CLEARSTREAM ENERGY SERVICES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED SEPTEMBER 30, 2016

DEAR SHAREHOLDERS

ClearStream Energy Services Inc. ("ClearStream" or the "Company") continued to face external market challenges during the third quarter of 2016. The Fort McMurray fires that devastated the region in May and impacted ClearStream's operations and people during the second quarter of 2016, continued to affect ClearStream's business during the third quarter. Due to the extent of the fire and related damage, our customers' operations in the Fort McMurray region were impacted through May and a portion of June and have been slow to start-up throughout the third quarter of 2016. However, activity in Fort McMurray did begin to increase in September as we moved closer to pre-fire activity levels in the region. We expect the financial impact of the fires will extend into the fourth quarter as many of our customers defer project and maintenance capital into 2017 to help offset the costs incurred relating to the fires. The total financial impact of the fires on ClearStream's business will be significant. Insurance recoveries of $0.6 million relating to lost profits from the fires were recorded during the third quarter of 2016. We continue to work with our insurers to recover as much of the lost profits as possible under the terms of our business interruption coverage.

The operating environment in Western Canada continues to be challenging as low oil and gas prices have led to reduced spending by our customers. The industrial maintenance services industry also remains very competitive and the excess supply of services combined with reduced demand has led to price reductions for all of ClearStream's service lines. The market has started to show signs of improvement with our customer group indicating a modest capital spending increase in 2017 relative to 2016. As a result, we believe that maintenance and turnaround spending will increase in 2017 given the significant amount of deferrals that occurred in 2016.

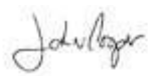
In response to these difficult market conditions, ClearStream continues to focus on reducing the cost of doing business. Significant reductions in people-based costs and operating locations have lowered our cost structure in 2016 and are expected to benefit the Company in 2017 as activity increases. Overall, our fixed costs have declined by 40% compared to the start of 2015.

An area of our business that we have invested in during 2016 is new business development. In the current low-cost and low-profit margin environment, sales volume will play a critical role in maintaining profitability. Over the past 12 months, we have increased the brand awareness of ClearStream and its subsidiaries through expanded business development initiatives. These initiatives have been directed towards the oil and gas industry, as well as other industries where we can sell our core services. Expansion of our services into new industries will continue to be a key business development objective for ClearStream in the future.

ClearStream has also completed significant changes to the leadership team and relocated our head office to Calgary, Alberta. With the experience and strength of the new leadership team, substantial reductions to our cost structure, and focus on new business development, we are confident in our ability to execute as market conditions improve in 2017.

On October 18, 2016, the Company's name was officially changed to ClearStream Energy Services Inc. from Tuckamore Capital Management Inc. The Company's shares now trade under the symbol "CSM" on the Toronto Stock Exchange. We are excited about this change that completes the transformation of the Company to a Western Canadian based Industrial Services business.

Thank you for your continued support.



John W. Cooper

Chief Executive Officer

MANAGEMENT’S DISCUSSION AND ANALYSIS

November 8, 2016

On October 13, 2016, Tuckamore Capital Management Inc. announced that it had filed articles of amendment changing its name to “ClearStream Energy Services Inc.” The shareholder approval required to authorize the change in the Company’s name was obtained at the Company’s annual and special meeting held on June 17, 2016. The Company’s listed securities, consisting of the Company’s common shares and its outstanding 10.0% second lien secured convertible debentures due 2026, began trading under the new name on October 18, 2016 under the trading symbols of “CSM” and “CSM.DB.A” respectively.

The following is management’s discussion and analysis (“MD&A”) of the interim consolidated results of operations, balance sheets and cash flows of ClearStream for the three and nine months ended September 30, 2016 and 2015. This MD&A should be read in conjunction with ClearStream’s condensed interim consolidated financial statements and notes thereto for the three and nine months ended September 30, 2016 and 2015 (“Interim Financial Statements”) and the audited consolidated financial statements for the years ended December 31, 2015 and 2014 (“Annual Financial Statements”).

All amounts in this MD&A are in thousands of Canadian dollars unless otherwise noted. The accompanying Interim Financial Statements of ClearStream have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Company’s Board of Directors on the recommendation of its Audit Committee. This MD&A is dated November 8, 2016 and is current to that date unless otherwise indicated.

The Annual and Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

References to "we", "us", "our" or similar terms, refer to ClearStream, unless the context otherwise requires.

REPORTABLE SEGMENTS

During the first quarter of 2016, ClearStream completed the sale of its interest in Gusgo Transport LP (“Gusgo”), as well as substantially all of the net assets of Quantum Murray LP (“Quantum Murray”) and Titan Supply LP (“Titan”). Subsequent to these transactions, the Company’s primary business has been to provide industrial services to the oil and gas industry.

Given the change in organizational structure, the Company considered and concluded that there was a change in its reportable segments. The reportable segments discussed below, represent the reportable segments that the chief operating decision makers consider when reviewing the performance of ClearStream and deciding where to allocate resources.

ClearStream’s operations, assets and employees are located in Canada. ClearStream utilizes EBITDA and Adjusted EBITDA as performance measures for its segment results. These measures are considered to be non-standard measures under IFRS. See the final page of this report for additional information on these non-standard measures.

Segment	Business Description
Maintenance and Construction Services	Operational, maintenance, turnaround and construction services to the conventional oil and gas, oilsands, and other industries.
Wear, Fabrication and Transportation Services	Custom fabrication services supporting pipeline and infrastructure projects, patented wear overlay technology services specializing in overlay pipe spools, pipe bends and plate, and transportation and pipe logistics services to the drilling sector.
Corporate	ClearStream head office management, administrative, legal and interest expense costs.

THIRD QUARTER 2016 FINANCIAL RESULTS

SUMMARY RESULTS ($000'S)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
		Restated[1]		Restated[1]
Revenues	$ 67,773	$ 116,662	$ 197,748	$ 327,166
Cost of revenues - direct	(55,488)	(91,384)	(162,173)	(259,516)
Cost of revenues - indirect	(5,461)	(6,871)	(17,970)	(22,583)
Gross profit	6,824	18,407	17,605	45,067
Selling, general and administrative expenses	(3,356)	(6,037)	(12,312)	(15,834)
Amortization expense	(716)	(1,412)	(2,518)	(4,229)
Depreciation expense	(1,533)	(1,993)	(4,667)	(6,011)
Income from long-term investments	62	(478)	(93)	229
Interest expense	(5,239)	(6,032)	(16,184)	(17,778)
Impairment of assets	-	-	(8,700)	-
Gain from disposal of assets held for sale	212	-	1,326	-
Restructuring costs	(344)	(282)	(344)	(2,889)
Other income	623	-	623	-
Gain (loss) on sale of property, plant and equipment	(1,155)	149	(822)	347
Income tax expense - current	(2)	(77)	(21)	(96)
Income tax recovery - deferred	-	1,430	-	4,800
Net (loss) income from continuing operations	$ (4,624)	$ 3,675	$ (26,107)	$ 3,606
Add:				
Amortization	716	1,412	2,518	4,229
Depreciation	1,533	1,993	4,667	6,011
Interest expense	5,239	6,032	16,184	17,778
Income tax expense - current	2	77	21	96
Income tax recovery - deferred	-	(1,430)	-	(4,800)
EBITDA	$ 2,866	$ 11,759	$ (2,717)	$ 26,920
Write-down of goodwill	-	-	8,700	-
Gain from disposal of assets held for sale	(212)	-	(1,326)	-
Restructuring costs	344	282	344	2,889
Operating income (loss) from long-term investments in assets held for sale	4	567	341	185
Adjusted EBITDA	$ 3,002	$ 12,608	$ 5,342	$ 29,994

Selected Balance Sheet Accounts	As at September 30, 2016	As at December 31, 2015
Total assets	$ 137,827	$ 253,538
Senior credit facility	-	58,482
Senior secured debentures	171,563	174,311
Convertible secured debentures	24,282	-
Shareholders' deficit	(90,656)	(65,056)

[1] Adjusted for discontinued operations and reclassification of certain selling, general and administrative expenses of ClearStream to cost of revenues.

Note: EBITDA and Adjusted EBITDA are considered non-IFRS measures; please refer to the final page of this report for more details on these measures.

Revenues for the three and nine months ended September 30, 2016 were $67,773 and $197,748 compared to $116,662 and $327,166 for the same periods in 2015. This represents a decrease of 41.9% and 39.6% for the three and nine months ended September 30, 2016 in comparison to the same periods in the prior year. ClearStream experienced lower business volumes at most of its divisions due to the impact of depressed commodity prices on the oil and gas industry and as a result of reduced oil sands activity from the Fort McMurray fires.

Gross profit for the three and nine months ended September 30, 2016 was $6,824 and $17,605, compared to $18,407 and $45,067 for the same periods in 2015. Gross margins were 10.1% and 8.9% for the three and nine months ended September 30, 2016, compared to 15.8% and 13.8% for the same periods in 2015. Gross margin declines were largely due to reduced pricing, which was needed to keep certain contracts, and decreased revenue caused by the Fort McMurray fires that led to lower operating leverage on our fixed cost structure. We believe that without the impact of the fires, fixed costs, which include indirect and SG&A expenses, would have decreased at the same rate as revenue.

In response to the market decline, the Company continued to execute its cost reduction strategy. Selling, general and administrative costs for the three and nine months ended September 30, 2016 were $3,356 and $12,312, compared to $6,037 and $15,834 for the same periods in 2015. These cost decreases are largely due to a reduction in headcount, fewer operating locations, and overall cost cutting measures. Two properties were sold during the third quarter in connection with right sizing efforts that have been on-going since early 2015.

ClearStream's continuing operations are now reported in its three operating segments: 1) Maintenance and Construction services, 2) Wear, Fabrication, and Transportation services, and 3) Corporate. For the three and nine months ended September 30, 2016, these three operating segments produced $3,002 and $5,342 of Adjusted EBITDA compared to $12,608 and $29,994 for the same periods in the prior year. The financial results of these segments are discussed below in this MD&A.

Non-cash items that impacted the third quarter financial results included depreciation and amortization. Depreciation and amortization was $2,249 and $7,185 for the three and nine months ended September 30, 2016 compared to $3,405 and $10,240 for the same periods in 2015. The decrease is primarily related to the write-down of intangibles and property, plant and equipment at December 31, 2015, and reduced capital expenditures in 2016.

For the three and nine months ended September 30, 2016, interest costs, excluding accretion expense, were $5,050 and $13,852 compared with $4,155 and $12,210 for the same periods in 2015. Non-cash accretion expense was $189 and $2,332 for the three and nine months ended September 30, 2016, compared to $1,877 and $5,568 for the same periods in the prior year. The change in interest expense relates to the net impact of debt restructuring initiatives that were completed during the first quarter of 2016.

Restructuring costs of $344 were incurred during the three and nine months ended September 30, 2016 compared to $282 and $2,889 for three and nine months ended September 30, 2015. These non-recurring restructuring costs are comprised of severance and location closure costs associated with right sizing and restructuring ClearStream's business.

Other income of $623 was recorded during the three months ended September 30, 2016 and represents an advance from our insurance company for lost operating profits due to the Fort McMurray fires. Discussions with our insurance company are on-going regarding the recovery of additional lost profits. However, the extent of additional recoveries, if any, is not known at this time.

Financial results for the third quarter of 2016 included a net loss on the sale of property, plant and equipment for $1,155. This loss relates to the sale of certain non-essential properties that have been disposed of as part of our cost cutting and right sizing initiatives.

The loss from continuing operations was $4,624 and $26,107 for the three and nine months ended September 30, 2016, compared to income from continuing operations of $3,675 and $3,606 for the three and nine months ending September 30, 2015.

Adjusted EBITDA **$000s**	**Q3 2016**	**Q3 2015**	**2016 vs. 2015**
ClearStream Industrial Services			
Maintenance and Construction	5,431	10,735	(5,304)
Wear, Fabrication & Transportation	1,295	6,940	(5,645)
Adjusted EBITDA from portfolio operations	$ 6,726	$ 17,675	$ (10,949)
Corporate	(3,724)	(5,067)	1,343
Adjusted EBITDA from operations	$ 3,002	$ 12,608	$ (9,606)

SEGMENT OPERATING RESULTS

Maintenance and Construction Services

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenues	$ 57,371	$ 88,089	$ 163,405	$ 254,282
Cost of revenues - direct	(48,734)	(72,570)	(140,250)	(211,795)
Cost of revenues - indirect	(3,175)	(4,203)	(10,511)	(14,141)
Gross profit	5,462	11,316	12,644	28,346
Selling, general and administrative expenses	(218)	(731)	(1,156)	(1,891)
Amortization expense	(14)	(46)	(138)	(139)
Depreciation expense	(733)	(1,016)	(2,143)	(3,050)
Interest expense	(86)	(109)	(274)	(364)
Gain on sale of property, plant and equipment	187	149	459	293
Income tax expense - current	(3)	(13)	(49)	(76)
Income (loss) for the period	$ 4,595	$ 9,550	$ 9,343	$ 23,119
Add:				
Amortization	14	46	138	139
Depreciation	733	1,016	2,143	3,050
Interest expense	86	109	274	364
Income tax expense - current	3	13	49	76
EBITDA	$ 5,431	$ 10,734	$ 11,947	$ 26,748

Note: EBITDA is considered a non-IFRS measure; please refer to the final page of this report for more details on this measure.

Revenues

Revenues for the Maintenance and Construction Services segment were $57,371 and $163,405 for the three and nine months ended September 30, 2016 compared to $88,089 and $254,282 in the same periods last year, which reflects a decrease of 34.9% and 35.7%, respectively. The Fort McMurray fires continued to impact our maintenance and construction division during the third quarter of 2016. In addition, although ClearStream completed several significant turnarounds during the third quarter, turnaround activity was substantially lower compared to the third quarter of 2015. Weak oil and gas prices continued to lead to maintenance and turnaround deferrals as well as customer pressure to lower prices.

Gross Profit

Gross profit was $5,462 and $12,644 for the three and nine months ended September 30, 2016 compared with $11,316 and $28,346 for the same periods in the prior year. Gross profit margins for the three and nine months ended September 30, 2016 were 9.5% and 7.7% compared to 12.8% and 11.1% for the same periods in the prior year. Pricing declines and lower revenue have led to the declines in gross profit margins. These factors were partially offset by cost control efforts that were realized during the third quarter.

Selling, General and Administrative Expenses ("SG&A")

SG&A costs for Maintenance and Construction Services were $218 and $1,156 for the three and nine months ended September 30, 2016, in comparison to $731 and $1,891 for the same periods in the prior year. SG&A costs decreased by 70.2% and 38.9% for the three and nine months ended September 30, 2016, in comparison to the same periods in the prior year. The decrease in SG&A is primarily related to the cost-cutting measures that have been executed by management since mid-2015 as a result of the impact of decreased oil prices on ClearStream's business.

Wear, Fabrication, and Transportation Services

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenues	$ 11,062	$ 29,920	$ 37,182	$ 77,421
Cost of revenues - direct	(7,336)	(20,053)	(24,456)	(51,783)
Cost of revenues - indirect	(2,286)	(2,668)	(7,457)	(8,442)
Gross profit	1,440	7,199	5,269	17,196
Selling, general and administrative expenses	(145)	(259)	(462)	(768)
Amortization expense	(72)	(87)	(216)	(262)
Depreciation expense	(729)	(857)	(2,164)	(2,506)
Interest expense	(69)	(115)	(260)	(333)
Gain on sale of property, plant and equipment	-	-	62	54
Income (loss) for the period	$ 425	$ 5,881	$ 2,229	$ 13,381
Add:				
Amortization	72	87	216	262
Depreciation	729	857	2,164	2,506
Interest expense	69	115	260	333
EBITDA	$ 1,295	$ 6,940	$ 4,869	$ 16,482

Note: EBITDA is considered a non-IFRS measure; please refer to the final page of this report for more details on this measure.

Revenues

Revenues for the Wear, Fabrication, and Transportation segment were $11,062 and $37,182 for the three and nine months ended September 30, 2016 compared to $29,920 and $77,421 for the same periods in the prior year, which reflects a decrease of 63.0% and 52.0% respectively.

Third quarter revenue for the Wear division decreased by approximately 67.7% on a year-over-year basis. Demand for ClearStream's Wear services is driven largely by pipeline maintenance requirements for customers operating in the Alberta oilsands. The Fort McMurray fires continued to negatively impact the Wear business during the third quarter. Pipeline maintenance deferrals also impacted the revenue of the Wear division during the third quarter.

Fabrication revenue in the third quarter of 2016 decreased by 67.7% compared to the third quarter of 2015. Fabrication demand is largely based on pipeline and infrastructure project activity. Pipeline approval delays combined with weak infrastructure project activity levels have led to the significant decline in Fabrication revenue.

Revenue in the third quarter of 2016 for the Transportation division declined by 31.9% compared to the third quarter of 2015. The services provided by the transportation division are largely related to the transportation of drilling and completions material and equipment. As a result of weak drilling and completion activity, demand for ClearStream's transportation services is down in 2016 relative to 2015.

Gross Profit

Gross profit was $1,440 and $5,269 for the three and nine months ended September 30, 2016 compared with $7,199 and $17,196 during the same periods of the prior year. Gross profit margin for the three and nine months ended September 30, 2016 were 13.0% and 14.2% compared to 24.1% and 22.2% a year ago. Gross profit margins for the segment declined due to lower pricing and revenue, which led to lower operating leverage on fixed costs. Fixed costs for the Wear, Fabrication, and Transportation segment are generally higher than our other segment due to facilities and equipment needed to provide services. We have reduced fixed costs for this segment by 17% in 2016 relative to 2015, and we expect to implement further fixed cost reductions going forward.

Selling, General and Administrative Expenses ("SG&A")

SG&A costs for Wear, Fabrication, and Transportation Services were $145 and $462 for the three and nine months ended September 30, 2016, in comparison to $259 and $767 for the same periods in the prior year. SG&A costs decreased by 44.0% and 39.8% for the three and nine months ended September 30, 2016, in comparison to the same periods in the prior year. The decrease in SG&A is primarily related to the cost-cutting measures which were initiated by management in mid-2015 as a result of the impact of decreased oil prices on ClearStream's business.

Corporate

ClearStream's head office functions are in the process of being transitioned from its Toronto office to its Calgary office. The transition is expected to be complete by the end of 2016. The tables below reflect the combined costs of both its Toronto and Calgary offices, as well as other corporate overhead expenses.

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Selling, general administrative expenses	$ (3,004)	(5,067)	$ (10,753)	(13,236)
Amortization expense	(630)	(1,279)	(2,164)	(3,829)
Depreciation expense	(71)	(119)	(360)	(428)
Interest expense	(5,084)	(5,637)	(15,651)	(16,572)
Write-down of goodwill	-	-	(8,700)	-
Gain from disposal of assets held for sale	212	-	1,326	-
Restructuring costs	(344)	(282)	(344)	(2,889)
Other income	623	-	623	-
Loss on sale of property, plant and equipment	(1,343)	-	(1,343)	-
Income tax expense - current	(2)	(77)	(21)	(97)
Income tax recovery - deferred	-	1,409	-	4,790
Loss for the period	$ (9,643)	$ (11,052)	$ (37,387)	$ (32,261)
Add:				
Amortization expense	630	1,279	2,164	3,829
Depreciation expense	71	119	360	428
Interest expense	5,084	5,637	15,651	16,572
Income tax expense - current	2	77	21	97
Income tax recovery - deferred	-	(1,409)	-	(4,790)
EBITDA	$ (3,856)	$ (5,349)	$ (19,191)	$ (16,125)
Write-down of goodwill	-	-	8,700	-
Gain from disposal of assets held for sale	(212)	-	(1,326)	-
Restructuring costs	344	282	344	2,889
Adjusted EBITDA	$ (3,724)	$ (5,067)	$ (11,473)	$ (13,236)

Note: EBITDA and Adjusted EBITDA are considered non-IFRS measures; please refer to the final page of this report for more details on these measures.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $3,004 and $10,753 for the three and nine months ended September 30, 2016 compared to $5,067 and $13,236 for the same periods in the prior year. The break-down of selling, general and administrative expenses is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Salaries and benefits	$ 2,067	$ 2,933	$ 6,639	$ 6,894
Occupancy and office costs	370	442	973	1,235
Insurance	324	370	1,032	1,049
Other costs, net	243	1,322	2,109	4,058
General and administrative expenses	$ 3,004	$ 5,067	$ 10,753	$ 13,236

SG&A costs decreased by $2,063 and $2,483 for the three and nine months ended September 30, 2016, in comparison to the same periods in 2015. Reductions in people, facility and discretionary costs have led to the decline in corporate SG&A costs.

WRITE-DOWN OF GOODWILL

A decrease in Projected EBITDA resulted in a $8,700 impairment of goodwill during the first quarter of 2016. After this impairment, there remains $22,288 in goodwill at ClearStream. For a more detailed explanation of the write-down of goodwill, please refer to the notes to the interim consolidated financial statements of the Company for the three and nine months ended September 30, 2016.

All impairment losses are non-cash in nature and do not affect the Company's liquidity, cash flows from operating activities, or debt covenants and do not have an impact on the future operations of the Company.

FOURTH QUARTER 2016 OUTLOOK

Revenue for the fourth quarter of 2016 is expected to be slightly lower compared to the third quarter of 2016. An increase in revenue in the Fort McMurray region, due to a recovery in activity levels from the May 2016 fires, is expected to be more than offset by a decline in customer spending, outside of the Fort McMurray region, near the end of 2016 as our customers' complete 2016 capital spending budgets. In addition, Fabrication demand is expected to remain weak during the fourth quarter due to continued project and pipeline delays and deferrals. Fourth quarter EBITDA is also expected to be down sequentially due to the decrease in revenue; however, the impact of lower revenue is expected to be partially offset by the realization of cost cutting measures implemented throughout 2016.

Compared to 2015, revenue for the fourth quarter of 2016 is expected to be down substantially due to pricing and activity declines across all segments. However, EBITDA in the fourth quarter is expected to be relatively consistent on a year-over-year basis as cost reductions offset the impact of lower revenue.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

Nine months ended September 30,		2016		2015
Cash used in operating activities	$	(2,259)	$	(4,733)
Cash provided by investing activities		15,127		3,459
Cash used in financing activities		(30,294)		(13,695)
Consolidated cash	$	6,983	$	7,612

In March 2016, ClearStream entered into an agreement for an Asset Based Lending ("ABL") facility with a banking syndicate led by the Bank of Montreal. The purpose of the facility is to provide working capital funding for ClearStream. The amounts that can be drawn on this facility, to a maximum of $60 million, are based primarily on eligible accounts receivable balances. The Company is required to satisfy a fixed charge covenant ratio under the terms of the agreement. As at September 30, 2016, no amounts were drawn on the ABL facility.

The Company's results of operations continue to be affected by the combination of a decline in commodity prices, general economic conditions in Alberta and the impact of the Fort McMurray forest fires in 2016. While the Company has successfully obtained amendments to the terms of its ABL Facility which has allowed them to remain in compliance with its covenants, the Company's current forecasts show that it may breach its fixed charge coverage ratio covenant in the next twelve months.

ClearStream is carefully monitoring its results and continues to take actions to mitigate the risk of a covenant breach, including asset sales and further reductions to operating and capital expenditures. The Company believes that it has a good relationship with its lenders and that, in the event that it concludes that a financial covenant would not be met, it could seek and receive future amendments to its covenants. While it cannot be guaranteed that such amendment will be required or requested, similarly there can be no guarantee that such amendment would be received from the Company's lenders or that the conditions of such an amendment could be fulfilled by the Company. In the event that an amendment was not received, the cross-default provisions in the senior secured debenture and convertible secured debenture would be triggered, requiring payment on demand. The possibility that a financial covenant may not be met results in a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

CASH USED IN OPERATING ACTIVITIES

The following table provides a break-down of cash used in operations, changes in non-cash balances and cash from discontinued operations.

Nine months ended September 30,		2016		2015
Cash (used in) provided by continuing operations	$	(12,562)	$	14,492
Changes in non-cash balances				
Accounts receivable		24,574		(8,166)
Inventories		(514)		(10,074)
Prepaids and other current assets		(1,146)		2,606
Accounts payable, accrued liabilities and deferred revenue		(12,611)		(3,771)
Increase (decrease) in cash due to changes in non-cash balances		10,303		(19,405)
Cash provided by discontinued operations		-		180
Cash used in operating activities	$	(2,259)	$	(4,733)

CASH PROVIDED BY INVESTING ACTIVITIES

Cash provided by investing activities totaled $15,127 compared to $3,459 during the same period of the prior year. See table below for further details.

Nine months ended September 30,		2016		2015
Purchase of property, plant and equipment, net of disposals		(1,168)		(2,720)
Net proceeds on disposal of properly, plant & equipment		1,560		1,343
Purchase of software		(65)		-
Proceeds on disposition of business		14,800		5,050
Cash provided by investing activities - continuing operations		15,127		3,673
Cash used in investing activities - discontinued operations		-		(214)
Cash provided by investing activities	$	15,127	$	3,459

CASH USED IN FINANCING ACTIVITIES

Cash used in financing activities was $30,294 for the nine months ended September 30, 2016, compared to $13,695 for the same period in the prior year.

Nine months ended September 30,		2016		2015
Decrease in cash held in trust	$	3,400	$	270
Proceeds from the issuance of the senior secured debentures		176,228		-
Proceeds from the issuance of the convertible secured debentures		35,000		-
Repayment of the senior credit facility		(58,735)		(8,934)
Repayment of the 8.00% secured debentures		(176,228)		-
Refinancing fees (ABL Facility, senior and convertible secured debentures)		(10,216)		-
Repayment of capital lease obligations		(4,143)		(4,208)
Changes in non-cash financing activities		4,400		-
Cash used in financing activities - continuing operations		(30,294)		(12,872)
Cash used in financing acitivities - discontinued operations		-		(823)
Cash used in financing activities	$	(30,294)	$	(13,695)

SOURCES OF FUNDING

ClearStream will continue to look to reduce its debt leverage. The financing arrangements are designed to ensure that debt balances are reduced as quickly as possible. Consequently 75% of excess cash flow is required to retire the senior secured debentures.

ClearStream will utilize the ABL Facility to fund working capital requirements. The services provided by ClearStream are labour intensive. Employees are remunerated every two weeks and clients typically pay invoices in 60 to 90 days. During peak business activity, such as the spring and fall shutdown/turnaround maintenance programs of our customers, a higher number of employees are at customer sites, and this increases the need for working capital funding.

WORKING CAPITAL

	September 30, 2016	December 31, 2015
Current assets	$ 66,723	$ 110,463
Current liabilities	28,939	269,610
Working capital - continuing operations	37,784	(159,147)
Working capital - discontinued operations	-	11,673
Total working capital	$ 37,784	$ (147,474)

The significant increase in working capital from December 31, 2015 to September 30, 2016 is primarily related to the Company's successful refinancing of its senior credit facility and 8.00% secured debentures which matured March 23, 2016.

CAPITAL EXPENDITURES

The following table shows capital expenditures and finance lease payments by segment for continuing operations.

Nine months ended September 30, 2016	Maintenance and Construction	Fabrication, Wear & Transportation	Corporate	Eliminations	Total
Capital expenditures	$ 222	$ 1,013	$ 2	$ (68)	$ 1,168
Finance lease repayments	3,088	1,439	196	(580)	$ 4,143
Total capital expenditures	$ 3,310	$ 2,452	$ 198	$ (648)	$ 5,311

Nine months ended September 30, 2015	Maintenance and Construction	Fabrication, Wear & Transportation	Corporate	Eliminations	Total
Capital expenditures	$ 1,377	$ 1,302	$ 41	$ -	$ 2,720
Finance lease repayments	2,756	1,304	148	-	$ 4,208
Total capital expenditures	$ 4,133	$ 2,606	$ 189	$ -	$ 6,928

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

ClearStream prepares its annual and interim consolidated financial statements in accordance with IFRS. The preparation of the annual and interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the period of the annual and interim consolidated financial statements. Significant accounting policies and methods used in the preparation of the annual and interim consolidated financial statements, including use of estimates and judgements, are described in note 1 in the December 31, 2015 consolidated financial statements, filed under its former name Tuckamore.

ADDITIONAL INFORMATION

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the Company's annual consolidated financial statements for the year ended December 31, 2015, filed under its former name, Tuckamore.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There are no updates to new standards and interpretations not yet adopted. For further discussion, refer to ClearStream's MD&A filed under its former name Tuckamore, and dated March 28, 2016 for the year ended December 31, 2015.

SHARE CAPITAL

The authorized share capital of the Company consists of: (i) an unlimited number of common shares, and (ii) preferred shares issuable in series to be limited in number to an amount equal to not more than one half of the issued and outstanding common shares at the time of issuance of such preferred shares. As of the date hereof, there were 109,941,241 common shares issued and outstanding and nil preferred shares issued and outstanding.

SUMMARY OF QUARTERLY RESULTS – ($000'S EXCEPT UNIT AMOUNTS)

	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4
				Restated[1]	Restated[1]	Restated[1]	Restated[1]	Restated[1]
Revenues	$ 67,773	$ 61,335	$ 68,640	$ 88,956	$ 116,662	$ 118,536	$ 91,968	$ 140,715
Cost of Revenues - Direct	(55,488)	(50,208)	(56,477)	(73,612)	(91,613)	(95,900)	(71,931)	(112,511)
Cost of Revenues - Indirect	(5,461)	(5,662)	(6,847)	(7,236)	(6,642)	(7,709)	(8,304)	(11,131)
Gross Margin	6,824	5,465	5,316	8,108	18,407	14,927	11,733	17,073
Gross Margin %	10.1%	8.9%	7.7%	9.1%	15.8%	12.6%	12.8%	12.1%
Net (loss) income from continuing operations	(4,624)	(5,391)	(16,092)	(68,637)	3,675	1,510	(1,579)	2,505
Net loss	(5,339)	(6,716)	(20,817)	(107,848)	(6,350)	(6,274)	(4,415)	(17,217)
Income (loss) per unit from continuing operations	(0.04)	(0.05)	(0.15)	(0.63)	0.03	0.01	(0.01)	0.02
Loss per unit	(0.05)	(0.06)	(0.19)	(0.98)	(0.06)	(0.06)	(0.04)	(0.16)

[1]Please note that some of the figures above have been restated from those published in previous periods to categorize certain expenses previously classified as selling, general and administrative to cost of revenues. This change enhances the comparability of the Company's financial results with that of its competitors and more accurately reflects the function of the relevant expenses. Please refer to the consolidated interim financial statements for the three month periods ended September 30, 2016 and September 30, 2015 for more information.

Revenues at ClearStream are somewhat seasonal. Typically there are scheduled shutdown/turnaround projects in the spring and fall which increases revenues over and above the standard maintenance and operational support services.

Gross margin percentage fluctuations by quarter are usually a function of revenue mix. Notwithstanding this, the first quarter of each year will usually show lower gross margin percentages as the employer portion of payroll benefit costs will not be maximized until later in the year.

The gross margin reductions experienced from the fourth quarter of 2015 to the third quarter of 2016 are reflective of a decrease in business volumes and price reductions granted to customers as a result of the impact of decreased oil prices on ClearStream's business. In addition to this, ClearStream's revenue was negatively impacted in the second and third quarters of 2016 as a result of the impact of the Fort McMurray wildfires on ClearStream's business.

CONTINGENCIES

ClearStream is subject to claims and litigation proceedings arising in the normal course of operations. These contingencies are provided for when they are likely to occur and can be reasonably estimated. Management believes that these claims are without merit and as such they are being rigorously defended.

In March 2015, the Company was advised by Brompton Corp. ("Brompton") that Brompton has received notices of reassessment from the Canada Revenue Agency (the "CRA") in which the CRA has denied the deduction to Brompton of certain non-capital losses and other tax attributes in computing Brompton's income for the 2010 to 2014 taxation years. Brompton is seeking indemnification in the amount of $4,099 (which includes interest) from Tuckamore Holdings LP, representing approximately 40% of its taxes, losses or costs, pursuant to certain agreements entered into by Tuckamore Holdings LP prior to the sale of its interest in Brompton.

ClearStream previously announced, in September 2014, that it had been notified by Brompton that in the event that Brompton is subject to taxes assessed by the CRA or incurs losses or costs associated with the CRA's review, it would be seeking indemnification for approximately 40% of these taxes, losses or costs pursuant to agreements entered into by Tuckamore Holdings LP. Tuckamore Holdings LP, a wholly-owned subsidiary of ClearStream, previously held approximately 40% of the outstanding equity of Brompton. ClearStream Holdings LP sold its Class A shares in Brompton in September 2011.

On June 12, 2015, Brompton served ClearStream and certain of its affiliates with a Statement of Claim seeking, among other things, indemnification in the amount of 40% of the CRA's notices of reassessment for the 2010-2012 taxation years. On July 13, 2015, ClearStream and its affiliates served their Statement of Defence denying Brompton's allegations and relying on, among other things, a corresponding warranty and indemnity provided by Brompton to ClearStream. Brompton brought a motion for summary judgment, which was heard in August and September, 2016. The court's decision is currently under reserve. The Company has not provided for any amount with respect to this matter in its consolidated interim financial statements for the period ending September 30, 2016.

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of September 30, 2016, directors, officers and employees beneficially hold an aggregate of 15,856,459 common shares or 14.4% on a fully diluted basis.

TRANSACTIONS

Loss from discontinued operations include $nil and $191 of rent expense paid to related parties of Gusgo for the three and nine month period ended September 30, 2016 (2015 - $209 and $627).

Interest charged to joint venture Operating Partners on advances was $nil and $59 for the three and nine months ended September 30, 2016 (September 30, 2015 - $170 and $509).

Two operating leases for property, with quarterly rents of $78 and $75 (2015 - $78 and $75) are with landlords in which an executive of ClearStream holds an indirect minority interest.

These transactions occurred in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to between the parties.

RISK FACTORS

There are no updates to ClearStream's risk factors. For further discussion, refer to ClearStream's MD&A or Annual Information Form ("AIF") filed under its former name Tuckamore and dated March 28, 2016 for the year ended December 31, 2015.

DISCLOSURE CONTROLS & PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

DISCLOSURE CONTROLS AND PROCEDURES

National Instrument 51-109, "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 51-109"), issued by the CSA requires Chief Executive Officers ("CEOs") and Chief Financial Officers ("CFOs") to certify that they are responsible for establishing and maintaining the disclosure controls and procedures for the issuer, that disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's disclosure controls and procedures, and that their conclusions about effectiveness of those disclosure controls and procedures at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

ClearStream's management, including its CEO and CFO, have evaluated the effectiveness of ClearStream's disclosure controls and procedures as at December 31, 2015 and have concluded that those disclosure controls and procedures were effective to ensure that information required to be disclosed by ClearStream in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended. The CEO and CFO have certified the appropriateness of the financial disclosures in ClearStream's filings for the quarter ended September 30, 2016 with securities regulators, including this MD&A and the accompanying audited consolidated financial statements and that they are responsible for the design of the disclosure controls and procedures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

NI 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting for the issuer, that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the issuer has disclosed any changes in its internal controls during its most recent year end that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

There have been no changes in internal controls over financial reporting during the quarter ended September 30, 2016 that have materially affected or are reasonably likely to materially affect internal controls over financial reporting.

Due to the inherent limitations common to all control systems, management acknowledges that disclosure controls and procedures and internal control over financial reporting may not prevent or detect all misstatements. Accordingly, management's evaluation of our disclosure controls and procedures and internal control over financial reporting provide reasonable, not absolute, assurance that misstatements resulting from fraud or error will be detected.

ADDITIONAL INFORMATION

Additional information relating to ClearStream including ClearStream's AIF, can found on SEDAR at www.sedar.com or on the Company's website www.clearstreamenergy.ca

Forward-looking information

This MD&A contains certain forward-looking information. Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information 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 similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of ClearStream and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of ClearStream. Without limitation, information regarding the future operating results and economic performance of ClearStream constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of the Company. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, commodity prices, dependence on key personnel, limited customer bases, interest rates, regulatory change, ability to meet working capital requirements and capital expenditures needs, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors," which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting ClearStream will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of ClearStream consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this MD&A, and ClearStream does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. ClearStream is providing the forward-looking financial information set out in this MD&A for the purpose of providing investors with some context for the "Fourth Quarter 2016 Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures
The terms ''EBITDA'' and "Adjusted EBITDA" (collectively the ''Non-IFRS measures'') are financial measures used in this MD&A that are not standard measures under IFRS. ClearStream's method of calculating Non-IFRS measures may differ from the methods used by other issuers. Therefore, ClearStream's Non-IFRS measures, as presented may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with IFRS, before depreciation and amortization, interest expense and income tax expense (recovery). EBITDA is used by management and the directors of ClearStream (the "Directors") as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of ClearStream's reportable segments and believes that in addition to net income or loss and cash provided by operating activities, EBITDA is a useful supplemental measure from which to determine ClearStream's ability to generate cash available for debt service, working capital, capital expenditures and income taxes. ClearStream has provided a reconciliation of income (loss) from continuing operations to EBITDA in its consolidated financial statements and MD&A.

Adjusted EBITDA refers to EBITDA excluding the interest, taxes, depreciation and amortization of long-term investments, write-down of goodwill, gain from disposal of assets held for sale, restructuring costs and gain on sale of long-term investment. ClearStream has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by ClearStream and management believes it is a useful supplemental measure from which to determine ClearStream's ability to generate cash available for debt service, working capital, capital expenditures, and income taxes. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors. ClearStream has provided a reconciliation of income (loss) from continuing operations to Adjusted EBITDA in its MD&A.

Investors are cautioned that the Non-IFRS Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the shares. These Non-IFRS measures should only be used in conjunction with the financial statements included in the MD&A and ClearStream's annual audited consolidated financial statements available on SEDAR at www.sedar.com or www.clearstreamenergy.ca.