 2018	Gas	Swap	2,500	$2.80	$3.00	AECO

(1) The conversion from GJ to Mcf is based on estimated average natural gas heat content of 37.8 MJ/m^3

Term	Product	Type	Average Volume (bbl/d)	Average Price ($CDN/bbl)	Basis
October 1, 2016 to December 31, 2016	Oil	Swap	400	$65.35	WTI
January 1, 2017 to December 31, 2017	Oil	Swap	100	$65.55	WTI

OPERATING NETBACK

($/boe)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Total revenue [1]	**18.54**	23.88	**17.15**	23.94
Royalty expense	**(0.80)**	(0.45)	**(0.44)**	(1.26)
Transportation expense	**(1.26)**	(1.63)	**(1.18)**	(1.84)
Operating costs	**(7.85)**	(11.03)	**(8.72)**	(9.13)
Operating netback, $/boe	**8.63**	10.77	**6.81**	11.71
Operating netback, excluding realized hedges , $/boe	**7.14**	8.71	**3.95**	9.26

(1) Total revenue is presented gross of royalties and includes realized gain (loss) on commodity contracts.

Cequence's netback for the three months ended September 30, 2016 decreased 20 percent to $8.63 per boe from $10.77 per boe in 2015. For the nine months ended September 30, 2016, the netback decreased to $6.81 per boe from $11.71 per boe in the comparative period of 2015. The decrease in 2016 operating netbacks is mainly due to lower total revenue that was partially offset by the reduction in operating costs.

ROYALTY EXPENSE

	Three months ended September 30,		Nine months ended September 30,	
$(000's)	**2016**	2015	**2016**	2015
Crown	**237**	(220)	**–**	1,217
Freehold / Overriding	**399**	588	**1,075**	2,190
Total royalties	**636**	368	**1,075**	3,407
Royalties as a percentage of revenue, before hedging	**5%**	2%	**3%**	6%
Per unit of production	**0.80**	0.45	**0.44**	1.26

Royalty expense for the three months ended September 30, 2016 was $636 or five percent of revenue compared to $368 or two percent of revenue in 2015. Royalty expenses for the nine months ended September 30, 2016 was $1,075 or three percent of revenue compared to $3,407 or six percent of revenue in 2015.

The average crown royalty rate remains low due to depressed commodity prices in both 2015 and 2016. Crown royalties operate on a sliding scale and royalty rates decrease when commodity prices decrease. In addition, credits for gas cost allowance remained at a similar amount despite lower crown royalties effectively reducing crown royalties to zero.

In 2016, the Alberta government announced a Modernized Royalty Framework ("MRF") that will come into effect on January 1, 2017. The royalty structure for wells drilled prior to January 1, 2017 will not change for a 10 year period from the royalty program's implementation date. The MRF will utilize a revenue minus cost framework with different royalty rates pre and post payout based on commodity prices and with a reduction in royalty rates for mature wells. Ninety percent of the Company's production is in Alberta and will be subject to the MRF. The economics of drilling wells at its Simonette property, within expected price ranges, are estimated to improve modestly under the MRF. Cequence will continue to monitor the impact of the MRF on its operations in Alberta.

OPERATING COSTS

	Three months ended September 30,		Nine months ended September 30,	
$(000's)	**2016**	2015	**2016**	2015
Operating costs	**6,228**	8,951	**21,252**	24,716
Per unit of production ($/boe)	**7.85**	11.03	**8.72**	9.13

Operating costs for the three and nine months ended September 30, 2016 were $7.85 per boe and $8.72 per boe, respectively, compared to $11.03 per boe and $9.13 per boe in 2015. Operating costs decreased in the second and third quarter as the Company shut-in a number of wells with high operating costs that were not economic at low natural gas prices. In addition, the Company has engaged with all its suppliers for improved costs and anticipates ongoing savings and efficiencies, particularly for chemicals, trucking costs, field rentals and water handling.

Year to date, operating costs per boe decreased by four percent from prior year despite an increase in midstream capital costs of $0.87 per boe. The Company did not begin paying midstream costs until the completion of its midstream transaction in June 2015.

TRANSPORTATION EXPENSE

	Three months ended September 30,		Nine months ended September 30,	
$(000's)	**2016**	2015	**2016**	2015
Transportation	**1,001**	1,323	**2,867**	4,984
Per unit of production ($/boe)	**1.26**	1.63	**1.18**	1.84

Transportation expense for the three and nine months ended September 30, 2016 was $1.26 per boe and $1.18 per boe, respectively, a decrease of 23 percent and 36 percent from the comparative period in 2015. Transportation expenses decreased in 2016 compared to the prior year as the Company's firm gas transportation commitment on Alliance terminated in the fourth quarter of 2015. In addition the Company observed an increase in trucking expenses in the first six months of 2015 due to wet weather in the field.

GENERAL AND ADMINISTRATIVE EXPENSES

$(000's)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
G&A expenses	**1,601**	2,130	**5,329**	6,620
Restructuring charges	**410**	–	**2,341**	–
Total G&A expenses	**2,011**	2,130	**7,670**	6,620
Administrative and capital recovery	**(38)**	(80)	**(152)**	(665)
Total G&A expenses	**1,973**	2,050	**7,518**	5,955
Per unit of production, excluding restructuring charges ($/boe)	**1.97**	2.53	**2.12**	2.20
Per unit of production ($/boe)	**2.49**	2.53	**3.08**	2.20

The Company has undertaken a number of measures to reduce G&A expenses in the current commodity price environment. Compared to 2015, gross G&A expenses prior to restructuring charges for the three and nine months ended decreased 25 percent and 20 percent, respectively.

The Company incurred $2,341 in the first nine months of 2016 relating to severance payments associated with a downsizing of the Company's personnel. Further G&A cost reductions are expected in the fourth quarter as the Company's current office lease expired in September 2016. Following all of the expected cost savings management expects that annual G&A expenses will be approximately $6,000.

FINANCE COSTS

$(000's)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Interest and standby fees expense on credit facilities	**79**	206	**358**	811
Interest expense and standby fees on senior notes	**1,463**	1,467	**4,357**	4,354
Amortization of transaction costs	**101**	91	**293**	265
Accretion expense on senior notes	**78**	70	**227**	203
Accretion expense on provisions	**181**	212	**583**	636
Total finance costs	**1,902**	2,046	**5,818**	6,269
Per unit of production ($/boe)	**2.40**	2.52	**2.39**	2.32
Interest per unit of production ($/boe)	**1.94**	2.06	**1.93**	1.91

Finance costs for the three and nine months ended September 30, 2016 were $1,902 and $5,818 compared to $2,046 and $6,269 in 2015. Cequence incurred lower interest expense and standby fees on its credit facility which was undrawn during the majority of the first nine months of 2016.

OTHER INCOME

$(000's)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Gain on sale of property and equipment	**(2,982)**	(144)	**(2,982)**	(5,279)
Interest income	**(2)**	(79)	**(40)**	(174)
Other	**(57)**	(69)	**(192)**	(165)
Total other income	**(3,041)**	(292)	**(3,214)**	(5,618)

Other income includes a gain in 2016 of $2,982 from the sale of certain infrastructure assets that were partially depreciated.

DEPLETION AND DEPRECIATION

	Three months ended September 30,		Nine months ended September 30,	
$(000's)	2016	2015	2016	2015
Depletion and depreciation expense	6,719	9,567	20,865	31,635
Impairment loss	–	86,400	–	86,400
Total depletion, depreciation and impairment	6,719	95,967	20,865	118,035
Per unit of production ($/boe)	8.47	118.25	8.56	43.62
Per unit of production, excluding impairment ($/boe)	8.47	11.78	8.56	11.69

Depletion and depreciation expense for the three and nine months ended September 30, 2016, was $6,719 ($8.47 per boe) and $20,865 ($8.56 per boe). Depletion and depreciation rates decreased from prior year due to reduced book values from impairment charges in 2015.

Aggregate impairment expense recognized for the nine months ended September 30, 2015 was $86,400. The impairments are largely a result of the decrease in commodity prices partially offset by the positive impact of capital cost reductions.

SHARE BASED PAYMENTS

The Company uses both stock options and restricted stock units ("RSU") as long term compensation incentives for its employees, directors and service providers. The Company recognizes share based payment expense for stock options and RSUs. For the nine months ended September 30, 2016, Cequence recorded $536 (2015 – $931) in share based payment expense related to stock options with a corresponding increase to contributed surplus. For the nine months ended September 30, 2016, Cequence recognized $192 (2015 – $102) in share based payment expense related to RSUs with a corresponding increase to share based payment liability. During the nine months ended September 30, 2016, the Company granted 6,295,000 stock options and 2,420,000 RSUs.

CAPITAL EXPENDITURES

	Three months ended September 30,		Nine months ended September 30,	
$(000's)	2016	2015	2016	2015
Land	224	451	687	1,013
Geological & geophysical and capitalized overhead	143	226	590	947
Drilling, completions and workovers	2,411	1,630	5,081	13,536
Equipment, facilities and tie-ins	32	2,331	4,771	31,533
Office furniture & equipment	–	18	1	57
Capital expenditures	2,810	4,656	11,130	47,086
Property acquisitions [1]	(90)	1,061	(83)	1,062
Property dispositions [1]	(5,077)	75	(5,157)	(45,939)
Total capital expenditures	(2,357)	5,792	5,890	2,209

(1) Represent the cash proceeds from the sale of assets and cash paid for the acquisition of assets, as applicable.

For the nine months ended September 30, 2016, capital expenditures, excluding acquisitions and dispositions, decreased to $11,130 from $47,086 in 2015. Equipment, facility and tie-in expenditures of $4,771 were directed towards the completion of the facility expansion and gas plant construction at Simonette and to the remaining tie-ins from the winter drilling program. The gas plant was operational early in the first quarter of 2016.

Net capital expenditures for 2016 are budgeted at $17,000, including the sale of pipeline and facilities at Simonette for proceeds of approximately $5,092. On August 11, 2016, the Company disposed of certain pipeline and facilities at Simonette for proceeds of $5,092 prior to closing adjustments. The Company drilled a water disposal well in the third quarter that is expected to reduce the cost of handling and disposing of water at its Simonette field. The Company's remaining 2016 budget includes commencement of the winter drilling program which is expected to include two Montney wells and one net Dunvegan wells.

INCOME TAXES

As at September 30, 2016, the Company has tax pools and available losses of $616,458 (December 31, 2015 - $616,084). Due to the uncertainty of future realization, a deferred tax asset has not been recognized.

At September 30, 2016, Cequence has the following tax pools:

Classification	Amount $(000's)	Annual Deductibility
Canadian exploration expense	153,846	100%
Non-capital losses	292,692	100%
Undepreciated capital cost	55,951	Primarily 25%, declining balance
Canadian oil and gas property expense	10,358	10%, declining balance
Canadian development expense	75,963	30%, declining balance
Other	27,648	Various
	616,458	

The Company's non-capital losses expire in 2027 and thereafter. Based on the Company's expected cash flow and available tax pools, Cequence does not expect to be taxable for the next three years.

PROVISIONS – DECOMMISSIONING LIABILITIES

Decommissioning liabilities represent the estimated future cost of abandoning and reclaiming the company's oil and natural gas wells and related facilities. Total decommissioning liabilities at September 30, 2016 were $44,254 compared to $40,708 at December 31, 2015. Decommissioning obligations are adjusted periodically for revisions to the future liability costs and the estimated timing of costs to be incurred in future years. The Company estimates that it will incur $243 of decommissioning obligations in 2016. The following table summarizes the changes in decommissioning liabilities for the respective periods:

	September 30, 2016	December 31, 2015
Balance, beginning of period	40,708	37,263
Property dispositions	(221)	(3,283)
Accretion expense	583	853
Liabilities incurred	17	1,819
Abandonment costs incurred	(1,593)	(720)
Revisions in estimated cash flows	(130)	3,195
Revisions due to change in discount rates	4,890	1,581
Balance, end of period	44,254	40,708

The total estimated, undiscounted cash flows, inflated at 2 percent, required to settle the obligations are $66,118 (December 31, 2015 - $69,020). These cash flows have been discounted using a risk-free interest rate of 1.64 percent (December 31, 2015 – 2.16 percent) based on Government of Canada long-term benchmark bonds. The Company expects these obligations to be settled in approximately 1 to 50 years (December 31, 2015 – 1 to 50 years).

LIQUIDITY AND CAPITAL RESOURCES

The Company's capital comprises shareholders' equity, demand credit facilities, senior notes and working capital. Cequence manages the capital structure and makes adjustments in light of economic conditions and the risk characteristics of the underlying assets.

$(000's)	As at September 30, 2016	As at December 31, 2015
Cash	4,653	13,246
Demand credit facility	–	–
Senior notes – principal	(60,000)	(60,000)
Accounts payable and accrued liabilities	(23,227)	(41,688)
Share based payment liability	(250)	(169)
Provisions – current	(243)	(826)
Accounts receivable	9,978	22,321
Deposits and prepaid expenses	1,176	1,669
Net debt [1] [2]	(67,913)	(65,447)
Funds flow from operations [1] - trailing twelve months	9,499	25,578
Net debt to funds flow from operations trailing twelve months [2]	7.2:1	2.6:1

[1] Refer to non-GAAP measurements.

[2] Prior period amounts have been adjusted to conform to current period presentation.

Cequence's objective is to maintain a flexible capital structure in order to meet its financial obligations and to execute its business plan throughout the commodity cycle. The oil and gas business involves a number of factors, including the timing of capital expenditures and volatile commodity prices that may cause the Company's net debt to funds flow ratio to fluctuate on a quarterly basis. Historically, the Company has managed its debt levels and working capital through its hedging program, issuing common shares, adjusting capital expenditures, and executing asset dispositions. The Company typically carries a working capital deficiency as cash balances are used to repay short term borrowings. Based on current projections, the Company expects to be able to fund its working capital deficiency with funds flow from operations.

At September 30, 2016, the Company's net debt to funds flow is higher than the Company's long term stated target of 2:1 due to the prolonged period of low commodity prices. AECO prices are forecasted to be weak throughout 2016 and Cequence expects its net debt to funds flow ratio to continue to exceed 2:1 if commodity prices remain at current levels.

To manage its leverage, the Company has reduced capital expenditures to limit borrowing on its senior credit facility. On October 28, 2016, Cequence completed the sale of 34,500,000 common voting shares on a Canadian development expenses "flow-through" basis at $0.29 per share for gross proceeds of $10,005. Proceeds of the offering allow the Company to commence a winter drilling program in the fourth quarter without incurring additional bank debt in 2016. Based on the Company's anticipated funds flow, the winter drilling program will be financed by the proceeds of the financing, funds flow from operations and bank debt.

In addition, to the recent financing, commodity prices improved in the third quarter and the Company has realized results from its cost reduction efforts. As a result, the company's 2016 estimate of funds flow has increased from $2 million to $8 million.

SENIOR CREDIT FACILITY

At September 30, 2016, Cequence had a $20,000 (December 31, 2015 - $60,000) term credit facility available from a syndicate of Canadian chartered banks. The senior credit facility is secured by a first floating charge debenture, general assignment of book debts and Cequence's oil and natural gas properties and equipment. The senior credit facility has a term date of May 31, 2017 and may be extended beyond the initial term, if requested by the Company and accepted by the lenders. If the credit facility does not continue to revolve, amounts borrowed under the facility must be repaid on the term date. The senior credit facility is reviewed on a semi-annual basis with the lender holding the right to request an additional review.

As at September 30, 2016, the Company has drawn $nil under the senior credit facility (December 31, 2015 – $nil). The company has letters of credit outstanding of $3,307 (December 31, 2015 - $3,207). The Company has a covenant that requires Senior Debt to twelve month trailing net income (loss) plus finance costs, share based payment expense, income tax expense (recovery), unrealized loss (gain) on commodity contracts, loss (gain) on sale of property and equipment, depletion and depreciation less costs related to onerous contracts to be less than 3:0 to 1:0, respectively. Senior Debt is defined as the sum of Consolidated Debt less the period end balance of the senior notes. Consolidated Debt is defined as the sum of the Company's period end balance of the credit facility and senior notes. The Company was in compliance with the lender's covenant at September 30, 2016 with a ratio of 0.2 times (December 31, 2015 - 0 times). At September 30, 2016, there are no restrictions on the Company's ability to draw on its credit facility.

SENIOR NOTES

In October 2013, Cequence closed an investment with CPPIB Credit Investments Inc., ("CII"), a wholly-owned subsidiary of Canada Pension Plan Investment Board ("CPPIB"), for an initial investment by CII of $60,000 in unsecured five year senior notes with a further $60,000 of notes available at a future date, subject to the approval of both CII and Cequence on terms to be confirmed at the time of issuance. In addition, Cequence granted CII 3.0 million warrants to purchase common shares. The senior notes diversify the Company's capital structure by providing longer term debt that is not reserve-based or subject to periodic redetermination. The initial investment of $60,000 of senior notes were issued at par and carry a 9% coupon rate per annum. A standby charge of 0.7% is applied to the further $60,000 of notes available at a future date.

The senior notes contain incurrence covenants that use a Debt to Cashflow test of 2.5 times to limit the incurrence of certain indebtedness and restricted payments without debtholder approval. The incurrence covenants do not contain provisions that make the notes callable. For this purpose, debt is defined as the Company's period end balance of the credit facility and senior notes. Cashflow is equivalent to the Company's calculation of funds flow for the trailing twelve months. At September 30, 2016, the Company's Debt to Cashflow ratio was more than 2.5 times. If current commodity prices persist, the Company expects that its Debt to Cashflow ratio will remain in excess of 2.5 times in 2016.

The incurrence covenants limit the incurrence of additional debt, unless permitted by the debtholder, as follows:

- Senior secured debt is restricted to the maximum of $125,000; the current borrowing base; 30 percent of Adjusted Consolidated Net Tangible Assets ("ACTNA") and 75 percent of the NPV 10% percent of the Company's PDP reserves as determined by GLJ Petroleum;
- Capital lease obligations exceeding $6,250 or 1.25% of ACTNA;
- Non-recourse debt exceeding $10,000;
- Other indebtedness exceeding $12,500;
- Debt subordinated to the senior notes; and
- Certain liens in connection with indebtedness.

The Company's ACTNA is defined as the value of the Company's total proved reserves before taxes, plus the value of tangible assets less working capital. At September 30, 2016 ACTNA is $224,700,000. The Company does not currently expect the incurrence covenants in the senior note indenture to restrict its planned activities.

Generally, the incurrence covenants also restrict payments as follows:

- dividends and other distributions;
- stock repurchases;
- subordinated debt prepayment; and
- certain investments outside of the oil and gas business.

Certain restricted payments are excluded from the general restrictions or are permitted, including a general lifetime exclusion of $12,500. A full detail of the Trust Indenture dated October 3, 2013 is filed at sedar.com. The Company does not currently anticipate initiating a payment that would be restricted by the trust indenture.

CONTRACTUAL OBLIGATIONS

Cequence has assumed various contractual obligations and commitments in the normal course of operations and financing activities.

	2016	2017	2018	2019	2020+	Total
Office leases	96	367	350	262	–	1,075
Pipeline transportation	148	588	1,915	2,350	14,678	19,679
Gas processing	1,047	4,154	4,154	4,154	42,945	56,454
Total	1,291	5,109	6,419	6,766	57,623	77,208

Cequence has a 15 year take or pay agreement for gas processing with the operator of the Simonette facility. The minimum volume commitment under the take or pay is 42 mmcf/d. In addition, the Company has firm transportation on a major pipeline system for 8.8 mmcf/d commencing July 1, 2018 and increasing to 35 mmcf/d on April 1, 2018 to March 30, 2026.

On August 5, 2016, the Company entered into a three year office lease commencing October 1, 2016, which includes the option to extend the lease for an additional two years.

OUTSTANDING SHARE DATA

Details of share capital and share awards outstanding are as follows:

	September 30, 2016	December 31, 2015
Common shares	211,028	211,028
Stock options	11,895	11,395
Restricted share units	3,191	1,707
Warrants	3,000	3,000

Cequence has an unlimited number of common voting shares and common non-voting shares with no par value.
Warrants have an exercise price of $2.03 to purchase common shares.

As of the date of this MD&A, Cequence had the following securities outstanding: 245,527,907 common voting shares, 3,000,000 warrants to purchase common shares, 11,895,001 stock options and 2,871,662 RSUs.

SELECTED FINANCIAL INFORMATION

A reconciliation of cash flow from operating activities to funds flow from operations and other selected financial information is as follows:

	Nine months ended September 30,		
$(000's)	2016	2015	2014
Cash flow from operating activities	5,557	28,618	57,633
Decommissioning liabilities expenditures	1,593	344	956
Net change in non-cash working capital	(2,525)	(8,258)	(1,684)
Funds flow from operations	4,625	20,704	56,905
Per share, basic ($)	0.02	0.10	0.27
Per share, diluted ($)	0.02	0.10	0.26
Total revenue	41,821	64,779	111,327
Comprehensive income (loss)	(18,980)	(103,487)	83,790
Per share – basic ($)	(0.09)	(0.49)	0.40
Per share, diluted ($)	(0.09)	(0.49)	0.39
Total assets	377,116	551,390	686,052
Demand credit facilities	–	–	–
Senior notes – principal	60,000	60,000	60,000

Funds flow from operations was $4,625 for the nine months ended September 30, 2016 compared to $20,704 in 2015 and $56,905 in 2014. The decrease in funds flow over the periods is primarily a result of lower commodity prices and to a lesser extent lower production volumes.

Cequence recorded a comprehensive loss of $18,980 for the nine months ended September 30, 2016 compared to a loss of $103,487 in 2015.

Quarterly Information

FINANCIAL

($ thousands except per share data)	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4
Total revenue [1]	14,707	11,343	15,772	16,112	19,383	21,802	23,594	25,566
Royalties expense	636	(125)	565	(507)	368	1,016	2,023	1,119
Transportation expense	1,001	774	1,092	1,339	1,323	1,757	1,903	1,324
Operating costs	6,228	5,812	9,212	7,031	8,951	7,954	7,811	5,961
Comprehensive income (loss)	(880)	(12,212)	(5,888)	(146,585)	(99,070)	246	(4,662)	(4,422)
Per share – basic & diluted	(0.00)	(0.06)	(0.03)	(0.69)	(0.47)	0.00	(0.02)	(0.02)
Funds flow from (used in) operations [2]	3,385	1,554	(314)	4,874	5,139	7,283	8,283	13,745
Per share – basic	0.02	0.01	(0.00)	0.02	0.02	0.03	0.04	0.07
Per share – diluted	0.02	0.01	(0.00)	0.02	0.02	0.03	0.04	0.06
Capital expenditures, net	2,810	958	7,362	15,175	4,656	19,848	22,582	56,472
Net acquisitions (dispositions) [3]	(5,167)	138	(211)	1,176	1,136	(43,078)	(2,935)	(2,381)
Total capital expenditures	(2,357)	1,096	7,151	16,351	5,792	(23,230)	19,647	54,091

(1) Total revenue is presented gross of royalties and includes realized gain (loss) on commodity contracts.
(2) Funds flow from (used in) operations is calculated as cash flow from operating activities before adjustments for decommissioning liabilities expenditures and net changes in non-cash working capital.
(3) Represents the cash proceeds from the sale of assets and cash paid for the acquisition of assets, as applicable.

OPERATIONAL

	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4
Production volumes								
Natural gas (Mcf/d)	**44,320**	40,127	52,253	41,794	43,987	48,665	56,105	49,265
Oil (bbls/d)	**175**	178	218	225	199	100	115	97
NGLs (bbls/d)	**261**	244	235	300	485	562	554	541
Condensate (bbls/d)	**798**	748	1,061	723	807	953	1,197	872
Total (boe/d)	**8,621**	7,857	10,223	8,213	8,822	9,726	11,217	9,720
Average selling price, including realized hedges								
Natural gas ($/Mcf)	**2.28**	1.73	2.10	2.89	3.46	3.35	3.33	3.92
Crude oil and condensate ($/bbl)	**53.78**	54.01	46.69	52.31	50.08	63.18	50.13	70.85
NGLs ($/bbl)	**24.09**	21.50	16.68	16.45	16.80	17.49	17.10	29.67
Total ($/boe)	**18.54**	15.86	16.95	21.32	23.88	24.63	23.37	28.59
Operating netback, including realized hedges ($/boe)								
Price	**18.54**	15.86	16.95	21.32	23.88	24.63	23.37	28.59
Royalties	**(0.80)**	0.17	(0.61)	0.67	(0.45)	(1.15)	(2.00)	(1.25)
Transportation	**(1.26)**	(1.08)	(1.17)	(1.77)	(1.63)	(1.99)	(1.88)	(1.48)
Operating costs	**(7.85)**	(8.13)	(9.90)	(9.30)	(11.03)	(8.99)	(7.74)	(6.67)
Operating netback	**8.63**	6.82	5.27	10.92	10.77	12.50	11.75	19.19

Funds flow from operations is impacted from quarter to quarter primarily due to changes in productions volumes, realized average selling prices, royalties, operating expenses, transportation costs and G&A expense. The Company's production volumes are 85 percent natural gas and fluctuations in natural gas prices have the greatest impact on the Company's revenue and funds flow from operations.

The decline in production revenue and funds flow beginning in the second half of 2014 can be attributed to declining commodity prices. Canadian AECO natural gas prices averaged $2.71 per mcf in 2015, a decrease of 40% from $4.50 per mcf in 2014. In the first nine months of 2016, AECO natural gas prices averaged $1.87 per mcf, a decrease of 33% from 2015.

The Company's quarterly net comprehensive income (loss) is affected by fluctuations in non-cash charges, in particular, depletion, depreciation and impairment expense, accretion of decommissioning obligations, gains/losses on derivative financial instruments, share based payments and other expense (income). During 2015, the Company recorded impairment expense of $230,400, including $144,000 in the fourth quarter, compared to $18,482 in the comparable period of 2014. Impairments recognized were mainly the result of declining benchmark natural gas prices. These impairments cause significant reductions and increased volatility in the Company's net comprehensive income (loss).

Please refer to the results of operations and other sections of this MD&A and the Company's previously issued MD&A for detailed discussions on variances between reporting periods and changes in prior periods.

Disclosure Controls and Internal Controls over Financial Reporting

The Chief Executive Officer ("CEO") and Executive Vice President and Chief Financial Officer ("CFO") are responsible for designing internal controls 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 financial statements for external purposes in accordance with IFRS. The Company's CEO and CFO have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

The Committee of Sponsoring Organizations ("COSO") framework provides the basis for management's design of internal controls over financial reporting. Management and the Board work to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met and it should not be expected that the disclosure and internal control procedures will prevent all errors or fraud.

As at September 30, 2016, CEO and CFO have concluded, based on their evaluation of the design and operating effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting ("ICFR") that disclosure controls and procedures and ICFR are effective.

Future Accounting Policies

On May 28, 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers", a new standard that specifies recognition requirements for revenue as well as requiring entities to provide the users of financial statements with more informative and relevant disclosures. The standard replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" as well as a number of revenue-related interpretations. The Company will adopt the standard for reporting periods beginning January 1, 2018. The Company is currently evaluating the impact of adoption of this standard and the effect on Cequence's consolidated financial statements has not yet been determined.

Since November 2009, the IASB has been in the process of completing a three phase project to replace IAS 39, "Financial Instruments: Recognition and Measurement" with IFRS 9 "Financial Instruments", which includes requirements for hedge accounting, accounting for financial assets and liabilities and impairment of financial instruments. As of February 2014, the mandatory effective date of IFRS 9 has been tentatively set to January 1, 2018. The Company is assessing the effect of this future pronouncement on its financial statements.

In January 2016, the IASB issued IFRS 16 "Leases". For lessees applying IFRS 16, a single recognition and measurements model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if the entity is also applying IFRS 15 "Revenue from Contracts with Customers". The Company is currently evaluating the impact of adoption of this standard and the effect on Cequence's consolidated financial statements has not yet been determined.

Outlook Information

On November 10, 2016, the Company updated its 2016 guidance and provided preliminary guidance for the first half of 2017:

(000's, except per share and per unit references)	May 2016 Guidance 2016	Revised Guidance 2016	Six Months Ended June 30, 2017
Average production, BOE/d [1]	8,500	8,800	9,000-9,500
Funds flow from operations ($)[2] [4]	2,000	8,000	11,000-12,000
Funds flow from operations per share [2]	0.01	0.04	0.05
Capital expenditures, prior to dispositions ($)	14,000	22,000	15,500
Capital expenditures, net of dispositions ($)	7,000	17,000	15,500
Operating and transportation costs ($ per boe)	11.30	10.25	10.25
G&A costs ($) [4]	8,500	8,800	3,000
Royalties (% revenue)	6	4	8
Crude – WTI (US$/bbl)	43.00	43.50	50.00
Natural gas – AECO (Cdn$/GJ)	1.90	2.00	2.75
Period end, net debt ($) [3]	70,000	64,000	67,000-69,000
Weighted average basic shares outstanding	211,000	216,900	245,500

(1) Average production estimates on a per BOE basis are comprised of 85% natural gas and 15% oil and natural gas liquids.
(2) Funds flow from operations is calculated as cash flow from operating activities before adjustments for decommissioning liabilities expenditures and net changes in non-cash working capital.
(3) Net debt is calculated as working capital (deficiency) less the aggregate principal amount of the senior notes.
(4) 2016 annual G&A costs include $2.3 million in restructuring charges.

The Company focused on cost savings initiatives and balance sheet protection over the first nine months of 2016. The Company completed a financing in October 2016 and, with commodity prices improving, plan to initiative a winter drilling program in November 2016. The drilling program is expected to include two Montney wells and one net Dunvegan well at Simonette. The Company forecasts average production for the first half of 2017 to be between 9,000 – 9,500 boe/d.

Risk Assessment

The acquisition, exploration and development of oil and natural gas properties and the production, transportation and marketing of oil and natural gas involves many risks, which may influence the ultimate success of the Company. While the management of Cequence realizes these risks cannot be eliminated, they are committed to monitoring and mitigating these risks. These risk include, but are not limited to:

- Volatility in market prices and demand for oil, NGLs and natural gas and hedging activities related thereto;
- Variance of the Company's actual capital costs, operating costs and economic returns from those anticipated;
- The ability to find, develop or acquire additional reserves and the availability of the capital or financing necessary to do so on satisfactory terms;
- Risks related to the exploration, development and production of oil and natural gas reserves and resources;
- Negative public perception of oil sands development, oil and natural gas development and transportation, hydraulic fracturing and fossil fuels;
- Actions by governmental authorities, including changes in government regulation, royalties and taxation;
- The availability, cost or shortage of rigs, equipment, raw materials, supplies or qualified personnel;

- Dependence upon compressors, gathering lines, pipelines and other facilities, certain of which the Company does not control;
- The ability to satisfy obligations under the Company's firm commitment transportation arrangements;
- The possibility that the Company's drilling activities may encounter sour gas;
- Execution of the Company's business plan;
- The concentration of the Company's assets in the Simonette area;
- First Nations claims;
- Limited intellectual property protection for operating practices and dependence on employees and contractors;
- Environmental, health and safety requirements;
- Extensive competition in the Company's industry;
- Third party credit risk;
- Dependence upon a limited number of customers;
- Variations in foreign exchange rates and interest rates;
- Litigation; and
- General economic, business and industry conditions.

For additional information regarding the risks that the Company is exposed to, see the disclosure provided under the heading "Risk Factors" in the AIF, which is available on the SEDAR website at www.sedar.com

Forward-Looking Statements

Certain statements contained within this MD&A constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: projections with respect to natural gas production; the projection of future royalty, operating, transportation and G&A expenses; the projected impact of land access and regulatory issues; projections relating to the volatility of crude oil and natural gas prices in 2016 and beyond ; the Company's projected capital investment levels for 2016 and the source of funding therefore; the effect of the Company's risk management program, including the impact of derivative financial instruments; the impact of the climate change initiatives on operating costs; the impact of Western Canada pipeline constraints. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: volatility of and assumptions regarding oil and natural gas prices; assumptions based upon Cequence's current guidance; fluctuations in currency and interest rates; product supply and demand; market competition;

risks inherent in the Company's marketing operations, including credit risks; imprecision of reserves estimates and estimates of recoverable quantities of oil, natural gas and liquids from resource plays and other sources not currently classified as proved; the Company's ability to replace and expand oil and gas reserves; the Company's ability to generate sufficient cash flow from operations to meet its current and future obligations; the Company's ability to access external sources of debt and equity capital; the timing and cost of well and pipeline constructions; the Company's ability to secure adequate product transportation; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; risks associated with existing and potential future lawsuits and regulatory actions made against the Company; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Cequence. Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

The forward looking statements contained herein concerning production, sales prices, operating expenses and capital spending are based on Cequence's 2016 capital program. The material assumptions supporting the 2016 capital program are provided in the table above under the heading "Outlook Information".

Financial outlook information contained in this MD&A about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. The purpose of such financial outlook is to enrich this MD&A. Readers are cautioned that such financial outlook information contained in this MD&A should not be used for purposes other than for which it is disclosed herein.

Although Cequence believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and, except as required by law, Cequence does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited) (Expressed in thousands of Canadian dollars)

	September 30, 2016	December 31, 2015
	$	$
ASSETS		
CURRENT		
Cash	4,653	13,246
Accounts receivable	9,978	22,321
Deposits and prepaid expenses	1,176	1,669
Commodity contracts (Note 10)	66	3,644
	15,873	40,880
Property and equipment (Note 3)	361,243	368,679
	377,116	409,559
LIABILITIES		
CURRENT		
Demand credit facility (Note 4)	–	–
Accounts payable and accrued liabilities	23,227	41,688
Commodity contracts (Note 10)	77	–
Share based payment liability (Note 8)	250	169
Provisions (Note 7)	243	826
	23,797	42,683
Commodity contracts (Note 10)	237	–
Senior notes (Note 5)	58,370	57,849
Provisions (Note 7)	44,011	39,882
	126,415	140,414
SHAREHOLDERS' EQUITY		
Share capital	624,619	624,619
Warrants	1,300	1,300
Contributed surplus	29,913	29,377
Deficit	(405,131)	(386,151)
	250,701	269,145
	377,116	409,559

APPROVED BY THE BOARD

[signed] "Donald Archibald"
Donald Archibald, Director

[signed] "Brian Felesky"
Brian Felesky, Director

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited) (Expressed in thousands of Canadian dollars except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	**2016**	2015
	$	$	**$**	$
REVENUE				
Production revenue	**12,887**	17,342	**33,765**	54,748
Gain on derivative financial instruments (Note 10)	**1,256**	370	**3,089**	1,687
	14,143	17,712	**36,854**	56,435
EXPENSES				
Depletion, depreciation and impairment (Note 3)	**6,719**	95,967	**20,865**	118,035
General and administrative	**1,973**	2,050	**7,518**	5,955
Finance costs (Note 6)	**1,902**	2,046	**5,818**	6,269
Operating costs	**6,228**	8,951	**21,252**	24,716
Share based payment (Note 8)	**241**	269	**728**	1,033
Transportation	**1,001**	1,323	**2,867**	4,984
Other income (Note 3)	**(3,041)**	(292)	**(3,214)**	(5,618)
	15,023	110,314	**55,834**	155,374
LOSS BEFORE INCOME TAXES	**(880)**	(92,602)	**(18,980)**	(98,939)
INCOME TAXES	**–**	6,468	**–**	4,548
NET LOSS AND COMPREHENSIVE LOSS	**(880)**	(99,070)	**(18,980)**	(103,487)
Loss per share (Note 9)				
Basic and diluted	**($0.00)**	($0.47)	**($0.09)**	($0.49)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited) (Expressed in thousands of Canadian dollars)

	Nine months ended September 30,	
	2016	2015
	$	**$**
SHARE CAPITAL		
Common Shares		
Balance, beginning of period	**624,619**	624,619
Balance, end of period	**624,619**	624,619
Warrants		
Balance, beginning of period	**1,300**	1,300
Balance, end of period	**1,300**	1,300
CONTRIBUTED SURPLUS		
Balance, beginning of period	**29,377**	28,270
Share based payment expense (Note 8)	**536**	931
Balance, end of period	**29,913**	29,201
DEFICIT		
Balance, beginning of period	**(386,151)**	(136,079)
Comprehensive loss	**(18,980)**	(103,487)
Balance, end of period	**(405,131)**	(239,566)
TOTAL EQUITY	**250,701**	415,554

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) (Expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	**2016**	2015
	$	$	**$**	$
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net loss	**(880)**	(99,070)	**(18,980)**	(103,487)
Adjustments for non-cash items:				
Depletion and depreciation expense (Note 3)	**6,719**	95,967	**20,865**	118,035
Finance costs related to provisions (Note 6)	**181**	212	**583**	636
Share based payment expense (Note 8)	**241**	269	**728**	1,033
Amortization of transaction costs on senior notes (Note 6)	**101**	91	**293**	265
Accretion on senior notes (Note 6)	**78**	70	**227**	203
Unrealized (gain) loss on derivative financial instruments (Note 10)	**(73)**	1,303	**3,891**	4,937
Costs related to onerous contracts	**–**	(27)	**–**	(187)
Gain on sale of property and equipment (Note 3)	**(2,982)**	(144)	**(2,982)**	(5,279)
Deferred income tax expense	**–**	6,468	**–**	4,548
Decommissioning liabilities expenditures (Note 7)	**4**	49	**(1,593)**	(344)
Net change in non-cash working capital (Note 11)	**(974)**	11,408	**2,525**	8,258
	2,415	16,596	**5,557**	28,618
INVESTING				
Property and equipment expenditures (Note 3)	**(2,810)**	(4,656)	**(11,130)**	(47,086)
Property acquisitions (Note 3)	**90**	(1,061)	**83**	(1,062)
Proceeds from sale of property and equipment (Note 3)	**5,077**	(75)	**5,157**	45,939
Net change in non-cash working capital (Note 11)	**2,188**	(10,682)	**(8,011)**	(32,268)
	4,545	(16,474)	**(13,901)**	(34,477)
FINANCING				
Proceeds from demand credit facility (Note 4)	**–**	–	**2,160**	5,000
Repayment of demand credit facility (Note 4)	**(2,160)**	(5,000)	**(2,160)**	(5,000)
Cash settlement of share based payments (Note 8)	**(110)**	–	**(110)**	–
Net change in non-cash working capital (Note 11)	**(37)**	28	**(139)**	(123)
	(2,307)	(4,972)	**(249)**	(123)
NET INCREASE (DECREASE) IN CASH	**4,653**	(4,850)	**(8,593)**	(5,982)
CASH, BEGINNING OF PERIOD	**–**	26,547	**13,246**	27,679
CASH, END OF PERIOD	**4,653**	21,697	**4,653**	21,697
SUPPLEMENTARY INFORMATION				
Income taxes paid	**–**	–	**–**	–
Interest paid	**1,577**	1,492	**4,854**	5,135

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three and nine months ended September 30, 2016 and 2015
(Unaudited) (All figures expressed in thousands except per share amounts unless otherwise noted)

1. Nature and Description of the Company

Cequence Energy Ltd. (the "Company" or "Cequence") is incorporated under the laws of Alberta with common shares that are widely held and listed on the Toronto Stock Exchange. Cequence is engaged in the acquisition, exploration and production of petroleum and natural gas reserves in Western Canada. The registered office of the Company is located at Suite 1400, 215 - 9th Ave. SW, Calgary, Alberta, T2P 1K3.

These interim condensed consolidated financial statements ("consolidated financial statements") include all assets, liabilities, revenues and expenses of Cequence and its wholly-owned subsidiary, 1175043 Alberta Ltd.

2. Significant Accounting Policies

STATEMENT OF COMPLIANCE AND AUTHORIZATION

These consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information or footnote disclosure normally included in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted.

These consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2015.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on November 10, 2016.

BASIS OF PRESENTATION

The consolidated financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2015. The consolidated financial statements have been presented in Canadian dollars, which is also the Company's functional currency, rounded to the nearest thousand, unless otherwise indicated.

3. Property and Equipment

Cost:	
Balance at December 31, 2014	883,838
Additions	62,261
Decommissioning obligation additions and change in estimates	6,595
Acquisitions	1,062
Disposals	(47,211)
Balance at December 31, 2015	906,545
Additions	11,130
Decommissioning obligation additions and change in estimates	4,777
Acquisitions	(83)
Disposals	(2,847)
Balance at September 30, 2016	**919,522**
Depletion, depreciation and impairment:	
Balance at December 31, 2014	(272,978)
Depletion and depreciation	(39,191)
Impairment loss	(230,400)
Disposals	4,703
Balance at December 31, 2015	(537,866)
Depletion and depreciation	(20,865)
Disposals	452
Balance at September 30, 2016	**(558,279)**
Carrying amounts:	
At December 31, 2015	368,679
At September 30, 2016	**361,243**

Costs subject to depletion include $798,969 of estimated future capital costs (December 31, 2015 – $799,624).

The Company's credit facilities are secured by a demand debenture with a first floating charge over all assets of the Company (see note 4).

SALE OF ASSETS

On June 17, 2015, Cequence sold a 50% interest in its existing Simonette facilities and related infrastructure for total cash consideration of approximately $41,827, including estimated purchase price adjustments. The sale resulted in a gain recognized in comprehensive loss of $5,083.

On August 11, 2016, the Company disposed of certain pipeline and facilities at Simonette for proceeds of $5,092 prior to closing adjustments. The sale resulted in a gain recognized in comprehensive loss of $2,982.

IMPAIRMENT

During the nine months ended September 30, 2015, the Company recognized impairment expense of $86,400 related to decreases in future natural gas prices used to estimate the value in use and fair value less cost to sell of each of the Company's CGUs.

4. Demand Credit Facility

As at September 30, 2016, the Company has an extendible revolving term credit facility ("senior credit facility") of $20,000 (December 31, 2015 - $60,000) with a syndicate of Canadian chartered banks and has drawn $nil (December 31, 2015 - $nil) under the facility. The company has letters of credit outstanding of $3,307 (December 31, 2015 - $3,207). The senior credit facility has a term date of May 31, 2017 and may be extended beyond the initial term, if requested by the Company and accepted by the lenders. If the senior credit facility does not continue to revolve, amounts borrowed under the facility must be repaid on the term date. The senior credit facility is reviewed on a semi-annual basis with the lender holding the right to request an additional review. The Company has a covenant that requires Senior Debt to EBITDA, as defined in the bank agreement, to be less than 3:0 to 1:0. Senior Debt is defined as the sum of Consolidated Debt less the period end balance of the senior notes. Consolidated Debt is defined as the sum of the Company's period end balance of the senior credit facility and senior notes. The Company was in compliance with the lender's covenants at September 30, 2016 and December 31, 2015. The next scheduled review is to take place in November 2016.

In June 2016, the Company's senior credit facility was reduced to $20,000 from $60,000 and the Consolidated Debt to earnings before interest, taxes and depletion and depreciation covenant was removed. In addition, the interest rates and sliding scale on the facility were revised. Prime loans and U.S. Base Rate Loans on the facility now bear interest at the bank prime rate or U.S. Base Rate, respectively, plus 1.0 percent to 3.5 percent on a sliding scale, depending on the Company's debt to adjusted EBITDA ratio (ranging from being less than or equal to 1.0:1.0 to greater than 3.5:1.0). Banker's Acceptances, Libor Loans and letters of credit on the facility now bear interest at the Banker's Acceptance rate, Libor rate or letter of credit rate, as applicable, plus 2.0 percent to 4.5 percent based on the same sliding scale as above.

5. Senior Notes

	September 30, 2016	December 31, 2015
Senior notes	56,503	56,503
Add transaction costs	1,867	1,346
Total senior notes	58,370	57,849

On October 3, 2013, Cequence issued $60,000 of unsecured five year term notes ("senior notes") at par with a 9% coupon per annum for gross proceeds net of transaction costs of $57,974. The senior notes have a term of five years, are unsecured and are subordinate to Cequence's senior credit facility. The senior notes were issued pursuant to a trust indenture with a Canadian trust company, which provides for an additional $60,000 of unsecured senior notes at a future date, subject to approval of both the lender and the Company on terms to be confirmed at the time of issuance.

The senior notes are subject to the same financial covenants as the Company's senior credit facility as well as other non-financial covenants and restrictive covenants, including restrictions over asset sales, restricted payments and the incurrence of additional indebtedness (see note 12).

6. Finance Costs

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	**2016**	2015
Interest expense on demand credit facilities	**79**	206	**358**	811
Interest expense on senior notes	**1,463**	1,467	**4,357**	4,354
Amortization of transaction costs	**101**	91	**293**	265
Accretion expense on senior notes	**78**	70	**227**	203
Accretion expense on provisions	**181**	212	**583**	636
Total finance costs	**1,902**	2,046	**5,818**	6,269

7. Provisions

DECOMMISSIONING LIABILITIES

The following table summarizes the changes in decommissioning liabilities for the nine months ended September 30, 2016 and year ended December 31, 2015:

	2016	2015
Balance, beginning of period	**40,708**	37,263
Property dispositions	**(221)**	(3,283)
Accretion expense	**583**	853
Liabilities incurred	**17**	1,819
Abandonment costs incurred	**(1,593)**	(720)
Revisions in estimated cash flows	**(130)**	3,195
Revisions due to change in discount rates	**4,890**	1,581
Balance, end of period	**44,254**	40,708
Current	**243**	826
Non-current	**44,011**	39,882
	44,254	40,708

The Company's decommissioning liabilities result from its ownership in oil and natural gas assets including well sites, facilities and gathering systems. The total estimated, undiscounted cash flows, inflated at 2 percent, required to settle the obligations are $66,118 (December 31, 2015 - $69,020). These cash flows have been discounted using a risk-free interest rate of 1.64 percent (December 31, 2015 – 2.16 percent) based on Government of Canada long-term benchmark bonds. The Company expects these obligations to be settled in approximately 1 to 50 years (December 31, 2015 – 1 to 50 years). As at September 30, 2016, no funds have been set aside to settle these liabilities.

8. Share Based Payment Plans

The Company has a stock option and RSU plan for directors, officers, employees and consultants of the Company and its subsidiaries. During the nine months ended September 30, 2016, Cequence recognized share based payment expense on equity-settled stock options of $536 (2015 - $931) and RSUs of $192 (2015 - $102).

A summary of the status of the Company's stock option and RSU plans during the nine months ended September 30, 2016 and year ended December 31, 2015 is as follows:

Number of Options (000's)	2016	2015
Outstanding, beginning of period	11,395	18,252
Granted [1]	6,295	1,085
Cancelled/Forfeited	(3,345)	(12)
Expired	(2,450)	(7,930)
Outstanding, end of period	11,895	11,395

[1] The company issued 6,295,000 stock options (2015 – 1,085,000) at a weighted average exercise price of $0.33 (2015 - $0.81) to employees, officers and directors.

Number of RSUs (000's)	2016	2015
Outstanding, beginning of period	1,707	814
Granted	2,420	1,235
Cancelled/Forfeited	(614)	(17)
Exercised	(322)	(325)
Outstanding, end of period	3,191	1,707

9. Loss Per Share

Loss per share has been calculated based on the weighted average number of common shares outstanding during the period. For the three months and nine months ended September 30, 2016 and 2015, the Company has excluded all dilutive instruments as their inclusion would be anti-dilutive. The following table reconciles the denominators used for the basic and diluted loss per share calculations:

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Basic weighted average shares	211,028	211,028	211,028	211,028
Effect of dilutive instruments	–	–	–	–
Diluted weighted average shares	211,028	211,028	211,028	211,028

10. Risk Management

There have been no changes to the Company's exposure to risks, or the objectives, policies and processes to manage these risks from December 31, 2015.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's comprehensive loss to the extent the Company has outstanding financial instruments. The objective of the Company is to mitigate market risk exposures within acceptable limits, while maximizing returns.

COMMODITY PRICE RISK

The nature of the Company's operations results in exposure to fluctuations in commodity prices. Management continuously monitors commodity prices and initiates instruments to manage exposure to these risks when it deems appropriate. As a means of managing commodity price volatility, the Company enters into various derivative financial instrument agreements and physical contracts. The fair values of the derivative financial instruments are based on mark-to-market assessments and estimates of fair value and are recorded on

the consolidated balance sheet as either an asset or liability with the change in fair value recognized in comprehensive loss.

The following information presents all outstanding positions for commodity derivative financial instruments at September 30, 2016:

Term	Product	Type	Volume	Price	Basis
October 1, 2016 to December 31, 2016	Gas	Swap	20,000 gj/day	$2.65	AECO
January 1, 2017 to March 31, 2017	Gas	Swap	15,000 gj/day	$2.58	AECO
April 1, 2017 to December 31, 2017	Gas	Swap	12,500 gj/day	$2.68	AECO
January 1, 2018 to March 31, 2018	Gas	Swap	2,500 gj/day	$2.80	AECO
October 1, 2016 to December 31, 2016	Oil	Swap	400 bbl/day	$65.35	WTI
January 1, 2017 to December 31, 2017	Oil	Swap	100 bbl/day	$65.55	WTI

For the nine months ended September 30, 2016, realized gains from commodity derivative contracts recognized in comprehensive loss were $6,980 (2015 - $6,624 gain).

The fair value of the commodity contracts outstanding at September 30, 2016 was a current asset of $66, current liability of $77 and a non-current liability of $237 (December 31, 2015 – current asset $3,644).

For the nine months ended September 30, 2016, the Company recorded an unrealized loss of $3,891 from derivative commodity contracts (2015 - $4,937 unrealized loss).

As at September 30, 2016, an increase in gas price of $0.50/gj and oil price of $1.00/bbl results in a decrease in the fair value of the commodity contracts of $3,426 ($2,501 after tax) and $73 ($53 after tax) respectively and a commensurate increase to comprehensive loss.

CREDIT RISK

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is exposed to credit risk with respect to its cash, accounts receivable and commodity contract assets.

The Company's cash is held with a large established financial institution. The majority of the Company's accounts receivable are due from joint venture partners in the oil and gas industry and from marketers of the Company's petroleum and natural gas production. The Company mitigates its credit risk by entering into contracts with established counterparties that have strong credit ratings and reviewing its exposure to individual counterparties on a regular basis.

As at September 30, 2016, the accounts receivable balance was $9,978 of which $1,041 was past due. The Company considers all amounts greater than 90 days past due. These past due accounts are considered to be collectible, except as provided in the allowance for doubtful accounts. When determining whether past due accounts are uncollectible, the Company factors in the past credit history of the counterparties. The following table provides an aging analysis of the Company's accounts receivables:

Current	30-60 days	60-90 days	90+days	Total
8,295	396	246	1,041	9,978

At September 30, 2016, the Company has an allowance for doubtful accounts of $739 (December 31, 2015 - $682).

11. Changes In Non-Cash Working Capital

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	**2016**	2015
Accounts receivable	**1,462**	(606)	**12,343**	1,696
Deposits and prepaid expenses	**258**	932	**493**	495
Accounts payable and accrued liabilities	**(543)**	428	**(18,461)**	(26,324)
Net change in non-cash working capital	**1,177**	754	**(5,625)**	(24,133)
Allocated to:				
Operating activities	**(974)**	11,408	**2,525**	8,258
Investing activities	**2,188**	(10,682)	**(8,011)**	(32,268)
Financing activities	**(37)**	28	**(139)**	(123)
	1,177	754	**(5,625)**	(24,133)

12. Capital Management

There have been no changes to the Company's objectives, policies and processes to manage capital from December 31, 2015.

At September 30, 2016, Cequence has $60,000 in senior notes due in 2018 and a $20,000 senior credit facility which the Company had drawn $nil. The Company's senior credit facility is based on the lenders' review of the Company's oil and natural gas reserves with the next scheduled review expected to be completed in November 2016. On October 28, 2016, the Company completed the sale, on a private placement basis, of 34,500,000 common voting shares on a Canadian development expenses "flow-through" basis at $0.29 per share for gross proceeds of $10,005,000. Over the next twelve months, the Company believes that it has the ability to manage its cash flow and net capital expenditures within its available credit and will be in compliance with its financial covenants.

The senior credit facility has a covenant that requires Senior Debt to twelve month trailing EBITDA, as defined in the bank agreement, to be less than 3:0 to 1:0. The Company was in compliance with the lender's covenant at September 30, 2016 with a ratio of 0.2 times (December 31, 2015 - 0 times).

The senior notes contain incurrence covenants that use a Debt to Cashflow test that is in excess of 2.5 times for the preceding four quarters to limit the incurrence of additional debt, the creation of liens in connection with indebtedness, dividends and other distributions, asset sales and other matters, and customary events of default. At September 30, 2016 the Company's Debt to Cashflow ratio was in excess of 2.5 times. If low commodity prices persist, the Company expects the Debt to Cashflow ratio to remain in excess of 2.5 times. The Company does not currently anticipate initiating an action that would be restricted by the incurrence covenants.

The Company continues to review its options to improve its financial leverage including the sale of assets, further adjustments to the capital program, hedging or the issuance of equity.

CORPORATE INFORMATION

MANAGEMENT

Todd Brown, P.Eng
Chief Executive Officer

David Gillis, CA
Executive Vice President, Finance & CFO

David P. Robinson
Vice President, Geology

Christopher C. Soby
Vice President, Land

Erin Thorson, CMA
Controller

DIRECTORS

Don Archibald
Chairman

Peter Bannister
Todd Brown
Howard Crone
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