INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(Stated in thousands of Canadian dollars)		***September 30, 2017***		*December 31, 2016*
ASSETS				
Current assets:				
Cash	**$**	**131,742**	$	115,705
Accounts receivable		**298,016**		293,682
Income tax recoverable		**29,913**		38,087
Inventory		**25,282**		24,136
Total current assets		**484,953**		471,610
Non-current assets:				
Property, plant and equipment		**3,275,629**		3,641,889
Intangibles		**2,403**		3,316
Goodwill		**205,002**		207,399
Total non-current assets		**3,483,034**		3,852,604
Total assets	**$**	**3,967,987**	$	4,324,214
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**218,794**	$	240,736
Total current liabilities		**218,794**		240,736
Non-current liabilities:				
Share based compensation (Note 6)		**12,213**		27,387
Provisions and other		**11,332**		12,421
Long-term debt (Note 3)		**1,777,667**		1,906,934
Deferred tax liabilities		**90,599**		174,618
Total non-current liabilities		**1,891,811**		2,121,360
Shareholders' equity:				
Shareholders' capital (Note 4)		**2,319,293**		2,319,293
Contributed surplus		**42,841**		38,937
Deficit		**(637,599)**		(552,568)
Accumulated other comprehensive income (Note 5)		**132,847**		156,456
Total shareholders' equity		**1,857,382**		1,962,118
Total liabilities and shareholders' equity	**$**	**3,967,987**	$	4,324,214

See accompanying notes to interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF LOSS (UNAUDITED)

(Stated in thousands of Canadian dollars, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
		(recast – Note 2(e))		*(recast – Note 2(e))*
Revenue	**$ 314,504**	$ 213,668	**$ 974,037**	$ 700,580
Expenses:				
Operating	**218,936**	150,377	**692,347**	455,132
General and administrative	**22,329**	21,172	**67,623**	76,619
Restructuring	**–**	708	**–**	5,754
Earnings before income taxes, gain on repurchase of unsecured senior notes, finance charges, foreign exchange and depreciation and amortization	**73,239**	41,411	**214,067**	163,075
Depreciation and amortization	**90,555**	96,998	**283,517**	288,858
Operating loss	**(17,316)**	(55,587)	**(69,450)**	(125,783)
Foreign exchange	**(685)**	(1,402)	**(1,436)**	6,933
Finance charges (Note 7)	**32,218**	34,673	**99,732**	104,071
Gain on repurchase of unsecured senior notes	**–**	(5,108)	**–**	(9,981)
Loss before income taxes	**(48,849)**	(83,750)	**(167,746)**	(226,806)
Income taxes:				
Current	**89**	(9,999)	**339**	(24,358)
Deferred	**(22,651)**	(26,374)	**(83,054)**	(77,511)
	(22,562)	(36,373)	**(82,715)**	(101,869)
Net loss	**$ (26,287)**	$ (47,377)	**$ (85,031)**	$ (124,937)
Net loss per share: (Note 8)				
Basic	**$ (0.09)**	$ (0.16)	**$ (0.29)**	$ (0.43)
Diluted	**$ (0.09)**	$ (0.16)	**$ (0.29)**	$ (0.43)

See accompanying notes to interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

(Stated in thousands of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Net loss	**$ (26,287)**	$ (47,377)	**$ (85,031)**	$ (124,937)
Unrealized gain (loss) on translation of assets and liabilities of operations denominated in foreign currency	**(79,729)**	17,895	**(155,691)**	(130,096)
Foreign exchange gain (loss) on net investment hedge with U.S. denominated debt, net of tax	**68,057**	(15,467)	**132,082**	104,533
Comprehensive loss	**$ (37,959)**	$ (44,949)	**$ (108,640)**	$ (150,500)

See accompanying notes to interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

	Three months ended September 30,		Nine months ended September 30,	
(Stated in thousands of Canadian dollars)	**2017**	2016	**2017**	2016
Cash provided by (used in):				
Operations:				
Net loss	**$ (26,287)**	$ (47,377)	**$ (85,031)**	$ (124,937)
Adjustments for:				
Long-term compensation plans	**1,945**	983	**4,276**	16,072
Depreciation and amortization	**90,555**	96,998	**283,517**	288,858
Gain on repurchase of unsecured senior notes	**–**	(5,108)	**–**	(9,981)
Foreign exchange	**(239)**	(2,563)	**(1,593)**	8,974
Finance charges	**32,218**	34,673	**99,732**	104,071
Income taxes	**(22,562)**	(36,373)	**(82,715)**	(101,869)
Other	**72**	425	**(705)**	565
Income taxes paid	**(539)**	(2,512)	**(3,300)**	(13,087)
Income taxes recovered	**11,600**	536	**11,932**	603
Interest paid	**(1,877)**	(8,685)	**(72,136)**	(78,194)
Interest received	**254**	691	**1,635**	2,834
Funds provided by operations	**85,140**	31,688	**155,612**	93,909
Changes in non-cash working capital balances	**(28,383)**	(14,173)	**(62,346)**	56,445
	56,757	17,515	**93,266**	150,354
Investments:				
Purchase of property, plant and equipment	**(22,518)**	(78,162)	**(73,047)**	(158,747)
Proceeds on sale of property, plant and equipment	**4,273**	2,125	**10,054**	5,830
Income taxes recovered	**–**	–	**–**	2,917
Changes in non-cash working capital balances	**(150)**	9,394	**(10,716)**	(9,890)
	(18,395)	(66,643)	**(73,709)**	(159,890)
Financing:				
Repurchase of unsecured senior notes	**–**	(55,916)	**–**	(64,325)
Debt issue costs	**–**	(59)	**(341)**	(1,214)
Issuance of common shares on the exercise of options	**–**	12	**–**	1,926
	–	(55,963)	**(341)**	(63,613)
Effect of exchange rate changes on cash and cash equivalents	**(1,684)**	1,606	**(3,179)**	(19,416)
Increase (decrease) in cash and cash equivalents	**36,678**	(103,485)	**16,037**	(92,565)
Cash and cash equivalents, beginning of period	**95,064**	455,679	**115,705**	444,759
Cash and cash equivalents, end of period	**$ 131,742**	$ 352,194	**$ 131,742**	$ 352,194

See accompanying notes to interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(Stated in thousands of Canadian dollars)	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income (Note 5)	Deficit	Total equity
Balance at January 1, 2017	$ 2,319,293	$ 38,937	$ 156,456	$ (552,568)	$ 1,962,118
Net loss for the period	–	–	–	(85,031)	(85,031)
Other comprehensive loss for the period	–	–	(23,609)	–	(23,609)
Share based compensation expense (Note 6)	–	3,904	–	–	3,904
Balance at September 30, 2017	**$ 2,319,293**	**$ 42,841**	**$ 132,847**	**$ (637,599)**	**$ 1,857,382**

(Stated in thousands of Canadian dollars)	Shareholders' capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total equity
Balance at January 1, 2016	$ 2,316,321	$ 35,800	$ 166,101	$ (397,013)	$ 2,121,209
Net loss for the period	–	–	–	(124,937)	(124,937)
Other comprehensive loss for the period	–	–	(25,563)	–	(25,563)
Share options exercised	2,972	(1,046)	–	–	1,926
Share based compensation expense (Note 6)	–	3,065	–	–	3,065
Balance at September 30, 2016	$ 2,319,293	$ 37,819	$ 140,538	$ (521,950)	$ 1,975,700

See accompanying notes to interim consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Tabular amounts are stated in thousands of Canadian dollars except share numbers and per share amounts)

NOTE 1. DESCRIPTION OF BUSINESS

Precision Drilling Corporation ("Precision" or the "Corporation") is incorporated under the laws of the Province of Alberta, Canada and is a provider of contract drilling and completion and production services primarily to oil and natural gas exploration and production companies in Canada, the United States and certain international locations. The address of the registered office is Suite 800, 525 - 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1G1.

NOTE 2. BASIS OF PRESENTATION

(a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Corporation as at and for the year ended December 31, 2016.

These condensed consolidated interim financial statements were prepared using accounting policies and methods of their application consistent with those used in the preparation of the Corporation's consolidated audited annual financial statements for the year ended December 31, 2016.

These condensed consolidated interim financial statements were approved by the Board of Directors on October 26, 2017.

(b) Use of Estimates and Judgements

The preparation of the condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingencies. These estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The estimation of anticipated future events involves uncertainty and, consequently, the estimates used in preparation of the condensed consolidated interim financial statements may change as future events unfold, more experience is acquired, or the Corporation's operating environment changes.

Significant estimates and judgements used in the preparation of these condensed consolidated interim financial statements remained unchanged from those disclosed in the Corporation's consolidated audited annual financial statements for the year ended December 31, 2016.

(c) Seasonality

Precision has operations that are carried on in Canada which represent approximately 43% (2016 - 43%) of consolidated total assets as at September 30, 2017 and 43% (2016 - 39%) of consolidated revenue for the nine months ended September 30, 2017. The ability to move heavy equipment in Canadian oil and natural gas fields is dependent on weather conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. The duration of this "spring break-up" has a direct impact on Precision's activity levels. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The timing of freeze up and spring break-up affects the ability to move equipment in and out of these areas. As a result, late March through May is traditionally Precision's slowest time in this region.

(d) Accounting Standards, Interpretations and Amendments to Existing Standards not yet Effective

IFRS 15, Revenue from Contracts with Customers, becomes effective for annual reporting periods beginning on or after January 1, 2018. The Corporation is finalizing its determination of performance obligations for its Canadian drilling operations and is continuing to make progress in evaluating the performance obligations for its U.S. and international drilling, well servicing and other revenue streams. At this point, the Corporation has not determined the impact that the implementation of this new standard will have on its financial statements.

(e) Recast of prior period amounts

During the third quarter of 2017, we changed our treatment of how certain amounts that were historically netted against operating expense should be classified. In particular, certain amounts that were historically netted against operating expenses are now treated as revenue, with a corresponding increase to operating expenses. The primary nature of these amounts related to additional labour above our standard drilling crew configuration, subsistence allowances paid to the drilling crew which varies depending on whether the crews were staying in a camp or hotel and equipment rental. As a result previously reported revenues and operating expenses were understated by equivalent amounts.

To conform to current year presentation, certain immaterial reclassifications between operating and general administrative expenses have been made in the comparative periods.

As a result of these reclassifications, we have recast prior year's comparative amounts as follows:

Three months ended September 30, 2016	As previously reported	Revenue recast	Expense recast	As recast
Revenue	$ 201,802	$ 11,866	$ -	$ 213,668
Expenses:				
Operating	137,935	11,866	576	150,377
General and administrative	21,748	-	(576)	21,172
Restructuring	708	-	-	708
Earnings before income taxes, gain on repurchase of unsecured senior notes, finance charges, foreign exchange and depreciation and amortization	$ 41,411	$ -	$ -	$ 41,411

Nine months ended September 30, 2016	As previously reported	Revenue recast	Expense recast	As recast
Revenue	$ 667,508	$ 33,072	$ -	$ 700,580
Expenses:				
Operating	419,914	33,072	2,146	455,132
General and administrative	78,765	-	(2,146)	76,619
Restructuring	5,754	-	-	5,754
Earnings before income taxes, gain on repurchase of unsecured senior notes, finance charges, foreign exchange and depreciation and amortization	$ 163,075	$ -	$ -	$ 163,075

Year ended December 31, 2016	As previously reported	Revenue recast	Expense recast	As recast
Revenue	$ 951,411	$ 51,822	$ -	$ 1,003,233
Expenses:				
Operating	607,295	51,822	2,598	661,715
General and administrative	110,287	-	(2,598)	107,689
Restructuring	5,754	-	-	5,754
Earnings before income taxes, loss on repurchase of unsecured senior notes, finance charges, foreign exchange, impairment of goodwill, impairment of property, plant and equipment, loss on asset decommissioning, gain on re-measurement of property, plant and equipment and depreciation and amortization	$ 228,075	$ -	$ -	$ 228,075

Year ended December 31, 2015	As previously reported	Revenue recast	Expense recast	As recast
Revenue	$ 1,555,624	$ 79,134	$ -	$ 1,634,758
Expenses:				
Operating	934,693	79,134	7,657	1,021,484
General and administrative	126,423	-	(7,657)	118,766
Restructuring	20,643	-	-	20,643
Earnings before income taxes, loss on repurchase of unsecured senior notes, finance charges, foreign exchange, impairment of goodwill, impairment of property, plant and equipment, loss on asset decommissioning, gain on re-measurement of property, plant and equipment and depreciation and amortization	$ 473,865	$ -	$ -	$ 473,865

Year ended December 31, 2014	As previously reported	Revenue recast	Expense recast	As recast
Revenue	$ 2,350,538	$ 137,115	$ -	$ 2,487,653
Expenses:				
Operating	1,405,827	137,115	20,516	1,563,458
General and administrative	144,341	-	(20,516)	123,825
Earnings before income taxes, finance charges, foreign exchange, impairment of goodwill, impairment of property, plant and equipment, loss on asset decommissioning, and depreciation and amortization	$ 800,370	$ -	$ -	$ 800,370

There is no impact on net earnings (loss) and comprehensive income (loss) and the consolidated statement of financial position, consolidated statement of changes in equity and the consolidated statement of cash flows remain unchanged as a result of this recast.

NOTE 3. LONG-TERM DEBT

		September 30, 2017		December 31, 2016
Senior Credit Facility	$	**–**	$	–
Unsecured senior notes:				
6.625% senior notes due 2020 (US$371.8 million)		**465,060**		499,150
6.5% senior notes due 2021 (US$318.6 million)		**398,600**		427,818
7.75% senior notes due 2023 (US$350.0 million)		**437,850**		469,945
5.25% senior notes due 2024 (US$400.0 million)		**500,400**		537,080
		1,801,910		1,933,993
Less net unamortized debt issue costs		**(24,243)**		(27,059)
	$	**1,777,667**	$	1,906,934

On January 20, 2017 we agreed with our lenders to reduce the size of the Senior Credit Facility to US$525 million from US$550 million, increase the amount of the accordion feature from $250 million to $275 million after March 31, 2018 and to further amend the Adjusted EBITDA (as defined in the debt agreement) to interest expense coverage ratio to the greater of 1.25:1 for the periods ending March 31, June 30 and September 30, 2017, 1.5:1 for the periods ending December 31, 2017 and March 31, 2018 and to revert back to 2.5:1 for periods ending after March 31, 2018.

At September 30, 2017 we were in compliance with the covenants of our Senior Credit Facility.

The senior notes require that we comply with certain financial covenants including an incurrence based consolidated interest coverage ratio test of consolidated cash flow (as defined in the senior note agreements) to consolidated interest expense of greater than 2.0:1 for the most recent four consecutive fiscal quarters. In the event that our consolidated interest coverage ratio is less than 2.0:1 for the most recent four consecutive fiscal quarters the senior notes restrict our ability to incur additional indebtedness. As at September 30, 2017, our senior notes consolidated interest coverage ratio was 1.89:1 which limits our ability to incur additional indebtedness, except as permitted under the agreements, until such time as we are in compliance with the ratio test but would not restrict our access to available funds under the senior credit facility or to refinance our existing debt. Furthermore, it does not give rise to any cross-covenant violations, give the lenders the right to demand repayment of any outstanding portion of the senior notes prior to the stated maturity dates, or provide any other forms of recourse to the lenders.

Long-term debt obligations at September 30, 2017 will mature as follows:

2020	$	465,060
2021		398,600
Thereafter		938,250
	$	1,801,910

NOTE 4. SHAREHOLDERS' CAPITAL

	Number		Amount
Common shares			
Balance December 31, 2016 and September 30, 2017	**293,238,858**	**$**	**2,319,293**

NOTE 5. ACCUMULATED OTHER COMPREHENSIVE INCOME

		Unrealized Foreign Currency Translation Gains		Foreign Exchange Loss on Net Investment Hedge		Accumulated Other Comprehensive Income
Balance, December 31, 2016	$	587,278	$	(430,822)	$	156,456
Other comprehensive income (loss)		(155,691)		132,082		(23,609)
Balance, September 30, 2017	**$**	**431,587**	**$**	**(298,740)**	**$**	**132,847**

NOTE 6. SHARE BASED COMPENSATION PLANS

In May 2017 shareholders approved a new omnibus equity incentive plan (Omnibus Plan) that will allow the Corporation to settle short-term incentive awards (annual bonus) and long-term incentive awards (options, performance share unit and restricted share units) issued on or after February 8, 2017 in voting shares of Precision (either issued from treasury or purchased in the open market), cash, or a combination of both. Precision intends to settle all short-term incentive, restricted share unit and non-executive performance share unit awards issued under the Omnibus Plan in cash and to settle performance share awards issued to senior executives and all options in voting shares. No further grants will be made under the legacy stock option plan, performance share unit plan or restricted share unit plan. Vesting conditions for incentive awards issued under the Omnibus Plan are unchanged from what existed under the legacy plans.

Liability Classified Plans

		Restricted Share Units[a]		Performance Share Units[a]		Share Appreciation Rights[b]		Non-Management Directors' DSUs[c]		Total
Balance, December 31, 2016	$	15,592	$	29,045	$	3	$	4,602	$	49,242
Expensed (recovered) during the period		1,268		(1,517)		(3)		(1,292)		(1,544)
Payments		(10,721)		(13,447)		–		–		(24,168)
Balance, September 30, 2017	**$**	**6,139**	**$**	**14,081**	**$**	**–**	**$**	**3,310**	**$**	**23,530**
Current	$	4,274	$	7,043	$	–	$	–	$	11,317
Long-term		1,865		7,038		–		3,310		12,213
	$	6,139	$	14,081	$	–	$	3,310	$	23,530

(a) Restricted Share Units and Performance Share Units

A summary of the activity for the restricted share units (RSUs) and the performance share units (PSUs) is presented below:

	RSUs Outstanding	PSUs Outstanding
December 31, 2016	3,129,039	6,493,798
Granted	1,095,700	838,500
Redeemed	(1,408,588)	(1,341,085)
Forfeitures	(246,962)	(220,491)
September 30, 2017	**2,569,189**	**5,770,722**

(b) Share Appreciation Rights

A summary of the activity under the share appreciation rights plan is presented below*:*

	Outstanding		Range of Exercise Price (US$)		Weighted Average Exercise Price (US$)	Exercisable
December 31, 2016	253,376	$	15.22 – 15.79	$	15.47	253,376
Forfeitures	(117,207)		15.22 – 15.79		15.75	
September 30, 2017	**136,169**	**$**	**15.22 – 15.22**	**$**	**15.22**	**136,169**

(c) Non-Management Directors – Deferred Share Unit Plan

A summary of the activity under the non-management director deferred share unit plan is presented below:

	Outstanding
December 31, 2016	621,821
Granted	225,874
September 30, 2017	**847,695**

Equity Settled Plans

(d) Non-Management Directors

Prior to January 1, 2012, Precision had a deferred share unit plan for non-management directors. Under the plan fully vested deferred share units were granted quarterly based upon an election by the non-management director to receive all or a portion of their compensation in deferred share units. These deferred share units are redeemable into an equal number of common shares any time after the director's retirement. A summary of the activity under this share based incentive plan is presented below:

Deferred Share Units	Outstanding
December 31, 2016 and September 30, 2017	**195,743**

(e) Share Options

A summary of the activity for the share options is presented below*:*

Canadian share options	Outstanding	Range of Exercise Price	Weighted Average Exercise Price	Exercisable
December 31, 2016	6,188,672	$ 4.46 – 14.50	$ 8.70	4,369,155
Granted	377,100	7.30 – 7.30	7.30	
Forfeitures	(990,730)	7.32 – 14.50	8.85	
September 30, 2017	**5,575,042**	**$ 4.46 – 14.50**	**$ 8.58**	**4,341,701**

U.S. share options	Outstanding	Range of Exercise Price (US$)	Weighted Average Exercise Price (US$)	Exercisable
December 31, 2016	5,337,070	$ 3.21 – 15.21	$ 6.69	2,626,326
Granted	1,165,900	3.99 – 5.57	5.56	
Forfeitures	(631,129)	5.79 – 10.96	8.44	
September 30, 2017	**5,871,841**	**$ 3.21 – 15.21**	**$ 6.28**	**3,169,428**

The per option weighted average fair value of the share options granted during 2017 was $1.59 estimated on the grant date using the Black-Scholes option pricing model with the following assumptions: average risk-free interest rate 1.4%, average expected life of four years, expected forfeiture rate of 5% and expected volatility of 54%. Included in net loss for the three and nine months ended September 30, 2017 is an expense of $0.8 million (2016 - $1.1 million) and $2.5 million (2016 - $3.1 million), respectively.

(f) Executive Performance Share Units

During 2017 Precision granted PSUs to certain senior executives with the intention of settling them in voting shares of the Corporation either issued from treasury or purchased in the open market. These PSUs vest over a three year period and incorporate performance criteria established at the date of grant that can adjust the number of performance share units available for settlement from zero to two times the amount originally granted. A summary of the activity under this share based incentive plan is presented below:

	Outstanding	Weighted Fair Value
December 31, 2016	–	$ –
Granted	1,142,300	6.00
September 30, 2017	**1,142,300**	**$ 6.00**

The per unit weighted average fair value of the performance share units granted during 2017 was $6.00 estimated on the grant date using a Monte Carlo simulation with the following assumptions: share price of $5.08, average risk-free interest rate of 1.2%, average expected life of three years, expected volatility of 60%, and an expected dividend yield of nil. Included in net loss for the three and nine months ended September 30, 2017 is an expense of $0.6 million (2016 - $nil) and $1.4 million (2016 - $nil), respectively.

NOTE 7. FINANCE CHARGES

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Interest:				
Long-term debt	**$ 31,053**	$ 33,301	**$ 97,069**	$ 102,072
Other	**36**	108	**215**	389
Income	**(254)**	(691)	**(1,622)**	(2,945)
Amortization of debt issue costs	**1,383**	1,955	**4,070**	4,555
Finance charges	**$ 32,218**	$ 34,673	**$ 99,732**	$ 104,071

NOTE 8. PER SHARE AMOUNTS

The following tables reconcile the net loss and weighted average shares outstanding used in computing basic and diluted net loss per share:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Net loss - basic and diluted	**$ (26,287)**	$ (47,377)	**$ (85,031)**	$ (124,937)

	Three months ended September 30,		Nine months ended September 30,	
(Stated in thousands)	**2017**	2016	**2017**	2016
Weighted average shares outstanding – basic	**293,239**	293,238	**293,239**	293,098
Effect of stock options and other equity compensation plans	**–**	–	**–**	–
Weighted average shares outstanding – diluted	**293,239**	293,238	**293,239**	293,098

NOTE 9. SEGMENTED INFORMATION

The Corporation operates primarily in Canada, the United States and certain international locations, in two industry segments; Contract Drilling Services and Completion and Production Services. Contract Drilling Services includes drilling rigs, directional drilling, procurement and distribution of oilfield supplies, and manufacture, sale and repair of drilling equipment. Completion and Production Services includes service rigs, snubbing units, oilfield equipment rental, camp and catering services, and wastewater treatment units.

Three months ended September 30, 2017	**Contract Drilling Services**	**Completion and Production Services**	**Corporate and Other**	**Inter-Segment Eliminations**	**Total**
Revenue	**$ 278,569**	**$ 37,816**	**$ –**	**$ (1,881)**	**$ 314,504**
Operating earnings (loss)	**1,341**	**(2,480)**	**(16,177)**	**–**	**(17,316)**
Depreciation and amortization	**80,653**	**6,731**	**3,171**	**–**	**90,555**
Total assets	**3,548,735**	**216,036**	**203,216**	**–**	**3,967,987**
Goodwill	**205,002**	**–**	**–**	**–**	**205,002**
Capital expenditures	**14,868**	**703**	**6,947**	**–**	**22,518**

Three months ended September 30, 2016		Contract Drilling Services		Completion and Production Services		Corporate and Other		Inter-Segment Eliminations		Total
Revenue	$	190,329	$	24,158	$	–	$	(819)	$	213,668
Operating loss		(34,463)		(6,023)		(15,101)		–		(55,587)
Depreciation and amortization		86,643		6,759		3,596		–		96,998
Total assets		3,849,729		197,835		402,760		–		4,450,324
Goodwill		206,589		–		–		–		206,589
Capital expenditures		76,966		64		1,132		–		78,162

Nine months ended September 30, 2017		**Contract Drilling Services**		**Completion and Production Services**		**Corporate and Other**		**Inter-Segment Eliminations**		**Total**
Revenue	**$**	**864,957**	**$**	**113,546**	**$**	**–**	**$**	**(4,466)**	**$**	**974,037**
Operating loss		**(9,217)**		**(12,054)**		**(48,179)**		**–**		**(69,450)**
Depreciation and amortization		**251,907**		**21,228**		**10,382**		**–**		**283,517**
Total assets		**3,548,735**		**216,036**		**203,216**		**–**		**3,967,987**
Goodwill		**205,002**		**–**		**–**		**–**		**205,002**
Capital expenditures		**53,525**		**2,701**		**16,821**		**–**		**73,047**

Nine months ended September 30, 2016		Contract Drilling Services		Completion and Production Services		Corporate and Other		Inter-Segment Eliminations		Total
Revenue	$	634,152	$	69,343	$	–	$	(2,915)	$	700,580
Operating loss		(47,034)		(24,576)		(54,173)		–		(125,783)
Depreciation and amortization		257,334		20,537		10,987		–		288,858
Total assets		3,849,729		197,835		402,760		–		4,450,324
Goodwill		206,589		–		–		–		206,589
Capital expenditures		153,417		1,112		4,218		–		158,747

The Corporation's operations are carried on in the following geographic locations:

Three months ended September 30, 2017		**Canada**		**United States**		**International**		**Inter-Segment Eliminations**		**Total**
Revenue	**$**	**129,819**	**$**	**141,381**	**$**	**46,612**	**$**	**(3,308)**	**$**	**314,504**
Total assets		**1,694,282**		**1,651,091**		**622,614**		**–**		**3,967,987**

Three months ended September 30, 2016		Canada		United States		International		Inter-Segment Eliminations		Total
Revenue	$	85,672	$	92,991	$	36,870	$	(1,865)	$	213,668
Total assets		1,910,549		1,835,423		704,352		–		4,450,324

Nine months ended September 30, 2017		**Canada**		**United States**		**International**		**Inter-Segment Eliminations**		**Total**
Revenue	**$**	**418,378**	**$**	**424,584**	**$**	**143,331**	**$**	**(12,256)**	**$**	**974,037**
Total assets		**1,694,282**		**1,651,091**		**622,614**		**–**		**3,967,987**

Nine months ended September 30, 2016		Canada		United States		International		Inter-Segment Eliminations		Total
Revenue	$	273,648	$	315,617	$	116,951	$	(5,636)	$	700,580
Total assets		1,910,549		1,835,423		704,352		–		4,450,324

NOTE 10. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying value of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to the relatively short period to maturity of the instruments. The fair value of the unsecured senior notes at September 30, 2017 was approximately $1,799 million (December 31, 2016 - $1,917 million).

Financial assets and liabilities recorded or disclosed at fair value in the consolidated balance sheet are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels are based on the amount of subjectivity associated with the inputs in the fair determination and are as follows:

Level I—Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level II—Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level III—Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The estimated fair value of unsecured senior notes is based on level II inputs. The fair value is estimated considering the risk free interest rates on government debt instruments of similar maturities, adjusted for estimated credit risk, industry risk and market risk premiums.