CERF INCORPORATED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2013

APRIL 24, 2014

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FORWARD-LOOKING STATEMENTS

This Annual Information Form of CERF Incorporated ("**CERF**" or the "**Corporation**") contains forward looking statements and forward-looking information, as such terms are defined under applicable securities laws (collectively, "**forward-looking statements**"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions. Actual events or results may differ materially. In addition, this Annual Information Form may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves 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. Forward-looking statements in this Annual Information Form include, but are not limited to, statements with respect to:

- results of various projects of the Corporation;
- timing of receipt of regulatory approvals;
- ability to lower cost structure in certain projects of the Corporation;
- growth expectations within the Corporation;
- the tax horizon and taxability of the Corporation;
- the Corporation's acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- the impact of Canadian federal and provincial governmental regulation on the Corporation;
- realization of the anticipated benefits of acquisitions and dispositions;
- expected levels of operating costs, general and administrative costs, costs of services and other costs and expenses;
- capital expenditure programs and the timing and method of financing thereof; and
- treatment under government regulation and taxation regimes.

Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Corporation cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither the Corporation nor any other person assumes responsibility for the outcome of the forward-looking statements. Many of the risks and other factors are beyond the Corporation's control, which could cause results to differ materially from those expressed in the forward-looking statements contained in this Annual Information Form. The risks and other factors include, but are not limited to:

- general economic conditions in Canada, the United States and globally including reduced availability of debt and equity financing generally;
- industry conditions;
- liabilities inherent in the Corporation's business operations;
- governmental regulation including environmental regulation;
- fluctuation in foreign exchange or interest rates;
- failure to realize anticipated benefits of acquisitions;
- stock market volatility and market valuations;
- competition for, among other things, capital, inventory and skilled personnel; and
- the other factors considered under "Risk Factors" in this Annual Information Form.

These factors should not be considered as exhaustive. With respect to forward-looking statements contained in this Annual Information Form, the Corporation has made assumptions regarding: future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; availability of skilled labour; current technology; cash flow; timing and amount of capital expenditures; effects of regulation by governmental agencies; future operating costs and the Corporation's ability to obtain financing on acceptable terms. Readers are cautioned that the foregoing list of factors is not exhaustive.

The above summary of assumptions and risks related to forward-looking information has been provided in this Annual Information Form in order to provide readers with a more complete perspective on the Corporation's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement. The Corporation is not under any duty to update or revise any of the forward-looking statements except as expressly required by applicable securities laws.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation's principal and head office is located at 8430 - 24th Street, Edmonton, Alberta T6P 1X8. The Corporation's registered office is located at 1900, 520 – 3rd Avenue SW, Calgary, Alberta T2P 0R3.

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) (the "**ABCA**") on August 11, 2011. On October 1, 2011, the Corporation amended its articles to remove the restrictions against the transfer of securities.

CONVERSION FROM A LIMITED PARTNERSHIP INTO A CORPORATION

Canadian Equipment Rental Fund Limited Partnership (the "**Partnership**") was formed as a limited partnership by the filing of a Certificate under the *Partnership Act* (Alberta) on January 21, 2005.

Pursuant to a plan of arrangement under Section 193 of the ABCA (the "**Arrangement**") involving the Partnership, CERF GP Corp. (which was the general partner of the Partnership) (the "**General Partner**"), the Corporation and the holders of limited partnership units ("**Units**") of the Partnership (the "**Unitholders**"), the Partnership converted from a limited partnership to a corporation, namely, CERF Incorporated, effective October 1, 2011.

Pursuant to the Arrangement, Unitholders received one common share in the capital of CERF ("**Common Share**") in exchange for each Unit held as of October 1, 2011. Upon completion of the Arrangement, Unitholders owned all of the issued and outstanding Common Shares and CERF owned all of the Units and carried on the business previously carried out by the Partnership. On October 1, 2011, upon completion of the Arrangement, the General Partner was voluntarily dissolved under the ABCA and the Partnership ceased to carry on business and was also dissolved.

The Common Shares commenced trading on the TSX Venture Exchange (the "**TSXV**") on October 3, 2011 and the Units were concurrently voluntarily delisted.

Intercorporate Relationships

The Corporation has three subsidiaries, namely, 4-Way Equipment Rentals Corp. ("**4-Way**"), MCL Waste Systems & Environmental Inc. ("**MCL**") and TRAC Energy Services Ltd. ("**TRAC**"), each of which is 100% owned by the Corporation. Each of 4-Way's, MCL's and TRAC's jurisdiction of incorporation is Alberta.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

2011

On April 29, 2011 the Partnership completed the purchase of 100% of the issued and outstanding shares of Maplethorpe Contractors Ltd., now MCL, a private integrated waste management company based in Wetaskiwin, Alberta. The purchase price for the acquisition was $5,700,000, before closing adjustments, and was paid by the issuance of 890,000 Units at a deemed price of $2.50 per Unit and the balance was paid by way of cash.

On October 1, 2011 the Partnership completed the Arrangement whereunder the Partnership converted from a limited partnership to a corporation, namely, CERF Incorporated. Pursuant to the Arrangement, Unitholders received one Common Share in exchange for each Unit held as of October 1, 2011. Upon completion of the Arrangement, Unitholders owned all of the issued and outstanding Common Shares of CERF and CERF owned all of the Units and carried on the business previously carried out by the Partnership.

On October 1, 2011, upon completion of the Arrangement, the General Partner was voluntarily dissolved under the ABCA and the Partnership ceased to carry on business and was also dissolved.

The Common Shares commenced trading on the TSXV on October 3, 2011 and the Units were concurrently voluntarily delisted.

2012

On April 20, 2012, the Corporation, through its then 100% owned subsidiary, The Smart-Way Disposal and Recycling Company Ltd. ("**Smart Way**") completed the purchase of certain tangible and intangible assets from a private corporation located in Edmonton, Alberta, which was active in the roll-off waste disposal bin business, for a purchase price of $1,050,000, before closing adjustments.

On October 3, 2012 CERF completed the purchase of 100% of the issued and outstanding shares of TRAC Energy Services Ltd., a private oilfield equipment rental company based in Nisku, Alberta and with offices in Calgary, Alberta. The purchase price for the acquisition was $17,813,300, subject to working capital and other normal closing adjustments. The purchase price was paid by cash in the amount of $11,730,113 and by the issuance of 2,027,729 Common Shares at a deemed price of $3.00 per Common Share.

2013

On January 1, 2013 MCL and Smart-Way, each of which being 100% owned by the Corporation, were amalgamated under the ABCA and continued under the name "MCL Waste Systems & Environmental Inc."

On July 25, 2013 the Corporation closed a public offering of 4,259,260 units of CERF ("**Units**"), which included the exercise in full of the over-allotment to purchase 555,556 Units, at a price of $2.70 per Unit, for gross proceeds of approximately $11.5 million (the "**Unit Offering**"). Each Unit was comprised of one Common Share and one common share purchase warrant exercisable for a period of 18 months from July 25, 2013, at an exercise price of $3.15 per share, subject to accelerated expiry in certain circumstances at the discretion of the Corporation. The net proceeds of the Unit Offering were used by CERF to reduce its bank indebtedness under its credit facilities, a portion of which was subsequently redrawn for capital expenditures to fund the continued growth of 4-Way, TRAC and MCL.

On August 21, 2013 the Corporation closed a private placement financing of 129,000 units of CERF ("**Private Placement Units**") at a price of $2.70 per Private Placement Unit, for gross proceeds of $348,300 (the "**Unit Private Placement**"). Each Private Placement Unit was comprised of one Common Share and one common share purchase warrant exercisable for a period of 18 months from August 21. 2013, at an exercise price of $3.15 per share, subject to accelerated expiry in certain circumstances at the discretion of the Corporation. The net proceeds of the offering of the Unit Private Placement were used by CERF to reduce its bank indebtedness under its credit facilities, a portion of which was subsequently redrawn for general corporate purposes by 4-Way and TRAC.

Activity During Current Financial Year

In January 2014 MCL was awarded operating contract extensions to its core business at three of its managed municipally owned facilities located around central and northern Alberta. The aggregate value of these base contract extensions was approximately $23,000,000 over various periods of up to five years. Under the base contracts, MCL has the opportunity for extra contract work at two of these facilities. In addition to these extensions, MCL was awarded a municipal waste transfer operations contract valued at $1,400,000 for a three year period with provision for two one-year extensions valued at an additional $950,000 when adjusted for inflation.

DESCRIPTION OF THE BUSINESS OF THE CORPORATION

General

CERF carries on business in the equipment rental, sales, service and repair industry primarily in Edmonton, Alberta, through its 100% owned subsidiary 4-Way under the name "4-Way Equipment Rentals". 4-Way has a rental fleet which includes in excess of 5,100 pieces of varied equipment and supplies a wide variety of equipment, machinery, tools and accessories for the commercial, light industrial and residential building industry as well as the industrial service sector. 4-Way carries on business at 8430 - 24 Street in southeast Edmonton, Alberta. Approximately 93% of equipment rental orders obtained from customers are arranged via direct contact from 4-Way's salesmen, the telephone, or internet, with only 7% as a result of walk-in traffic. 4-Way drivers typically deliver rental equipment via truck and trailer directly to the customer's job site.

CERF also carries on business in the oilfield equipment rental industry primarily in central Alberta, through its 100% owned subsidiary TRAC. TRAC has a rental fleet which includes approximately 2,000 pieces of varied oilfield equipment. TRAC's head office and rental facility is located in Nisku, Alberta and it has a sales office in Calgary, Alberta. TRAC supplies rentals from central Alberta to north east and north west Alberta. TRAC presently has eight master service agreements in place with customers, four of which are among the top ten customers of TRAC.

CERF also carries on business in the integrated non-hazardous solid waste management industry, primarily in central Alberta, through its 100% owned subsidiary MCL. MCL provides waste management facility operations services, primarily under long-term contracts with various municipalities and/or the waste management authorities thereof. MCL also provides tertiary waste transfer services, residential waste collection services and recycling services. MCL's business includes containerized collection and transfer services to other industrial, commercial, residential and construction industries.

Production and Services

The following is a detailed summary of the range of services offered by CERF.

Equipment Business

Equipment Rental and Sales

CERF, through its 100% owned subsidiary 4-Way, seeks to provide equipment solutions to customers in the construction and maintenance industries. 4-Way rents equipment to customers on a daily, weekly, monthly and extended term basis including air, concrete, compaction and electric equipment, hand tools, generator sets, heaters, ladders, portable lighting, material handling equipment, painting equipment, plumbing and pipefitting related equipment, pumping equipment, safety and survey equipment, saws and cutting tools, tanks and wagons, trailers, washing equipment, waste transfer bins and other miscellaneous equipment and tools. 4-Way also sells and services equipment, machinery and tools from a wide selection of major brand name manufacturers and suppliers.

Equipment Service and Repair

CERF, through its 100% owned subsidiary 4-Way, provides maintenance services and repairs for selected manufacturers' brands and products that are carried for rental and sale. It also specializes in the service and repair of customer owned equipment.

Merchandise Sales

CERF, through its 100% owned subsidiary 4-Way, engages in the sales and merchandising of a wide variety of small hand tools, drill bits, sanding/grinding pads, safety supplies, and other rental related items for purchase and use with rental products.

The business operations of 4-Way are supported by systems that have been developed in the areas of sales, delivery services, customer and staff training programs, and equipment service and repair procedures, including the following:

(a) *Sales*: a sales force responsible for managing key accounts using a direct or consultative sales process;

(b) *Delivery Services*: a dispatch function wherein drivers are responsible for delivery, pickup and transfer of equipment to and from construction sites and other locations;

(c) *Customer and Staff Training*: staff training is provided in the areas of sales and customer service, equipment and machinery usage, along with training sessions for customers on existing and new products; and

(d) *Equipment Service and Repair*: a department has been established with journeymen and apprentice heavy duty mechanics and journeyman parts people trained in machinery, equipment and small tool repair, or to provide maintenance and repair services for rental and customer owned products.

<u>Oilfield Equipment Rental Business</u>

CERF through its 100% owned subsidiary TRAC, engages in the rental of oilfield equipment to the drilling, completion and workover segments of the oil and gas industry. TRAC's rental fleet includes casing scrapers, catwalks and pipe racks, drill collars, heavy weight drill pipe, handling tools, flanges and spools, generators, light towers, rig matting, power swivels, trash pumps, storage tanks, flare tanks, floc tanks, shale tanks, hiwall tanks, foster tongs, valves and wheeled office trailers.

<u>Waste Management Business</u>

Waste Management Services

CERF, through its 100% owned subsidiary MCL, provides waste management facility services at various locations in central Alberta, primarily under contracts with waste authorities, commissions and their member municipalities and/or the waste management authorities thereof. Pursuant to these long-term performance based agreements, MCL currently manages and operates seven major landfill and waste management facilities in central Alberta participating in all facets of site operations. Participation includes supply of equipment and manpower in the form of trained personnel, waste screening and acceptance, sales and marketing of special waste, financial accounting, program development and implementation and technical services.

In addition, MCL provides tertiary waste transfer services, residential waste collection services and recycling services and environmental remediation services.

Waste Disposal and Recycling

CERF, through its 100% owned subsidiary MCL, provides waste disposal and recycling solutions to industrial, commercial and residential infrastructure contractors and renovators. The services provided primarily consist of the supply and transport of roll-off bins, and also through the use of products such as custom sized bins which allow customers to have a scheduled pick up service on smaller residential construction lots and such as the "EZ Bag", which provides customers with smaller volume waste requirements and/or limited space to pre-purchase polyethylene bags for pick up, transport and disposal by MCL.

Specialized Skill and Knowledge

Equipment Business

CERF through its 100% owned subsidiary 4-Way is a medium-sized equipment supplier in the rental marketplace. The overall positioning strategy for 4-Way consists of a focus on customer care, which includes strong problem-solving solutions used in much of its communications to customers. The marketing strategies and tactics used to reach the target audience include a combination of direct sales, promotional events, and tradeshows, training events and media relations. These strategies are executed on a daily basis by 4-Way's sales and marketing department.

Marketing programs include the following:

(a) *Customer Loyalty Program* - through a direct sales approach, 4-Way meets with clients on a regular basis with an emphasis on customer care and repeat sales;

(b) *Promotional Events* - in partnership with key suppliers, 4-Way offers events to promote specific lines of equipment or lines of business to a targeted group of customers. Customer appreciation events, business mixers, and tradeshows provide the scope of most events;

(c) *Equipment Training* - this program provides customers with the equipment knowledge and experience required to meet various Government safety standards. Certification programs include the safe operation of forklifts, skid steers and aerial work platforms;

(d) *Internet Program* - 4-Way's resourceful internet sites provide customers access to pertinent information 24 hours a day;

(e) *Electronic Newsletter Program* - Customers receive a monthly e-newsletter on relevant topics with an emphasis on continued traffic generation to the website;

(f) *Advertising Program* **-** 4-Way increases brand recognition and validation through advertorial and editorial in key trade publications, signage and decaling on moving billboards (equipment) and yellow pages advertising; and

(g) *Memberships* **-** networking with key industry players.

Oilfield Equipment Rental Business

CERF, through its 100% owned subsidiary TRAC, recognizes that the key to success in the oilfield rental business is to establish relationships with active customers in its core business areas. The Calgary sales team has, since TRAC's inception in 2004, created and continues to create relationships that have allowed TRAC to expand its rental fleet to better serve our clients' needs. With operations in Nisku, Alberta, TRAC is able to provide field sales and timely field service when required.

Waste Management Business

The waste management business requires technical and safety certification of employees involved in the operation and management of waste facilities. Mr. David (Skip) Kerr, the Chief Operating Officer of CERF, has held various senior management positions in the waste industry since 1983.

Competitive Conditions

Equipment Business

In Alberta there are an estimated 160 or more rental companies operating as independents, franchise operations, manufacturer's rent-to-rent outlets, and specialty companies. In Edmonton and area it is estimated there are approximately 45 rental centres which serve the construction industry.

Only a few of the local and surrounding rental companies continue to publish their rate guides. Price is often driven by the major industry players since they retain most of the market share. Nevertheless, independently owned rental companies tend to follow approximately the same published rates as those mentioned above.

Oilfield Equipment Rental Business

The Alberta oilfield equipment rental business is highly competitive. The principal competitors of TRAC include various public and private corporations. The principal competitive factors within the markets in which TRAC operates are quality of service, equipment availability, breadth of equipment offering, equipment performance, safety standards and price. The principal barriers to entry in the oilfield equipment rental business are the high capital costs associated with the acquisition of a quality and diversified equipment base, the substantial infrastructure required, the recruitment of qualified personnel and the establishment of personal business contacts.

Waste Management Business

The central Alberta non-hazardous solid waste management industry is competitive and fragmented. Competition comes from various large, national, publicly owned companies, regional companies and mid-size to small privately owned companies. Some of the Corporation's regional competitors have significantly larger operations and significantly greater financial resources than those of the Corporation. In each market in which CERF, through MCL, operates a landfill, it competes for landfill business on the basis of disposal costs, geographical location and quality of operations. MCL's ability to obtain landfill volume may be limited by the fact that integrated collection companies also operate landfills to which they send their waste.

Changes to Contracts

MCL recently extended three facility contracts and retained a major waste transfer contract let through a competitive bid process which included a significant rate increase.

Environmental Protection

The ever evolving and changing landscape of waste management requires a constant focus on improvement of waste services. Protecting the environment has become a global concern. In consultation with both public and private sector clients, MCL identifies and manages these environmental concerns. These services are incorporated through traditional consulting arrangements outsourcing, management and service agreements, as well as, client service packages.

Cycles

Equipment Business

In Canada and the U.S., equipment rental and leasing is a mature sector that has both diversified and undergone a degree of consolidation. The sector is highly dependent on the health and strength of the construction industry and in particular, the building trade and heavy construction contractors. CERF believes that the building trade contractors are more inclined to rent high ticket capital equipment whereas the heavy construction contractors still own or lease their core equipment. Due to the high risk associated with the construction industry, increasingly contractors rent to avoid adding under-utilized inventory to their fleet.

The equipment rental industry is multi-tiered including core rental companies that are independent or franchised operators, as well as emerging manufacturers with separate rent-to-rent business units. To date, CERF has carried on business as an independent type business.

Material industry trends relate to primarily (i) business development and transactions, (ii) rental operation types and growth, (iii) rental revenue and ratios and (iv) infrastructure projects. Summarized below are general trends, cycles and industry conditions of interest:

(a) *Business Development and Transactions*: Following an intensive period of industry consolidation in the late 1990s, mergers and acquisitions in the industry have slowed with a renewed focus among industry participants on corporate financial matters. In addition, consolidators and new entrants to the industry have enhanced public recognition of the entire sector through additional promotional expenditures;

(b) *Rental Operation Types and Growth*: There has been a significant increase in the number of competitors operating in CERF's principal market and the scope of their operations; and

(c) *Infrastructure Projects*: Edmonton and area continues to experience high levels of economic activity despite a slowdown in predominantly natural gas drilling in other areas of the Province. Much of this activity is driven by strong energy prices and large projected capital investment, particularly in the oil sands and related construction sector. Edmonton's diverse economy is projected to experience annual GDP growth greater than

> 3% in the next five years. Although oil and gas development is the main driving force behind the Edmonton and area economy, all sectors can be expected to benefit from this development. This is evident in the ongoing and recent project announcements for new hospitals and health centres, retail, commercial and resident real estate development, bridge construction, utility upgrades and manufacturing of which many of CERF's customers are directly involved.

CERF has focused its operations on serving customers in the construction and light industrial markets. In the Edmonton area, there are over 150 building contractors the majority of which are considered to be in residential and light construction along with over 90 primarily residential homebuilders, and 50 or more contractors in the concrete, landscaping, masonry and general construction areas which use rental equipment.

Currently, CERF's customer base is comprised of businesses in the construction, refractory, sandblasting and industrial maintenance sectors. Approximately 85% of the business conducted by CERF is from repeat customers some of whom have been dealing with CERF and its predecessors for up to 29 years.

Oilfield Equipment Rental Business

TRAC operates in the Western Canadian Sedimentary Basin, where the activity levels in the oilfield services industry are subject to the ability to move heavy equipment in the oil and natural gas fields. This mobility is dependent on weather conditions. As warm weather returns in the spring, the winter's frost coming up out of the ground renders many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out ("**spring breakup**"). In addition, many exploration and production areas in northern Canada are accessibly only in the winter months when the ground is frozen hard enough to support heavy equipment ("**winter freeze up**"). The timing of winter freeze up and spring breakup affects the ability to move equipment in and out of these areas, which directly affects the activities of the exploration and development companies serviced by TRAC.

Waste Management Business

Waste management services revenues are generally higher in spring, summer and autumn months due to higher collected and disposed of waste volumes. Higher collection and disposal revenues are partially offset by higher operating expenses to service and dispose of additional waste volumes.

Employees

CERF, and its 100% owned subsidiaries 4-Way, MCL and TRAC, currently employ 169 people on a full time basis and 7 on a part time basis. Of these, 8 people are employed directly by CERF on a full time basis, 62 people are employed by 4-Way on a full time basis and 1 person is employed by 4-Way on a part time basis. MCL employs 85 people on a full time basis and 6 people on a part time basis and TRAC employs 14 people on a full time basis and 1 person on a part time basis. The personnel employed by CERF and its subsidiaries represent an experienced and qualified workforce including several senior staff members with considerable background in both the equipment business, the oilfield equipment rental business, as well as in the waste management business, as applicable, and many long service employees.

Risk Factors

The following is a summary of certain risk factors relating to the Corporation's business.

Competition

Competition in the equipment rental industry is intense and growing. CERF competes with national and international companies that have substantially greater personnel and financial resources, as well as better name recognition and larger customer bases. Also, given the potential size of the market, it is foreseeable that new competition with greater resources will be entering the marketplace on an on-going basis. Competition in the waste management industry is also intense. CERF competes with national and international companies that have substantially greater personnel and financial resources.

Waste Management Contracts

MCL, a 100% owned subsidiary of CERF, is a party to various long-term contracts whereunder it provides waste management services to its customer base in the waste management business. MCL derives a portion of its revenue from municipal contracts that require competitive bidding by potential service providers. Although MCL intends to continue to bid on municipal contracts and to re-bid its existing municipal contracts, such contracts may not be maintained or won in the future. MCL may also be unable to meet bonding requirements for municipal contracts at a reasonable cost to it or at all. These requirements may limit MCL's ability to bid for some municipal contracts and may favour some of its competitors. MCL also derives a portion of its revenue from non-municipal contracts, which generally have a term of three to five years. Some of these contracts permit MCL's customers to terminate them before the end of the contractual term.

In addition, significant revenues are attributed to a small number of municipal contracts. Termination, modification or non-renewal of such contracts could have an adverse effect on MCL's business, results of operations and financial condition.

No Long Term Rental Contracts

CERF rents equipment to customers for a limited time or sells equipment to customers primarily on a purchase order basis rather than on a long-term contractual basis. This causes short-term variability in demand by customers. Customers requesting equipment or submitting a purchase order may cancel, reduce or delay their order for a variety of reasons. This will affect the level and timing of orders placed to CERF and any resulting cancellations, reductions or delays in customer orders could negatively impact the Corporation's operating results.

Dependence on Major Customers

TRAC, a 100% owned subsidiary of CERF, generates approximately 70% of its revenue from its top ten customers, and there can be no assurance that the current customers will continue their relationships with TRAC. The loss of one or more major customers, or any significant decrease in services provided to a customer, prices paid or any other changes to the terms of service with customers, could have a material adverse effect on the financial results, cash flows, and the overall financial condition of TRAC and CERF.

Reliance Upon Management

CERF is involved in the equipment rental industry as well as the waste management industry. These industries may involve a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

Dependence on Suppliers

Failure of suppliers to deliver equipment in a timely and efficient manner could be detrimental to CERF's ability to keep customers and to expand. No assurances can be given that the Corporation will be successful in maintaining its required supply of equipment.

Government Regulation

CERF's equipment businesses as well as its waste management business are all subject to extensive and evolving environmental laws and regulations, which have become increasingly stringent in recent years. Changes to such laws and regulations may impose substantial costs on CERF and may affect its business in other ways, including requiring compliance by CERF with various operating procedures and guidelines.

CERF could be liable to federal or provincial governments or other parties if harmful substances contaminate its properties or properties which it operates. CERF could be subject to legal action relating to compliance with environmental laws or regulations, and to civil claims from parties alleging some harm as a consequence of contamination, odours and other releases to the environment or other environmental matters (including the acts or omissions of its predecessors) for which CERF may be responsible. Compliance with environmental laws and regulations is costly. Governmental authorities may enact climate change regulations that could increase the Corporation's costs to operate.

Capital Markets

As a result of the weakened global economic situation, the Corporation, along with national and international companies with which it competes, have restricted access to capital, bank debt and equity, and is likely to face increased borrowing costs. Although the Corporation's business and asset base have not changed, the lending capacity of many financial institutions has diminished and risk premiums have increased. As future capital expenditures will be financed out of funds generated from operations, borrowings and possible future equity sales, the Corporation's ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments in the rental industry and the Corporation's securities in particular.

To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Corporation's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Based on current funds available and expected funds generated from operations, the Corporation believes it has sufficient funds available to fund its projected business operations, including capital expenditures. However, if funds generated from operations are lower than expected or costs for these business operations and capital expenditures exceed current estimates, or if the Corporation incurs major unanticipated expenses related to its existing business, it may be required to seek additional capital to maintain its capital expenditures at planned levels.

Impact of Economic Cycle

CERF's equipment business customers consist of companies operating primarily in the construction industry which are all affected by trends in the general economic conditions within their respective markets. Changes in interest rates, commodity prices, exchange rates, availability of capital, general economic prospects and adverse weather conditions may all impact their businesses by affecting levels of consumer, corporate and government spending. CERF's business and financial performance is largely affected by the impact of such business cycle factors on its customer base.

Surety Bonds, Letters of Credit or Other Financial Assurances and Adequate Insurance Coverage

If CERF is unable to obtain performance or surety bonds, letters of credit or insurance, it may not be able to enter into additional waste management or collection contracts. Municipal waste management and collection contracts may require performance or surety bonds, letters of credit or other financial assurances to secure contractual performance or comply with federal, provincial or local laws and regulations. If CERF was unable to obtain performance or surety bonds or letters of credit in sufficient amounts or at acceptable rates, it could be precluded from entering into additional municipal waste management and collection contracts. Any future difficulty in obtaining insurance could also impair its ability to secure future contracts that are conditional upon the contracts having adequate insurance coverage. Accordingly, CERF's failure to obtain performance or surety bonds, letters of credit or other financial assurances or to maintain adequate insurance coverage could limit its operations or violate federal, provincial or local requirements, which could have a material adverse effect on its business, financial condition and results of operations.

Future Acquisitions

CERF's growth strategy is based, in part, on its ability to acquire other equipment rental assets and businesses, and other non-hazardous solid waste management assets or businesses. The success of CERF's acquisition strategy will depend, in part, on its ability to:

- identify suitable assets or businesses to buy;
- negotiate the purchase price of those assets or businesses on acceptable terms;
- complete the acquisitions within CERF's expected time frame;
- improve the results of operations of the assets or businesses that CERF buys and successfully integrate their operations into its own; and
- respond to any concerns expressed by regulators, including anti-trust or competition law concerns.

CERF may fail to properly complete any or all of these steps.

Future Capital Requirements

CERF may require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms. If CERF issues Common Shares or other securities, including convertible securities, to finance its operations or expansion plans, shareholders may suffer dilution of their investment. If adequate funds are not available, or are not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, or otherwise optimally respond to competitive pressures.

Capital Requirements for Future Acquisitions

CERF cannot be certain that it will have enough capital or that it will be able to raise capital by issuing equity or debt securities or through other financing methods on reasonable terms, if at all, to complete the purchases of any construction equipment, oilfield equipment or solid waste management assets or businesses that it wants to acquire. Acquisitions will generally increase CERF's capital requirements unless they are funded from excess free cash flow, which CERF defines as free cash flow after dividends declared. Acquisitions financed with debt or equity capital will result in higher long-term debt or equity amounts recorded on CERF's consolidated statement of financial position. Higher debt levels can increase CERF's borrowing rates and can be expected to increase interest expense due to higher levels of outstanding indebtedness.

Successfully Managing its Growth

CERF's growth strategy will continue to place significant demands on its financial, operational and management resources. In order to continue its growth, CERF may need to add administrative, management and other personnel, and make additional investments in operations and systems. CERF cannot provide assurance that it will be able to find and train qualified personnel, or do so on a timely basis, or expand its operations and systems.

Adequacy of Insurance Coverage

CERF seeks to obtain and maintain, at all times, insurance coverage in respect of its potential liabilities and the accidental loss of value of its assets from risks, in those amounts, with those insurers, and on those terms it considers appropriate, taking into account all relevant factors, including the practices of owners of similar assets and operations. However, not all risks are covered by insurance, and CERF cannot provide assurance that insurance will be available consistently or on an economically feasible basis or that the amounts of insurance will be sufficient to cover losses or claims that may occur involving its assets or operations.

Volatility of Market Price

The market price of the Common Shares could be subject to significant fluctuation in response to variations in quarterly and yearly operating results, the success of CERF’s business strategy and other factors. In addition, the stock market experiences price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of affected issuers. These fluctuations may adversely affect the market price of the Common Shares.

Uncertain Operating Conditions

The Corporation’s financial results will be affected by a number of factors. The primary factors affecting CERF’s operating results are changes in technology, equipment costs, labour costs, overhead costs and quantity of customer orders. In addition to this, other factors having an impact on results are competition; asset and capacity management; customer service effectiveness; and overall industry economic conditions. Variability of results can be caused by any one or any combination of these factors.

CERF's Operations are Geographically Concentrated and Susceptible to Local Economies, Regulations and Seasonal Fluctuations

CERF’s operations are concentrated in the Province of Alberta and are susceptible to that market’s local economy, regulations and seasonal fluctuations. Seasonality may temporarily affect CERF’s revenues and expenses. In general, the level of activity in the Canadian oilfield service industry as well as the soil reclamation industry is influenced by seasonal weather patterns. Wet weather and the spring thaw make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity at all levels of the oil and gas industry. Additionally, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months, because the ground surrounding the drilling sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration, development and production companies and corresponding declines in the demand for goods and services of the Corporation, 4-Way and TRAC.

Potential Replacement of or Reduced Use of Products and Services

Certain rental equipment of the Corporation may become obsolete or experience a decrease in demand through the introduction of competing products or new technologies that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be more preferable for environmental or other reasons. The changes could have a material adverse effect on the Corporation's business, financial condition, results or operations and cash flows. Although the Corporation makes reasonable efforts to keep current with the changing market for construction and oil and gas equipment rental services and technological and regulatory changes, there can be no assurance that the Corporation will be able to identify all changes to competing products and technology.

Failure of suppliers to deliver equipment in a timely and efficient manner could be detrimental to CERF's ability to keep customers and to expand. No assurances can be given that the Corporation will be successful in maintaining its required supply of equipment.

CERF Environmental Requirements

CERF could be subject to legal action relating to compliance with environmental laws or regulations, and to civil claims from parties alleging some harm as a consequence of contamination, odours and other releases to the environment or other environmental matters (including the acts or omissions of its predecessors) for which CERF may be responsible.

Solid waste management operations are often subject to close scrutiny by federal, provincial and local regulators, as well as private citizens and environmental advocacy groups, and may be subject to judicial and administrative proceedings, including proceedings relating to their compliance with environmental and local land use laws.

In general, environmental, health and safety laws authorize federal, provincial or local environmental regulatory agencies (and in some cases, private citizens) to bring administrative or judicial actions for violations of environmental laws or to revoke or deny the renewal of a permit. Potential penalties for such violations may include, among other things, civil and criminal monetary penalties, imprisonment, permit suspension or revocation, and injunctive relief. These agencies may also attempt to revoke or deny renewal of CERF's permits or licenses for violations or alleged violations of environmental, health and safety laws or regulations. Under certain circumstances, citizens are also authorized to file lawsuits to compel compliance with environmental laws, regulations or permits under which CERF operates and to impose monetary penalties. Surrounding landowners or community groups may also assert claims alleging environmental damage, personal injury or property damage in connection with CERF's operations.

Contamination by Hazardous Substance

CERF could be liable to federal or provincial governments or other parties if hazardous (or other regulated or potentially harmful) substances contaminate or have contaminated properties, including soil or water under its properties, or if such substances from CERF's properties or operations contaminate or have contaminated the properties of others. CERF could be liable for this type of contamination even if the contamination did not result from its activities or occurred before it owned or operated the properties. CERF also could be liable for such contamination at properties to which it transported such substances or arranged to have hazardous substances transported, treated or disposed.

Certain environmental laws impose joint and several and strict liability in connection with environmental contamination, which means that CERF could have to pay all recoverable damages, even if it did not cause or permit the event, circumstance or condition giving rise to the damages. Moreover, many substances are defined as "hazardous" under various environmental laws and their presence, even in minute amounts, can result in substantial liability. While CERF may seek contribution for these expenses from others, it may not be able to identify who the other responsible parties are and CERF may not be able to compel them to contribute to these expenses or they may be insolvent or unable to afford to contribute. If CERF incurs liability and if it cannot identify other parties whom it can compel to contribute to CERF's expenses and who are financially able to do so, CERF's financial condition and results of operations may be impaired.

Conflicts of Interest

The directors of CERF may be or become engaged in different industries, both on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers may be in direct competition with the Corporation. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the ABCA.

Climate Change Regulations

Environmental advocacy groups and regulatory agencies in Canada have been focusing considerable attention on the emissions of greenhouse gases and their potential role in climate change. As a consequence, governments have begun (and are expected to continue) devising and implementing laws and regulations that require reduced, or are intended to reduce, greenhouse gas emissions. The adoption of such laws and regulations and the imposition of fees, taxes or other costs, could adversely affect CERF's collection and disposal operations. Changing environmental regulations could require CERF to take any number of actions, including the purchase of emission allowances or the installation of additional pollution control technology, and could make CERF's operations less profitable, which could adversely affect its results of operations.

Permits, Licenses and Approvals

To operate solid waste facilities, CERF must obtain and maintain certain licenses, permits or approvals. Permits, licenses and approvals to operate non-hazardous solid waste landfills and transfer stations are difficult, time consuming and expensive to obtain. Failure to obtain the required permits, licenses or approvals to operate landfills and transfer stations could hinder and impair CERF's business strategy. A failure to obtain, renew or extend various permits and licenses could result in the impairment of certain assets.

Landfill Dependence on Third-Party Disposal Customers

Operating and maintaining a landfill is capital intensive and generally requires performance bonds and letters of credit to secure performance and financial obligations. As a result, a steady volume of waste is required over the operating life of the landfill in order to maintain profitable operations. The loss of third-party disposal customers could reduce the Corporation’s revenues and profitability. Accordingly, CERF depends on maintaining a certain level of third-party disposal customers at the landfills which it manages in order to be able to continue to operate at profitable levels.

CERF cannot provide assurance that it will maintain its relationships or continue to provide services to any particular waste management customer at current levels. CERF also cannot provide assurance that third-party customers will continue to utilize these sites and pay acceptable rates that generate acceptable margins for CERF. Decreases could occur if new landfills open, if CERF's existing waste management customers fail to renew their contracts, if the volume of waste disposal decreases or if CERF is unable to increase its rates to correspond with its increasing costs of operations.

Dividends

Shareholders of record on a dividend record date will be entitled to receive dividends which are paid by CERF to those shareholders on the corresponding dividend payment date, generally on a quarterly basis. However, declaration and payment of dividends in the future will be dependent on, among other things, current cash reserves and obligations of the Corporation including debt, expected capital expenditures and other factors.

Access to Credit Markets

Due to the nature of the Corporation's business it is necessary from time to time for the Corporation to access other sources of capital beyond its internally generated cash flow in order to fund the development and acquisition of its long term asset base. As part of this strategy, the Corporation obtains some of the necessary capital by incurring debt and therefore the Corporation is dependent to a certain extent on continued availability of the credit markets. The continued availability of the credit markets for CERF is primarily dependent on the state of the economy and the health of the banking industry in North America and abroad. There is risk that if the global economy and banking industry experience unexpected and/or prolonged deterioration, then CERF's access to credit markets may contract or disappear altogether. The Corporation tries to mitigate this risk by dealing with reputable lenders and tries to structure its lending agreements to give it the most flexibility possible should these situations arise. However, the situations that may give rise to credit markets tightening or disappearing are beyond CERF's control.

CERF is also dependent to a certain extent on continued access to equity capital markets. The Corporation is listed on the TSXV and maintains an active investor relations program. Continued access to capital is dependent on CERF's ability to continue to perform at a level that meets market expectations.

Credit Facility Risk

The Corporation is required to comply with covenants under the credit agreement establishing its credit facilities. The Corporation is currently in compliance with its covenants under its credit facilities. In the event that the Corporation does not comply with such covenants, the Corporation's access to capital could be restricted or repayment could be required. The Corporation routinely reviews the financial covenants based on actual and forecast results and has the ability to make changes to its capital expenditure plans and/or dividend policy to comply with the financial covenants under its credit facilities.

Forward-Looking Statements may Prove Inaccurate

Undue reliance should not be placed on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Annual Information Form under the heading "*Forward-Looking Statements*".

DIVIDENDS AND DISTRIBUTIONS

The board of directors of the Corporation (the "**Board**") analyzes the dividend level on a quarterly basis. Among the items considered when determining dividend levels are current cash reserves and obligations of the Corporation including debt, expected capital expenditures and other factors. The Corporation has declared and paid the following cash distributions and dividends as set forth in the table below to holders of Units for 2011 until the Arrangement on October 1, 2011, and to holders of Common Shares since the Arrangement became effective on October 1, 2012:

Date of Announcement	Record Date	Payment Date	Amount Per Unit/ Common Share $	Units/Common Shares Outstanding #	Total Distribution/ Dividend $
2011					
March 23, 2011	March 31, 2011	April 15, 2011	0.06	8,640,900	518,454
June 23, 2011	June 30, 2011	July 15, 2011	0.06	9,530,900	571,854
Sept. 19, 2011	Sept. 30, 2011	Oct. 14, 2011	0.06	9,487,467	569,248
Dec. 21, 2011	Dec. 31, 2011	Jan. 13, 2012	0.06	9,652,250	579,135
2012					
March 21, 2012	March 31, 2012	April 13, 2012	0.06	9,665,256	579,915
June 20, 2012	June 29, 2012	July 12, 2012	0.06	9,665,256	579,915
Sept. 21, 2012	Sept. 30, 2012	Oct. 11, 2012	0.06	9,643,367	578,542
Dec. 24, 2012	Dec. 31, 2012	Jan. 15, 2013	0.06	11,671,096	700,266
2013					
March 25, 2013	March 31, 2013	April 15, 2013	0.06	11,671,096	700,266
June 24, 2013	June 30, 2013	July 15, 2013	0.06	11,671,096	700,266
Sept. 24, 2013	Sept. 30, 2013	Oct. 15, 2013	0.06	16,059,356	963,561
Dec. 16, 2013	Dec. 31, 2013	Jan 15, 2013	0.06	16,059,356	963,561
2014					
March 24, 2014	March 31, 2014	April 15, 2014	0.06	16,134,441	968,066

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized share capital of CERF consists of an unlimited number of Common Shares and an unlimited number of preferred shares in the capital of CERF. As of the date hereof 16,182,036 Common Shares and no preferred shares are issued and outstanding.

Common Shares

The holders of the Common Shares are entitled:

(a) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a special class of shares are entitled to vote;to receive any dividend declared by CERF on that class of shares; provided that CERF shall be entitled to declare dividends on the preferred shares, or on any of such classes of shares without being obligated to declare any dividends on the Common Shares;

(b) subject to the rights, privileges, restrictions and condition attaching to any other class of CERF's shares, to receive CERF's remaining property upon dissolution in equal rank with the holders of all other common shares of CERF; and

(c) to the rights, privileges and restrictions normally attached to common shares.

Preferred Shares

The preferred shares may be issued from time to time in one or more series, each series consisting of a number of preferred shares as determined by the Board who may also fix the designations, rights, privileges, restrictions and conditions attaching to each series of preferred shares.

The preferred shares of each series shall, with respect to the payment of dividends and distributions of assets in event of liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution CERF's assets among its shareholders for the purpose of winding-up its affairs, rank on a parity with the preferred shares of every other series and shall be entitled to preference over CERF's voting and non-voting common shares and the share of any other class ranking junior to the preferred shares of the series. If any cumulative dividends or amounts payable on the return of the capital in respect of a series of preferred shares are not paid in full, all series of preferred shares shall participate rateably in respect of accumulated dividends and return of capital.

MARKET FOR SECURITIES

Trading Price and Volume of Trading of Common Shares

The following table sets forth the reported high and low sales prices (which are not necessarily the closing prices) and the trading volumes of the Common Shares of CERF on the TSXV as reported by sources CERF believes to be reliable for the periods indicated:

	Price Range ($)			
	High	**Low**	**Close**	**Trading Volume**
2013				
January…………………………………....	3.29	3.00	3.10	55,095
February…………………………………….	3.15	3.01	3.02	34,505
March…………………………………….….	3.00	2.75	2.95	43,855
April……………………………………......	3.00	2.51	2.90	58,942
May……………………………………........	3.19	2.75	3.08	131,589
June……………………………………........	3.08	2.80	2.80	114,600
July…………………………………….........	2.80	2.63	2.69	127,537
August……………………………………...	2.80	2.69	2.71	235,017
September……………………….……….	2.74	2.67	2.69	208,383
October…………………………………….	2.69	2.54	2.63	247,404
November………………………………….	2.09	2.60	3.01	428,610
December…………………………………..	3.07	2.90	2.97	215,751
2014				
January……………………………………..	3.00	2.88	2.99	279,334
February……………………………………	3.14	2.91	3.09	598,064
March………………………………………	3.14	2.95	2.98	403,256
April 1-24…………………………………	3.13	2.90	2.98	407,507

PRIOR SALES

The following table sets forth, for each class of securities of the Corporation that is outstanding but not listed or quoted on a marketplace, the price at which securities of the class have been issued during the financial year ended December 31, 2013 and the number of securities of the class issued at that price and the date on which the securities were issued.

Class of Securities	Issue Price on Exercise Price $	Number of Securities Issued	Date of Issue
Options(1)	3.09	565,000	February 11, 2013
Warrants(2)	3.15	4,259,260	July 25, 2013
Agent Options(3)	2.70	295,502	July 25, 2013
Private Placement Warrants(4)	3.15	129,000	August 21, 2013
Private Placement Agent Options(5)	2.70	3,870	August 21, 2013
Options(1)	2.71	474,300	August 30, 2013

Notes:

(1) Stock options ("**Options**") issued under the stock option plan of the Corporation.

(2) Common share purchase warrants ("**Warrants**") issued under the Unit Offering expiring on January 25, 2015.

(3) Agent options ("**Agent Options**") issued under the Unit Offering expiring on January 25, 2015.

(4) Common share purchase warrants ("**Private Placement Warrants**") issued under the Unit Private Placement expiring on February 21, 2015.

(5) Agent options ("**Private Placement Agent Options**") issued under the Unit Private Placement expiring on February 21, 2015.

As at the date of this Annual Information Form, the Corporation has 1,009,300 Options, 4,259,260 Warrants, 207,080 Agent Options, 129,000 Private Placement Warrants and 3,870 Private Placement Agent Options issued and outstanding.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date hereof, the following Common Shares are held in escrow and no other securities are subject to a contractual restriction on transfer:

Designation of Class	Number of Securities held in Escrow	Percentage of Class
Common Shares(1)	62,119	0.4%

Note:

(1) These Common Shares are held in escrow pursuant to three escrow agreements all dated June 11, 2007 each between the applicable holder of the Common Shares, CERF and Borden Ladner Gervais LLP, as escrow agent and will be released from escrow, from time to time, in amounts proportionate to the repayment by the holders thereof of annual instalments of principal and interest under the applicable three loan agreements all dated June 11, 2007.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth the name, province and country of residence of the officers and directors of the Corporation, the periods during which they have served as officers or directors and their principal occupations for the past five years. The term of office of each director will expire at the end of the next annual meeting of shareholders of the Corporation.

Name, Province and Country of Residence	Positions and Offices with the Corporation	Principal Occupation during the Past Five years
Wayne Wadley(3) Alberta, Canada	President and Chief Executive Officer and Director since October 2011	President and Chief Executive Officer of the Corporation since October 2011. Prior thereto President and Chief Executive Officer of the General Partner from January 2005 to October 2011.
Ken Stephens(2) (3) Alberta, Canada	Vice President, Finance and Chief Financial Officer and Director since October 2011	Vice President, Finance and Chief Financial Officer of the Corporation since October 2011. Prior thereto Chief Financial Officer of the General Partner from January 2005 to October 2011. Chartered Accountant with the firm of Davis, Daignault, Schick & Co. from September 1990 to December 31, 2010.
David (Skip) Kerr Alberta, Canada	Chief Operating Officer since August 2013	Chief Operating Officer of the Corporation since August 2013. Prior thereto Vice President, Business Development of the Corporation from June 2012 to August 2013. Prior thereto independent consultant to the waste industry from 2005 until 2012.
John Koop(1)(2) Alberta, Canada	Director since October 2011	Retired businessman.
Marc Mandin Alberta, Canada	Vice President Equipment Operations since June 2012	Vice President, Equipment Operations of the Corporation since June 2012. Prior thereto Chief Operating Officer of the Corporation from October 2011 to June 2012. Prior thereto Chief Operating Officer of the Partnership from April 2008 to October 2011.
David Maplethorpe(1)(3) Alberta, Canada	Director since October 2011	Independent businessman since May 2013. Prior thereto, Vice President, Waste and Environmental Operations of the Corporation since June 2012 and Chief Executive Officer of MCL since April 2011. Prior thereto, President of Maplethorpe Contractors Ltd. from 1989 to April 2011.
William Guinan(1)(2)(3) Alberta, Canada	Corporate Secretary since October 2011 and Director since June 2012	Partner, Borden Ladner Gervais LLP, a law firm.

Notes:
(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Disclosure Committee.

As of the date hereof, the directors and officers of the Corporation, as a group, beneficially owned, controlled or directed, directly or indirectly, 5,340,961 Common Shares or approximately 33% (28% on a fully diluted basis) of the issued and outstanding Common Shares. The information as to the number of Common Shares held, not being within the knowledge of the Corporation, has been furnished by the respective directors and officers of the Corporation individually.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the officers and directors of the Corporation, no director or executive officer of the Corporation is, or has been in the last ten years, a director, chief executive officer or chief financial officer of an issuer that, while that person was acting in that capacity: (a) was the subject of a cease trading order or similar order or any order that denied the issuer access to any exemptions under securities legislation, for a period of more than thirty consecutive days, (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than thirty consecutive days, or (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, none of such persons has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets within the last ten years. No director of the Corporation has been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by securities regulatory authority or has entered into a settlement agreement with the securities regulator authority or been the subject of any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

There are potential conflicts of interest to which the directors of the Corporation will be subject in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided for by the ABCA. Certain of the directors of the Corporation are directors or officers of other corporations.

LEGAL PROCEEDINGS

To the knowledge of the Corporation, there are no legal proceedings material to the Corporation to which the Corporation is or was a party to or of which any of its properties is or was the subject of, during the financial year ended December 31, 2013 nor are there any such proceedings known to the Corporation to be contemplated.

REGULATORY ACTIONS

To the knowledge of the Corporation, there were no (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the Corporation's last financial year, (ii) other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements entered into by the Corporation before a court relating to securities legislation or with a securities regulatory authority during the last financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any directors or executive officers of the Corporation, any person or company which beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares of the Corporation, or any known associate or affiliate of such persons, in any transaction within the last three financial years of the Corporation, or during the current financial year which has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares of CERF is Valiant Trust Company at its principal offices in Calgary and Toronto.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no material contracts entered into by CERF since its formation that can reasonably be regarded as presently material.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report, valuation or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 *Continuous Disclosure Obligations* by the Corporation during, or related to, the year ended December 31, 2013 other than KPMG LLP Chartered Accountants ("**KPMG**"), the Corporation's auditors. KPMG is independent with respect to the Corporation within the meaning of the Rules of Professional conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration, principal holders of the Corporation's Common Shares and options to purchase Common Shares, is contained in the Corporation's management information circular relating to its most recent annual and special meeting of shareholders held on July 2, 2013. Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended December 31, 2013, which may be found on SEDAR at www.sedar.com.

Additional copies of this Annual Information Form, the materials listed in the preceding paragraph and, any interim financial statements which have been issued by the Corporation will be available upon request by contacting the Chief Financial Officer of the Corporation at its offices at c/o 8430 – 24th Street, Edmonton, Alberta T6P 1X8, Telephone (403) 850-4095 or Fax (403) 238-2720.