UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2020

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________________ to ________________________

Commission file number: 001-36246

Civeo Corporation

(Exact name of registrant as specified in its charter)

British Columbia, Canada (State or other jurisdiction of incorporation or organization)	98-1253716 (I.R.S. Employer Identification No.)
Three Allen Center, 333 Clay Street, Suite 4980, Houston, Texas (Address of principal executive offices)	77002 (Zip Code)

713 510-2400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Common Shares, no par value	CVEO	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "accelerated filer," "large accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large Accelerated Filer	☐	Accelerated Filer	☒	Emerging Growth Company	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The aggregate market value of common shares held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2020, was $81,953,395.

The Registrant had 14,286,290 common shares outstanding as of February 22, 2021.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for the 2021 Annual General Meeting of Shareholders, which the registrant intends to file with the Securities and Exchange Commission not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, are incorporated by reference into Part III of this Annual Report on Form 10-K.

CIVEO CORPORATION

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PART I

This annual report on Form 10-K (annual report) contains certain “forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 (the Securities Act) and Section 21E of the Securities Exchange Act of 1934 (the Exchange Act). Actual results could differ materially from those projected in the forward-looking statements as a result of a number of important factors. For a discussion of known material factors that could affect our results, please refer to “Part I, Item 1. Business,” “Part I, Item 1A. Risk Factors,” “Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk” of this annual report.

In addition, in certain places in this annual report, we refer to reports published by third parties that purport to describe trends or developments in the energy industry. We do so for the convenience of our shareholders and in an effort to provide information available in the market that will assist our investors in a better understanding of the market environment in which we operate. However, we specifically disclaim any responsibility for the accuracy and completeness of such information and undertake no obligation to update such information.

On November 19, 2020, we effected a reverse share split where each twelve issued and outstanding common shares were converted into one common share (the Reverse Share Split). Our common shares began trading on a reverse share split-adjusted basis on November 19, 2020. All common share and per common share data included in this annual report have been retroactively adjusted to reflect the Reverse Share Split.

Cautionary Statement Regarding Forward-Looking Statements

We include the following cautionary statement to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 for any "forward-looking statement" made by us or on our behalf. All statements other than statements of historical facts included in this annual report are forward-looking statements. The forward-looking statements can be identified by the use of forward-looking terminology including “may,” “expect,” “anticipate,” “estimate,” “continue,” “believe” or other similar words. Such statements may include statements regarding our future financial position, budgets, capital expenditures, projected costs, plans and objectives of management for future operations and possible future strategic transactions. Where any such forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, we caution that, while we believe such assumptions or bases to be reasonable and make them in good faith, assumed facts or bases almost always vary from actual results. The differences between assumed facts or bases and actual results can be material, depending upon the circumstances. The factors identified in this cautionary statement are important factors (but not necessarily all of the important factors) that could cause actual results to differ materially from those expressed in any forward-looking statement made by us, or on our behalf.

In any forward-looking statement where we, or our management, express an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. Taking this into account, the following are identified as important factors that could cause actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, us:

- the level of supply and demand for oil, metallurgical coal, natural gas, iron ore and other minerals;
- the level of activity, spending and developments in the Canadian oil sands;
- the level of demand, particularly from China, for coal and other natural resources from and investments and opportunities in Australia;
- the availability of attractive oil and natural gas field assets, which may be affected by governmental actions or environmental activists which may restrict drilling;
- fluctuations in the current and future prices of oil, coal, natural gas, iron ore and other minerals;
- failure by our customers to reach positive final investment decisions on, or otherwise not complete, projects with respect to which we have been awarded contracts to provide related hospitality services, which may cause those customers to terminate or postpone the contracts;
- fluctuations in currency exchange rates;

- the impact of the ongoing COVID-19 pandemic and the response thereto;
- general global economic conditions and the pace of global economic growth;
- changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof, including taxing authorities not agreeing with our assessment of the effects of such laws, treaties and regulations;
- changes to government and environmental regulations, including climate change;
- global weather conditions, natural disasters, global health concerns and security threats;
- our ability to hire and retain skilled personnel;
- the availability and cost of capital, including the ability to access the debt and equity markets;
- our ability to integrate acquisitions;
- the development of new projects, including whether such projects will continue in the future; and
- other factors identified in Item 1A. - "Risk Factors" of this annual report.

Such risks and uncertainties are beyond our ability to control, and in many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we do not undertake any obligation to publicly update or revise any forward-looking statements except as required by law.

ITEM 1. *Business*

Available Information

We maintain a website with the address of www.civeo.com. We are not including the information contained on our website as a part of, or incorporating it by reference into, this annual report. We file or furnish annual, quarterly and current reports, proxy statements and other documents with the Securities and Exchange Commission (the SEC). We make available free of charge through our website our Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the SEC. Also, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us, and our filings are available on the Internet at www.sec.gov and free of charge upon written request to our corporate secretary at the address shown on the cover page of this annual report.

Our Company

We provide hospitality services to the natural resources industry in Canada, Australia and the U.S. We provide a full suite of hospitality services for our guests, including lodging, food service, housekeeping and maintenance at accommodation facilities that we or our customers own. In many cases, we provide services that support the day-to-day operations of accommodation facilities, such as laundry, facility management and maintenance, water and wastewater treatment, power generation, communication systems, security and logistics. We also offer development activities for workforce accommodation facilities, including site selection, permitting, engineering and design, manufacturing management and site construction, along with providing hospitality services once the facility is constructed. We primarily operate in some of the world’s most active oil, metallurgical (met) coal, liquefied natural gas (LNG) and iron ore producing regions, and our customers include major and independent oil companies, mining companies, engineering companies and oilfield and mining service companies. Our extensive suite of services enables us to meet the unique needs of each of our customers, while providing comfortable accommodations for their employees.

Our Company is built on the foundation of the following core values: Safety, Care, Excellence, Integrity and Collaboration. We put the safety of our employees and guests above all other concerns. We care about our people, guests, customers, communities and the environment, and we deliver excellent service with passion and pride. We act with integrity and collaborate with our people, communities, customers and partners. We take an active role working to minimize the environmental impact of our operations through a number of sustainable initiatives. We also have a focus on water conservation and utilize alternative water supply options such as recycling and rainwater collection and use. By building infrastructure such as wastewater treatment and water treatment facilities to recycle gray and black water on some of our sites, we are able to gain cost efficiencies as well as reduce the use of trucks related to water and wastewater hauling, which in turn, reduces our carbon footprint. In our Australian villages, we utilize passive-solar-design principles and smart-switching systems to reduce the need for electricity related to heating and cooling.

We provide hospitality services that span the lifecycle of customer projects, from the initial exploration and resource delineation to long-term production. Initially, as customers assess the resource potential and determine how they will develop it, they typically need our hospitality services for a limited number of employees for an uncertain duration of time. Our fleet of mobile assets is well-suited to support this initial exploratory stage as customers evaluate their development and construction plans. As development of the resource begins, we are able to serve their needs through either: (1) our fleet of mobile assets, particularly for shorter term projects such as pipeline construction and seasonal drilling programs; (2) our scalable lodge or village model; or (3) our service of guests in customer-owned facilities. As projects grow and headcount needs increase, we are able to meet our customers growing needs at our accommodation facilities or with our hospitality services. By providing infrastructure support and hospitality services early in the project lifecycle, we are well positioned to continue to service our customers throughout the production phase, which typically lasts decades.

Our scalable facilities provide workforce accommodations where, in many cases, traditional accommodations and related housing are not accessible, sufficient or cost effective. Our customers are able to outsource their accommodations needs to a single supplier, maintaining employee welfare and satisfaction while focusing their investment on their core resource production efforts. Our primary focus is on providing these hospitality services to leading natural resource companies at our major properties, which we refer to as lodges in Canada and the U.S. and villages in Australia, or at facilities owned by our customers. We own and operate 28 lodges and villages with a total of approximately 30,000 rooms. We operate approximately 9,000 rooms owned by our customers. Additionally, in both Canada and the U.S., we also offer a fleet of mobile assets which serve shorter term projects, such as pipeline construction. We have long-standing relationships with many of our customers, many of whom are, or are affiliates of, large, investment-grade energy and mining companies.

Demand for our hospitality services is influenced by four primary factors: (1) commodity prices, (2) available infrastructure, (3) headcount requirements and (4) competition. Current commodity prices, and our customers' expectations for future commodity prices, influence customers' spending and maintenance on current productive assets, expansion of existing assets and greenfield development of new assets. In addition to commodity prices, different types of customer activity require varying workforce sizes, influencing the demand for our services. Competing locations and services will also influence demand for our rooms and services.

In the Canadian oil sands region, demand for our hospitality services is primarily influenced by oil prices. Spending on the construction and development of new projects has historically decreased as the outlook for oil prices decreases. However, spending on current operations and maintenance has historically reacted less quickly and less severely to changes in oil prices, as customers consider their cash operating costs, rather than overall full-cycle returns. Likewise, construction and expansion projects already underway have also been less sensitive to commodity price decreases, as customers generally focus on completion and incremental costs. In 2020, demand for our services was impacted by the significant decline in oil prices stemming from global oversupply of oil coupled with the historic decline in oil demand due to the COVID-19 pandemic. Canadian oil prices were also impacted by provincial oil production curtailments and continued insufficient long-term takeaway capacity. Natural gas prices also influence oil sands activity as an input cost: as natural gas prices fluctuate, a significant component of our customers' operating costs fluctuate as well.

Another factor that influences demand for our hospitality services is the type of customer project we are supporting. Generally, Canadian customers require larger workforces during construction and expansionary periods, and therefore have higher demand for our rooms and services. Operational and maintenance headcounts are typically a fraction, 20-25%, of the headcounts experienced during construction.

In addition, proximity to customer activity and availability of customer-owned and competitor-owned rooms influences the rental demand of our rooms. Typically, customers prefer to first utilize their own rooms on location, and if such customer-owned rooms are insufficient, customers prefer to avoid busing their workforces to housing more than 45 kilometers away.

A number of multinational energy companies believe there is a potential to export LNG from Canada to meet the increasing global demand, particularly in Asia, for LNG. We expect that LNG activity in Western Canada will be influenced by the global prices for LNG, which are largely tied to global oil prices, global supply/demand dynamics for LNG and Western Canadian wellhead prices for natural gas.

Currently, Western Canada does not have any operational LNG export facilities. LNG Canada (LNGC), a joint venture among Shell Canada Energy, an affiliate of Royal Dutch Shell plc (40 percent), and affiliates of PETRONAS, through its wholly-owned entity, North Montney LNG Limited Partnership (25 percent), PetroChina (15 percent), Mitsubishi Corporation (15 percent) and Korea Gas Corporation (5 percent), is currently constructing a liquefaction and export facility in Kitimat, British Columbia (Kitimat LNG Facility). LNGC activity and related pipeline projects are a material driver of activity for our Sitka Lodge, as well as for our mobile assets, which are contracted to serve several portions of the related pipeline construction activity. See "Canada-Canadian British Columbia Lodge" for more information.

Our Australian villages support similar activities as our Canadian lodges for the natural resources industry in Australia. Our customers are typically developing and producing met coal, iron ore and other minerals which have resource lives that are measured in decades. As such, their spending levels tend to react similarly to commodity prices as the spending levels of our Canadian customers. Spending on producing assets is less sensitive to commodity price decreases in the short and medium term, assuming the projects remain cash flow positive. However, new construction projects and expansionary projects are typically canceled or deferred during periods of lower met coal and iron ore prices. Similar to the Canadian market, new project construction activity typically requires larger workforces than day-to-day operations, where proximity and availability of customer-owned rooms influences the demand for our rooms and services. Since 2017, our customer service requirements have primarily been driven by production, maintenance and operational activities. More recently, we have seen an increase in the number of significant maintenance projects, along with customers initiating projects to optimize their operations. This work has also included some small mine expansion projects. Current met coal prices and global economic and political uncertainty make it unlikely that our customers will move forward with major met coal expansionary projects in 2021. Customer growth projects for met coal could be sanctioned later in 2021 and into 2022 should the global economy and met coal prices stabilize. However, current high iron ore prices are conducive to customer growth projects and we expect to support several such growth projects in Western Australia in 2021.

Our U.S. operations are primarily tied to activity in the U.S. shale formations in the Permian Basin, the Mid-Continent, the Bakken and the Rockies, as well as activity in the Louisiana downstream and offshore Gulf of Mexico markets. Given the shorter investment horizon and decision cycle of our U.S. customers, which is typically on a well-by-well basis, spending activities of U.S. customers normally react more quickly to changes in oil and natural gas prices. These spending dynamics were clearly demonstrated in 2020. With the decline in oil prices in April 2020 due to the COVID-19 pandemic and its impact on global oil demand, U.S. drilling and completion activity reached historic lows. By August 2020, the U.S. drilling rig count fell to an all-time low of 172. U.S. oil shale drilling and completion activity will continue to be dependent on sustained higher West Texas Intermediate oil prices, pipeline capacity and sufficient capital to support exploration and production (E&P) drilling and completion plans. The Permian Basin remains the most active U.S. unconventional play, representing 66% of the oil rigs active in the U.S. at the end of 2020. As the U.S. market for drilling rig accommodations is primarily supported by mobile assets, competition for well accommodations is primarily driven by the availability of permanent and temporary camp assets in the markets we service and pricing among our competitors, including hotels.

For the years ended December 31, 2020, 2019 and 2018, we generated $529.7 million, $527.6 million and $466.7 million in revenues and $147.2 million, $49.1 million and $88.1 million in operating loss, respectively. The majority of our operations, assets and income are derived from the hospitality services provided at lodges and villages we own that have historically been contracted by our customers under multi-year, take-or-pay or exclusivity contracts. The hospitality services we provide at these facilities generated 66% of our revenue for the year ended December 31, 2020. Important performance metrics include revenue related to our major properties, average daily rate and aggregate billed rooms. The table below summarizes these key statistics for the periods presented in this annual report.

	Year Ended December 31,		
	2020	2019	2018
	(In thousands, except for room counts and average daily rate)		
Accommodation Revenue [1]			
Canada	$ 202,534	$ 281,577	$ 266,899
Australia	144,070	126,047	117,896
United States	2,451	12,462	18,288
Total Accommodation Revenue	$ 349,055	$ 420,086	$ 403,083
Mobile Facility Rental Revenue [2]			
Canada	$ 33,192	$ 9,575	$ 9,316
United States	16,837	28,119	20,389
Total Mobile Facility Rental Revenue	$ 50,029	$ 37,694	$ 29,705
Food Service and Other Services Revenue [3]			
Canada	$ 33,923	$ 33,485	$ 15,601
Australia	90,472	30,046	1,342
United States	50	145	170
Total Food Service and Other Services Revenue	$ 124,445	$ 63,676	$ 17,113
Manufacturing Revenue [4]			
Canada	$ —	$ 1,014	$ 4,196
United States	6,200	5,085	12,595
Total Manufacturing Revenue	$ 6,200	$ 6,099	$ 16,791
Total Revenue	$ 529,729	$ 527,555	$ 466,692
Average Daily Rates for Lodges and Villages [5]			
Canada	$ 95	$ 91	$ 89
Australia	$ 73	$ 73	$ 78
Total Billed Rooms for Lodges and Villages [6]			
Canada	2,095,784	3,078,727	3,007,229
Australia	1,968,284	1,717,186	1,512,030
Average Exchange Rate			
Canadian dollar to U.S. dollar	$ 0.75	$ 0.75	$ 0.77
Australian dollar to U.S. dollar	0.69	0.70	0.75

(1) Includes revenues related to lodge and village rooms and hospitality services for owned rooms for the periods presented.
(2) Includes revenues related to mobile assets for the periods presented.
(3) Includes revenues related to food service, laundry and water and wastewater treatment services, and facilities management for the periods presented.
(4) Includes revenues related to modular construction and manufacturing services for the periods presented.
(5) Average daily rate is based on billed rooms and accommodation revenue for Civeo owned rooms during the periods presented.
(6) Billed rooms represents total billed days for the periods presented.

Our History

Our Canadian operations, founded in 1977, began by providing modular rental housing to energy customers, primarily supporting drilling rig crews in the Western Canadian Sedimentary Basin. Over the next decade, we acquired a food service operation, enabling us to provide a more comprehensive accommodation solution. Through our experience with Syncrude's Mildred Lake Village, a 2,100 bed facility that we operated and managed for them for nearly 20 years, we recognized a need for a premium, and more permanent, solution for workforce accommodations and hospitality services in the Canadian oil sands region. Pursuing this strategy, we opened PTI Lodge in 1998, one of the first independent lodging facilities in the region.

Through our wide range of hospitality services, we are able to identify, solve and implement solutions and services that enhance the guests' accommodations experience and reduce the customer's total cost of housing a workforce in a remote operating location. Using our experiences and service delivery model, our hospitality services have evolved to include fitness centers, water and wastewater treatment, laundry service and many other enhancements. In 2018, we acquired Noralta Lodge Ltd. (Noralta), which provided remote hospitality services in Alberta, Canada (the Noralta Acquisition) through eleven lodges comprising over 5,700 owned rooms and 7,900 total rooms. Over time, we have developed into Canada's largest third-party provider of accommodations and hospitality services in the Canadian oil sands region.

During 2015, we entered the Canadian LNG market with the construction of our Sitka Lodge. In 2018, LNGC's partners announced that a positive FID had been reached on the Kitimat LNG Facility. British Columbia LNG activity and related pipeline projects are a material driver of activity for our Sitka Lodge, as well as for our mobile assets, which are contracted to serve several portions of the related pipeline construction activity.

With the acquisition of our Australian business in December 2010, we began providing hospitality services to support the Australian natural resources industry through our villages located in Queensland, New South Wales and Western Australia. Like Canada, our Australian business has a long-history of taking care of customers in remote regions, beginning with its initial Moranbah Village in 1996, and has grown to become Australia's largest independent provider of hospitality services for people working in remote locations. Our Australian business was the first to introduce resort-style accommodations to the mining sector, adding landscaping, outdoor kitchens, pools, fitness centers and, in some cases, taverns. In 2019, we acquired Action Industrial Catering (Action), a provider of catering and managed services (which we refer to as integrated services) to the mining industry in Western Australia. The Action acquisition enhanced our service offering, geographic footprint and exposure to new commodities in Australia and underlines our focus on pursuing growth opportunities that fit within our core competencies and strategic direction. In all our operating regions, our business is built on a culture of continuous service improvement to enhance the guest experience and reduce customers' workforce housing costs.

Our Industry

We provide hospitality services for the natural resource industries. Our scalable facilities provide long-term and temporary workforce accommodations where traditional accommodations and related infrastructure often are not accessible, sufficient or cost effective. Once facilities are deployed in the field, we also provide hospitality services such as lodging, food service, housekeeping, and maintenance, as well as operations, including laundry, water and wastewater treatment, power generation, communication systems, security and logistics. Our hospitality services can be provided at accommodation facilities we own or at facilities owned by our customers. Demand for our services is cyclical and substantially dependent upon activity levels, particularly our customers' willingness to spend capital on the exploration for, development and production of oil, met coal, LNG, iron ore and other natural resources. Our customers' spending plans generally are based on their view of commodity supply and demand dynamics, as well as the outlook for near-term and long-term commodity prices. As a result, the demand for our services is sensitive to current and expected commodity prices.

We serve multiple projects and multiple customers at most of our sites, which allows those customers to share some of the costs associated with their peak accommodations needs, including infrastructure (power, water, sewer and information technology) and central dining and recreation facilities.

Our business is significantly influenced by: (1) the level of production of oil sands deposits and associated maintenance and turnaround activities in Alberta, Canada; met coal production in Australia's Bowen Basin and iron ore production in Western Australia; (2) activity levels in support of extractive industries in Australia; (3) LNG and related pipeline activity in Canada; and (4) oil production in the U.S.

Historically, Canadian oil sands developers and Australian mining companies built, owned and in some cases operated the accommodations necessary to house their personnel in these remote regions because local labor and third-party owned rooms were not available. Over the past 20 years, and increasingly over the past 10 years, some customers have moved away from the in sourcing business model for some of their accommodation needs as they recognize that owning accommodations and providing the hospitality services are non-core investments for their business.

We believe that our existing industry divides accommodations into two primary types: (1) lodges and villages and (2) mobile assets. Civeo is principally focused on hospitality services at lodges and villages. Lodges and villages typically contain a larger number of rooms and require more time and capital to develop. These facilities typically have dining areas, meeting rooms, recreational facilities, pubs and taverns and landscaped grounds where weather permits. Lodges and villages are generally supported by multi-year, take-or-pay or exclusivity contracts. These facilities are designed to serve the long-term needs of customers in developing and producing their natural resource developments. Mobile assets are designed to follow customers' activities and can be deployed rapidly to scale. They are often used to support conventional and in-situ drilling crews, as well as pipeline and seismic crews, and are contracted on a project-by-project, well-by-well or short-term basis. Oftentimes, customers will initially require mobile assets as they evaluate or initially develop a field or mine. Mobile asset projects can be dedicated and committed to a single customer or project or can serve multiple customers.

The accommodation facilities market supporting the natural resource industry is segmented into competitors that serve components of the overall value chain, but very few offer the entire suite of hospitality services to customers. We estimate that customer-owned rooms represent over 50% of the market. Engineering firms such as Bechtel, Fluor and ColtAmec often design accommodations facilities. Many public and private firms, such as ATCO Structures & Logistics Ltd. (ATCO), Dexterra Group Inc. (Dexterra), Alta-Fab Structures Ltd. (Alta-Fab) and Northgate Industries Ltd. (Northgate), build modular accommodations for sale. Dexterra, Black Diamond Group Limited (Black Diamond), ATCO, Royal Camp Services Ltd. and Target Hospitality primarily own and lease units to customers and, in some cases, provide facility management services, usually on a shorter-term basis with a more limited number of rooms, similar to our mobile assets business. Facility service companies, such as Aramark Corporation (Aramark), Sodexo Inc. (Sodexo), Compass Group PLC (Compass Group), or Cater Care typically do not invest in and own the accommodations assets, but will provide hospitality services at third-party or customer-owned facilities.

Canada

Overview

During the year ended December 31, 2020, we generated approximately 51% of our revenue from our Canadian operations. We are Western Canada's largest provider of hospitality services for people working in remote locations. We provide our services through our lodges and mobile assets and at customer-owned locations. Our hospitality services support workforces in the Canadian LNG and oil sands markets and in a variety of oil and natural gas drilling, mining, pipeline and related natural resource applications.

Canadian Market

Demand for our hospitality services in the Canadian market is largely commodity price driven. In the Canadian oil sands region, demand is primarily influenced by the longer-term outlook for crude oil prices rather than current energy prices, given the multi-year production life of oil sands projects and the capital investment associated with development of such large-scale projects. Demand for our Canadian lodges is secondarily impacted by oil pipeline takeaway capacity; and, in 2020, a provincial oil production curtailment policy was imposed by the Government of Alberta. However, monthly production limits were put on hold in December 2020 until further notice, allowing operators to produce freely at their discretion while the government monitors production. Should forecasts show storage inventories approaching maximum capacity, the government may reintroduce production limits. Demand for hospitality services related to LNG is influenced by the global prices for LNG. Utilization of our existing Canadian capacity and any future expansions will largely depend on continued LNG and oil sands spending related to existing production, maintenance activities and potential future expansion of existing projects.

The Athabasca oil sands are located in northern Alberta, an area that is very remote, with a limited local labor supply. Of Canada's approximately 38 million residents, nearly half of the population lives in ten cities, while approximately 12% of the population lives in Alberta and less than 1% of the population lives within 100 kilometers of the oil sands activity. The local municipalities, of which Fort McMurray is the largest, have limited infrastructure to respond to workforce accommodation demands and are a significant driving distance from many of the oil sands projects. As such, the workforce accommodations market provides a cost-effective solution to the challenge of staffing large oil sands projects by sourcing labor largely throughout Canada to work on a rotational basis.

Similarly, the LNGC project located in Kitimat, British Columbia, is expected to need as many as 7,500 workers to construct the liquefaction facilities. The population of Kitimat and the surrounding area is approximately 9,000.

Canadian Oil Sands Lodges

During the year ended December 31, 2020, activity in the Athabasca oil sands region generated approximately 61% of our Canadian revenue. The oil sands region continues to represent one of the world's largest reserves for heavy oil. Our McClelland Lake, Wapasu Creek, Athabasca, Beaver River, Fort McMurray Village, Grey Wolf, Hudson, and Borealis lodges are focused on the northern region of the Athabasca oil sands, where customers primarily utilize surface mining to extract bitumen. Oil sands mining operations are characterized by large capital requirements, large reserves, large personnel requirements, very low exploration or reserve risk and relatively lower cash operating costs per barrel of bitumen produced. Our Conklin, Anzac, Red Earth and Wabasca lodges, as well as a portion of our mobile assets, are focused in the southern portion of the region where we primarily serve in-situ operations and pipeline expansion and maintenance activity. In-situ methods are used on reserves that are too deep for traditional mining methods. In-situ technology typically injects steam or solvents into the deep oil sands in place to separate the bitumen from the sand and pumps it to the surface where it undergoes the same upgrading treatment as the mined bitumen. Reserves requiring in-situ techniques of extraction represent 80% of the established recoverable reserves in Alberta. In-situ operations generally require less capital and personnel and produce lower volumes of bitumen per development, with higher ongoing operating expense per barrel of bitumen produced.

Our oil sands lodges primarily support personnel for ongoing operations associated with surface mining and in-situ oil sands projects, as well as maintenance, turnaround and expansionary personnel, generally under short and medium-term contracts. Most of our oil sands lodges are located on land with leases obtained from the province of Alberta, with initial terms of ten years, or subleased from the resource developer. Our leases have expiration dates that range from 2022 to 2028. In recent years, we have successfully renewed or extended all expiring land leases. Two of our oil sands properties are located on land which we own.

In order to operate a lodge in Canada, we are required to obtain a development permit from the regional municipality in which the lodge resides. The development permits are granted for a term ranging from one to ten years. Our development permits have expiration dates that range from 2021 to 2025. In recent years, we have successfully renewed or extended all expiring development permits. See "Item 1A. Risk Factors-Risks Related to Our Business-The majority of our major Canadian lodges are located on land subject to leases. If we are unable to renew a lease or obtain permits necessary to operate on such leased land, we could be materially and adversely affected." of this annual report for further information.

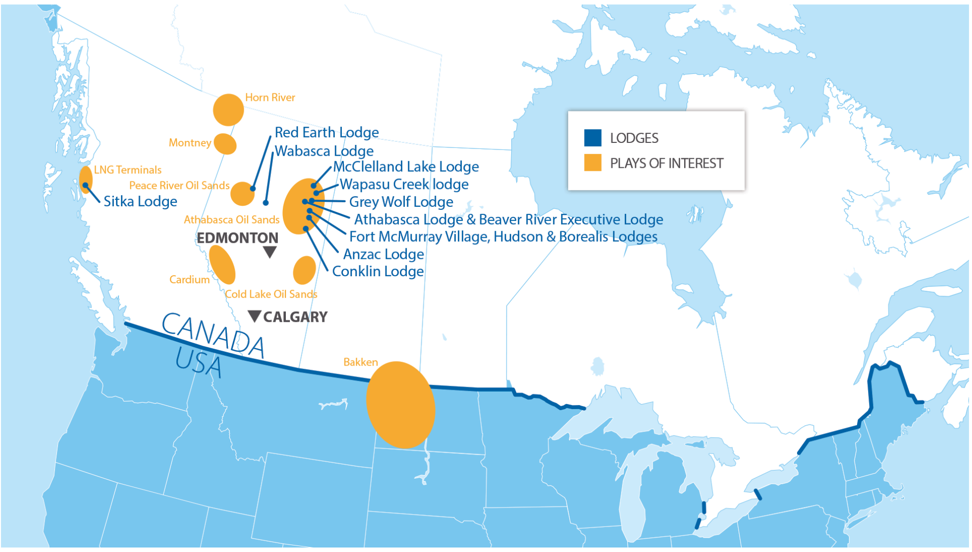
We provide a range of hospitality services at our lodges, including reservation management, check in and check out, food service, housekeeping and facilities management. Our lodge guests receive amenities similar to a full-service hotel plus three meals a day. Our Wapasu Creek Lodge, with more than 5,000 rooms, is equivalent in size to the largest hotels in North America.

We provide our hospitality services at the lodges we own on a day rate or monthly rental basis, and our customers typically commit for short to medium-term contracts (from several months up to several years). Most customers make a minimum nightly or monthly room commitment or an aggregate total room night commitment for the term of the contract, and the multi-year contracts typically provide for inflationary escalations in rates for increased food, labor and utilities costs.

Canadian British Columbia Lodge

As previously discussed, in October 2018, LNGC's partners announced a positive FID on the Kitimat LNG Facility. British Columbia LNG activity and related Coastal GasLink (CGL) pipeline projects are a material driver of activity for our Sitka Lodge, as well as for our mobile assets, which are contracted to serve several portions of the related pipeline construction activity. We previously announced contract awards for locations along the CGL pipeline project and room commitments for our Sitka Lodge. The actual timing of when revenue is realized from the CGL pipeline and Sitka Lodge contracts could be impacted by any delays in the construction of the Kitimat LNG Facility or the pipeline, including recent blockades that aim to delay construction. Our current expectation is that our contracted commitments associated with the CGL pipeline project will be completed in early 2022.

Canadian Lodge Locations



Rooms in our Canadian Lodges

Lodges	Region	Extraction Technique	As of December 31, 2020	2019	2018
Wapasu Creek	N. Athabasca	mining	5,246	5,246	5,246
Athabasca [2]	N. Athabasca	mining	2,005	2,005	2,005
McClelland Lake	N. Athabasca	mining	1,997	1,997	1,997
Henday [1]	N. Athabasca	mining/in-situ	—	—	1,698
Beaver River [2]	N. Athabasca	mining	1,094	1,094	1,094
Fort McMurray Village:					
Buffalo [1]	N. Athabasca	mining	—	—	573
Black Bear [2]	N. Athabasca	mining	531	531	531
Bighorn [2]	N. Athabasca	mining	763	763	763
Lynx	N. Athabasca	mining	855	855	855
Wolverine	N. Athabasca	mining	855	855	855
Borealis	N. Athabasca	mining	1,504	1,504	1,504
Grey Wolf	N. Athabasca	mining	946	947	946
Firebag [1]	N. Athabasca	in situ	—	—	664
Hudson	N. Athabasca	mining	624	624	624
Wabasca [2]	S. Athabasca	mining	288	288	246
Red Earth [2]	S. Athabasca	mining	216	216	216
Conklin [2]	S. Athabasca	mining/in-situ	616	1,012	1,032
Anzac	S. Athabasca	in-situ	526	526	526
Mariana Lake [1]	S. Athabasca	mining	—	—	686
Subtotal – Oil Sands			18,066	18,463	22,061
Sitka Lodge	Kitimat, BC	LNG	958	1,186	646
Total Rooms			**19,024**	**19,649**	**22,707**

(1) Permanently closed as of December 31, 2020.
(2) Currently closed as of December 31, 2020, due to low activity level in the region. All seven closed lodges are periodically assessed for impairment, in accordance with U.S. generally accepted accounting principles (U.S. GAAP). See Note 4 - Impairment Charges to the notes to the consolidated financial statements in Item 8 of this annual report for further discussion.

Hospitality Services at Third-Party Owned Facilities

We also provide hospitality services at facilities owned by our customers. Historically, this has been focused around natural resource production-related housing facilities that are owned by oil production companies. The facilities we manage range anywhere from 100 to 1,500 rooms. We customize our service offerings depending on our customer’s needs. Hospitality services can be performed on an end-to-end basis with food service, housekeeping, maintenance and utility services included or in segments such as food service only.

Canadian Mobile Assets

Our mobile assets consist of modular, skid-mounted accommodations and central facilities that can be quickly configured to serve a multitude of short to medium-term accommodation needs. Dormitory, kitchen and ancillary assets can be rapidly mobilized and demobilized and are scalable to support 200 to 800 people in a single location. In addition to asset rental, we provide hospitality services such as food service and housekeeping, as well as other camp management services. Our mobile assets service the traditional oil and gas sector in Alberta and British Columbia and in-situ oil sands drilling and development operations in Alberta, as well as pipeline construction crews throughout Western Canada. These assets have also been used in the past in disaster relief efforts, the 2010 Vancouver Winter Olympic Games and a variety of other non-energy related projects.

Our mobile assets are rented on a per unit basis based on the number of days that a customer utilizes the asset, and, in some cases, involve standby rental arrangements. In cases where we provide food service or ancillary services, the contract can provide for per unit pricing or cost-plus pricing. Customers are also typically responsible for mobilization and demobilization costs. Our focus on hospitality service contracts has allowed us to successfully pursue food service only opportunities. Due to our experience servicing customer-owned facilities, this business easily fits into our overall strategy.

Australia

Overview

During the year ended December 31, 2020, we generated 44% of our revenue from our Australian operations. As of December 31, 2020, we owned 9,046 rooms across nine villages, of which 7,392 rooms service the Bowen Basin region of Queensland, one of the premier met coal basins in the world. We provide hospitality services on a day rate basis to mining and related service companies (including construction contractors), typically under short and medium-term contracts (one to three years) with minimum nightly room commitments. In addition, we provide integrated services to the mining industry in Western Australia.

Australian Market

As the largest contributor to exports and a major contributor to the country's gross domestic product and government revenue, the Australian natural resources industry plays a vital role in the Australian economy. Australia has broad natural resources, including met and thermal coal, conventional and coal seam gas, base metals, iron ore and precious metals such as gold. Australia is the largest exporter of met coal and iron ore in the world, in addition to being in close proximity to the largest steel producing countries in the world. The growth of Australian natural resource commodity exports over the last decade has been largely driven by strong Asian demand for met coal, iron ore and LNG. Australia's resources are primarily located in remote regions of the country that lack infrastructure and resident labor forces to produce these resources, as the majority of Australia's population is located on the east coast of the country. As a result, much of the natural resources labor force works on a rotational basis, which often requires a commute from a major city or the coast to a living arrangement near the resource projects. Consequently, there is substantial need for workforce accommodations and hospitality services to support resource production in the country. Workforce accommodations have historically been built and owned by the resource developer/owner, with third parties providing the hospitality and facility management services, typical of an insourcing business model.

Since 1996, our Australian business has sought to change the insourcing business model through its hospitality services offering, allowing customers to outsource their accommodations needs and focus their investments on resource production operations. Our Australian villages are strategically located in proximity to long-lived, low-cost mines operated by investment-grade, international mining companies.

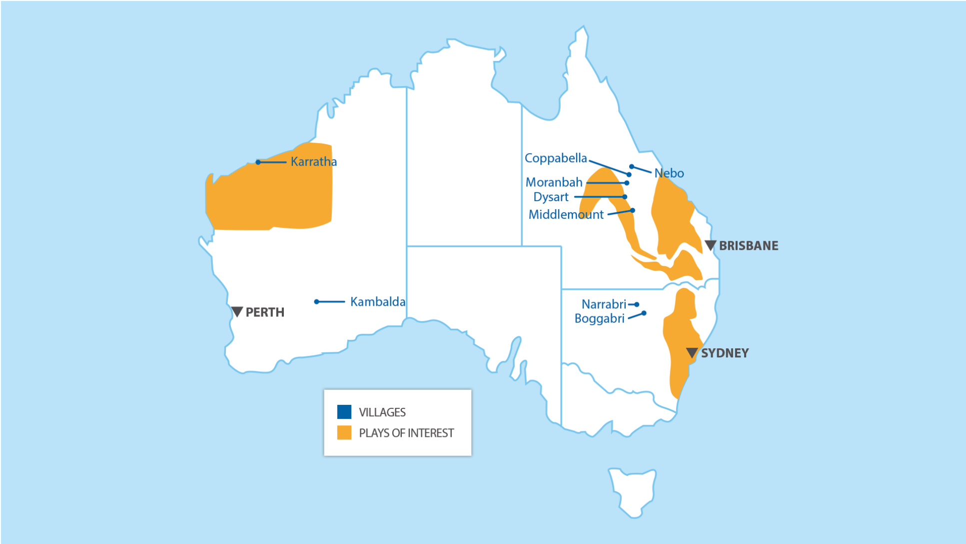
During the year ended December 31, 2020, our five villages in the Bowen Basin of central Queensland generated 55% of our Australian revenue. The Bowen Basin contains one of the largest coal deposits in Australia and is renowned for its premium met coal. In addition, we provide village operation and mine site cleaning services at six customer locations in the Pilbara and Kimberly regions of Western Australia, which are renowned for high grade iron ore production. Our villages and customer-based locations are focused on the mines in the central portion of the Pilbara and Bowen Basins and are well positioned for the active mines in the region.

Currently China and Australia are in a trade dispute that has led to China implementing an unofficial trade embargo on Australian coal. China has historically accounted for approximately 22% of Australia's met coal exports. The continuing uncertainty in the demand for met coal, related to the impact of Chinese bans on the importation of Australian commodities, led to a decrease in the met coal spot price to US$103 per tonne at December 31, 2020. The softening of the met coal spot price at the end of 2020 has been exacerbated as Chinese mills and traders resell stranded Australian met coal at a discount. As a result, there is currently a shuffling of global export trade flows, coupled with growing demand for steel with an infrastructure led recovery which may lead to near term growth in Australian met coal spot pricing. Should this dispute continue, it could negatively impact pricing and demand for Australian met coal.

To date, we have not seen an overall material decline in occupancy at our Australian villages resulting from the COVID-19 pandemic or the Chinese trade dispute.

Beyond the Pilbara and Bowen Basins, we serve several other markets with four additional villages and five customer-owned villages. At the end of 2020, we had two villages with over 1,000 combined rooms in the Gunnedah Basin, a thermal and met coal region in New South Wales. In Western Australia, we serve workforces related to LNG facilities operations on the Northwest Shelf through our Karratha village and gold production in the Goldfields region through our Kambalda village. In addition, we provide hospitality services in Western Australia at five customer-owned villages which support workforces related to nickel, copper, zinc, silver and gold production in the Goldfields-Esperance region and lithium production in the Pilbara region.

Australian Village Locations



Owned Rooms in our Australian Villages

Villages	Resource Basin	Commodity	As of December 31, 2020	2019	2018
Coppabella	Bowen	met coal	3,048	3,048	3,048
Dysart	Bowen	met coal	1,798	1,798	1,798
Moranbah	Bowen	met coal	1,240	1,240	1,240
Middlemount	Bowen	met coal	816	816	816
Boggabri	Gunnedah	met/thermal coal	622	622	622
Narrabri	Gunnedah	met/thermal coal	502	502	502
Nebo	Bowen	met coal	490	490	490
Calliope [(1)]	-	LNG	—	—	300
Kambalda	-	Gold, lithium	232	232	232
Karratha	Pilbara	LNG, iron ore	298	298	298
Total Rooms			**9,046**	**9,046**	**9,346**

[(1)] Sold in September 2019.

Our Australian segment includes nine company-owned villages with 9,046 rooms as of December 31, 2020, which are strategically located near long-lived, low-cost mines operated by large mining companies. Our Australian business provides hospitality services to mining and related service companies under short- and medium-term contracts. Our growth plan for this part of our business continues to include enhanced occupancy and expansion of these properties where we believe there is durable long-term demand, as well as to provide hospitality services at customer-owned assets.

Our Coppabella, Dysart, Moranbah, Middlemount and Nebo villages are located in the Bowen Basin. Coppabella, at over 3,000 rooms, is our largest village and provides rooms and related hospitality services to a variety of customers. Each of these villages supports both operational workforce needs and contractor needs with resort style amenities, including swimming pools, gyms, a walking track and a tavern.

Our Narrabri and Boggabri villages in New South Wales service met and thermal coal mines and coal seam gas in the Gunnedah Basin. Our Karratha village, in Western Australia, services workforces related to LNG facilities operations on the Northwest Shelf. Our Kambalda village supports gold and lithium mining in southern Western Australia.

Hospitality Services at Third-Party Owned Facilities

We also provide hospitality services at customer-owned villages to the mining industry in Western Australia. Historically, this has been focused around natural resource production-related village facilities that are primarily owned by iron ore production companies. We provide village operation services at eleven customer-owned locations, which represent over 7,000 rooms, primarily in the Pilbara region of Western Australia, one of the premier iron ore bodies in the world, and in the Kimberly and Goldfields-Esperance regions of Western Australia. The facilities we manage range anywhere from 200 to 1,750 rooms. We work together with our customers to customize our service offerings depending on our customer’s needs. Hospitality services can be performed on an end-to-end basis with food service, housekeeping and site maintenance included or in segments such as food service only. Mine site cleaning services are also provided at some of our customer-owned locations.

U.S.

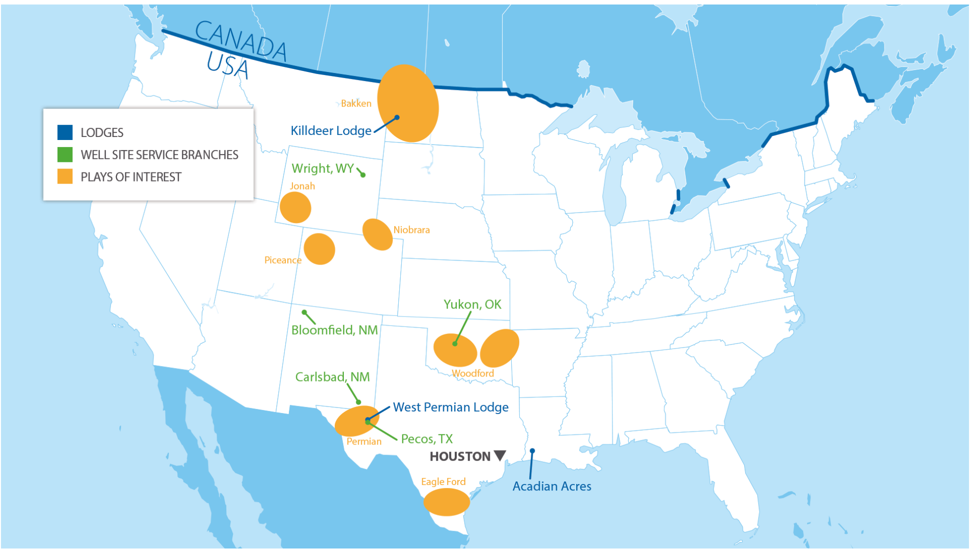
Overview

During the year ended December 31, 2020, our U.S. business generated 5% of our revenue. Our U.S. business has operational exposure in the U.S. shale formations in the Permian Basin, the Mid-Continent, the Bakken and the Rockies. The business provides accommodations facilities with hospitality services and highly mobile smaller assets that follow drilling rigs and completion crews as well as accommodations, office and storage modules that are placed on offshore drilling rigs and production platforms. Our U.S. business also provides lodging and hospitality services to the downstream industry through a 300-room facility near Lake Charles, Louisiana.

U.S. Market

Onshore oil and natural gas development in the U.S. has historically been supported by local workforces traveling short to moderate distances to the worksites. With the development of substantial resources in regions such as the Bakken and Permian Basin, labor demand exceeded the local labor supply and accommodations infrastructure to support the demand. Consequently, demand for remote, scalable accommodations and hospitality services developed in the U.S. Demand for workforce accommodations in the U.S. has historically been tied to the level of oil and natural gas exploration and production activity, which is primarily driven by oil and natural gas prices. Activity levels have been, and we expect will continue to be, highly correlated with hydrocarbon commodity prices.

U.S. Locations



U.S. Mobile Assets

Our business in the U.S. consists primarily of mobile assets, both in the lower 48 states, including the (1) Permian Basin region, (2) Mid-Continent region, (3) Bakken region and (4) the Rockies region. We provide a variety of sizes and configurations to meet the needs of E&P companies, completion companies, infrastructure construction projects and offshore drilling and completion activity.

With the recent volatility in oil prices and a resulting reduction in spending by E&P companies, we have exited the Bakken and reduced our presence in the Rockies regions for our mobile assets. Those assets will either be sold or transported to our Permian Basin and Mid-Continent district locations. This process is underway and we expect it to be completed during the first half of 2021.

Our mobile assets are rented on a per unit basis based on the number of days that a customer utilizes the asset. In cases where we provide food service or other hospitality services, the contract can provide for per unit pricing or cost-plus pricing. Customers are also typically responsible for mobilization and demobilization costs.

U.S. Lodges

		As of December 31,		
	State	**2020**	**2019**	**2018**
West Permian	TX	390	410	390
Acadian Acres	LA	300	300	400
Killdeer	ND	235	235	235
Total Rooms		**925**	**945**	**1,025**

We had three lodges in the U.S. comprised of 925 rooms as of December 31, 2020. Our Killdeer Lodge provides rooms to the Bakken Shale region in North Dakota. Our West Permian Lodge supports the Permian Basin in West Texas. Our Acadian Acres Lodge provides rooms near Lake Charles, Louisiana to support the Louisiana downstream market.

Community Engagement

With a focus on long-term indigenous community participation, our Canadian operations continue to work closely with a number of First Nations to develop mutually beneficial partnerships focused on revenue sharing, capacity building, employment and community investment and support. For over a decade, our Canadian operations supported Buffalo Metis Catering, a partnership with three Metis communities in the Regional Municipality of Wood Buffalo. Through this partnership, food and housekeeping services were delivered to three of our lodges. Beyond these services, this partnership provided a business incubator environment for a number of Metis business ventures. Our Canadian operations also procure services from a number of other First Nations-owned, Metis-owned and member-owned businesses including water hauling, snow removal and security services. In 2020, the annual value of these contracts was approximately C$40 million.

In 2019, our indigenous partnership initiatives were awarded a Gold level Progressive Aboriginal Relations (PAR) certification, by a jury comprised of indigenous business people, which was supported by an unbiased, independent, third-party verification of our performance. In 2016, Civeo was awarded a Silver level PAR certification by the Canadian Council for Aboriginal Business (CCAB), demonstrating our commitment to the principles and practices established by the CCAB. In addition, in 2011 and 2012, we were recognized with awards from the Alberta Chamber of Commerce.

In 2018, Civeo entered into three new indigenous partnerships in the oil sands region and two new partnerships in British Columbia. Our partnerships in British Columbia are tied to accommodations contracts secured by Civeo for the Kitimat LNG Facility and for the Coastal Gas Link pipeline project that originates in the North Montney region of north east British Columbia. Beyond revenue sharing, these arrangements provide procurement, employment, training, and ancillary business opportunities for indigenous owned businesses.

In Australia, our community relations program also aims to build and maintain a positive social license to operate by consulting and engaging with local regional communities from project inception, through development, construction and operations. This is a major advantage for our business model, as it facilitates consistent communication, engenders trust and builds relationships to last throughout the resource lifecycle. There is an emphasis on developing partnerships that create a long-term sustainable outcome to address specific community needs. To that end, we partner with local municipalities to improve and expand municipal infrastructure. These improvements provide necessary infrastructure, allowing the local communities an opportunity to expand and improve.

In addition, we have five unincorporated joint venture partnerships with indigenous landowners in Western Australia. These agreements assist to develop the business capacity, project management skills and expertise of the indigenous joint venture members and also provide local employment opportunities and training. Three of the five unincorporated joint venture partnerships entitle indigenous landowners to a profit distribution calculated in accordance with the unincorporated joint venture deeds. The remaining two agreements incentivize the joint venture members via milestone payments for business objectives achieved.

Customers and Competitors

Our customers primarily operate in oil sands mining and development, drilling, exploration and extraction of oil and natural gas and coal and other extractive industries. To a lesser extent, we also support other activities, including pipeline construction, forestry and humanitarian aid. Our largest customers in 2020 were Fortescue Metals Group Ltd and Imperial Oil Limited (a company controlled by ExxonMobil Corporation) who each accounted for more than 10% of our 2020 revenues.

Our primary competitors in Canada in lodge and mobile asset hospitality services include ATCO, Black Diamond, Dexterra and Clean Harbors, Inc. Some of these competitors have one or two locations similar to our oil sands lodges; however, based on our estimates, these competitors do not have the breadth or scale of our lodge operations. In Canada, we also compete against Aramark, Sodexo and Compass Group for third-party facility management and hospitality services.

Our primary competitors in Australia for our village hospitality services are customer-owned and operated villages as well as Ausco Modular (a subsidiary of Algeco Group) and Fleetwood Corporation. We also compete against Sodexo, Compass Group and Cater Care for third-party facility management services.

In the U.S., we primarily offer our lodge and mobile asset hospitality services and compete against Peak Oilfield Services (a subsidiary of Select Energy Services), Stallion Oilfield Holdings, Inc., Target Hospitality, HB Rentals (a subsidiary of Superior Energy Services), Oil Patch and Black Diamond.

Historically, many customers have invested in their own accommodations. We estimate that our existing and potential customers own approximately 50% of the rooms available in the Canadian oil sands and 50% of the rooms in the Australian coal mining regions.

Our Lodge and Village Contracts

During the year ended December 31, 2020, revenues from our lodges and villages represented over 66% of our consolidated revenues. Our customers typically contract for hospitality services under take-or-pay or exclusivity contracts with terms that most often range from several months to three years. Our contract terms generally provide for a rental rate for a reserved room and an occupied room rate that compensates us for hospitality services, including meals, housekeeping, utilities and maintenance for workers staying in the lodges and villages. In most multi-year contracts, our rates typically have annual escalation provisions to cover expected increases in labor and consumables costs over the contract term. Over the term of a take-or-pay contract, the customer commits to either a minimum number of rooms over a specified period or an aggregate number of room nights over the period. Over the term of an exclusivity contract, rather than receiving a minimum room commitment, we are the exclusive hospitality service provider for the customer's employees working on a specific project or projects. In some contracts, customers have a contractual right to terminate rooms, for reasons other than a breach, in exchange for a termination fee. As of December 31, 2020, excluding exclusivity contracts and contracts without minimum room commitments, we had commitments for 22% of our rentable rooms for 2021 and 14% of our rentable rooms for 2022.

As of December 31, 2020, we had 8,948 rooms under contract. The table below details the expiration of those contracts:

	Contracted Room Expiration
2021	1,983
2022	2,492
2023	1,000
2024	—
2025	—
Thereafter	3,473
Total	8,948

The contracts expire throughout the year, and for many of the near-term expirations, we are in the process of negotiating extensions or new commitments. We cannot assure that we can renew existing contracts or obtain new business on the same or better terms, if at all.

Seasonality of Operations

Our operations are directly affected by seasonal weather. A portion of our Canadian operations is conducted during the winter months when the winter freeze in remote regions is required for customers’ activity to occur. The spring thaw in these frontier regions restricts operations in the second quarter and adversely affects our operations and our ability to provide services. Customers’ maintenance activities in the oil sands region, such as shutdown and turnaround activity, are typically performed in the second and third quarters annually. Our Canadian operations have also been impacted by forest fires and flooding in the past five years. During the Australian rainy season between November and April, our operations in Queensland and the northern parts of Western Australia can be affected by cyclones, monsoons and resultant flooding. In the U.S., winter weather in the first quarter and the resulting spring break up in the second quarter have historically negatively impacted our Bakken and Rocky Mountain operations. Our U.S. offshore operations have historically been impacted by the Gulf of Mexico hurricane season from July through November.

Human Capital Resources

We believe that our employees are one of our greatest resources. As of December 31, 2020, we had approximately 1,000 full-time employees and approximately 1,000 hourly employees on a consolidated basis, 54% of whom are located in Canada, 42% of whom are located in Australia and 4% of whom are located in the U.S. We were party to collective bargaining agreements covering 885 employees located in Canada and 588 employees located in Australia as of December 31, 2020.

Attracting, retaining and mentoring the talent required to address the needs of our business is the basis of our human capital strategy. Not only do we provide what we believe to be a competitive and well-rounded compensation package, but we also believe that our exceptional safety record attracts and retains exceptional talent.

As a company, we recognize the importance of a diverse workforce represented by people from different backgrounds, experiences and ways of looking at the world. During 2020, we formed a Diversity and Inclusion Committee to help us serve our employees, clients and communities better as we strive to build a culture of inclusion. In Canada, we are committed to hiring Indigenous Peoples and expanding our Indigenous workforce, excluding corporate staff, to 10%. In 2020, we reached 9% Indigenous employment, excluding corporate staff, in Canada despite challenging market conditions that resulted in reduced hiring in the region. Approximately 11% of our total new hires in Canada were of Indigenous background during 2020. In addition, our Indigenous Procurement Policy in Canada helps foster strong community relationships while ensuring a local and diverse supply chain of business partners. In 2020, we purchased more than C$39 million in goods and services from the Indigenous business community, representing 25% of our total Canadian local spending. In Australia, all of our food suppliers are Australian companies and, where possible, are based locally. Through our membership with Supply Nation, a non-profit organization committed to supplier diversity and Indigenous business development, we have been able to direct approximately A$1.4 million each year into Indigenous-owned and operated companies, and we are always looking for more opportunities to partner with these businesses.

Civeo strives to offer competitive compensation, benefits and services that meet the needs of its employees, including short and long-term incentive packages, various defined contribution plans, healthcare benefits, and wellness and employee assistance programs. Management monitors market compensation and benefits in order to attract, retain, and promote employees and reduce turnover and its associated costs.

Civeo is committed to operating in a safe, secure and responsible manner for the benefit of its employees, customers and the communities Civeo serves in Canada, Australia and the U.S. Because we are committed to protecting the health and safety of our people, we operate in accordance with rigorous standards documented in an award-winning Health and Safety Process that has been recognized by industry associations as one of the best. In response to the COVID-19 pandemic, we have taken measures to help ensure the health and well-being of our employees, guests and contractors, including screening of individuals that enter our facilities, social distancing practices, enhanced cleaning and deep sanitization, the suspension of nonessential employee travel and implementation of work-from-home policies, where applicable. Our safety culture is driven by our leaders, in conjunction with active employee engagement.

At Civeo, we believe that investing in our people is an investment in our own success. Our commitment to training and career development enables employees to grow and advance in their careers while supporting our industry-leadership position. Committed to the continuous improvement of our team, we provide training in the technical and managerial skills needed for employees' current roles with a specific focus on safety, customer service and leadership development. We also build competency required for future projects and positions through e-learning modules, face-to-face delivery and nationally certified programs as well as licensing training offered by external providers.

Government Regulation

Our business is significantly affected by Canadian, Australian and U.S. laws and regulations at the federal, provincial, state and local levels relating to the oil, natural gas and mining industries, worker safety and environmental protection. Changes in these laws, including more stringent regulations and increased levels of enforcement of these laws and regulations, and the development of new laws and regulations could significantly affect our business and result in:

- increased difficulty securing required permits, approvals, licenses or other authorizations issued by federal, provincial and local authorities needed to carry out our operations or our customers' operations;
- increased compliance costs or additional operating restrictions associated with our operations or our customers’ operations;
- other increased costs to our business or our customers’ business;
- reduced demand for oil, natural gas, and other natural resources that our customers produce; and
- reduced demand for our services.

To the extent that these laws and regulations impose more stringent requirements or increased costs or delays upon our customers in the performance of their operations, the resulting demand for our services by those customers may be adversely affected, which impact could be significant and long-lasting. Moreover, climate change laws or regulations could increase the cost of consuming, and thereby reduce demand for, oil and natural gas, which could reduce our customers' demand for our services. We cannot predict changes in the level of enforcement of existing laws and regulations, how these laws and regulations may be interpreted or the effect changes in these laws and regulations may have on us or our customers or on our future operations or earnings. We also are not able to predict the extent to which new laws and regulations will be adopted or whether such new laws and regulations may impose more stringent or costly restrictions on our customers or our operations.

Our operations and the operations of our customers are subject to numerous stringent and comprehensive foreign, federal, provincial, state and local environmental laws and regulations governing the release or discharge of materials into the environment or otherwise relating to environmental protection. Numerous governmental agencies issue regulations to implement and enforce these laws, for which compliance is often costly yet critical. The violation of these laws and regulations may result in the denial or revocation of permits, issuance of corrective action orders, modification or cessation of operations, assessment of administrative and civil penalties, and even criminal prosecution. We believe that we are in substantial compliance with existing environmental laws and regulations and we do not anticipate that future compliance with existing environmental laws and regulations will have a material effect on our financial condition, results of operations or cash flows over the short term. However, there can be no assurance that substantial costs for compliance or penalties for non-compliance with these existing requirements will not be incurred in the future by us or our customers. Moreover, it is possible that other developments, such as the adoption of stricter environmental laws, regulations and enforcement policies or more stringent enforcement of existing environmental laws and regulations, could result in additional costs or liabilities upon us or our customers that we cannot currently quantify.

Canadian Environmental Regulations

In Canada, the federal and provincial governments both have jurisdiction to regulate environmental matters. The provincial governments may also devolve jurisdiction over environmental matters to local governments. Our activities, or those of our customers, may be subject to environmental regulations imposed by these three levels of government. The following addresses updates to Canadian environmental regulations in 2020 that may affect us or our customers.

Air Quality Management

The Government of Canada (Canada), the Government of Alberta (Alberta), and the Government of British Columbia (British Columbia) each have frameworks for air quality management that may affect us and our customers.

At the federal level, the Reduction in the Release of Volatile Organic Compounds Regulations (Petroleum Sector) were published in 2020 and are expected to take effect in 2021. These regulations will require the implementation of comprehensive leak detection and repair (LDAR) programs as well as design and operating standards that prevent leaks at Canadian petroleum refineries, upgraders and certain petrochemical facilities and may affect our customers' operations.

In addition to federal requirements, emissions from facilities in Alberta are subject to provincial regulation. The Alberta Energy Regulator (AER), which is responsible for regulating upstream oil and gas activity in Alberta, oversees compliance with *Directive 60: Upstream Petroleum Industry Flaring, Incinerating, and Venting* (Directive 60). This Directive requires operators to eliminate or reduce flaring associated with a wide variety of energy development activities and operations. In December 2018, the AER finalized amendments to its Directive 60 and *Directive 017: Measurement Requirements for Oil and Gas Operations* (Directive 17) as part of its role in implementing commitments from the Alberta government to reduce methane emissions from upstream oil and gas operations by 45% by 2025. These requirements, among other things, set limits on methane emissions from various facilities and require annual reporting of such emissions to the AER. The methane reduction requirements in Directive 60 took effect in 2020 with additional restrictions on vent gas emissions taking effect in 2022. Meeting these regulatory requirements may result in additional costs or liabilities for our customers' operations.

Similarly, emissions from facilities in British Columbia are also subject to provincial regulation. The British Columbia Oil and Gas Commission (BCOGC) is responsible for regulating oil and gas activity in British Columbia. BCOGC oversees compliance with the Drilling and Production Regulation, which is one of British Columbia's primary regulatory instruments governing all aspects of oil and natural gas drilling and production. Effective January 1, 2020, that regulation was amended to require operators to eliminate or reduce natural gas leaking or venting associated with a wide variety of equipment and activities in energy development. Under this regulation, new requirements are imposed for facilities detecting leaks and inspecting seals as well as restrictions or prohibitions on the types of equipment used for energy development. Meeting these regulatory requirements may result in additional costs or liabilities for our customers' operations.

Environmental Assessment of Major Projects

Following a review process that began in January of 2016, Canada introduced new legislation to "rebuild public trust" in Canada's environmental review process. In August 2019, the Canadian Environmental Impact Assessment Act, 2012 (CEAA 2012) was repealed and replaced with the federal Impact Assessment Act. The Impact Assessment Act and regulations made under that Act provide that certain new projects and expansions to existing projects – including oil sands mining and in situ projects, metallurgical mining projects, pipelines and other developments – will likely require a federal planning and assessment process to understand the environmental and social impacts of the project, as well as decision on whether those impacts are in the public interest.

There is considerable uncertainty about whether and how the Impact Assessment Act and its regulations will be administered and whether the time and cost associated with completing the planning, assessment and decision-making phases of that act will increase substantially compared to CEAA 2012. Our customers operate in the aforementioned industries and could be considering future projects that would be subject to the Impact Assessment Act. To the extent our customers are required to comply with this legislation, it is possible that the uncertainty regarding cost and timelines for navigating the planning, assessment, and decision-making processes may negatively impact our customers' decisions on whether to proceed with those projects.

In 2019, the Government of Alberta initiated a challenge to the constitutionality of the Impact Assessment Act and regulations made under that Act. The Alberta Court of Appeal has not yet issued a decision in that case, and it is likely that any decision issued by that Court would be appealed to the Supreme Court of Canada. As a result, there is significant uncertainty about the future application of Canada's federal environmental assessment legislation to our customers.

Climate Change Regulation

Scientific studies have suggested that emissions of greenhouse gases (GHG), including carbon dioxide and methane, may be contributing to warming of the Earth’s atmosphere and other climatic changes. In December 2015, 195 nations, including Canada, Australia, and the U.S., adopted the Paris Agreement at the 21st “Conference of the Parties” to the United Nations Convention on Climate Change (COP 21). The Paris Agreement does not set legally binding emission reduction targets but does set a goal of limiting global temperature increases to less than 2° Celsius. Canada announced that it is in favor of the decision of the COP 21 to endeavor to take action to further limit global temperature increases to less than 1.5° Celsius. The Paris Agreement also requires parties to submit Intended Nationally Determined Contributions (INDCs) which set out their emission reduction targets and to renew these INDCs, with the goal of increasing the reductions, every five years. The Paris Agreement does not legally bind the parties to reach their INDCs, nor does it prescribe the measures that must take to achieve them. These measures are left to each participating nation. In September 2016, Canada's new federal government confirmed that it would not commit to a more ambitious INDC than the preceding Conservative federal government. The government maintained this approach in 2017 revisions to Canada’s INDC submission taking into account the federal Pan-Canadian Framework on Clean Growth and Climate Change (PCF) adopted in 2016.

In March 2016, Canada and the Government of the United States jointly announced their intention to take action to reduce methane emissions from the oil and gas sector in an effort to meet their respective INDCs pursuant to the Paris Agreement. For its part, Canada announced its intention to reduce methane emissions from the oil and gas sector by 40-45 percent below 2012 levels by 2025. In 2018, the government introduced the *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* (“Federal Methane Regulations”) to implement its methane commitment. The Federal Methane Regulations impose various quantity-based limits on the venting of natural gas (or in the case of well completions involving hydraulic fracturing, a ban on such venting) and include associated conservation, measurement, inspection and corrective action requirements. Certain requirements of the Federal Methane Regulations came into effect January 1, 2020, with others deferred until January 1, 2023. These requirements may result in additional costs or liabilities for our customers’ operations.

In March 2016, as a further effort to meet Canada’s INDC, representatives of the federal and the majority of provincial governments committed to imposing a price on carbon pollution, beginning at $10 per tonne in 2018 and increasing at a rate of $10 annually to $50 per tonne in 2022. In December 2020, the Canada's federal government announced that, after 2022, the price on carbon pollution would increase by $15 per tonne annually, reaching $170 per tonne in 2030.

To implement its INDC and PCF commitments, the federal government introduced the *Greenhouse Gas Pollution Pricing Act*, which as of its assent in June 2018 implements a federal legislative carbon pricing “backstop”. This applies a benchmark carbon price in any province that does not establish an equivalent framework at or above the benchmark level. This allows GHG regulation to take place at the provincial level, where provinces may choose between an explicit price-based system (as exists in British Columbia) or a cap-and-trade system (as exists in Quebec). The federal backstop is only being applied to provinces in which no equivalent framework is in place.

In December 2020, the federal government published draft regulations referred to as the Clean Fuel Standard (CFS), which form part of its plan to reduce emissions, accelerate the use of clean technologies and fuels, and create good jobs in a diversified economy. The CFS, which is expected to come into force in 2022, will require liquid fuel suppliers to gradually reduce the carbon intensity of the fuels they produce and sell for use in Canada over time. Compliance with this new regulation is expected to increase the price of liquid fuels which, in turn, could increase operating costs for our customers while potentially lowering demand for some of their products.

In Alberta, the previous provincial government's Climate Leadership Plan (CLP), was launched in November 2015. This framework was approved as meeting the PCF benchmark and exempting Alberta from the federal backstop. Among other things, the CLP proposed a framework for managing GHG emissions by reducing specified gas emissions, relative to total production from facilities that emit over 100,000 tons of carbon dioxide equivalent per year. The details of this framework were set out in legislation and regulations issued after the CLP. The previous Alberta government then passed the Climate Leadership Act (CLA), implementing the broad economy-wide levy on GHG emissions, subject to limited exceptions as well as the Oil Sands Emissions Limit Act, which imposes a 100 mega-ton annual limit on GHG emissions from oil sands sites. The CLP also targeted the phasing out of coal-generated electricity (or the emissions therefrom) by 2030.

In addition, the previous Alberta provincial government issued the Carbon Competitiveness Incentive Regulation (CCIR) to replace the former Specified Gas Emitters Regulation. Like its predecessor, the CCIR sought to incentivize emissions reductions through the use of emissions intensity targets. Under CCIR, a company could meet the applicable emissions limits by making emissions intensity improvements at regulated facilities, offsetting GHG emissions by purchasing offset credits or emission performance credits in the open market, or acquiring “fund credits” (akin to allowances) by making payments for each ton of GHG emissions over the required reduction target to the Alberta Climate Change and Emissions Management Fund.

In April 2019, the previous Alberta government was replaced with a new conservative government following a general election. Consistent with its campaign promises, the new government repealed the CLA, thereby eliminating the provincially-imposed levy on GHG emissions. As a result of those actions by the new Alberta government, features of the federal backstop took effect in Alberta in January 2020. Features of the backstop also took effect at various points in 2019 in Ontario, New Brunswick, Manitoba, Saskatchewan, Yukon, Nunavut and Prince Edward Island. Alberta, Saskatchewan and Ontario are challenging the federal backstop in court on the basis that the federal government lacks the constitutional ability to implement the measure. The Supreme Court of Canada heard arguments on the constitutionality of the federal backstop in 2020 and is expected to release its decision in 2021. The outcome of this litigation is uncertain and could affect our customers’ compliance requirements in provinces subject to the backstop. In addition, the Oil Sands Emissions Limit Act remains in force.

While the current Alberta government eliminated the provincially-imposed economy-wide levy on GHG emissions, facilities that emit more than 100,000 tons of GHG emissions in a calendar year continue to be subject to regulations that impose costs on those emissions. In particular, the current government replaced the CCIR with a new Technology Innovation and Emissions Reduction Regulation ("TIER Regulation"), which took effect on January 1, 2020. Under the TIER Regulation, emissions from each facility are compared to either an industry-wide benchmark or a facility-specific benchmark. Facilities with emissions that exceed the industry-wide benchmark or facility-specific benchmark, as applicable, must rely on one or more of the compliance options established by the TIER Regulation. The compliance options under the TIER Regulation are substantially the same as those which existed under the CCIR. Those facilities regulated under the CCIR were previously exempt from the Alberta-wide levy. Similarly, the federal government announced in December 2019 that those activities regulated under TIER would not be subject to the federal backstop. As noted, the federal backstop carbon price is expected to increase annually between 2021 and 2030. In order to remain "equivalent" to the federal backstop, it is likely that the per tonne cost of carbon emissions in Alberta will need to increase at the same or similar pace. The direct and indirect costs of these regulatory changes may adversely affect our operations and financial results as well as those of our customers with whom we conduct business.

Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth’s atmosphere may produce climate changes that have significant physical effects, such as higher sea levels, increased frequency and severity of storms, droughts, floods and other climatic events. If any such effects were to occur, they could have an adverse effect on our operations and our financial condition.

The Canadian Species at Risk Act is intended to prevent wildlife species in Canada from disappearing and to provide for the recovery of wildlife species that no longer exist in the wild in Canada, or that are endangered or threatened as a result of human activity, and to manage species of special concern to prevent them from becoming endangered or threatened. The designation of previously unprotected species as threatened or endangered in areas of Canada where our customers' oil and natural gas exploration and production operations are conducted could cause them to incur increased costs arising from species protection measures or could result in limitations on their exploration and production activities, which could have an adverse impact on demand for our services.

In 2019, certain First Nations groups and environmental organizations commenced litigation intended to force the federal minister of environment to recommend that the federal government implement certain protections for woodland caribou habitat. That litigation was discontinued in 2020, with the federal and Alberta governments announcing an agreement to collaborate on developing measures to achieve woodland caribou conservation and recovery. Woodland caribou habitat covers large portions of several Canadian provinces including British Columbia, Alberta, and Saskatchewan. Many of our customers have existing or proposed developments in or near woodland caribou habitat. Conservation measures imposed by the federal government or Alberta government could affect the business of our customers with operations near caribou habitat.

Alberta's Electricity Market

The previous government's CLP set a target of 30 per cent of Alberta's electricity generation coming from renewables by 2030. Toward attaining this goal, on November 3, 2016, Alberta released the details of its Renewable Electricity Program (REP), which included a procurement process for renewable generation. The first procurement process, REP Round 1, took place in 2017 and awarded long-term, indexed-price power contracts to approximately 596 MW of wind generation capacity. The second process, REP 2, took place in 2018 and awarded contracts to 363 MW of wind capacity in 2018, with eligible projects having a minimum of 25% Indigenous equity ownership. The third, REP 3, also in 2018, was structured similarly to REP 1 and awarded contracts to 400 MW of wind capacity. Three out of four REP 1 projects came into commercial operation in 2019, with the fourth project, REP 2 and REP 3-procured capacity expected to come online later, in 2021 or 2022. Funding for the REP was supposed to come from the Climate Change and Emissions Management Fund described above, backstopped by the government's General Revenue Fund, rather than from direct electricity charges to our customers.

On June 10, 2019 the fourth REP round auction was canceled by the new conservative government. The Alberta Electric System Operator continues to honor the REP contracts from Rounds 1-3. Funding for these contracts will now rely solely upon the General Revenue Fund, after the Climate Change and Emissions Management Fund was folded into the General Revenue Fund in October 2019. The REP's funding structure currently limits that program's direct impact on electricity prices. However, the coming-online of REP-subsidized generation could negatively affect the performance of Alberta's current electricity market. Negative impacts to the performance of Alberta's electricity market, should they materialize, could result in increased costs to our operations and the operations of our customers going forward.

Australian Environmental Regulations

Our Australian segment is regulated by general statutory environmental controls at the federal, state and territory and local government levels which may result in land use approval, regulation of operations and compliance risk. These controls include: land use and urban design controls; controls to protect Australia's natural environment, iconic places and Aboriginal and Torres Strait islander native title and heritage; the regulation of hard and liquid waste, including the requirement for trade waste and/or wastewater permits or licenses; the regulation of water, noise, heat, and atmospheric gases emissions; the regulation of the production, transport and storage of dangerous and hazardous materials (including asbestos); the regulation of pollution and site contamination and requirements to notify of and clean-up environmental contamination.

Federal Controls

At a federal level, the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) is Australia's key piece of environmental legislation. The EPBC Act protects of matters of national environmental significance, for example, threatened species and communities (e.g. Koalas), migratory species, Ramsar wetlands and world heritage properties. Activities that have the potential to impact matters protected by the EPBC Act trigger referral to the federal government for Environmental Impact Assessment (EIA).

In October 2020, the findings of an independent review recommended reforms of the EPBC Act including (but not limited to) introduction of legally binding 'National Environmental Standards' and a 'climate change' referral trigger, stronger compliance and enforcement powers and proposals for new bilateral agreements with the States and Territories to streamline the EPBC Act approval process. Bills to effect many of the recommended reforms are currently before Parliament. Notably, the recommended climate change referral trigger will assist Australia fulfils its obligations under the Paris Agreement by triggering EIA of emissions-intensive activities. It will also introduce criminal penalties for offenses relating to emissions-intensive actions.

If assented to, our obligations under and compliance with the EPBC Act ought to be reviewed. However, its implications for our Australian operations are not anticipated to be significant.

Ongoing awareness of these reforms is important as the policy and legislative changes may affect our customers' operations and have impacts on the non-renewable resources sector generally.

State and Territory Controls

At a State and Territory level, our operations are authorized and regulated by layers of planning and environmental approvals. Queensland, New South Wales and Western Australia all have multiple acts regulating matters of the environment, conservation, vegetation management and protection of aboriginal and Torres Strait island use rights which are administered by each States' independent environment protection regulator (e.g. Queensland's Environmental Protection Agency). If Parliament assents to the bill proposing to effect new bilateral agreements under EPBC Act, the States and Territories will be given further power to assess and approve actions under the EPBC Act.

Under state law, some specified activities, for example, sewage treatment works at our sites, may require regulation by way of environmental approvals. Such approvals may also impose monitoring and reporting obligations on the holder as well as obligations to rehabilitate the subject site once the regulated activity has ceased.

We must ensure that all necessary approvals, permits and licenses are in place to authorize our operations and that the conditions of those approvals, permits and licenses are complied with until the relevant operations cease (and are cleaned-up if necessary). Where approvals are not held and/or complied with, the operation may be unlawful and subject to penalties, including stop-work orders, remediation and financial penalties. Our Australian operations continue to comply with our existing approvals, permits and licenses.

We have a positive obligation under state legislation to notify of an incident causing (or threatening) material environmental harm. Examples of material environment harm include effluent overflow, chemical leaks and chemical fires. Failure to discharge this obligation can attract significant financial penalties.

There is an increasing emphasis from state and federal regulators on sustainability and energy efficiency in business operations. Federal requirements are now in place for the mandatory disclosure of energy performance under building rating schemes. These schemes require the tracking of specific environmental performance factors. Carbon reporting requirements currently exist for corporations which meet a reporting threshold for greenhouse gases or energy use or production for a reporting (financial) year under national legislation.

Local Government

At a local government level, our operations are subject to, and regulated by, local laws administered by local government authorities. Local laws may cover matters such as operation of certain activities, management of vegetation and natural and anthropogenic hazards, actionable nuisance and fencing. Local laws differ between each local government area and we must understand and operate within these laws as they apply to our operations Australia wide.

U.S. Environmental Regulations

The Clean Water Act, as amended, and analogous state laws impose restrictions and strict controls regarding the discharge of pollutants into state waters or waters of the U.S. The discharge of pollutants into jurisdictional waters is prohibited unless the discharge is permitted by the U.S. Environmental Protection Agency (EPA) or authorized state agencies. The EPA published a final rule outlining its position on the federal jurisdictional reach over waters of the U.S. in June 2015. However, the EPA rescinded this rule in 2019 and promulgated the Navigable Waters Protection Rule in 2020. The Navigable Waters Protection Rule defined what waters qualify as navigable waters of the United States and are under Clean Water Act jurisdiction and has generally been viewed as narrowing the scope of waters of the United States as compared to the 2015 rule. Litigation in multiple federal district courts is currently challenging the rescission of the 2015 rule and the promulgation of the Navigable Waters Protection Rule. Many of our U.S. properties and operations require permits for discharges of wastewater and/or storm water, and we have developed a system for securing and maintaining these permits. In April 2020 a Montana federal judge vacated the U.S. Army Corps of Engineers (Corps) Nationwide Permit (NWP) 12 and enjoined the Corps from authorizing any dredge or fill activities under NWP 12 until the agency completed formal consultation with U.S. Fish and Wildlife Service (USFWS) under Endangered Species Act (ESA) regarding NWP 12 generally. The court later revised its order to vacate NWP 12 only as it relates to the construction of new oil and gas pipelines and that order is currently on appeal in the Ninth Circuit.

However, the Montana district court's decision spawned other NWP 12-based challenges and may indicate that the rest of the NWPs, some of which are relied upon by oil and gas projects, are vulnerable to similar challenge. The Corps has proposed a new set of NWPs, which would replace the NWPs for dredge or fill discharges into waters of the United States that the Corps last issued and made available in 2017. However, the Corps has elected not to consult with USFWS at this time. If this status quo does not change, when the Corp re-issues the NWPs, the NWPs could be subject to the same legal challenges unless and until the ongoing litigation resolves the questions surrounding the need for a formal ESA consultation. The Clean Water Act and analogous state laws provide for administrative, civil and criminal penalties for unauthorized discharges and, together with the Oil Pollution Act of 1999, as amended, require the development and implementation of spill prevention and response plans and impose liability for the remedial costs and associated damages arising out of any unauthorized discharges.

GHG Emissions

The EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified large GHG emission sources in the U.S., including, offshore and onshore oil and natural gas production facilities, on an annual basis. In October 2015, the EPA finalized rules that added new sources to the scope of the GHG monitoring and reporting requirements. These new sources include gathering and boosting facilities as well as completions and workovers from hydraulically fractured oil wells. In addition, the EPA has finalized new regulations that would further restrict GHG emissions, such as new standards for methane and volatile organic compound (VOC) emissions from new and modified oil and gas sources, which the EPA published in June 2016. On September 11, 2018, the EPA proposed targeted improvements to the rule, including amendments to the rule's fugitive emissions monitoring requirements, and is in the process of finalizing the amendments, which it originally expected to do in late 2019. Separately, in 2020, the EPA rescinded methane and volatile organic compound emissions standards for new and modified oil and gas transmission and storage infrastructure, as well as methane limits for new and modified oil and gas production and processing equipment. The EPA also relaxed requirements for oil and gas operators to monitor emissions leaks.

Additionally, in November 2016, the Bureau of Land Management (BLM) issued new regulations to reduce "waste" of natural gas, of which methane is a primary constituent, from venting, flaring and leaks during oil and natural gas production activities on onshore federal and Indian lands. In 2018, the BLM announced a revised rule which scaled back the waste-prevention requirements of the 2016 rule. This revised rule was vacated by a California federal district court in 2020, a decision which BLM has appealed to the Ninth Circuit Court of Appeals. Furthermore, separately, in October 2020, the federal district court of Wyoming vacated the original 2016 rule.

In October 2015, the EPA finalized the Clean Power Plan, which imposes additional obligations on the power generation sector to reduce GHG emissions. In August 2019, the EPA finalized the repeal of the 2015 regulations and replaced them with the Affordable Clean Energy rule (ACE), which designates heat rate improvement, or efficiency improvement, as the best system of emissions reduction for carbon dioxide from existing coal-fired electric utility generating units. Both the appropriateness of the repeal of the 2015 regulations and the adequacy of ACE are currently subject to litigation. While our operations are not directly affected by these actions, their impact on our oil and natural gas exploration and production customers could result in a decreased demand for the services that we provide.

While the U.S. Congress has from time to time considered legislation to reduce emissions of GHGs, in recent years, there has not been significant activity in the form of adopted legislation to reduce GHG emissions at the federal level. In the absence of federal climate legislation in the U.S., a number of state and regional efforts have emerged that are aimed at tracking and/or reducing GHG emissions, including cap and trade programs that typically require major sources of GHG emissions, such as electric power plants, to acquire and surrender emission allowances in return for emitting those GHGs. The U.S. participated in the creation of the Paris Agreement at COP 21 in December 2015. Although the U.S. had withdrawn from the Paris Agreement in November 2020, the Biden administration officially reentered the U.S. into the agreement in February 2021.

Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations could require us or our customers to incur increased operating costs, such as costs to purchase and operate emissions control systems, to acquire emission allowances or comply with new regulatory or reporting requirements. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for oil and natural gas, which could reduce our customers' demand for our services. Consequently, legislation and regulatory programs to reduce GHG emissions could have an adverse effect on our business, financial condition and results of operations.

Other Environmental Regulations

Our operations as well as the operations of our customers are also subject to various laws and regulations addressing the management, disposal and releases of regulated substances. For example, in the U.S., the federal Resource Conservation and Recovery Act, as amended (RCRA) and comparable state statutes regulate the generation, storage, treatment, transportation, disposal and cleanup of hazardous and non-hazardous solid wastes. Under the auspices of the EPA, most states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. Federal and state regulatory agencies can seek to impose administrative, civil and criminal penalties for alleged non-compliance with RCRA and analogous state requirements. In the course of our operations, we generate some amounts of ordinary industrial wastes, such as paint wastes, waste solvents and waste oils that may be regulated as hazardous wastes. Moreover, the federal Comprehensive Environmental Response, Compensation and Liability Act, as amended (CERCLA), also known as the Superfund law, and comparable state laws impose liability, without regard to fault or legality of conduct, on classes of persons considered to be responsible for the release of a "hazardous substance" into the environment. These persons include the current and past owner or operator of the site where the release occurred and anyone who transported, disposed or arranged for the transport or disposal of a hazardous substance released at the site. Under CERCLA, such persons may be subject to joint and several strict liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. CERCLA also authorizes the EPA and, in some instances, third parties to act in response to threats to the public health or the environment and to seek to recover from the responsible classes of persons the costs they incur. In addition, neighboring landowners and other third parties may file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. We generate materials in the course of our operations that may qualify as hazardous substances. In the event of mismanagement or release of regulated substances upon properties where we conduct operations, we could become subject to liability and/or obligations under CERCLA, RCRA and/or analogous state laws. Under such laws, we could be required to undertake response or corrective measures, which could include removal of previously disposed substances and wastes, cleanup of contaminated property or performance of remedial operations to prevent future contamination.

The federal Endangered Species Act, as amended (ESA), restricts activities in the U.S. that may affect endangered or threatened species or their habitats. If endangered species are located in areas of the U.S. where our oil and natural gas exploration and production customers operate, such operations could be prohibited or delayed or expensive mitigation may be required. The designation of previously unprotected species as threatened or endangered or designation of previously unprotected habitat as critical habitat in areas of the U.S. where our customers' oil and natural gas exploration and production operations are conducted could cause them to incur increased costs arising from species protection measures or could result in limitations on their exploration and production activities, which could have an adverse impact on demand for our services.

Hydraulic fracturing is a process sometimes used to stimulate production of hydrocarbons from tight formations. The process involves the injection of water, sand and chemicals under pressure into formations to fracture the surrounding rock and stimulate production. Hydraulic fracturing is typically regulated by state oil and natural gas regulators, but EPA has asserted federal regulatory authority pursuant to the Safe Drinking Water Act (SDWA) over, and issued permitting guidance in February 2014 for, certain hydraulic fracturing activities involving the use of diesel fuels. In May 2014, EPA issued an advance notice of proposed rulemaking seeking comment on the development of regulations under the Toxic Substances Control Act (TSCA) to require companies to disclose information regarding the chemicals used in hydraulic fracturing. In March 2015, BLM issued a final rule that imposes requirements on hydraulic fracturing activities on federal and Indian lands, including new requirements relating to public disclosure, wellbore integrity and handling of flowback water; similar final rules were published in November 2016 for hydraulic fracturing activities on National Park and National Wildlife Refuge System lands. In June 2016, the U.S. District Court for the District of Wyoming struck down the BLM final rule, finding that BLM lacked authority to promulgate the rule, but this ruling was vacated on appeal in September 2017. Regardless, BLM rescinded this rule in December 2017. In January 24, 2018, California and a coalition of environmental groups each filed lawsuits in the Northern District of California to challenge BLM's rescission of the 2015 rule. The Northern District of California upheld the rescission in 2020, but this decision was then appealed to the Ninth Circuit Court of Appeals. In addition, Congress has from time to time considered legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of chemicals used in the hydraulic fracturing process. Some states and local governments also have adopted or are considering adopting regulations to restrict or ban hydraulic fracturing in certain circumstances. Moreover, ongoing governmental reviews of the environmental impacts of hydraulic fracturing by EPA and other agencies could lead to further regulation of hydraulic fracturing. For example, in December 2016, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources. The final report concluded that hydraulic fracturing activities can impact drinking water under some circumstances, including large volume spills and inadequate mechanical integrity of wells. While our operations are not directly affected by these actions, their impact on our oil and natural gas exploration and production customers could result in a decreased demand for the services that we provide.

ITEM 1A. *Risk Factors*

We are subject to various risks and hazards due to the nature of the business activities we conduct. The risks summarized and discussed below, any of which could materially and adversely affect our business, financial condition, cash flows and results of operations and the price of our shares, are not the only risks we face. We may experience additional risks and uncertainties not currently known to us or, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, cash flows and results of operations.

Summary of Risk Factors:

Set forth below is a summary of the risks more fully described in this Part I, Item 1A. "Risk Factors" of this Annual Report on Form 10-K. This summary should be read in connection with the Risk Factors more fully described below and should not be relied upon as an exhaustive summary of the material risks facing our business.

- **Risks Related to Our Macroeconomic-Business Environment**
  - Certain of our customers' spending may be directly, and our business may be indirectly, affected by volatile or low oil, coal or natural gas prices or unsuccessful exploration results.
  - We have been adversely affected by the coronavirus pandemic.

- **Risks Related to Our Customers**
  - Our customers and their operations are exposed to a number of unique operating risks and challenges.
  - We depend on several significant customers.
  - Our failure to retain our current customers, renew our existing customer contracts and obtain new customer contracts, or the termination of existing contracts, could adversely affect our business.
  - Adverse events in areas where we operate could negatively impact our business, and our geographic concentration could limit the number of customers seeking our services.
  - We may be adversely affected if customers reduce their accommodations outsourcing.

- **Risks Related to Our Operations**
  - We operate in a highly competitive industry, and if we fail to compete effectively, our business will suffer.
  - Our operations may suffer due to over-capacity of certain types of accommodations assets.
  - Increased operating costs and limited cost recovery through pricing or contract terms may constrain our ability to make a profit.
  - Employee and customer labor problems could adversely affect us.
  - A failure to maintain food safety or comply with government regulations related to food and beverages or serving alcoholic beverages may subject us to liability.
  - The majority of our major Canadian lodges are located on land subject to leases.
  - We are susceptible to seasonal earnings volatility due to adverse weather conditions in our regions of operations.
  - Failure to maintain positive relationships with the indigenous people in the areas where we operate could adversely affect our business.
  - Development of permanent infrastructure in the areas where we locate our assets could negatively impact our business.
  - We may be subject to risks associated with the transportation and installation of mobile accommodations.
  - Our business could be negatively impacted by security threats, including cybersecurity threats and other disruptions.
  - Loss of key members of our management could adversely affect our business.

- **Financial/Accounting Risks**
  - Our indebtedness could restrict our operations and make us more vulnerable to adverse economic conditions.
  - Currency exchange rate fluctuations could adversely affect our U.S. dollar reported results of operations and financial position.
  - The cyclical nature of our business and a severe prolonged downturn has and could in the future negatively affect the value of our long-lived assets and our goodwill.
  - Our inability to control the inherent risks of identifying, acquiring and integrating businesses that we may acquire could adversely affect our operations.
  - We may not have adequate insurance for potential liabilities and insurance may not cover certain liabilities.

- **Legal and Regulatory Risks**
    - We do business in Canada and Australia, whose political and regulatory environments and compliance regimes differ from those in the United States.
    - We are subject to extensive and costly environmental laws and regulations.
    - We may be exposed to certain regulatory and financial risks related to climate change.
    - An accidental release of pollutants into the environment may cause us to incur significant costs and liabilities.

- **Risks Related to Our Common Shares**
    - The market price and trading volume of our common shares may be volatile.
    - The rights of holders of our common shares are subordinate to the rights of the holders of our preferred shares.
    - We are governed by the corporate laws in British Columbia, Canada.
    - Provisions contained in our articles and applicable Canadian and British Columbia laws could discourage a take-over attempt.
    - The enforcement of civil liabilities against Civeo may be more difficult.

- **Risks Related to Our Structure**
    - We are subject to various Canadian and other taxes.
    - We remain subject to changes in tax law (in various jurisdictions) and other factors that could impact our effective tax rate.
    - The Canada Revenue Agency (CRA) may disagree with our conclusions on tax treatment.
    - Future potential changes to U.S. tax laws could result in Civeo being treated as a U.S. corporation for U.S. federal income tax purposes.

Risk Factors:

Risks Related to Our Macroeconomic-Business Environment

Certain of our customers' spending may be directly, and our business may be indirectly, affected by volatile or low oil, coal or natural gas prices or unsuccessful exploration results.

Demand for our services is sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and gas and mining companies. Our business typically supports customer projects that are capital intensive and require several years to generate first production with production lasting for decades. The economic analyses conducted by our customers in oil sands, Australian mining and liquefied natural gas (LNG) investment areas have historically assumed a relatively conservative longer-term price outlook for production from such projects to determine economic viability. The oil and gas and mining industries' willingness to explore, develop and produce depends largely upon the availability of attractive resource prospects and the prevailing view of future commodity prices, and expenditures by our oil and gas and mining customers generally lag changes in commodity prices by three to six months. However, with the extreme global oil demand destruction in 2020 due to the COVID-19 coronavirus (COVID-19) pandemic, our oil and gas customers in North America have changed their spending and production plans and have reduced or deferred, and may continue to reduce or defer, major expenditures.

Prices for oil, metallurgical (met) coal, LNG, natural gas and other natural resources are subject to large fluctuations in response to changes in supply of and demand for these commodities. For the past several years, commodity prices have remained relatively low, and continue to be volatile. Global oil prices dropped to historically low levels in April 2020 due to severely reduced global oil demand, the resulting high global crude inventory levels, uncertainty around timing and slope of worldwide economic recovery after COVID-19 related economic shut-downs and effectiveness of production cuts by major oil producing countries, such as Saudi Arabia, Russia and the U.S. Other factors beyond our control that affect commodity prices include:

- worldwide economic activity including growth in, and demand for oil, coal and other natural resources, particularly from developing countries, such as China and India;
- the level of activity and natural resource developments in Australia and the Canadian oil sands;
- the level of global oil and gas exploration and production and the impact of government regulation or Organization of Petroleum Exporting Companies (OPEC) policies that impact production levels and oil prices;
- the availability of transportation infrastructure and refining capacity for oil, natural gas, LNG and coal;
- global weather conditions, natural disasters and global health concerns such as the COVID-19 pandemic or any future disaster or pandemic;

- rapid technological change and the timing and extent of energy resource development, including hydraulic fracturing of horizontally drilled wells in shale discoveries and LNG;
- development, commercialization and availability of alternative fuels; and
- government, tax and environmental regulation, including climate change legislation and clean energy policies.

In 2018, the Government of Alberta announced it would mandate temporary curtailments of the province's oil production. However, monthly production limits were put on hold in December 2020 until further notice, allowing operators to produce freely at their discretion while the government monitors production. Should forecasts show storage inventories approaching maximum capacity, the government may reintroduce production limits. The curtailment initially resulted in a narrowing of the discount (WCS Differential) at which Western Canadian Select (WCS) trades relative to West Texas Intermediate (WTI) in December 2018, which increased in 2019 before narrowing again in the first quarter of 2020. As of February 22, 2021, the WTI price was $61.49 and the WCS price was $49.95, resulting in a WCS Differential of $11.54. Should the price of WTI decline or the WCS discount to WTI widen further, our oil sands customers may delay or eliminate additional investments, further reduce their spending in the oil sands region or curtail or shut-down additional existing operations.

We have been adversely affected by the coronavirus pandemic.

The outbreak of COVID-19 has adversely impacted and continues to impact worldwide economic activity, including the natural resources industry in Canada, Australia and the U.S. The actions taken to mitigate the spread of COVID-19 and the risk of infection have altered, and are expected to continue to alter, governmental and private-sector policies and behaviors in ways that have had a significant negative effect on oil consumption, such as government-imposed or voluntary social distancing and quarantining, stay-at-home orders, health and safety considerations, reduced travel and remote work policies. We have experienced, and expect to continue to experience, some resulting disruptions and increased costs to our business as a result of the measures we have set in place to comply with governmental regulations and customer policies related to COVID-19. In addition, with lower and volatile oil prices due to reduced global oil demand and uncertainty around the continued economic impact of COVID-19, capital spending by oil and gas companies and customer demand for our services has been adversely affected. The ultimate extent of the impact of COVID-19 on our business, financial condition and results of operations will depend largely on future developments, including the duration and spread of the outbreak in the countries in which we operate and the related impact on the oil and gas industry, the impact of governmental actions designed to prevent the spread of COVID-19 and the development and availability of effective treatments and vaccines, all of which are highly uncertain and cannot be predicted with certainty at this time.

Risks Related to Our Customers

Our customers and their operations are exposed to a number of unique operating risks and challenges which could also adversely affect us.

We could be materially adversely affected by disruptions to our customers' operations. The price of and demand for natural resources produced by our customers may impact their desire and/or ability to continue existing projects or start new projects. Customers may also experience unexpected problems, higher costs or delays in commencing or developing a project. Operating risks and challenges our customers face, which may ultimately affect their need for the accommodations and services we provide, include:

- commodity price volatility;
- unforeseen and adverse geological, geotechnical, seismic and mining conditions;
- lack of availability or failure of the required infrastructure, including sourcing sufficient water or power, necessary to maintain or to expand their operations;
- the breakdown or shortage of equipment and labor necessary to maintain their operations;
- risks associated with the natural resources industry being subject to various regulatory approvals, including a government agency failing to grant an approval or failing to renew an existing approval, or the approval or renewal not being provided by the government agency in a timely manner or the government agency granting or renewing an approval subject to materially onerous conditions;
- risks to land titles, mining titles and use thereof as a result of native title claims;
- claims by persons living in close proximity to mining projects, which may have an impact on the consents granted; and
- interruptions to the operations of our customers caused by governmental action, industrial accidents, disputes or public health emergencies.

We depend on several significant customers.

We depend on several significant customers, including customers that operate in the oil and gas and mining industries, which has been adversely impacted by the effects of the COVID-19 pandemic. The loss of any one of our largest customers in any of our business segments or a sustained decrease in demand by any of such customers could result in a substantial loss of revenues and could have a material adverse effect on our results of operations. In addition, the concentration of customers in the mining and oil and gas industries may impact our overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. With the current low and volatile oil and gas prices, some of our customers may face liquidity issues, which could impair their ability to pay or otherwise perform on their obligations. Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks, which increases the risk that they may default on their obligations to us. For a more detailed explanation of our customers, see *"Business"* in Item 1 of this annual report.

Our failure to retain our current customers, renew our existing customer contracts and obtain new customer contracts, or the termination of existing contracts, could adversely affect our business.

Our success depends on our ability to retain our current customers, renew or replace our existing customer contracts and obtain new business. Our ability to do so generally depends on a variety of factors, including overall customer expenditure levels and the quality, price and responsiveness of our services, as well as our ability to market these services effectively and differentiate ourselves from our competitors. We cannot assure you that we will be able to obtain new business, renew existing customer contracts at the same or higher levels of pricing, or at all, or that our current customers will not turn to competitors, cease operations, elect to self-operate or terminate contracts with us.

Our business is contract intensive and we are party to many contracts with customers. Due to the current volatile commodity price environment, our customers may not renew contracts on terms favorable to us or, in some cases, at all, and we may have difficulty obtaining new business. Several contracts have clauses that allow termination upon the payment of a termination fee. As a result, our customers may choose to terminate their contracts. The likelihood that a customer may seek to terminate a contract is increased during periods of market volatility like those we are currently experiencing. Finally, while we periodically review our compliance with contract terms and provisions, if customers were to dispute our contract determinations, the resolution of such disputes in a manner adverse to our interests, including customers withholding payments or modification of payment terms, could negatively affect sales and operating results. Customer contract cancellations, the failure to renew a significant number of our existing contracts or the failure to obtain new business would have a material adverse effect on our business and results of operations.

Due to the significant geographic concentration of our business, adverse events in areas where we operate could negatively impact our business, and our geographic concentration could limit the number of customers seeking our services.

Because of the concentration of our business in the oil sands region of Alberta, Canada and in the coal producing, Bowen Basin region of Queensland, Australia, two relatively small geographic areas, we have increased exposure to political, regulatory, environmental, labor, climate or natural disasters such as forest fires or flooding, events or developments that could disproportionately impact our operations and financial results. For example, in 2011 and 2017, cyclones and resulting flooding threatened our villages in Australia. Also in 2011 and 2016, forest fires in northern Alberta impacted areas near our Canadian oil sands lodges. Due to our geographic concentration, any adverse events or developments in our operating areas may disproportionately affect our financial results.

In addition, a limited number of potential customers operate in the areas in which our business is concentrated, and occupancy at each of our lodges may be constrained by the radius which potential customers are willing to transport their workers. Our geographic concentration could limit the number of customers seeking our services, and as to any single lodge or village, we may have few potential customers. Therefore, we are subject to volatility in occupancy in any location based on the capital spending plans of a limited number of customers, based on their changing decisions as to whether to outsource or use their own company-owned accommodations and whether other potential customers move into that lodge's radius.

We may be adversely affected if customers reduce their accommodations outsourcing.

Our business and growth strategies depend in large part on customers outsourcing some or all of the services that we provide. Many oil and gas and mining companies in our core markets own their own accommodations facilities, while others outsource all or part of their accommodations requirements. Customers have largely built their own accommodations in the past but will outsource if they perceive that outsourcing may provide quality services at a lower overall cost or allow them to accelerate the timing of their projects. We cannot be certain that these customer preferences will continue or that customers that have previously outsourced accommodations will not decide to perform these functions themselves or only outsource accommodations during the development or construction phases of their projects. In addition, labor unions representing customer employees and contractors have, in the past, opposed outsourcing accommodations to the extent that the unions believe that third-party accommodations negatively impact union membership and recruiting. The reversal or reduction in customer outsourcing of accommodations could negatively impact our financial results and growth prospects.

Risks Related to Our Operations

We operate in a highly competitive industry, and if we fail to compete effectively, our business will suffer.

The workforce accommodations and hospitality industry in which we operate is highly competitive. To be successful, we must provide hospitality services that meet the specific needs of our customers at competitive prices. The principal competitive factors in the markets in which we operate are service quality and availability, price, technical knowledge and experience and safety performance. We compete with international and regional competitors, several of which are significantly larger than we. These competitors offer similar services in the geographic regions in which we operate. Many oil and gas and mining companies in our core markets own their own accommodations facilities and outsource their service requirements, while others outsource all or part of their accommodations requirements. As a result of competition, we may be unable to continue to provide our present services, to provide such services at historical operating margins or to acquire additional business opportunities, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Reduced levels of activity in the workforce accommodation industry can intensify competition and result in lower revenue to us.

Our operations may suffer due to over-capacity of certain types of accommodations assets.

The demand for and/or pricing of rooms and accommodation services is subject to the overall availability of rooms in the marketplace. If demand for our assets were to decrease, or to the extent that we and our competitors increase our capacity in excess of current demand, we may encounter decreased pricing for, or utilization of, our assets and services, which could adversely impact our operations and profits. The economic disruption in 2020 caused by the decline in the price of and demand for oil has impacted the activity in the Canadian oil sands and our U.S. business, and we have seen decreased customer demand for accommodations in those areas, and we have experienced a corresponding significant decrease in our occupancy and profitability.

Increased operating costs and limited cost recovery through pricing or contract terms may constrain our ability to make a profit.

Our profitability can be adversely affected to the extent we are faced with cost increases for food, wages and other labor related expenses, insurance, fuel and utilities, especially to the extent we are unable to recover such increased costs through increases in the prices for our services, due to one or more of general economic conditions, competitive conditions or contractual provisions in our customer contracts. Substantial increases in the cost of fuel and utilities have historically resulted in cost increases in our lodges and villages. From time to time we have experienced increases in our food costs. While we believe a portion of these increases were attributable to fuel prices, we believe the increases also resulted from rising global food demand. In addition, food prices can fluctuate as a result of foreign exchange rates and temporary changes in supply, including as a result of incidences of wildfires or severe weather such as droughts, heavy rains and late freezes, or other climate effects. While our multi-year contracts often provide for annual escalation in our room rates for food, labor and utility inflation, we may be unable to fully recover costs and such increases would negatively impact our profitability on contracts that do not contain such inflation protections.

Employee and customer labor problems could adversely affect us.

Our business is labor intensive requiring a significant number of employees to perform housekeeping, janitorial and food services at our locations or locations that we manage. As our operations grow or our occupancy increases, we require additional staff to take care of our guests at a standard we deem appropriate and to operate safely. If we are unable to hire a sufficient labor force, we may be required to increase wages or use temporary labor at a higher cost and reduced efficiency. Inefficient operations or higher labor costs would negatively impact our profitability and could damage our reputation with our customers.

Additionally, as of December 31, 2020, we were party to collective bargaining agreements covering 885 employees in Canada and 588 employees in Australia. Efforts have been made from time to time to unionize other portions of our workforce. In addition, our facilities serving oil sands development work in Northern Alberta, Canada and mining operations in Australia house both union and non-union customer employees. We have not experienced strikes, work stoppages or other slowdowns in the past, but we cannot guarantee that we will not experience such events in the future. A prolonged strike, work stoppage or other slowdown by our employees or by the employees of our customers could cause us to experience a disruption of our operations, which could adversely affect our business and results of operations. Additional unionization efforts and new collective bargaining agreements also could materially increase our costs or limit our flexibility. Collective bargaining agreements in our Canadian operations have individual expiration dates, but in no case extend beyond 2023. Enterprise bargaining agreements in our Australian operations cover certain employees working at our villages in Queensland, New South Wales and Western Australia, as well as certain employees working at our integrated services customer owned sites in Western Australia. These agreements have individual expiration dates, but in no case extend beyond 2022.

A failure to maintain food safety or comply with government regulations related to food and beverages or serving alcoholic beverages may subject us to liability.

Claims of illness or injury relating to food quality or food handling are common in the food service industry, and a number of these claims may exist at any given time. Because food safety issues could be experienced at the source or by food suppliers or distributors, food safety could, in part, be out of our control. Regardless of the source or cause, any report of food-borne illness or other food safety issues such as food tampering or contamination at one of our locations could adversely impact our reputation, hindering our ability to renew contracts on favorable terms or to obtain new business, and have a negative impact on our sales. Future food product recalls and health concerns associated with food contamination may also increase our raw materials costs and, from time to time, disrupt our business.

A variety of regulations at various governmental levels relating to the handling, preparation and serving of food (including, in some cases, requirements relating to the temperature of food), cleanliness of food production facilities and hygiene of food-handling personnel are enforced primarily at the local public health department level. We can give no assurances that we are in full compliance with all applicable laws and regulations at all times or that we will be able to comply with any future laws and regulations. Furthermore, legislation and regulatory attention to food safety is very high. Additional or amended regulations in this area may significantly increase the cost of compliance or expose us to liabilities.

We serve alcoholic beverages at some of our facilities, and must comply with applicable licensing laws, as well as local service laws. These laws generally prohibit serving alcoholic beverages to certain persons such as a patron who is intoxicated or a minor. If we violate these laws, we may be liable to the patron and/or third parties for the acts of the patron. We cannot guarantee that certain patrons will not be served or that liability for their acts will not be imposed on us. There can be no assurance that additional regulation in this area would not limit our activities in the future or significantly increase the cost of regulatory compliance. We must also obtain and comply with the terms of licenses in order to sell alcoholic beverages in the jurisdictions in which we serve alcoholic beverages. If we are unable to maintain food safety or comply with government regulations related to food, beverages or alcoholic beverages, the effect could be materially adverse to our business and results of operations.

The majority of our major Canadian lodges are located on land subject to leases. If we are unable to renew a lease or obtain permits necessary to operate on such leased land, we could be materially and adversely affected.

The majority of our major Canadian lodges are located on land subject to provincial leases. Accordingly, while we own the accommodations assets, we only own a leasehold in those properties. If we are found to be in breach of a lease, we could lose the right to use the property. In addition, our leases generally have an initial term of ten years and will expire between 2022 and 2028 unless extended. Unless we can extend the terms of these leases before their expiration, as to which no assurance can be given, we will lose our right to operate our facilities located on these properties upon expiration of the leases. In that event, we would be required to remove our accommodations assets and remediate the site. As of December 31, 2020, we had an asset retirement obligation (ARO) liability on our balance sheet of $15.0 million. Consistent with US GAAP, this liability is the estimated present value of the amount of required asset removal and site remediation costs related to the retirement of assets at these locations. Should the remediation requirement be accelerated, our near term cash obligation could be significantly larger than the liability currently on our balance sheet and could negatively impact our cash flows and liquidity.

Also, in certain areas in which we operate, we are required to seek permits from local government agencies in order to build a new lodge or operate an existing lodge on leased land. A proposed regulation in a Regional Municipality of Wood Buffalo, Alberta, where we have eight facilities, would require us to seek renewal of such permits every four years; however, this proposal was abandoned in late 2019, and no update has been provided. We can provide no assurances that we will be able to renew our leases or permits upon expiration on similar terms, or at all. If we are unable to renew our leases or permits on similar terms, it may have an adverse effect on our business and results of operations.

We are susceptible to seasonal earnings volatility due to adverse weather conditions in our regions of operations.

Our operations are directly affected by seasonal differences in weather in the areas in which we operate, most notably in Canada and Australia, and, to a lesser extent, the Permian Basin. A portion of our Canadian operations is conducted during the winter months when the winter freeze in remote regions is required for exploration and production activity to occur. The spring thaw in these frontier regions restricts operations in the spring months and, as a result, adversely affects our operations and our ability to provide services in the second and, to a lesser extent, third quarters. During the Australian rainy season, generally between the months of November and April, our operations in Queensland and the northern parts of Western Australia can be affected by cyclones, monsoons and resultant flooding. Severe winter weather conditions in the Permian Basin of the United States can restrict access to work areas for our customers. Furthermore, the areas in which we operate are susceptible to wildfires, which could interrupt our operations and adversely impact our earnings.

Failure to maintain positive relationships with the indigenous people in the areas where we operate could adversely affect our business.

A component of our business strategy is based on developing and maintaining positive relationships with the indigenous people and communities in the areas where we operate. These relationships are important to our operations and customers who desire to work on traditional indigenous lands. The inability to develop and maintain relationships and to be in compliance with local requirements could have an adverse effect on our business and results of operations.

Development of permanent infrastructure in the areas where we locate our assets could negatively impact our business.

We specialize in providing hospitality services for workforces in remote areas which often lack the infrastructure typically available in nearby towns and cities. If permanent towns, cities and municipal infrastructure develop, grow or otherwise become available in the oil sands region of northern Alberta, Canada, the west coast of British Columbia or regions of Australia where we locate villages, then demand for our hospitality services could decrease as customer employees move to the region and choose to utilize permanent housing and food services.

We may be subject to risks associated with the transportation and installation of mobile accommodations.

In connection with our Canadian and U.S. businesses, we currently have several contracts to transport and install modular, skid-mounted accommodations and central facilities that can be quickly configured to serve a multitude of short to medium-term accommodation needs. In connection with the transportation and installation of these facilities, we may be exposed to various risks, including

- delays in necessary approvals to install the facilities or objections to our activities or those of our customers aired by aboriginal or community interests, environment and/or neighborhood groups which may cause delays in the granting of such approvals and/or the overall progress of a project;
- challenges during installation, including problems, defects, inclement weather conditions, land contamination, cultural heritage claims, difficult site access or industrial relations issues; and
- risks related to the quality of our materials and workmanship, including warranties and defect liability obligations.

Our business could be negatively impacted by security threats, including cybersecurity threats and other disruptions.

We face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information or to render data or systems unusable or hold them for ransom; threats to the safety of our employees; threats to the security of our facilities and infrastructure or third-party facilities and infrastructure; and threats from terrorist acts. Although we utilize various procedures and controls to monitor these threats and mitigate our exposure to such threats, there can be no assurance that these procedures and controls will be sufficient in preventing security threats from materializing. If any of these events were to materialize, they could lead to losses of sensitive information, critical infrastructure, personnel or capabilities essential to our operations and could have a material adverse effect on our reputation, financial position, results of operations or cash flows.

Cybersecurity attacks in particular are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, ransomware attacks and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of or denial of access to confidential or otherwise protected information and corruption of data. In 2018, we experienced a minor data security breach resulting from unauthorized access to our systems, which had no material impact on our operations; however, there is no assurance that such impacts will not be material in the future.

Loss of key members of our management could adversely affect our business.

We depend on the continued employment and performance of key members of our management. If any of our key managers resign or become unable to continue in their present roles and are not adequately replaced, our business operations could be materially adversely affected. We do not maintain “key man” life insurance for any of our officers.

Financial/Accounting Risks

Our indebtedness could restrict our operations and make us more vulnerable to adverse economic conditions.

We currently have a substantial amount of indebtedness. As of December 31, 2020, we had approximately $187.5 million outstanding under the term loan portion of our credit agreement (as amended from time to time, the Amended Credit Agreement), $63.6 million outstanding under the revolving portion of the Amended Credit Agreement, $4.5 million of outstanding letters of credit and capacity to borrow an additional $99.3 million under the revolving portion of the Amended Credit Agreement. If market or other economic conditions remain depressed or further deteriorate, our borrowing capacity may be further reduced.

Our Amended Credit Agreement contains, and any future indebtedness we incur may contain, a number of restrictive covenants that will impose significant operating and financial restrictions on us and may limit our ability to, among other things, borrow funds, dispose of assets, pay dividends and make certain investments. In addition, these covenants also may limit our ability to obtain future financings, make needed capital expenditures, withstand a continued downturn in our business or a downturn in the economy in general or otherwise conduct necessary corporate activities. Our ability to comply with these covenants may be affected by events beyond our control. Declines in commodity prices, or a prolonged period of commodity prices at depressed levels, could eventually result in our failing to meet one or more of the financial covenants under the Amended Credit Agreement, which could require us to refinance or amend such obligations resulting in the payment of consent fees or higher interest rates, or require us to raise additional capital at an inopportune time or on terms not favorable to us.

A failure to comply with these covenants, ratios or tests could also result in an event of default. A default under the Amended Credit Agreement, if not cured or waived, could result in acceleration of all indebtedness outstanding thereunder. The accelerated debt would become immediately due and payable. If that should occur, we may be unable to pay all such debt or to borrow sufficient funds to refinance it. Even if new financing were then available, it may not be on terms that are acceptable to us. In addition, in the event of an event of default under the Amended Credit Agreement, the lenders could foreclose on the collateral securing the credit facility and require repayment of all borrowings outstanding. If the amounts outstanding under the credit facility or any of our other indebtedness were to be accelerated, our assets may not be sufficient to repay in full the money owed to the lenders or to our other debt holders. Moreover, any new indebtedness we incur may impose financial restrictions and other covenants on us that may be more restrictive than our existing debt agreements.

Our ability to service our debt, including repaying outstanding borrowings under our Amended Credit Agreement at maturity, will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our business does not generate sufficient cash flows from operations to enable us to meet our obligations under our indebtedness, we will be forced to take actions such as reducing or delaying business activities, acquisitions, investments and/or capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking additional equity capital. We may not be able to effect any of these remedies on satisfactory terms or at all, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Currency exchange rate fluctuations could adversely affect our U.S. dollar reported results of operations and financial position.

Our reporting currency is the U.S. dollar, and we are exposed to currency exchange risk primarily between the U.S. dollar and the Canadian and Australian dollars. For the year ended December 31, 2020, 95% of our revenues originated from subsidiaries outside of the U.S. and were denominated in either the Canadian dollar or the Australian dollar. As a result, a material decrease in the value of these currencies relative to the U.S. dollar has had, and may have in the future, a negative impact on our reported revenues, net income, financial condition and cash flows. Any currency controls implemented by local monetary authorities in countries where we currently operate could also adversely affect our business, financial condition and results of operations. We may attempt to limit the risks of currency fluctuation where possible by entering into financial instruments to protect against foreign currency exposure, but, to date, we have not entered into any foreign currency financial instruments. Our efforts to limit exchange risks may be unsuccessful, thereby exposing us to foreign currency fluctuations that could cause our results of operations, financial condition and cash flows to deteriorate.

The cyclical nature of our business and a severe prolonged downturn has, and could in the future, negatively affect the value of our long-lived assets and our goodwill.

We recorded impairments of our long-lived assets of $50.5 million, $6.2 million and $28.7 million in 2020, 2019 and 2018, respectively. We also recorded goodwill impairments of $93.6 million and $19.9 million in 2020 and 2019, respectively. As of December 31, 2020, goodwill at our Australian reporting unit represented 1% of total assets, or $8.7 million.

Factors that may cause us to recognize further impairment losses on our long-lived assets or on the goodwill at our Australian reporting unit include, among other things, extended periods of limited or no activity by our customers at our lodges or villages, increased or unanticipated competition, and downward forecast revisions or restructuring plans or if certain of our customers do not reach positive final investment decisions on projects with respect to which we have been awarded contracts to provide related accommodation, which may cause those customers to terminate the contracts.

Our inability to control the inherent risks of identifying, acquiring and integrating businesses that we may acquire, including any related increases in debt or issuances of equity securities, could adversely affect our operations.

Acquisitions have been, and our management believes acquisitions will continue to be, a key element of our growth strategy. We may not be able to identify and acquire acceptable acquisition candidates on favorable terms in the future. We may be required to incur substantial indebtedness to finance future acquisitions and also may issue equity securities in connection with such acquisitions. Such additional debt service requirements could impose a significant burden on our results of operations and financial condition. The issuance of additional equity securities could result in significant dilution to shareholders. In addition, overpayment of an acquisition could cause potential impairments which could affect our results of operations.

We expect to gain certain business, financial and strategic advantages as a result of business combinations we undertake, including synergies and operating efficiencies. Our forward-looking statements assume that we will successfully integrate our business acquisitions and realize these intended benefits. The success of any acquisitions we make depends, in large part, on our ability to realize the anticipated benefits, including operating synergies from combining our businesses, which were previously operated independently, and retaining and integrating key employees, vendors and customers from the acquired businesses. An inability to realize expected strategic advantages as a result of the acquisition would negatively affect the anticipated benefits of the acquisition.

Additionally, an acquisition may bring us into businesses we have not previously conducted and expose us to additional business risks that are different from those we have previously experienced. Our future success depends, in part, upon our ability to manage this expanded business, which will pose substantial challenges for our management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. If we fail to manage any of these risks successfully, our business could be harmed. Our capitalization and results of operations may change significantly following an acquisition, and our shareholders may not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in evaluating future acquisitions.

We may not have adequate insurance for potential liabilities and insurance may not cover certain liabilities.

Our operations are subject to many hazards. In the ordinary course of business, we become the subject of various claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters, including occasional claims by individuals alleging exposure to hazardous materials as a result of our products or operations. Some of these claims relate to the activities of businesses that we have acquired, even though these activities may have occurred prior to our acquisition of such businesses. We maintain insurance to cover many of our potential losses, including cyber risk insurance, and we are subject to various self-retentions and deductibles under our insurance policies. It is possible, however, that a judgment could be rendered against us in cases in which we could be uninsured and beyond the amounts that we currently have reserved or anticipate incurring for such matters. Even a partially uninsured or underinsured claim, if successful and of significant size, could have a material adverse effect on our results of operations or consolidated financial position. In addition, we are insured under the insurance policies of Oil States International, Inc. (Oil States) for occurrences prior to the completion of our spin-off from Oil States in May 2014 (the Spin-Off). The specifications and insured limits under those policies, however, may be insufficient for such claims. We also face other risks related to our insurance coverage, including (1) we may not be able to continue to obtain insurance on commercially reasonable terms; (2) the counterparties to our insurance contracts may pose credit risks; and (3) we may incur losses from interruption of our business that exceed our insurance coverage

Legal and Regulatory Risks

We do business in Canada and Australia, whose political and regulatory environments and compliance regimes differ from those in the United States.

A significant portion of our revenue is attributable to operations in Canada and Australia. These activities accounted for 95% of our consolidated revenue in the year ended December 31, 2020. Risks associated with our operations in Canada and Australia include, but are not limited to, (1) different taxing regimes; (2) changing political conditions at the federal, provincial or state level; (3) changing international and U.S. monetary policies; and (4) regional economic downturns.

The regulatory regimes in these countries are substantially different than those in the United States, and may be unfamiliar to U.S. investors. Violations of non-U.S. laws could result in monetary and criminal penalties against us or our subsidiaries and could damage our reputation and, therefore, our ability to do business.

We are subject to extensive and costly environmental laws and regulations that may require us to take actions that will adversely affect our results of operations.

All of our operations are significantly affected by stringent and complex foreign, federal, provincial, state and local laws and regulations governing the discharge of substances into the environment or otherwise relating to environmental protection. We could be exposed to liabilities for cleanup costs, natural resource damages and other damages as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, prior operators or other third-parties. Environmental laws and regulations are subject to change in the future, possibly resulting in more stringent requirements. The implementation of new laws and regulations could result in materially increased costs, stricter standards and enforcement, larger fines and liability and increased capital expenditures and operating costs, particularly for our customers, and could have an adverse effect on our business or demand for our services. See Item 1. “Business - Government Regulation” of this annual report for a more detailed description of our risks associated with environmental laws and regulations. It should also be noted that scientists have concluded that increasing concentrations of GHGs in the earth’s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events.

Any failure by us to comply with applicable environmental laws and regulations may result in governmental authorities taking actions against our business that could adversely impact our business and results of operations, including the issuance of administrative, civil and criminal penalties; denial or revocation of permits or other authorizations; reduction or cessation of operations; and performance of site investigatory, remedial or other corrective actions.

We may be exposed to certain regulatory and financial risks related to climate change.

Climate change is receiving increasing attention from the media, scientists and legislators alike which has resulted in legislative, regulatory and other initiatives, including international agreements, to reduce greenhouse gas emissions, such as carbon dioxide and methane. Significant focus is being made on companies that are active producers of fossil fuels, or companies which serve such producers.

Efforts have been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues and impose reductions of hydrocarbon-based fuels, including plans developed in connection with the Paris climate conference in December 2015 and the Katowice climate conference in December 2018. There are a number of legislative and regulatory proposals to address greenhouse gas emissions, including increased fuel efficiency standards, carbon taxes or cap and trade systems, restrictive permitting, and incentives for renewable energy, which are in various phases of discussion or implementation. Moreover, such legislation, regulations and proposals are subject to frequent change by regulatory authorities, including in connection with the change in the U.S. federal administration in January 2021. The outcome of Canadian, Australian and U.S. federal, regional, provincial and state actions to address global climate change could result in a variety of regulatory programs including potential new regulations, additional charges to fund energy efficiency activities, or other regulatory actions. These actions could both (1) directly impact us due to increased costs associated with our operations, and (2) indirectly impact us due to increased costs of and/or reduced demand for our customers' operations, and resulting reduced demand for our services.

Any adoption of these or similar proposals by Canadian, Australian, U.S. federal, regional, provincial or state governments mandating a substantial reduction in greenhouse gas emissions could have far-reaching and significant impacts on the energy industry, including negatively impacting the price of oil relative to other energy sources, reducing demand for hydrocarbons and other minerals or limiting drilling or mining in the areas in which we operate. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address greenhouse gas emissions would impact our business, any such future laws and regulations could result in increased compliance costs or additional operating restrictions, and could have a material adverse effect on our business or demand for our services. In addition, there have also been efforts in recent years to influence the investment community, including investment advisors and certain sovereign wealth, pension and endowment funds promoting divestment of fossil fuel equities and pressuring lenders to limit funding to companies engaged in the extraction of fossil fuel reserves. Such environmental activism and initiatives aimed at limiting climate change and reducing air pollution could interfere with our business activities, operations and ability to access capital. See Item 1. *"Business - Government Regulation"* of this annual report for a more detailed description of our climate-change related risks.

An accidental release of pollutants into the environment may cause us to incur significant costs and liabilities.

There is inherent risk of environmental costs and liabilities in our business as a result of (1) our handling of petroleum hydrocarbons, (2) air emissions and waste water discharges related to our operations, and (3) historical industry operations and waste disposal practices. Certain environmental statutes impose joint and several strict liability for these costs. For example, an accidental release by us in the performance of services at one of our or our customers' sites could subject us to substantial liabilities arising from environmental cleanup, restoration costs and natural resource damages, claims made by neighboring landowners and other third parties for personal injury and property damage and fines or penalties for related violations of environmental laws or regulations. We may not be able to recover some or any of these costs from insurance.

Risks Related to Our Common Shares

The market price and trading volume of our common shares may be volatile.

On November 19, 2020, we effected the Reverse Share Split, where each twelve issued and outstanding common shares were converted into one common share. Our common shares began trading on a reverse share split-adjusted basis on November 19, 2020. All common share and per common share data included in this annual report have been retroactively adjusted to reflect the Reverse Share Split.

The market price of our common shares has historically experienced and may continue to experience volatility. For example, during 2019, the market price of our common shares, adjusted to reflect the Reverse Share Split, ranged from a low of $9.01 per share to a high of $34.20 per share. During 2020, the market price of our common shares, adjusted to reflect the Reverse Share Split, ranged from a low of $4.08 per share to a high of $18.48 per share. The market price of our common shares may be influenced by many factors, some of which are beyond our control, including those described above and the following:

- changes in financial estimates by analysts and our inability to meet those financial estimates;
- strategic actions by us or our competitors;
- announcements by us or our competitors of significant contracts, acquisitions, joint marketing relationships, joint ventures or capital commitments;
- variations in our quarterly operating results and those of our competitors;
- general economic and stock market conditions;
- risks related to our business and our industry, including those discussed above;
- changes in conditions or trends in our industry, markets or customers;
- terrorist acts;
- future sales of our common shares or other securities by us, members of our management team or our existing shareholders; and
- investor perceptions of the investment opportunity associated with our industry or common shares relative to other investment alternatives.

These broad market and industry factors may materially reduce the market price of our common shares, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our common shares is low.

In addition, in recent years the stock market has experienced substantial price and volume fluctuations. This volatility has had a significant effect on the market prices of securities issued by many companies for reasons potentially unrelated to their operating performance. For example, our share price may experience substantial volatility due to uncertainty regarding commodity prices. These market fluctuations, regardless of the cause, may materially and adversely affect our share price, regardless of our operating results. Furthermore, the trading market for our common shares is influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline.

The rights of holders of our common shares are subordinate to the rights of the holders of our preferred shares.

The holders of the preferred shares issued in the Noralta Acquisition have rights and preferences superior to those of the holders of our common shares, including the right to receive a 2% annual dividend, paid quarterly in cash or, at our option, by increasing the preferred shares' liquidation preference, or any combination thereof and the right to receive a liquidation preference prior to any distribution of our assets to the holders of our common shares. In addition, holders of the preferred shares may convert their shares into common shares at an initial conversion price of $39.60 per common share, which may not be the fair market value of such shares at the time of conversion.

We are governed by the corporate laws in British Columbia, Canada which in some cases have a different effect on shareholders than the corporate laws in Delaware, United States.

There are material differences between the *Business Corporations Act* (British Columbia) (BCBCA) as compared to the Delaware General Corporation Law (DGCL). For example, some of these material differences include the following: (a) for material corporate transactions (such as amalgamations, arrangements, the sale of all or substantially all of our undertaking, and other extraordinary corporate transactions), the BCBCA, subject to the provisions of our Articles, generally requires two-thirds majority vote by shareholders, whereas DGCL generally only requires a majority vote of shareholders for similar material corporate transactions; and (b) under the BCBCA, a holder of 5% or more of our common shares can requisition a general meeting of shareholders for the purpose of transacting any business that may be transacted at a general meeting, whereas the DGCL does not give this right. We cannot predict if investors will find our common shares less attractive because of these material differences. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

Provisions contained in our articles and applicable Canadian and British Columbia laws could discourage a take-over attempt, which may reduce or eliminate the likelihood of a change of control transaction and, therefore, the ability of our shareholders to sell their shares for a premium.

Provisions contained in our articles provide for a classified board of directors, limitations on the removal of directors, limitations on shareholder proposals at meetings of shareholders and limitations on shareholder action by written consent, which could make it more difficult for a third-party to acquire control of us. Our articles, subject to the corporate law of British Columbia, also authorize our board of directors to issue series of preferred shares without shareholder approval. If our board of directors elects to issue preferred shares, it could increase the difficulty for a third-party to acquire us, which may reduce or eliminate our shareholders' ability to sell their common shares at a premium. In addition, in Canada, we may become subject to applicable securities laws, including National Instrument 62-104 *Take-Over Bids and Issuer Bids* of the Canadian Securities Administrators, which provide a heightened threshold for shareholder acceptance of third-party acquisition offers and could discourage take-over attempts that could result in a premium over the market price for our common shares.

As a British Columbia company, we may be subject to additional Canadian laws and regulations. The application of additional Canadian laws and regulations could make it more difficult for third parties to acquire control of us. For example, such laws and regulations may, depending on the circumstances, result in regulatory reviews of and may require regulatory approval for any proposed take-over attempts.

Any of the foregoing could prevent or delay a change of control and may deprive or limit strategic opportunities for our shareholders to sell their common shares and/or affect the market price of our common shares.

The enforcement of civil liabilities against Civeo may be more difficult.

Civeo is a British Columbia company and a substantial portion of our assets are located outside the U.S. As a result, investors could experience more difficulty enforcing judgments obtained against us in U.S. courts than would be the case for U.S. judgments obtained against a U.S. company. In addition, some claims may be more difficult to bring against Civeo in Canadian courts than it would be to bring similar claims against a U.S. company in a U.S. court.

Risks Related to Our Structure

We are subject to various Canadian and other taxes.

Our effective tax rates (including our Canadian tax rate) are dependent on a variety of factors, many of which are beyond our ability to control, such as changes in the rate of economic growth in Canada, currency exchange rate fluctuations (especially between Canadian and U.S. dollars), and significant changes in trade, monetary or fiscal policies of Canada, including changes in interest rates, withholding taxes, tax treaties and federal and provincial tax rates generally. The impact of these factors, individually and in the aggregate, is difficult to predict, in part because the occurrence of any number of the events or circumstances described in such factors may be (and, in fact, often seem to be) interrelated, and the impact to us of the occurrence of any one of these events or circumstances could be compounded or, alternatively, reduced, offset, or more than offset, by the occurrence of one or more of the other events or circumstances described in such factors.

Canada's tax rules under the *Income Tax Act* (Canada) (the Canadian Tax Act) allow for favorable tax treatment insofar as the repatriation of certain dividends from foreign affiliates. These tax rules are complicated and could change over time. Any such changes could have a material impact on our overall tax rate.

Canada has also introduced tax rules governing "foreign affiliate dumping" in the Canadian Tax Act that can have adverse tax consequences in respect of non-Canadian business activities and investments for Canadian corporations that are controlled by non-Canadian corporations. These rules would have a negative impact on us to the extent that we became controlled by a non-Canadian resident corporation.

We remain subject to changes in tax law (in various jurisdictions) and other factors that could impact our effective tax rate.

The tax laws of Canada, Australia and the U.S. could change in the future, and such changes could cause a material change in our effective corporate tax rate. As a result, our realized effective tax rate may be materially different from our current expectation. Our provision for income taxes will be based on certain estimates and assumptions made by management in consultation with our tax and other advisors. Our consolidated income tax rate will be affected by the amount of net income earned in Canada and our other operating jurisdictions, the availability of benefits under tax treaties, and the rates of taxes payable in respect of that income. We will enter into many transactions and arrangements in the ordinary course of business in respect of which the tax treatment is not entirely certain. We will therefore make estimates and judgments based on our knowledge and understanding of applicable tax laws and tax treaties, and the application of those tax laws and tax treaties to our business, in determining our consolidated tax provision. The final outcome of any audits by taxation authorities may differ from the estimates and assumptions we may use in determining our consolidated tax provisions and accruals. This could result in a material adverse effect on our consolidated income tax provision, financial condition and the net income for the period in which such determinations are made.

The U.S. Congress, government agencies in non-U.S. jurisdictions where we and our affiliates do business, and the Organization for Economic Co-operation and Development have recently focused on issues related to the taxation of multinational corporations. One example is found in the area of "base erosion and profit shifting", where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in the U.S. and other countries in which we and our affiliates do business could change on a prospective or retroactive basis (or both), and any such changes could materially adversely affect us.

The Canada Revenue Agency (CRA) may disagree with our conclusions on tax treatment, and the CRA has not provided (and we have not requested), a ruling on the Canadian tax aspects of our redomestication.

We completed our redomestication from Delaware to British Columbia, Canada in 2015 (the Redomicile Transaction). We do not believe that the Redomicile Transaction resulted in any material Canadian federal income tax liability to us; however, the CRA did not provide (and we did not request) a ruling on the Canadian tax aspects of the Redomicile Transaction, and there can be no assurance that the CRA will agree with our interpretation of the tax aspects of the Redomicile Transaction or any related matters associated therewith. If the CRA were to disagree with our views about the tax implications of the Redomicile Transaction, it could take the position that material Canadian federal income tax liabilities or amounts on account thereof are payable by us as a result of the Redomicile Transaction, in which case, we expect that we would contest such assessment. To contest such assessment, we would be required to remit cash equal to half of the amount in dispute, or provide security acceptable to the CRA, to prevent the CRA from seeking enforcement actions pending the dispute of such assessment. If we were unsuccessful in disputing the assessment, the implications could be materially adverse to us. The CRA has not provided (and we have not requested) a ruling on the Canadian tax aspects of the Redomicile Transaction. There can be no assurance that the CRA will agree with our interpretation of the tax aspects of the Redomicile Transaction or any related matters associated therewith.

Future potential changes to U.S. tax laws could result in Civeo being treated as a U.S. corporation for U.S. federal income tax purposes.

Although, as noted above, we believe that we are treated as a foreign corporation for U.S. federal income tax purposes, changes to Section 7874 of the Internal Revenue Code or the U.S. Treasury regulations promulgated thereunder or official interpretations thereof, could adversely affect Civeo's status as a foreign corporation for U.S. federal income tax purposes. For example, members of Congress from time to time have proposed changes to the Internal Revenue Code, and the U.S. Treasury has taken and may continue to take regulatory action, in connection with so-called inversion transactions. The timing and substance of any such change in law or regulatory action is uncertain. Any such change of law or regulatory action could adversely impact the treatment of Civeo as a foreign corporation for U.S. federal income tax purposes and could adversely impact its tax position and financial position and results in a material manner. The precise scope and application of any legislative or regulatory proposals will not be clear until they are actually issued, and, accordingly, until such legislation or regulations are issued and fully understood, we cannot be certain as to their potential impact. Any such changes could apply retroactively to a date prior to the date of the Redomicile Transaction. If Civeo were to be treated as a U.S. corporation for U.S. federal income tax purposes, it could be subject to substantially greater U.S. federal income tax liability.

ITEM 1B. *Unresolved Staff Comments*

None.

ITEM 2. *Properties*

The following table presents information about our principal properties and facilities as of December 31, 2020. Except as indicated, we own all of the properties or facilities listed below. Each of the properties is encumbered by our secured credit facilities. See *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* in Item 7 and Note 11 – Debt to the notes to consolidated financial statements included in Item 8 of this annual report for additional information concerning our credit facilities. For a discussion about how each of our business segments utilizes its respective properties, see Item 1, *"Business"* of this annual report.

Location	Approximate Square Footage/Acreage	Description
Canada:		
Fort McMurray, Alberta (leased land)	240 acres	Wapasu Creek and Henday Lodges
Fort McMurray, Alberta (leased land)	138 acres	Fort McMurray Village
Fort McMurray, Alberta (leased land)	135 acres	Conklin Lodge
Fort McMurray, Alberta (leased land)	128 acres	Beaver River and Athabasca Lodges
Fort McMurray, Alberta (leased land)	78 acres	McClelland Lake Lodge
Kitimat, British Columbia	59 acres	Sitka Lodge
Fort McMurray, Alberta (leased land and lodges)	58 acres	Hudson and Borealis Lodges
Acheson, Alberta (lease)	40 acres	Office and warehouse
Edmonton, Alberta	33 acres	Manufacturing facility (1)
Fort McMurray, Alberta (leased land)	30 acres	Greywolf Lodge
Grimshaw, Alberta (lease)	20 acres	Equipment yard
Fort McMurray, Alberta (leased land)	18 acres	Anzac Lodge
Edmonton, Alberta (lease)	86,376 sq. feet	Office and warehouse
Calgary, Alberta (lease)	7,000 sq. feet	Office
Australia:		
Coppabella, Queensland, Australia	192 acres	Coppabella Village
Narrabri, New South Wales, Australia	82 acres	Narrabri Village
Boggabri, New South Wales, Australia	52 acres	Boggabri Village
Dysart, Queensland, Australia	50 acres	Dysart Village
Middlemount, Queensland, Australia	37 acres	Middlemount Village
Karratha, Western Australia, Australia (owned and leased land)	34 acres	Karratha Village
Kambalda, Western Australia, Australia	27 acres	Kambalda Village
Nebo, Queensland, Australia	26 acres	Nebo Village
Moranbah, Queensland, Australia	17 acres	Moranbah Village
Sydney, New South Wales, Australia (lease)	11,518 sq. feet	Office
Perth, Western Australia, Australia (lease)	8,988 sq. feet	Office
Brisbane, Queensland, Australia (lease)	5,543 sq. feet	Office
United States:		
Houston, Texas (lease)	8,900 sq. feet	Principal executive offices
Sulphur, Louisiana	44 acres	Acadian Acres Lodge and yard
Killdeer, North Dakota	39 acres	Killdeer Lodge
Pecos, Texas (leased land)	35 acres	West Permian Lodge
Yukon, Oklahoma (lease)	12 acres	Mobile asset facility and yard
Belle Chasse, Louisiana	10 acres	Manufacturing facility and yard
Carlsbad, New Mexico (lease)	10 acres	Mobile asset facility and yard
LaSalle, Colorado (lease)	6 acres	Mobile asset facility and yard
Pecos, Texas (lease)	7 acres	Mobile asset facility and yard
Wright, Wyoming (lease)	5 acres	Mobile asset facility and yard
Bloomfield, New Mexico (lease)	2 acres	Mobile asset facility and yard
Longmont, Colorado (lease)	4,377 sq. feet	Office (2)

(1) This facility is under contract for sale at December 31, 2020. Such sale is expected to be completed in the first quarter of 2021.
(2) This lease expires at the end of February 2021 and is not expected to be renewed.

We also own various undeveloped properties in British Columbia.

We believe that our leases are at competitive or market rates and do not anticipate any difficulty in leasing additional suitable space upon expiration of our current lease terms.

Leased land for our lodge properties in Canada refers to land leased from the Alberta government. We also lease land for our Karratha Village from the state government in Australia. Generally, our leases have an initial term of ten years and are scheduled to expire between 2021 and 2028.

ITEM 3. *Legal Proceedings*

We are a party to various pending or threatened claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters, including occasional claims by individuals alleging exposure to hazardous materials as a result of our products or operations. Some of these claims relate to matters occurring prior to our acquisition of businesses, and some relate to businesses we have sold. In certain cases, we are entitled to indemnification from the sellers of businesses, and in other cases, we have indemnified the buyers of businesses from us. Although we can give no assurance about the outcome of pending legal and administrative proceedings and the effect such outcomes may have on us, we believe that any ultimate liability resulting from the outcome of such proceedings, to the extent not otherwise provided for or covered by indemnity or insurance, will not have a material adverse effect on our consolidated financial position, results of operations or liquidity.

ITEM 4. *Mine Safety Disclosures*

Not applicable.

PART II

ITEM 5. *Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities*

Market for Our Common Shares

Our common shares trade on the NYSE under the trading symbol “CVEO”.

Holders of Record

As of February 22, 2021, there were 19 holders of record of Civeo common shares.

Dividend Information

We do not currently pay any cash dividends on our common shares. The declaration and amount of all dividends will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, results of operations, cash flows, prospects, industry conditions, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors the board of directors deems relevant. We can give no assurances that we will pay a dividend in the future.

The preferred shares we issued in the Noralta Acquisition are entitled to receive a 2% annual dividend on the liquidation preference (initially $10,000 per share), paid quarterly in cash or, at our option, by increasing the preferred shares’ liquidation preference, or any combination thereof. Quarterly dividends have been paid in-kind for each quarterly period beginning June 30, 2018 through December 31, 2020, thereby increasing the liquidation preference to $10,563 per share as of December 31, 2020. We currently expect to pay dividends on the preferred shares for the foreseeable future through an increase in liquidation preference rather than cash. For further information, see Note 19 - Preferred Shares to the notes to the consolidated financial statements included in Item 8 of this annual report.

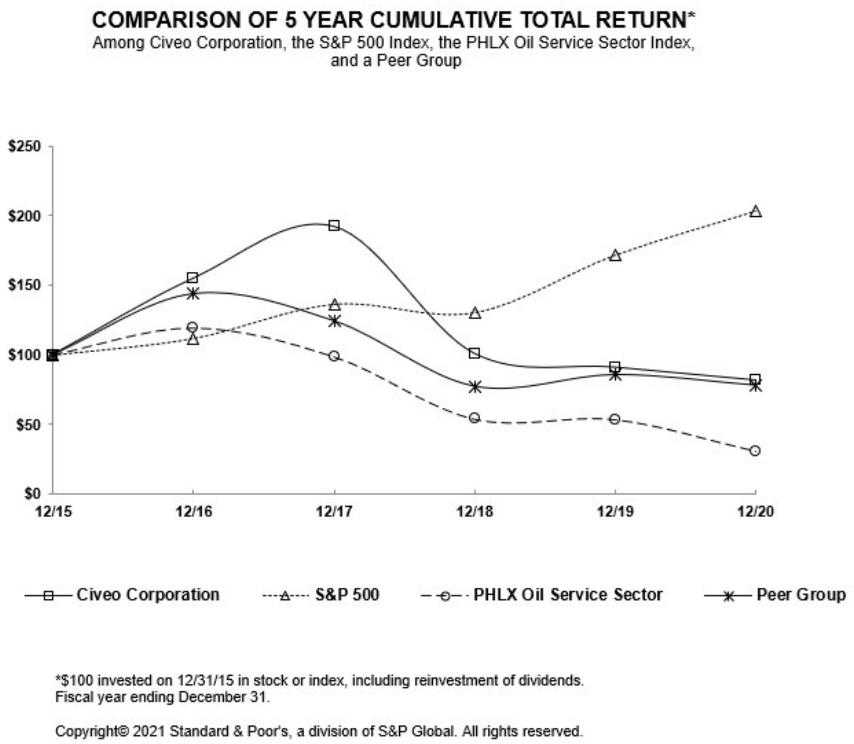
Performance Graph

The share price performance shown on the graph is not necessarily indicative of future price performance. Information used in the graph was obtained from Research Data Group, Inc., a source believed to be reliable, but we are not responsible for any errors or omissions in such information.

The following performance graph and chart compare the cumulative total return to holders of our common shares with the cumulative total returns of the Standard & Poor's 500 Stock Index, Philadelphia OSX and with that of our peer group, for the period from December 31, 2015 to December 31, 2020. The graph and chart show the value, at the dates indicated, of $100 invested at December 31, 2015 and assume the reinvestment of all dividends, as applicable.

Our peer group consists of Basic Energy Services, Inc., Black Diamond Group Limited, Dexterra Group Inc., Exterran Corporation, Forum Energy Technologies, Inc., Matrix Service Company, Newpark Resources, Inc., Nine Energy Service Inc., Quintana Energy Services Inc.(1), Oil States International, Inc., Precision Drilling Corporation, Select Energy Services Inc., Source Energy Services Ltd., Step Energy Services Ltd., Tetra Tech Inc. and Total Energy Services Inc.

(1) This company was acquired in July 2020.



	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
Civeo Corporation	**$ 100.00**	**$ 154.93**	**$ 192.25**	**$ 100.70**	**$ 90.85**	**$ 81.57**
S&P 500	**$ 100.00**	**$ 111.96**	**$ 136.40**	**$ 130.42**	**$ 171.49**	**$ 203.04**
PHLX Oil Service Sector	**$ 100.00**	**$ 118.98**	**$ 98.51**	**$ 53.97**	**$ 53.67**	**$ 31.09**
Current Peer Group	**$ 100.00**	**$ 143.88**	**$ 124.27**	**$ 77.10**	**$ 85.50**	**$ 77.83**

The performance graph above is furnished and not filed for purposes of the Securities Act and the Exchange Act. The performance graph is not soliciting material subject to Regulation 14A.

Unregistered Sales of Equity Securities and Use of Proceeds

None.

Repurchases of Equity Securities by Registrant or its Affiliates in the Fourth Quarter

None.

ITEM 6. ***Selected Financial Data***

Not applicable.

ITEM 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

"Management's Discussion and Analysis of Financial Condition and Results of Operations" contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that are based on management's current expectations, estimates and projections about our business operations. Please read "Cautionary Statement Regarding Forward Looking Statements." Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of numerous factors, including the known material factors set forth in Item 1A. "Risk Factors" of this annual report. You should read the following discussion and analysis together with our consolidated financial statements and the notes to those statements in Item 8 of this annual report.

This section of this annual report generally discusses key operating and financial data as of and for the years ended 2020 and 2019 and provides year-over-year comparisons for such periods. For a similar discussion and year-over-year comparisons to our 2018 results, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 27, 2020.

Description of the Business

We provide hospitality services to the natural resources industry in Canada, Australia and the U.S. We provide a full suite of hospitality services for our guests, including lodging, food service, housekeeping and maintenance at accommodation facilities that we or our customers own. In many cases, we provide services that support the day-to-day operations of accommodation facilities, such as laundry, facility management and maintenance, water and wastewater treatment, power generation, communication systems, security and logistics. We also offer development activities for workforce accommodation facilities, including site selection, permitting, engineering and design, manufacturing management and site construction, along with providing hospitality services once the facility is constructed. We primarily operate in some of the world's most active oil, metallurgical (met) coal, liquefied natural gas (LNG) and iron ore producing regions, and our customers include major and independent oil companies, mining companies, engineering companies and oilfield and mining service companies. We operate in three principal reporting business segments – Canada, Australia and the U.S.

Reverse Share Split

On November 19, 2020, we effected a reverse share split where each twelve issued and outstanding common shares were converted into one common share (Reverse Share Split). Our common shares began trading on a reverse share split adjusted basis on November 19, 2020. All common share and per common share data included in this annual report have been retroactively adjusted to reflect the Reverse Share Split.

See Note 1 - Description of Business and Basis of Presentation to the notes to the consolidated financial statements in Item 8 of this annual report for further discussion regarding the Reverse Share Split.

Basis of Presentation

Unless otherwise stated or the context otherwise indicates: (i) all references in these consolidated financial statements to "Civeo," "us," "our" or "we" refer to Civeo Corporation and its consolidated subsidiaries; and (ii) all references in this annual report to "dollars" or "$" are to U.S. dollars.

Overview and Macroeconomic Environment

Demand for our services can be attributed to two phases of our customers' projects: (1) the development or construction phase; and (2) the operations or production phase. Historically, initial demand for our hospitality services has been driven by our customers' capital spending programs related to the construction and development of natural resource projects and associated infrastructure, as well as the exploration for oil and natural gas. Long-term demand for our services has been driven by natural resource production and operation of those facilities as well as expansion of those sites. In general, industry capital spending programs are based on the outlook for commodity prices, economic growth, global commodity supply/demand dynamics and estimates of resource production. As a result, demand for our hospitality services is largely sensitive to expected commodity prices, principally related to oil, met coal, LNG and iron ore. Other factors that can affect our business and financial results include the general global economic environment and regulatory changes in Canada, Australia, the U.S. and other markets, including governmental measures introduced to fight climate change or to help slow the spread or mitigate the impact of COVID-19.

Our business is predominantly located in northern Alberta, Canada; British Columbia, Canada; Queensland, Australia; and Western Australia. We derive most of our business from natural resource companies who are developing and producing oil sands, met coal, LNG and iron ore resources and, to a lesser extent, other hydrocarbon and mineral resources. Approximately 66% of our revenue is generated by our lodges in Canada and our villages in Australia. Where traditional accommodations and infrastructure are insufficient, inaccessible or cost ineffective, our lodge and village facilities provide comprehensive hospitality services similar to those found in an urban hotel. We typically contract our facilities to our customers on a fee-per-person-per-day basis that covers lodging and meals and is based on the duration of customer needs, which can range from several weeks to several years.

Generally, our core Canadian oil sands and Australian mining customers are making significant capital investments to develop their prospects, which have estimated reserve lives ranging from ten years to in excess of 30 years. Consequently, these investments are primarily dependent on those customers' long-term views of commodity demand and prices.

The spread of COVID-19 and the response thereto have negatively impacted the global economy. The actions taken to mitigate the spread of COVID-19 and the risk of infection have altered, and are expected to continue to alter, governmental and private-sector policies and behaviors in ways that have had a significant negative effect on oil consumption, such as government-imposed or voluntary social distancing and quarantining, reduced travel and remote work policies. Additionally, global oil prices dropped to historically low levels in March and April 2020 due to severely reduced global oil demand, high global crude inventory levels, uncertainty around timing and slope of worldwide economic recovery after COVID-19 related economic shut-downs and effectiveness of production cuts by major oil producing countries, such as Saudi Arabia, Russia and the U.S. In mid-April 2020, OPEC+ (the combination of historical OPEC members and other significant oil producers, such as Russia) announced production cuts of up to approximately 10 million barrels per day. However, oil prices remained at depressed levels throughout most of 2020, before modest improvement late in the year and into early 2021. Prices are expected to remain relatively volatile throughout 2021.

The economic disruption caused by the spread of COVID-19 and decline in the price of and demand for oil have impacted the activity in the Canadian oil sands, and we have seen a decrease in demand for rooms by our oil sands customers. The reduction in the occupancy at our Canadian oil sands lodges negatively impacted our business in 2020 and could continue to negatively impact our business if oil prices continue to remain volatile. Due to lower oil prices in 2020 and the economic disruption caused by COVID-19, we implemented certain cost containment initiatives, including salary and total compensation reductions of 20% for the Board and Chief Executive Officer for 2020 from March levels, salary reductions for senior management in Canada and the U.S., headcount reductions in North America of approximately 33% from March through December 2020, and decreases to 2020 capital spending by approximately 25%.

Despite the aforementioned negative impact of COVID-19 on the global economy, the impact on the Australian mining industry in 2020 was relatively muted. Due to strong Chinese steel demand, supply disruptions in other countries and limited COVID-19 cases in Australia, Australian met coal and iron ore activity was relatively buoyant in 2020.

We continue to closely monitor the COVID-19 situation and have taken measures to help ensure the health and well-being of our employees, guests and contractors, including screening of individuals that enter our facilities, social distancing practices, enhanced cleaning and deep sanitization, the suspension of nonessential employee travel and implementation of work-from-home policies, where applicable.

Alberta Canada**.** In Canada, Western Canadian Select (WCS) crude is the benchmark price for our oil sands customers. Pricing for WCS is driven by several factors, including the underlying price for West Texas Intermediate (WTI) crude, the availability of transportation infrastructure (consisting of pipelines and crude by railcar) and recent actions by the Alberta provincial government to limit oil production from the province. Historically, WCS has traded at a discount to WTI, creating a "WCS Differential," due to transportation costs and capacity restrictions to move Canadian heavy oil production to refineries, primarily along the U.S. Gulf Coast. The WCS Differential has varied depending on the extent of transportation capacity availability.

Certain expansionary oil pipeline projects have the potential to both drive incremental demand for mobile assets and to improve take-away capacity for Canadian oil sands producers over the longer term. While these pipeline projects, including Kinder Morgan's Trans Mountain Pipeline (TMX), have recently received incremental regulatory approvals, it is still not certain if any of the proposed pipeline projects will ultimately be completed. Certain segments of the TMX pipeline have begun construction; however, the construction timeline continues to be delayed due to the lack of agreement between the Canadian federal government, which supports the pipeline projects, and the British Columbia provincial government. The Canadian federal government acquired TMX pipeline in 2018, approved the expansion of the project and is currently working through the revised construction timeline. In April 2020, the Alberta provincial government announced its intent to financially support the construction of the Keystone XL pipeline (KXL). The construction of this pipeline expansion was suspended due to the U.S.

Supreme Court refusing to renew a water permit for the KXL pipeline in July 2020. After President Biden's inauguration in January 2021, he implemented an executive order to revoke a necessary cross-border permit, canceling the project.

WCS prices in the fourth quarter of 2020 averaged $31.34 per barrel compared to a low of $19.73 in the second quarter of 2020 and a high of $49.93 in the second quarter of 2018. The WCS Differential decreased from $22.49 per barrel at the end of the fourth quarter of 2019 to $15.35 at the end of the fourth quarter 2020. In 2018, the Government of Alberta announced it would mandate temporary curtailments of the province's oil production. However, monthly production limits were put on hold in December 2020 until further notice, allowing operators to produce freely at their discretion while the government monitors production. Should forecasts show storage inventories approaching maximum capacity, the government may reintroduce production limits. The curtailment initially resulted in a narrowing WCS Differential in December 2018, which increased in 2019 before narrowing again in the first quarter of 2020. As of February 22, 2021, the WTI price was $61.49 and the WCS price was $49.95, resulting in a WCS Differential of $11.54.

The depressed price levels of both WTI and WCS materially impacted 2020 maintenance and production spending and activity by Canadian operators and, therefore, demand for our hospitality services. While some of our Canadian oil sands customers conducted maintenance projects in the third quarter 2020, activity was negatively impacted by the current environment. Customers began increasing production activity in the fourth quarter of 2020. Continued uncertainty, including about the impact of COVID-19, and commodity price volatility and regulatory complications could cause our Canadian oil sands and pipeline customers to reduce production, delay expansionary and maintenance spending and defer additional investments in their oil sands assets. Additionally, if oil prices do not improve or stabilize, the resulting impact could continue to negatively affect the value of our long-lived assets.

***British Columbia, Canada*.** Our Sitka Lodge supports the LNG Canada project and related pipeline projects. From a macroeconomic standpoint, LNG demand continued to grow despite the COVID-19 pandemic, reinforcing the need for the global LNG industry to expand access to natural gas. Evolving government energy policies around the world have amplified support for cleaner energy supply, creating more opportunities for natural gas and LNG. Accordingly, the current view is additional investment in LNG supply will be needed to meet the expected long-term LNG demand growth.

Currently, Western Canada does not have any operational LNG export facilities. LNG Canada (LNGC), a joint venture among Shell Canada Energy, an affiliate of Royal Dutch Shell plc (40 percent), and affiliates of PETRONAS, through its wholly-owned entity, North Montney LNG Limited Partnership (25 percent), PetroChina (15 percent), Mitsubishi Corporation (15 percent) and Korea Gas Corporation (5 percent), is currently constructing a liquefaction and export facility in Kitimat, British Columbia (Kitimat LNG Facility). British Columbia LNG activity and related pipeline projects are a material driver of activity for our Sitka Lodge, as well as for our mobile assets, which are contracted to serve several portions of the related pipeline construction activity. The actual timing of when revenue is realized from the Costal Gas Link pipeline and Sitka Lodge contracts could be impacted by any delays in the construction of the Kitimat LNG Facility or the pipeline, including recent blockades that aim to delay pipeline construction.

In late March 2020, LNGC announced steps being taken to reduce the spread of COVID-19, including reduction of the workforce at the project site to essential personnel only. This resulted in a reduction in occupancy at our Sitka Lodge during the second quarter of 2020. Occupancy at the Sitka Lodge returned to expected levels during July 2020 and remained at expected levels thorough the end of 2020.

Australia. In Australia, 82% of our rooms are located in the Bowen Basin of Queensland, Australia and primarily serve met coal mines in that region. Met coal pricing and production growth in the Bowen Basin region is predominantly influenced by the levels of global steel production, which decreased by 0.9% during 2020 compared to 2019. As of February 22, 2021, met coal spot prices were $138.50 per metric tonne. Long-term demand for steel is expected to be driven by global infrastructure spending and increased steel consumption per capita in developing economies, such as China and India, whose current consumption per capita is a fraction of developed countries. In 2020, the impact of the outbreak of COVID-19 led to a high level of uncertainty for demand of iron ore and met coal. The impact on the demand for steel with the closure or curtailment of manufacturing in economies affected by COVID-19, which will only return to normal levels of consumption once jurisdictions lift quarantine requirements and manufacturing facilities are reopened, is also uncertain. However, a new round of stimulus spending in China and recovering steel production in other regions continues to support demand for raw materials, particularly iron ore.

Currently, China and Australia are in a trade dispute that has led to China implementing an unofficial trade embargo on Australian coal. China has historically accounted for approximately 22% of Australia's met coal exports. The continuing uncertainty in the Chinese demand for Australian met coal led to a decrease in the met coal spot price to US$103 per tonne at December 31, 2020, though, as noted above, prices recovered somewhat to $138.50 per metric tonne at February 22, 2021. The softening of the met coal spot price has been exacerbated as Chinese mills and traders resell stranded Australian met coal at a discount. As a result, there is currently a shuffling of global export trade flows, coupled with growing demand for steel with an infrastructure led recovery which may lead to near term volatility in Australian met coal spot pricing. If this dispute continues, it could continue to negatively impact pricing and demand for Australian met coal.

To date, we have not seen an overall material decline in occupancy at our Australian villages resulting from the COVID-19 pandemic or the Chinese trade dispute.

Activity in Western Australia is driven primarily by iron ore production, which is a key steel-making ingredient. As of February 22, 2021, iron ore spot prices were $168.48 per metric tonne.

On July 1, 2019, we acquired Action, a provider of integrated services to the mining industry in Western Australia. Accordingly, we also have contracts in place to service customer-owned villages in Western Australia which service primarily iron ore mines in addition to gold, lithium and nickel mines. We believe prices are currently at a level that may contribute to increased activity over the long term if our customers view these price levels as sustainable.

Met coal and iron ore prices to date have remained at levels that should support the current levels of occupancy in our Australia villages and the customer locations that we manage under our integrated services business. Accordingly, we plan to continue focusing on enhancing the quality of our operations, maintaining financial discipline, proactively managing our business as market conditions continue to evolve.

U.S. Our U.S. business supports oil shale drilling and completion activity and is primarily tied to WTI oil prices in the U.S. shale formations in the Permian Basin, the Mid-Continent, the Bakken and the Rockies. During 2019, the U.S. oil rig count and associated completion activity decreased due to the oil price decline in late 2018 and early 2019 coupled with other market dynamics negatively impacting exploration and production (E&P) spending, finishing the year at 677 rigs. In 2020, the U.S. oil rig count and associated completion activity further decreased due to the global oil price decline discussed above. Only 267 oil rigs were active at the end of 2020. The Permian Basin remains the most active U.S. unconventional play, representing 66% of the oil rigs active in the U.S. at the end of 2020. The lower U.S. rig count and decline in oil prices resulted in decreased U.S. oil production from an average of 12.2 million barrels per day in 2019 to an average of 11.3 million barrels per day in 2020. As of February 19, 2021, there were 305 active oil rigs in the U.S. (as measured by Bakerhughes.com). With the recent volatility in oil prices and a resulting reduction in spending by E&P companies, we have exited the Bakken and reduced our presence in the Rockies regions for our U.S. mobile assets. Those assets have either been sold or transported to our Permian Basin and Mid-Continent district locations. This process is underway and we expect it to be completed during the first half of 2021. U.S. oil shale drilling and completion activity will continue to be dependent on sustained higher WTI oil prices, pipeline capacity and sufficient capital to support E&P drilling and completion plans. In addition, consolidation among our E&P customer base in the U.S. has historically created short-term spending and activity dislocations. Should the current trend of industry consolidation continue, we may see activity, utilization and occupancy declines in the near term.

Recent Commodity Prices. Recent WTI crude, WCS crude and met coal pricing trends are as follows:

	Average Price [1]		
Quarter ended	WTI Crude (per bbl)	WCS Crude (per bbl)	Hard Coking Coal (Met Coal) (per tonne)
First Quarter through 2/22/2021	$ 54.77	$ 42.14	$ 133.18
12/31/2020	42.63	31.34	109.37
9/30/2020	40.90	31.15	113.30
6/30/2020	27.95	19.73	120.27
3/31/2020	45.38	27.92	156.17
12/31/2019	56.85	37.94	141.39
9/30/2019	56.40	43.88	160.25
6/30/2019	59.89	47.39	204.78
3/31/2019	54.87	44.49	203.30
12/31/2018	59.32	25.66	223.02
9/30/2018	69.61	41.58	188.46
6/30/2018	67.97	49.93	189.41
3/31/2018	62.89	37.09	228.82
12/31/2017	55.28	38.65	202.33

[1] Source: WTI crude prices are from U.S. Energy Information Administration (EIA), and WCS crude prices are from Bloomberg and hard coking coal prices are from IHS Markit.

Foreign Currency Exchange Rates. Exchange rates between the U.S. dollar and each of the Canadian dollar and the Australian dollar influence our U.S. dollar reported financial results. Our business has historically derived the vast majority of its revenues and operating income (loss) in Canada and Australia. These revenues and profits/losses are translated into U.S. dollars for U.S. GAAP financial reporting purposes. The following tables summarize the fluctuations in the exchange rates between the U.S. dollar and each of the Canadian dollar and the Australian dollar:

	Year Ended December 31,			
	2020	2019	Change	Percentage
Average Canadian dollar to U.S. dollar	$0.746	$0.754	(0.008)	(1.1)%
Average Australian dollar to U.S. dollar	$0.691	$0.695	(0.004)	(0.6)%

	As of December 31,			
	2020	2019	Change	Percentage
Canadian dollar to U.S. dollar	$0.785	$0.770	0.015	2.0%
Australian dollar to U.S. dollar	$0.773	$0.700	0.073	10.4%

These fluctuations of the Canadian and Australian dollars have had and will continue to have an impact on the translation of earnings generated from our Canadian and Australian subsidiaries and, therefore, our financial results.

Capital Expenditures. We continue to monitor the COVID-19 global pandemic and the responses thereto, the global economy, the price of demand for crude oil, met coal, LNG and iron ore and the resultant impact on the capital spending plans of our customers in order to plan our business activities. We currently expect that our 2021 capital expenditures, exclusive of any business acquisitions, will total approximately $20.0 million to $25.0 million, compared to 2020 capital expenditures of $10.1 million. See “Liquidity and Capital Resources” below for further discussion of 2021 and 2020 capital expenditures.

Results of Operations

Unless otherwise indicated, discussion of results for the year ended December 31, 2020 is based on a comparison with the corresponding period of 2019.

Results of Operations – Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

	Year Ended December 31,		
	2020	2019	Change
	($ in thousands)		
Revenues			
Canada	$ 269,649	$ 325,651	$ (56,002)
Australia	234,542	156,093	78,449
U.S.	25,538	45,811	(20,273)
Total revenues	529,729	527,555	2,174
Costs and expenses			
Cost of sales and services			
Canada	209,283	239,624	(30,341)
Australia	144,709	89,090	55,619
U.S.	28,096	38,100	(10,004)
Total cost of sales and services	382,088	366,814	15,274
Selling, general and administrative expenses	53,656	59,586	(5,930)
Depreciation and amortization expense	96,547	123,768	(27,221)
Impairment expense	144,120	26,148	117,972
Other operating expense	506	290	216
Total costs and expenses	676,917	576,606	100,311
Operating loss	(147,188)	(49,051)	(98,137)
Interest expense and income, net	(17,050)	(27,305)	10,255
Other income	20,823	7,281	13,542
Loss before income taxes	(143,415)	(69,075)	(74,340)
Income tax benefit	10,635	10,741	(106)
Net loss	(132,780)	(58,334)	(74,446)
Less: Net income attributable to noncontrolling interest	1,470	157	1,313
Net loss attributable to Civeo Corporation	(134,250)	(58,491)	(75,759)
Less: Dividends attributable to Class A preferred shares	1,887	1,849	38
Net loss attributable to Civeo common shareholders	$ (136,137)	$ (60,340)	$ (75,797)

We reported net loss attributable to Civeo for 2020 of $136.1 million, or $9.64 per diluted share. As further discussed below, net loss included (i) a $93.6 million pre-tax loss ($93.6 million after-tax, or $6.63 per diluted share) resulting from the impairment of goodwill in our Canada segment included in Impairment expense, (ii) a $38.1 million pre-tax loss ($38.1 million after-tax, or $2.69 per diluted share) resulting from the impairment of long-lived assets in our Canada segment included in Impairment expense and (iii) a $12.4 million pre-tax loss ($12.4 million after-tax, or $0.88 per diluted share) resulting from the impairment of long-lived assets in our U.S. segment included in Impairment expense. Net loss was partially offset by $4.7 million pre-tax income ($4.7 million after-tax, or $0.33 per diluted share) associated with the settlement of a representations and warranties claim related to the Noralta acquisition included in our Canada segment in Other income.

We reported net loss attributable to Civeo for 2019 of $60.3 million, or $4.33 per diluted share. As further discussed below, net loss included (i) a $19.9 million pre-tax loss ($19.9 million after-tax, or $1.43 per diluted share) resulting from the impairment of goodwill in our Canada segment included in Impairment expense, (ii) a $6.2 million pre-tax loss ($6.1 million after-tax, or $0.44 per diluted share) resulting from the impairment of fixed assets included in Impairment expense, and (iii) a $0.2 million gain on sale of assets related to the sale of a village in Australia and related $2.2 million release of an asset retirement obligation (ARO) liability assumed by the buyer.

Revenues. Consolidated revenues increased $2.2 million, or 0%, in 2020 compared to 2019. This increase was primarily due to the full year impact in 2020 of our Australia integrated services business due to the Action acquisition completed in July 2019, increased occupancy at our Bowen Basin villages in Australia and increased mobile asset activity from our pipeline project in Canada. These items were partially offset by lower revenue from reduced occupancy at our lodges in Canada resulting from the COVID-19 pandemic, lower oil prices and the global oil market dislocation. Additionally, lower activity levels in certain markets in the U.S. and weaker Canadian dollars relative to the U.S. dollar in 2020 compared to 2019 also offset the increased revenues. See the discussion of segment results of operations below for further information.

Cost of Sales and Services. Our consolidated cost of sales increased $15.3 million, or 4%, in 2020 compared to 2019. This increase was primarily due to increased activity at our Australian integrated services business due to the Action acquisition, increased occupancy at our Bowen Basin villages in Australia and increased mobile asset activity from our pipeline project in Canada. These items were partially offset by decreased cost of sales and services due to reduced occupancy at our oil sands lodges in Canada resulting from the COVID-19 pandemic and lower oil prices. Additionally, lower activity levels in certain markets in the U.S. and weaker Canadian dollars relative to the U.S. dollar in 2020 compared to 2019 offset the increased cost of sales and services. See the discussion of segment results of operations below for further information.

Selling, General and Administrative Expenses. SG&A expense decreased $5.9 million, or 10%, in 2020 compared to 2019. This decrease was primarily due to lower share-based compensation expense, travel and entertainment expenses and compensation expense, partially offset by higher incentive compensation costs. The decrease in share-based compensation was due to a reduction in the amount of phantom share awards outstanding and the reduction in our average stock price during 2020 compared to 2019. The decrease in travel and entertainment expenses was largely a result of reduced travel due to COVID-19.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $27.2 million, or 22%, in 2020 compared to 2019. The decrease was primarily due to (i) the impairment of certain long-lived assets in Canada and the U.S. during the first quarter of 2020, (ii) the extension of the remaining life of certain long-lived accommodation assets in Canada during the fourth quarter of 2019 and (iii) certain assets and intangibles becoming fully depreciated during 2019. These items were partially offset by additional depreciation and intangible amortization expense related to our Action acquisition in 2019.

Impairment Expense. Impairment expense of $144.1 million in 2020 included the following items:

- Pre-tax impairment expense of $93.6 million related to the impairment of goodwill in our Canadian reporting unit.
- Pre-tax impairment expense of $38.1 million associated with long-lived assets in our Canadian segment.
- Pre-tax impairment expense of $12.4 million associated with long-lived assets in our U.S. segment.

Impairment Expense. Impairment expense of $26.1 million in 2019 included the following items:

- Pre-tax impairment expense of $19.9 million related to the impairment of goodwill in our Canadian reporting unit.
- Pre-tax impairment expense of $0.7 million associated with long-lived assets in our Canadian segment.
- Pre-tax impairment expense of $5.5 million associated with long-lived assets in our Australian segment. This includes $1.0 million of impairment expense related to an error corrected in the second quarter 2019. We identified a liability related to an ARO at one of our villages in Australia that should have been recorded in 2011. We determined that the error was not material to our previously issued financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, and therefore, corrected the error in the second quarter of 2019. Specifically, we recorded the following amounts in our second quarter 2019 unaudited consolidated statements of operations related to prior periods: (1) additional accretion expense related to the ARO of $0.9 million, (2) additional depreciation and amortization expense of $0.5 million related to amortization of the asset retirement cost and (3) additional impairment expense related to the impairment of the asset retirement cost of $1.0 million offset by recognition of an ARO liability totaling $2.3 million as of June 30, 2019.

See Note 4 - Impairment Charges to the notes to the consolidated financial statements included in Item 8 of this annual report for further discussion.

Operating Loss. Operating loss increased $98.1 million, or 200%, in 2020 compared to 2019 primarily due to impairments of goodwill and long-lived assets, partially offset by increased operating profit in Australia, as well as lower depreciation and amortization expense.

Interest Expense and Income, net. Net interest expense decreased $10.3 million, or 38%, in 2020 compared to 2019 primarily related to lower average debt levels and lower interest rates on term loan and revolving credit facility borrowings during 2020 compared to 2019.

Other Income. Other income increased $13.5 million, or 186%, in 2020 compared to 2019, primarily due to $13.0 million of other income related to proceeds from the Canada Emergency Wage Subsidy (CEWS) and $4.7 million of other income associated with the settlement of a representations and warranties claim related to the Noralta Acquisition, partially offset by smaller gains on sale of assets in 2020 compared to 2019. Other income in 2019 also included $2.6 million of other income related to proceeds from an insurance claim associated with maintenance-related operational issues and a gain on sale of assets related to the sale of a village in Australia and related $2.2 million release of an ARO liability assumed by the buyer.

Income Tax Benefit. Our income tax benefit for 2020 totaled $10.6 million, or 7.4% of pretax loss, compared to a benefit of $10.7 million, or 15.5% of pretax loss for 2019. Our effective tax rate for 2020 was lower than the Canadian federal statutory rate of 15%, primarily due to a non-deductible Canadian goodwill impairment charge of $95.3 million, as well as the release of a valuation allowance of $9.1 million against the net deferred tax assets in Australia. This was partially offset by a valuation allowance of $6.4 million established against net deferred tax assets in the U.S. and Canada.

Our effective tax rate for 2019 was lower than the Canadian combined federal and provincial statutory rate of 26.5%, primarily due to a non-deductible Canadian goodwill impairment charge of $19.9 million and a release of a valuation allowance of $2.3 million against the net deferred tax assets in Australia due to the Action acquisition. This was partially offset by pre-tax losses in Australia and the U.S. for which no tax benefit was recorded. As a result, a valuation allowance of $3.2 million was established against net deferred tax assets in the U.S. and Australia.

Other Comprehensive Income (Loss). Other comprehensive income increased $6.2 million in 2020 compared to 2019 primarily as a result of foreign currency translation adjustments due to changes in the Canadian and Australian dollar exchange rates compared to the U.S. dollar. The Canadian dollar exchange rate compared to the U.S. dollar increased 2% in 2020 compared to a 5% increase in 2019. The Australian dollar exchange rate compared to the U.S. dollar increased 10.4% in 2020 compared to remaining flat in 2019.

Segment Results of Operations – Canadian Segment

	Year Ended December 31,		
	2020	2019	Change
Revenues ($ in thousands)			
Accommodation revenue [1]	$ 202,534	$ 281,577	$ (79,043)
Mobile facility rental revenue [2]	33,192	9,575	23,617
Food service and other services revenue [3]	33,923	33,485	438
Manufacturing revenue [4]	—	1,014	(1,014)
Total revenues	$ 269,649	$ 325,651	$ (56,002)
Cost of sales and services ($ in thousands)			
Accommodation cost	$ 143,213	$ 187,679	$ (44,466)
Mobile facility rental cost	24,842	7,493	17,349
Food service and other services cost	30,616	30,595	21
Manufacturing cost	611	1,025	(414)
Indirect other cost	10,001	12,832	(2,831)
Total cost of sales and services	$ 209,283	$ 239,624	$ (30,341)
Gross margin as a % of revenues	22.4 %	26.4 %	(4.0)%
Average daily rate for lodges [5]	$ 95	$ 91	$ 4
Total billed rooms for lodges [6]	2,095,784	3,078,727	(982,943)
Average Canadian dollar to U.S. dollar	$ 0.746	$ 0.754	$ (0.008)

(1) Includes revenues related to lodge rooms and hospitality services for owned rooms for the periods presented.
(2) Includes revenues related to mobile assets for the periods presented.
(3) Includes revenues related to food service, laundry and water and wastewater treatment services for the periods presented.
(4) Includes revenues related to modular construction and manufacturing services for the periods presented.
(5) Average daily rate is based on billed rooms and accommodation revenue.
(6) Billed rooms represents total billed days for owned assets for the periods presented.

Our Canadian segment reported revenues in 2020 that were $56.0 million, or 17%, lower than 2019. Excluding the impact of a weaker Canadian dollar exchange rate, the segment experienced a 16% decrease in revenues. This decrease was driven by reduced occupancy at our lodges related to lower oil prices and the COVID-19 pandemic. The weakening of the average exchange rate for the Canadian dollar relative to the U.S. dollar by 1% in 2020 compared to 2019 resulted in a $2.6 million period-over-period decrease in revenues. Partially offsetting these items, revenue was favorably impacted by increased mobile asset activity from a pipeline project.

Our Canadian segment cost of sales and services decreased $30.3 million, or 13%, in 2020 compared to 2019. The weakening of the average exchange rate for the Canadian dollar relative to the U.S. dollar by 1% in 2020 compared to 2019 resulted in a $2.1 million period-over-period decrease in cost of sales and services. Excluding the impact of the weaker Canadian exchange rate, the decreased cost of sales and services was driven by reduced occupancy at our lodges in the oil sands region and reduced indirect other costs from a continued focus on cost containment and operational efficiencies. These decreases were partially offset by increased mobile asset activity from a pipeline project and increased costs related to the implementation of enhanced measures during the COVID-19 pandemic.

Our Canadian segment gross margin as a percentage of revenues decreased from 26% in 2019 to 22% in 2020. This was primarily driven by increased costs related to the implementation of enhanced safety measures during the COVID-19 pandemic, as well as reduced operating efficiencies due to lower occupancy.

Segment Results of Operations – Australian Segment

	Year Ended December 31,		
	2020	2019	Change
Revenues ($ in thousands)			
Accommodation revenue [1]	$ 144,070	$ 126,047	$ 18,023
Food service and other services revenue [2]	90,472	30,046	60,426
Total revenues	$ 234,542	$ 156,093	$ 78,449
Cost of sales ($ in thousands)			
Accommodation cost	63,504	60,045	3,459
Food service and other services cost	77,358	26,073	51,285
Indirect other cost	3,847	2,972	875
Total cost of sales and services	$ 144,709	$ 89,090	$ 55,619
Gross margin as a % of revenues	38.3 %	42.9 %	(4.6)%
Average daily rate for villages [3]	$ 73	$ 73	$ —
Total billed rooms for villages [4]	1,968,284	1,717,186	251,098
Australian dollar to U.S. dollar	$ 0.691	$ 0.695	$ (0.004)

(1) Includes revenues related to village rooms and hospitality services for owned rooms for the periods presented.
(2) Includes revenues related to food service and other services, including facilities management for the periods presented.
(3) Average daily rate is based on billed rooms and accommodation revenue.
(4) Billed rooms represents total billed days for owned assets for the periods presented.

Our Australian segment reported revenues in 2020 that were $78.4 million, or 50%, higher than 2019. The increase in revenue was primarily due to our integrated services business, acquired July 1, 2019, which contributed $90.5 million in revenues in 2020 compared to the $30.0 million in 2019. The weakening of the average exchange rates for Australian dollars relative to the U.S. dollar by 1% in 2020 compared to 2019 resulted in a $0.9 million year-over-over decrease in revenues. In addition, the revenue increase was driven by increased occupancy at our Bowen Basin villages, which was partially offset by decreased occupancy at our Western Australia villages.

Our Australian segment cost of sales increased $55.6 million, or 62%, in 2020 compared to 2019. The increase was primarily due to our integrated services business. Increases related to increased occupancy at our Bowen Basin villages were partially offset by decreased occupancy at our Western Australia villages and the weakening of the Australian dollar.

Our Australian segment gross margin as a percentage of revenues decreased to 38% in 2020 from 43% in 2019. This was primarily driven by our integrated services business, which has a service-only business model and therefore generates a lower overall gross margin than the accommodation business, partially offset by improved margins at our Bowen Basin villages as a result of increased occupancy.

Segment Results of Operations – U.S. Segment

	Year Ended December 31,		
	2020	2019	Change
Revenues ($ in thousands)	$ 25,538	$ 45,811	$ (20,273)
Cost of sales ($ in thousands)	$ 28,096	$ 38,100	$ (10,004)
Gross margin as a % of revenues	(10.0)%	16.8 %	(26.8)%

Our U.S. segment reported revenues in 2020 that were $20.3 million, or 44%, lower than 2019. This was primarily due to reduced occupancy at our West Permian, Killdeer and Acadian Acres lodges, reduced U.S. drilling activity in the Bakken, Rockies, Mid-Continent and West Permian markets affecting our wellsite business and reduced activity in our offshore rental business.

Our U.S. segment cost of sales decreased $10.0 million, or 26%, in 2020 compared to 2019. The decrease was driven by reduced occupancy at our West Permian and Killdeer lodges, reduced U.S. drilling activity in the Bakken, Rockies, Mid-Continent and West Permian markets affecting our wellsite business and reduced activity in our offshore rental business.

Our U.S. segment gross margin as a percentage of revenues decreased from 17% in 2019 to (10)% in 2020, primarily due to reduced activity at our lodges and wellsite markets and reduced operating efficiencies at lower activity levels.

Liquidity and Capital Resources

Our primary liquidity needs are to fund capital expenditures, which in the past have included expanding and improving our hospitality services, developing new lodges and villages, purchasing or leasing land, and for general working capital needs. In addition, capital has been used to repay debt and fund strategic business acquisitions. Historically, our primary sources of funds have been available cash, cash flow from operations, borrowings under our Amended Credit Agreement and proceeds from equity issuances. In the future, we may seek to access the debt and equity capital markets from time to time to raise additional capital, increase liquidity, fund acquisitions, refinance debt or retire preferred shares.

The following table summarizes our consolidated liquidity position as of December 31, 2020 and 2019 (in thousands):

	December 31,	
	2020	2019
Lender commitments [1]	$ 167,300	$ 263,500
Reductions in availability [2]	—	(6,591)
Borrowings against revolving credit capacity	(63,556)	(134,117)
Outstanding letters of credit	(4,487)	(2,031)
Unused availability	99,257	120,761
Cash and cash equivalents	6,155	3,331
Total available liquidity	$ 105,412	$ 124,092

(1) As of December 31, 2020, we had two bank guarantee facilities totaling $3.0 million which mature on March 31, 2021. As of December 31, 2019, we had one bank guarantee totaling $2.0 million. We had bank guarantees of A$0.8 million and A$0.7 million under these facilities outstanding as of December 31, 2020 and 2019, respectively.

(2) As of December 31, 2020, there were no reductions in our availability under the Amended Credit Agreement. As of December 31, 2019, $6.6 million of our borrowing capacity under the Credit Agreement could not be utilized in order to maintain compliance with the maximum leverage ratio financial covenant in the Credit Agreement.

Cash totaling $117.4 million was provided by operations during 2020 compared to $74.5 million provided by operations during 2019. The increase in operating cash flow in 2020 compared to 2019 was primarily due to higher cash provided by working capital, increased earnings from our Australian operations and proceeds from the CEWS. Net cash provided by working capital was $19.9 million during 2020 compared to net cash used by working capital of $14.3 million during 2019. The increase in cash provided by working capital in 2020 compared to 2019 is largely due to decreased accounts receivable balances in Canada.

Cash was used in investing activities during 2020 and 2019 in the amounts of $1.8 million and $38.6 million, respectively. The decrease in cash used in investing activities in 2020 compared to 2019 was primarily due to lower capital expenditures and $4.7 million of other income associated with the settlement of a representations and warranties claim in 2020 related to the Noralta Acquisition. This compares to $16.9 million to fund the Action acquisition in 2019. Capital expenditures totaled $10.1 million and $29.8 million during 2020 and 2019, respectively. The decrease in capital expenditures in 2020 was related primarily to the completion of the Sitka Lodge expansion, which occurred during 2018 and 2019. In addition, we received proceeds from the sale of property, plant and equipment of $3.7 million and $5.9 million during 2020 and 2019, respectively.

We expect our capital expenditures for 2021, exclusive of any business acquisitions or any growth capital expenditures, to be in the range of $20.0 million to $25.0 million, which excludes any unannounced and uncommitted projects, the spending for which is contingent on obtaining customer contracts. Whether planned expenditures will actually be spent in 2021 depends on industry conditions, project approvals and schedules, customer room commitments and project and construction timing. We expect to fund these capital expenditures with available cash, cash flow from operations and revolving credit borrowings under our Amended Credit Agreement. The foregoing capital expenditure forecast does not include any funds for strategic acquisitions, which we could pursue should the economic environment in our industry improve and the transaction economics are deemed to be attractive to us. We continue to monitor the COVID-19 global pandemic and the responses thereto, the global economy, the prices of and demand for crude oil, met coal and iron ore and the resultant impact on the capital spending plans of our customers in order to plan our business activities, and we may adjust our capital expenditure plans in the future.

The table below delineates historical capital expenditures split between expansionary and maintenance spending on our lodges and villages, mobile asset spending and other capital expenditures. We classify capital expenditures for the development of rooms and central facilities at our lodges and villages as expansion capital expenditures. Other capital expenditures in the table below relate to routine capital spending for support equipment, upgrades to infrastructure at our lodge and village properties and spending related to our manufacturing facilities, among other items.

Based on management's judgment of capital spending classifications, we believe the following table represents the components of capital expenditures for the years ended December 31, 2020 and 2019 (in millions):

	Year Ended December 31,					
	2020			2019		
	Expansion	Maint	Total	Expansion	Maint	Total
Lodge/village	$ 1.5	$ 5.9	$ 7.4	$ 17.6	$ 5.1	$ 22.7
Mobile assets	0.7	—	0.7	1.4	0.5	1.9
Other	0.9	1.1	2.0	1.9	3.3	5.2
Total	$ 3.1	$ 7.0	$ 10.1	$ 20.9	$ 8.9	$ 29.8

Expansion lodge and village spending in 2020 was primarily related to the purchase of previously rented rooms for a lodge in the U.S segment. Expansion lodge and village spending in 2019 was primarily related to the expansion of our Sitka lodge in British Columbia.

Maintenance lodge and village spending in 2020 and 2019 was primarily related to routine maintenance projects at our major properties.

Other maintenance spending in 2020 and 2019 was primarily related to miscellaneous equipment and supplies to support the day-to-day operations at our accommodation facilities. Other expansion spending in 2020 and 2019 was primarily related to information technology infrastructure to support our business.

Net cash of $114.2 million was used in financing activities during 2020 primarily due to net repayments under our revolving credit facilities of $70.3 million, repayments of term loan borrowings of $39.9 million, $1.5 million used to settle tax obligations on vested shares under our share-based compensation plans and debt issuance costs of $2.6 million related to our Amended Credit Agreement. Net cash of $44.6 million was used in financing activities during 2019 primarily due to net repayments under our revolving credit facilities of $3.5 million, repayments of term loan borrowings of $34.9 million, $4.3 million used to settle tax obligations on vested shares under our share-based compensation plans and debt issuance costs of $2.0 million related to our Credit Agreement.

The following table summarizes the changes in debt outstanding during 2020 (in thousands):

	Canada	Australia	U.S.	Total
Balance at December 31, 2019	$ 359,080	$ —	$ —	$ 359,080
Borrowings under revolving credit facilities	347,520	30,084	—	377,604
Repayments of borrowings under revolving credit facilities	(434,155)	(13,759)	—	(447,914)
Repayments of term loans	(39,855)	—	—	(39,855)
Translation	729	1,442	—	2,171
Balance at December 31, 2020	$ 233,319	$ 17,767	$ —	$ 251,086

We believe that cash on hand and cash flow from operations will be sufficient to meet our anticipated liquidity needs in the coming 12 months. If our plans or assumptions change, including as a result of the impact of COVID-19 or the decline in the price of and demand for oil, or are inaccurate, or if we make acquisitions, we may need to raise additional capital. Acquisitions have been, and our management believes acquisitions will continue to be, an element of our long-term business strategy. The timing, size or success of any acquisition effort and the associated potential capital commitments are unpredictable and uncertain. We may seek to fund all or part of any such efforts with proceeds from debt and/or equity issuances or may issue equity directly to the sellers. Our ability to obtain capital for additional projects to implement our growth strategy over the longer term will depend on our future operating performance, financial condition and, more broadly, on the availability of equity and debt financing. Capital availability will be affected by prevailing conditions in our industry, the global economy, the global financial markets and other factors, many of which are beyond our control. In addition, any additional debt service requirements we take on could be based on higher interest rates and shorter maturities and could impose a significant burden on our results of operations and financial condition, and the issuance of additional equity securities could result in significant dilution to shareholders.

Amended Credit Agreement

As of December 31, 2019, our Credit Agreement provided for: (i) a $263.5 million revolving credit facility scheduled to mature on November 30, 2021 for certain lenders, allocated as follows: (A) a $20.0 million senior secured revolving credit facility in favor of certain of our U.S. subsidiaries, as borrowers; (B) a $183.5 million senior secured revolving credit facility in favor of Civeo and certain of our Canadian subsidiaries, as borrowers; and (C) a $60.0 million senior secured revolving credit facility in favor of one of our Australian subsidiaries, as borrower; and (ii) a $285.4 million term loan facility scheduled to mature on November 30, 2021 for certain lenders in favor of Civeo.

In September 2020, we entered into an amendment to our Credit Agreement, which reduced total lender commitments by $96.2 million.

As of December 31, 2020, our Credit Agreement, (as so amended, the Amended Credit Agreement) provided for: (i) a $167.3 million revolving credit facility scheduled to mature on May 30, 2023, allocated as follows: (A) a $10.0 million senior secured revolving credit facility in favor of certain of our U.S. subsidiaries, as borrowers; (B) a $122.3 million senior secured revolving credit facility in favor of Civeo and certain of our Canadian subsidiaries, as borrowers; and (C) a $35.0 million senior secured revolving credit facility in favor of one of our Australian subsidiaries, as borrower; and (ii) a $194.8 million term loan facility scheduled to mature on May 30, 2023 for certain lenders in favor of Civeo.

U.S. dollar amounts outstanding under the facilities provided by the Amended Credit Agreement bear interest at a variable rate equal to the London Inter-Bank Offered Rate (LIBOR) plus a margin of 3.50% to 4.50% or a base rate plus 2.50% to 3.50%, in each case based on a ratio of our total debt to consolidated EBITDA (as defined in the Amended Credit Agreement). Canadian dollar amounts outstanding bear interest at a variable rate equal to a B/A Discount Rate (as defined in the Amended Credit Agreement) based on the Canadian Dollar Offered Rate (CDOR) plus a margin of 3.50% to 4.50%, or a Canadian Prime rate plus a margin of 2.50% to 3.50%, in each case based on a ratio of our total debt to consolidated EBITDA. Australian dollar amounts outstanding under the Amended Credit Agreement bear interest at a variable rate equal to the Bank Bill Swap Bid Rate plus a margin of 3.50% to 4.50%, based on a ratio of our total debt to consolidated EBITDA. The future transitions from LIBOR and CDOR as interest rate benchmarks is addressed in the Amended Credit Agreement and at such time the transition from LIBOR or CDOR takes place, we will endeavor with the administrative agent to establish an alternate rate of interest to LIBOR or CDOR that gives due consideration to (1) the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time for the replacement of LIBOR and (2) any evolving or then existing convention for similar Canadian Dollar denominated syndicated credit facilities for the replacement of CDOR.

The Amended Credit Agreement contains customary affirmative and negative covenants that, among other things, limit or restrict: (i) indebtedness, liens and fundamental changes; (ii) asset sales; (iii) acquisitions of margin stock; (iv) specified acquisitions; (v) certain restrictive agreements; (vi) transactions with affiliates; and (vii) investments and other restricted payments, including dividends and other distributions. In addition, we must maintain an interest coverage ratio, defined as the ratio of consolidated EBITDA to consolidated interest expense, of at least 3.00 to 1.00 and a maximum leverage ratio, defined as the ratio of total debt to consolidated EBITDA, of no greater than 3.50 to 1.00. Following a qualified offering of indebtedness with gross proceeds in excess of $150.0 million, we will be required to maintain a maximum leverage ratio of no greater than 4.00 to 1.00 and a maximum senior secured ratio less than 2.50 to 1.00. Each of the factors considered in the calculations of these ratios are defined in the Amended Credit Agreement. EBITDA and consolidated interest, as defined, exclude goodwill and asset impairments, debt discount amortization, amortization of intangibles and other non-cash charges. We were in compliance with our covenants as of December 31, 2020.

Borrowings under the Amended Credit Agreement are secured by a pledge of substantially all of our assets and the assets of our subsidiaries. The obligations under the Amended Credit Agreement are guaranteed by our significant subsidiaries. As of December 31, 2020, we had eight lenders that were parties to the Amended Credit Agreement, with total commitments (including both revolving commitments and term commitments) ranging from $22.4 million to $71.1 million. As of

December 31, 2020, we had outstanding letters of credit of $1.2 million under the U.S facility, $0.6 million under the Australian facility and $2.7 million under the Canadian facility.

In addition to the Amended Credit Agreement, we have two bank guarantee facilities totaling $3.0 million which mature March 31, 2021. There were bank guarantees of A$0.8 million under these facilities outstanding as of December 31, 2020.

Dividends

The declaration and amount of all potential future dividends will be at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, results of operations, cash flows, prospects, industry conditions, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors the Board of Directors deems relevant. In addition, our ability to pay cash dividends on common or preferred shares is limited by covenants in the Amended Credit Agreement. Future agreements may also limit our ability to pay dividends, and we may incur incremental taxes if we are required to repatriate foreign earnings to pay such dividends. If we elect to pay dividends in the future, the amount per share of our dividend payments may be changed, or dividends may be suspended, without advance notice. The likelihood that dividends will be reduced or suspended is increased during periods of market weakness. There can be no assurance that we will pay a dividend in the future.

The preferred shares we issued in the Noralta Acquisition are entitled to receive a 2% annual dividend on the liquidation preference (initially $10,000 per share), paid quarterly in cash or, at our option, by increasing the preferred shares' liquidation preference, or any combination thereof. Quarterly dividends have been paid in-kind for each quarterly period beginning June 30, 2018 through December 31, 2020, thereby increasing the liquidation preference to $10,563 per share as of December 31, 2020. We currently expect to pay dividends on the preferred shares for the foreseeable future through an increase in liquidation preference rather than cash. For further information, see Note 19 - Preferred Shares to the notes to the consolidated financial statements included in Item 8 of this annual report for further information.

Effects of Inflation

Our revenues and results of operations have not been materially impacted by inflation in the past three years.

Off-Balance Sheet Arrangements

As of December 31, 2020, we had no off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Contractual Obligations

The following summarizes our contractual obligations at December 31, 2020, and the effect such obligations are expected to have on our liquidity and cash flow over the next five years (in thousands):

	Total	Less Than 1 Year	1 – 3 Years	3 – 5 Years	More Than 5 Years
Total debt	$ 251,086	$ 35,052	$ 216,034	$ —	$ —
Interest payments[(1)]	21,267	9,428	11,839	—	—
Purchase obligations	9,286	9,286	—	—	—
Non-cancelable operating lease obligations	28,344	5,682	9,745	7,106	5,811
Asset retirement obligations – expected cash payments	79,844	1,322	530	2,989	75,003
Total contractual cash obligations	$ 389,827	$ 60,770	$ 238,148	$ 10,095	$ 80,814

(1) Interest payments due under the Amended Credit Agreement, which matures on May 30, 2023; based on a weighted average interest rate of 4.0% for Canadian term loan, 4.1% for Canadian revolver borrowings and 3.6% for Australian revolver borrowings for the twelve month period ended December 31, 2020.

Our debt obligations at December 31, 2020 are reflected in our consolidated balance sheet, which is a part of our consolidated financial statements in Item 8 of this annual report. We have not entered into any material leases subsequent to December 31, 2020.

Critical Accounting Policies

Our consolidated financial statements in Item 8 of this annual report have been prepared in accordance with U.S. GAAP, which require that management make numerous estimates and assumptions. Actual results could differ from those estimates and assumptions, thus impacting our reported results of operations and financial position. The critical accounting policies and estimates described in this section are those that are most important to the depiction of our financial condition and results of operations and the application of which requires management's most subjective judgments in making estimates about the effect of matters that are inherently uncertain. We describe our significant accounting policies more fully in Note 2 - Summary of Significant Accounting Policies to the notes to consolidated financial statements in Item 8 of this annual report.

Accounting for Contingencies

We have contingent liabilities and future claims for which we have made estimates of the amount of the eventual cost to liquidate these liabilities or claims. We make an assessment of our exposure and record a provision in our accounts to cover an expected loss when we believe a loss is probable and the amount of the loss can be reasonably estimated. These liabilities and claims sometimes involve threatened or actual litigation where damages have been quantified. Other claims or liabilities have been estimated based on their fair value or our experience in these matters and, when appropriate, the advice of outside counsel or other outside experts. Upon the ultimate resolution of these uncertainties, our future reported financial results will be impacted by the difference between our estimates and the actual amounts paid to settle a liability. Examples of areas where we have made important estimates of future liabilities include litigation, taxes, interest, insurance claims, warranty claims, contract claims and obligations.

Impairment of Tangible and Intangible Assets, including Goodwill

Goodwill. Goodwill represents the excess of the purchase price paid for acquired businesses over the allocated fair value of the related net assets after impairments, if applicable. We evaluate goodwill for impairment, at the reporting unit level, annually and when an event occurs or circumstances change to suggest that the carrying amount may not be recoverable. A reporting unit is the operating segment, or a business one level below that operating segment (the "component" level) if discrete financial information is prepared and regularly reviewed by management at the component level. Each segment of our business represents a separate reporting unit, and all three of our reporting units have or previously had goodwill.

In connection with the preparation of our financial statements for the three months ended March 31, 2020, we performed a quantitative goodwill impairment test as of March 31, 2020, and we reduced the value of our goodwill in our Canadian reporting unit to zero. Please see Note 4 – Impairment Charges to the notes to consolidated financial statements in Item 8 of this annual report for further discussion of goodwill impairments recorded in the years ended December 31, 2020 and 2019.

We conduct our annual impairment test as of November 30 of each year. We compare each reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, goodwill is impaired.

We are given the option to test for impairment of our goodwill by first performing a qualitative assessment to determine whether it is more likely than not (that is, likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. If it is determined that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then performing the currently prescribed quantitative impairment test is unnecessary. In developing a qualitative assessment to meet the "more-likely-than-not" threshold, each reporting unit with goodwill is assessed separately and different relevant events and circumstances are evaluated for each unit. We have the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative goodwill impairment test.

When performing our annual assessment on November 30, 2020, we performed the qualitative assessment related to our Australia reporting unit. All of our goodwill resides in our Australia reporting unit as of November 30, 2020. Qualitative factors that we considered as part of our assessment include industry and market conditions, macroeconomic conditions and financial performance of our business. After assessing these events and circumstances, we determined that it was more likely than not that the fair value of the Australia reporting unit was greater than its carrying value. Based on the interim quantitative testing performed as of March 31, 2020, the fair value of the Australia reporting unit exceeded its carrying value by 127%.

In performing the quantitative goodwill impairment test, we compare each reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. Because none of our reporting units has a publicly quoted market price, we must determine the value that willing buyers and sellers would place on the reporting unit through a routine sale process (a Level 3 fair value measurement). In our analysis, we target a fair value that represents the value that would be placed on the reporting unit by market participants, and value the reporting unit based on historical and projected results throughout a cycle, not the value of the reporting unit based on trough or peak earnings. The fair value of the reporting unit is estimated using a combination of (i) an analysis of trading multiples of comparable companies (Market Approach) and (ii) discounted projected cash flows (Income Approach). We also use acquisition multiples analyses in certain circumstances. The relative weighting of each approach reflects current industry and market conditions.

Market Approach - This valuation approach utilizes publicly traded comparable companies' enterprise values, as compared to their recent and forecasted earnings before interest, taxes and depreciation (EBITDA) information. We use EBITDA because it is a widely used (1) key indicator of the cash generating capacity and (2) valuation metric of companies in our industry.

Income Approach - This valuation approach derives a present value of the reporting unit's projected future annual cash flows over the next five years with a terminal value assumption. We use a variety of underlying assumptions to estimate these future cash flows, including assumptions relating to future economic market conditions, rates, occupancy levels, costs and expenses and capital expenditures. These assumptions can vary by each reporting unit depending on market conditions. In addition, a terminal value is estimated, using a Gordon Growth methodology with a long-term growth rate of 2%. We discount our projected cash flows using a long-term weighted average cost of capital based on our estimate of investment returns that would be required by a market participant. The discount rates used to value our reporting units for the March 31, 2020 interim goodwill impairment test ranged between 10.5% and 14.0%.

The fair value of our reporting units is affected by future oil, coal and natural gas prices, anticipated spending by our customers and the cost of capital. Our estimate of fair value requires us to use significant unobservable inputs, representative of Level 3 fair value measurements, including numerous assumptions with respect to future circumstances, such as industry and/or local market conditions that might directly impact each reporting unit's operations in the future. We selected these valuation approaches because we believe the combination of these approaches and our best judgment regarding underlying assumptions and estimates provides us with the best estimate of fair value for each of our reporting units. We believe these valuation approaches are proven valuation techniques and methodologies for our industry and widely accepted by investors. The fair value of each reporting unit would change if our assumptions under these valuation approaches, or relative weighting of the valuation approaches, were materially modified. The following assumptions are significant to our evaluation process:

Business Projections - We make assumptions about the level of revenues, gross profit, operating expenses, as well as capital expenditures and net working capital requirements. These assumptions drive our planning assumptions and represent key inputs for developing our cash flow projections. These projections are developed using our internal business plans over a five-year planning period that are updated at least annually;

Long-term Growth Rates - We also utilize an assumed long-term growth rate representing the expected rate at which our cash flow stream is projected to grow. These rates are used to calculate the terminal value and are added to the cash flows projected during our planning period; and

Discount Rates - The estimated future cash flows are then discounted at a rate that is consistent with a weighted-average cost of capital that is likely to be expected by market participants. The weighted-average cost of capital is an estimate of the overall after-tax rate of return required by equity and debt holders of a business enterprise.

Definite-Lived Tangible and Intangible Assets. The recoverability of the carrying values of tangible and intangible assets is assessed at an asset group level which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Whenever, in management's judgment, we review our assets for impairment in step one when events or changes in circumstances indicate that the carrying value of such asset groups may not be recoverable based on estimated future cash flows, an asset impairment evaluation is performed. Indicators of impairment might include persistent and sustained negative economic trends affecting the markets we serve, recurring cash flow losses or significantly lowered expectations of future cash flows expected to be generated by our assets. As part of the initial step, we also reevaluate the remaining useful lives and salvage values of our assets when indicators of impairment exist.

Identification of Asset Groups – The following summarizes the asset groups that we have identified in each of our reporting segments.

Our Canada segment consists of numerous lodges, as well as our mobile assets and our manufacturing facility. These properties are grouped in the following asset groups:

- Core Region
  - Fort McMurray Village – North Athabasca
  - Beaver River Lodge – North Athabasca
  - Athabasca Lodge – North Athabasca
  - Hudson and Borealis Lodges – North Athabasca
- McClelland Lake Lodge – North Athabasca
- Wapasu Creek Lodge – North Athabasca
- Grey Wolf Lodge - North Athabasca
- Conklin Lodge – South Athabasca
- Anzac Lodge – South Athabasca
- Red Earth Lodge - South Athabasca
- Wabasca Lodge - South Athabasca
- Sitka Lodge – Kitimat, British Columbia
- Geetla camp – British Columbia
- Boundary camp – Saskatchewan
- Antler River camp – Manitoba
- Red Earth camp – Alberta
- Christina Lake camp – Alberta
- Mobile assets
- Noble manufacturing facility
- Various land holdings in British Columbia purchased in anticipation of potential LNG related projects

In general, the lodges are operated on a lodge by lodge basis. However, for one set of lodges (the Core Region, including Beaver River, Athabasca, Hudson and Borealis Lodges and Fort McMurray Village), there are no identifiable cash flows largely independent of the cash flows of other assets and liabilities for such lodges, and therefore, such lodges are combined into a single asset group. Factors such as proximity to each other, commonality of customers, common monitoring by management and operating decisions being made to optimize these lodges as a group result in these lodges being treated as a single asset group for the purposes of our impairment assessments.

Our Australia segment consists of nine villages in several regions within the country, as well as our integrated services assets and land banked assets. These properties are grouped in the following asset groups:

- Karratha – Pilbara Region, Western Australia
- Integrated services – Assets held on client owned sites in Western Australia
- Kambalda – Kambalda, Western Australia
- Gunnedah Basin
  - Narrabri – Gunnedah Basin, New South Wales
  - Boggabri – Gunnedah Basin, New South Wales
- Bowen Basin
  - Moranbah – Bowen Basin, Queensland
  - Dysart – Bowen Basin, Queensland
  - Nebo – Bowen Basin, Queensland
  - Coppabella – Bowen Basin, Queensland
  - Middlemount – Bowen Basin, Queensland
- Various non-operational sites acquired as part of Civeo’s land-banking strategy

In general, the villages are operated on a village by village basis, except for the villages located in the Bowen Basin (Moranbah, Dysart, Nebo, Coppabella and Middlemount) and the Gunnedah Basin (Narrabri and Boggabri). The villages in the Bowen and Gunnedah Basins contain significant levels of interdependency that allow these assets to be combined into cash generating units (asset groups). Factors such as commonality of customers, location, resource basins served and common monitoring by management result in the Bowen and Gunnedah Basins to be treated as single asset groups for the purposes of our impairment assessments. Integrated services assets provide catering and managed services to the mining industry in Western Australia.

Our U.S. segment consists of lodges in three geographical areas, mobile assets in various geographical areas, and a wastewater treatment plant (WWTP). These properties are grouped in the following asset groups:

- West Permian Lodge – Texas
- Killdeer Lodge – North Dakota
- Acadian Acres Lodge – Louisiana
- Offshore – this asset group includes mobile assets which are utilized in the Gulf of Mexico
- Wellsites – this asset group includes mobile assets, primarily in the Permian Basin region, the Mid-Continent and the Rocky mountain corridor
- Killdeer WWTP – this asset group represents a WWTP in Killdeer, North Dakota, which was constructed in early 2014

Recoverability Assessment – In performing an impairment analysis, the second step is to compare each asset group's carrying value to estimates of undiscounted future direct cash flows associated with the asset group over the remaining useful life of the asset group's primary asset. We use a variety of underlying assumptions to estimate these future cash flows, including assumptions relating to future economic market conditions, rates, occupancy levels, costs and expenses and capital expenditures. The estimates are consistent with those used for purposes of our goodwill impairment test, as further discussed in *Goodwill*, above.

Fair Value Determination – If, based on the assessment, the carrying values of any of our asset groups are determined to not be recoverable as a result of the undiscounted future cash flows not exceeding the net book value of the asset group, we proceed to the third step. In this step, we compare the fair value of the respective asset group to its carrying value. Our estimate of the fair value requires us to use significant unobservable inputs, representative of Level 3 fair value measurements, including numerous assumptions with respect to future circumstances, such as industry and/or local market conditions that might directly impact each of the asset groups' operations in the future, and are therefore uncertain.

Our industry is cyclical and our estimates of the period over which future cash flows will be generated, as well as the predictability of these cash flows and our determination of whether a decline in value of our investment has occurred, can have a significant impact on the carrying value of these assets and, in periods of prolonged down cycles, may result in impairment losses. If this assessment indicates that the carrying values will not be recoverable, an impairment loss is recognized equal to the excess of the carrying value over the fair value of the asset group. The fair value of the asset group is based on prices of similar assets, if available, or discounted cash flows.

In estimating future cash flows, we make numerous assumptions with respect to future circumstances that might directly impact each of the asset groups' operations in the future and are therefore uncertain. These assumptions with respect to future circumstances include future oil and coal prices, anticipated customer spending, and industry and/or local market conditions. These assumptions represent our best judgment based on the current facts and circumstances. However, different assumptions could result in a determination that the carrying values of additional asset groups are no longer recoverable based on estimated future cash flows. Our estimate of fair value is primarily calculated using the Income Approach, which derives a present value of the asset group based on the asset groups' estimated future cash flows. We discounted our estimated future cash flows using a long-term weighted average cost of capital based on our estimate of investment returns required by a market participant. The discount rates used during the 2020 Canadian and U.S. segments long-lived asset impairment analysis ranged between 10.5% and 14.0%.

Please see Note 4 – Impairment Charges to the notes to consolidated financial statements in Item 8 of this annual report for further discussion of impairments of definite-lived tangible and intangible assets recorded in the years ended December 31, 2020, 2019 and 2018.

Revenue and Cost Recognition

We generally recognize accommodation, mobile facility rental, food service and other services revenues over time as our customers simultaneously receive and consume benefits as we serve our customers because of continuous transfer of control to the customer. Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We transfer control and recognize a sale based on a periodic (usually daily) room rate each night a customer stays in our rooms or when the services are rendered. In some contracts, rates may vary over the contract term. In these cases, revenue may be deferred and recognized on a straight-line basis over the contract term. A limited portion of our revenue is recognized at a point in time when control transfers to the customer related to small modular construction and manufacturing contracts, minor food service arrangements and optional purchases our customers make for incidental services offered at our accommodation and mobile facilities.

For significant projects, manufacturing revenues are recognized over time with progress towards completion measured using the cost based input method as the basis to recognize revenue and an estimated profit. Billings on such contracts in excess of costs incurred and estimated profits are classified as deferred revenue. Costs incurred and estimated profits in excess of billings on these contracts are recognized as unbilled receivables. Management believes this input method is the most appropriate measure of progress to the satisfaction of a performance obligation on larger modular construction and manufacturing contracts. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, estimated profitability and final contract settlements may result in revisions to projected costs and revenue and are recognized in the period in which the revisions to estimates are identified and the amounts can be reasonably estimated. Factors that may affect future project costs and margins include weather, production efficiencies, availability and costs of labor, materials and subcomponents. These factors can significantly impact the accuracy of our estimates and materially impact our future reported earnings.

Because of control transferring over time, the majority of our revenue is recognized based on the extent of progress towards completion of the performance obligation. At contract inception, we assess the goods and services promised in our contracts with customers and identify a performance obligation for each promise to transfer our customers a good or service (or bundle of goods or services) that is distinct. Our customers typically contract for hospitality services under take-or-pay contracts with terms that most often range from several months to three years. Our contract terms generally provide for a rental rate for a reserved room and an occupied room rate that compensates us for services provided. We typically contract our facilities to our customers on a fee per day basis where the goods and services promised include lodging and meals. To identify the performance obligations, we consider all of the goods and services promised in the context of the contract and the pattern of transfer to our customers.

Revenues exclude taxes assessed based on revenues such as sales or value added taxes.

Cost of services includes labor, food, utility costs, cleaning supplies, and other costs of operating our accommodations facilities. Cost of goods sold includes all direct material and labor costs and those costs related to contract performance, such as indirect labor, supplies, tools and repairs. Selling, general and administrative costs are charged to expense as incurred.

Estimation of Useful Lives

The selection of the useful lives of many of our assets requires the judgments of our operating personnel as to the length of these useful lives. Our judgment in this area is influenced by our historical experience in operating our assets, technological developments and expectations of future demand for the assets. Should our estimates be too long or short, we might eventually report a disproportionate number of losses or gains upon disposition or retirement of our long-lived assets. We reevaluate the remaining useful lives and salvage values of our assets when certain events occur that directly impact the useful lives and salvage values, including changes in operating condition, functional capability, impairment assessment and market and economic factors. We believe our estimates of useful lives are appropriate.

Share-Based Compensation

Our historic share-based compensation is based on participating in Civeo’s 2014 Equity Participation Plan (the Plan). Our disclosures reflect only our employees’ participation in the Plans. We are required to estimate the fair value of share compensation made pursuant to awards under the Plans. An initial estimate of the fair value of each option award, restricted share award or deferred share award determines the amount of share compensation expense we will recognize in the future. For stock option awards, which were all granted prior to our May 30, 2014 spin-off from Oil States, to estimate the value of the awards under the Plan, Oil States selected a fair value calculation model. Oil States chose the Black-Scholes option pricing model to value stock options awarded under the Plan. Oil States chose this model because option awards were made under straightforward vesting terms, option prices and option lives. Utilizing the Black-Scholes option pricing model required Oil States to estimate the length of time options will remain outstanding, a risk free interest rate for the estimated period options are assumed to be outstanding, forfeiture rates, future dividends and the volatility of its common stock. All of these assumptions affect the amount and timing of future share-based compensation expense recognition. We have not made any option awards subsequent to May 30, 2014, but, in the event that we make future awards, we expect to utilize a similar valuation methodology. We will continually monitor our actual experience and change assumptions for future awards as we consider appropriate.

We also grant performance share awards under the Plan. Awards are earned in amounts between 0% and 200% of the participant's target performance share award, based on the payout percentage associated with Civeo's relative total shareholder return rank among a peer group of companies. The fair value of the awards was estimated using a Monte Carlo simulation pricing model. We chose this model because the performance awards contain complex vesting terms. Utilizing the Monte Carlo simulation pricing model required us to estimate the risk-free interest rate and the expected market price volatility of our common shares as well as the peer group of companies over a time period equal to the expected term of the award. The resulting cost is recognized over the period during which an employee is required to provide service in exchange for the awards, usually the vesting period. For additional details, see Note 18 – Share-Based Compensation to the notes to the consolidated financial statements included in Item 8 of this annual report.

Income Taxes

We follow the liability method of accounting for income taxes in accordance with current accounting standards regarding the accounting for income taxes. Under this method, deferred income taxes are recorded based upon the differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws in effect at the time the underlying assets or liabilities are recovered or settled.

When our earnings from foreign subsidiaries are considered to be indefinitely reinvested, no provision for Canadian income taxes is made for these earnings. If any of the subsidiaries have a distribution of earnings in the form of dividends or otherwise, we would be subject to both Canadian income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to various foreign countries. We do not expect to provide Canadian income taxes on future foreign earnings.

We record a valuation allowance in each reporting period when our management believes that it is more likely than not that any recorded deferred tax asset will not be realized. Our management will continue to evaluate the appropriateness of the valuation allowance in the future, based upon our operating results. Please see Note 15 – Income Taxes to the notes to consolidated financial statements in Item 8 of this annual report for further discussion.

In accounting for income taxes, we are required to estimate a liability for future income taxes for any uncertainty for potential income tax exposures. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We record an additional charge in our provision for taxes in the period in which we determine that the recorded tax liability is less than we expect the ultimate assessment to be.

Recent Accounting Pronouncements

Please see Note 2 – Summary of Significant Accounting Policies – Recent Accounting Pronouncements to the notes to consolidated financial statements in Item 8 of this annual report for further discussion.

ITEM 7A. *Quantitative and Qualitative Disclosures about Market Risk*

Our principal market risks are our exposure to changes in interest rates and foreign currency exchange rates.

Interest Rate Risk

We have credit facilities that are subject to the risk of higher interest charges associated with increases in interest rates. As of December 31, 2020, we had $251.1 million of outstanding floating-rate obligations under our credit facilities. These floating-rate obligations expose us to the risk of increased interest expense in the event of increases in short-term interest rates.

If floating interest rates increased by 100 basis points, our consolidated interest expense would increase by approximately $2.5 million annually, based on our floating-rate debt obligations and interest rates in effect as of December 31, 2020.

Foreign Currency Exchange Rate Risk

Our operations are conducted in various countries around the world, and we receive revenue and pay expenses from these operations in a number of different currencies. As such, our earnings are subject to movements in foreign currency exchange rates when transactions are denominated in (i) currencies other than the U.S. dollar, which is our reporting currency, or (ii) the functional currency of our subsidiaries, which is not necessarily the U.S. dollar. Excluding intercompany balances, our Canadian dollar and Australian dollar functional currency net assets total approximately C$161 million and A$298 million, respectively, at December 31, 2020. We use a sensitivity analysis model to measure the impact of a 10% adverse movement of foreign currency exchange rates against the United States dollar. A hypothetical 10% adverse change in the value of the Canadian dollar and Australian dollar relative to the U.S. dollar as of December 31, 2020 would result in translation adjustments of approximately $16 million and $30 million, respectively, recorded in other comprehensive loss. Although we do not currently have any foreign exchange agreements outstanding, in order to reduce our exposure to fluctuations in currency exchange rates, we may enter into foreign exchange agreements with financial institutions in the future.

ITEM 8. ***Financial Statements and Supplementary Data***

Our Consolidated Financial Statements and supplementary data appear on pages 71 through 109 of this Annual Report on Form 10-K and are incorporated by reference into this Item 8. Selected quarterly financial data is set forth in Note 22 – Quarterly Financial Information (Unaudited) to our Consolidated Financial Statements, which is incorporated herein by reference.

ITEM 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

There were no changes in or disagreements on any matters of accounting principles or financial statement disclosure between us and our independent auditors during our two most recent years or any subsequent interim period.

ITEM 9A. ***Controls and Procedures***

(i) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this annual report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2020 at the reasonable assurance level.

(ii) Internal Control Over Financial Reporting

(a) Management's annual report on internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of management and our directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even effective internal control over financial reporting can only provide reasonable assurance of achieving their control objectives.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2020 was conducted. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control–Integrated Framework (2013 Framework). Based on our assessment we believe that, as of December 31, 2020, our internal control over financial reporting is effective based on those criteria.

(b) Attestation report of the registered public accounting firm.

The attestation report of Ernst & Young LLP, our independent registered public accounting firm, on our internal control over financial reporting is set forth in this annual report on page 74 and is incorporated herein by reference.

(c) Changes in internal control over financial reporting.

During the three months ended December 31, 2020, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. ***Other Information***

Not applicable.

PART III

ITEM 10. ***Directors, Executive Officers and Corporate Governance***

The information required by Item 10 hereby is incorporated by reference to such information as set forth in the Company's Definitive Proxy Statement for the 2021 Annual General Meeting of Shareholders.

The Board of Directors of the Company (the Board) has documented its governance practices by adopting several corporate governance policies. These governance policies, including the Company's Corporate Governance Guidelines, Corporate Code of Business Conduct and Ethics and Financial Code of Ethics for Senior Officers, as well as the charters for the committees of the Board (Audit Committee, Compensation Committee, Finance and Investment Committee and Nominating and Corporate Governance Committee) may also be viewed at the Company's website. The Financial Code of Ethics for Senior Officers applies to our principal executive officer, principal financial officer, principal accounting officer and certain other senior officers. We intend to disclose any amendments to or waivers from our Financial Code of Ethics for Senior Officers by posting such information on our website at www.civeo.com within four business days following the date of the amendment or waiver. Copies of such documents will be sent to shareholders free of charge upon written request to the corporate secretary at the address shown on the cover page of this annual report.

ITEM 11. ***Executive Compensation***

The information required by Item 11 hereby is incorporated by reference to such information as set forth in the Company's Definitive Proxy Statement for the 2021 Annual General Meeting of Shareholders.

ITEM 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters***

The information required by Item 12 hereby is incorporated by reference to such information as set forth in the Company's Definitive Proxy Statement for the 2021 Annual General Meeting of Shareholders.

ITEM 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by Item 13 hereby is incorporated by reference to such information as set forth in the Company's Definitive Proxy Statement for the 2021 Annual General Meeting of Shareholders.

ITEM 14. ***Principal Accounting Fees and Services***

The information required by Item 14 hereby is incorporated by reference to such information as set forth in the Company's Definitive Proxy Statement for the 2021 Annual General Meeting of Shareholders.

PART IV

ITEM 15. ***Exhibits, Financial Statement Schedules***

(a) Index to Financial Statements, Financial Statement Schedules and Exhibits

(1) *Financial Statements:* Reference is made to the index set forth on page 71 of this Annual Report on Form 10-K.

(2) *Financial Statement Schedules:* No schedules have been included herein because the information required to be submitted has been included in the Consolidated Financial Statements or the Notes thereto, or the required information is inapplicable.

(3) *Index of Exhibits:* See Index of Exhibits, below, for a list of those exhibits filed herewith, which index also includes and identifies management contracts or compensatory plans or arrangements required to be filed as exhibits to this Annual Report on Form 10-K by Item 601 of Regulation S-K.

(b) Index of Exhibits

Exhibit No.	Description
2.1	Separation and Distribution Agreement by and between Oil States International, Inc. and Civeo Corporation, dated May 27, 2014 (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K (File No. 001-36246) filed on June 2, 2014).
2.2	Share Purchase Agreement, dated November 26, 2017, by and among Civeo Corporation, Noralta Lodge Ltd., Torgerson Family Trust, 2073357 Alberta Ltd., 2073358 Alberta Ltd., 1818939 Alberta Ltd., 2040618 Alberta Ltd., 2040624 Alberta Ltd., 989677 Alberta Ltd. and Lance Torgerson (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36246) filed on November 27, 2017).
2.3	Amending Agreement, dated March 15, 2018, among Civeo Corporation, the Torgerson Family Trust, 989677 Alberta Ltd., 1818939 Alberta Ltd., 2040618 Alberta Ltd., 2040624 Alberta Ltd., 2073357 Alberta Ltd., 2073358 Alberta Ltd., Lance Torgerson and Noralta Lodge Ltd. (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36246) filed on March 16, 2018).
3.1	Notice of Articles of Civeo Corporation, as amended (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-36246) filed on April 2, 2018).
3.2	Certification of Amendment to the Notice of Articles of Civeo Corporation (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-36246) filed on November 20, 2020.
3.3	Amended and Restated Articles of Civeo Corporation, as amended (incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K (File No. 001-36246) filed on April 2, 2018).
4.1	Form of Common Share Certificate (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K12B (File No. 001-36246) filed on July 17, 2015).
4.2	Registration Rights, Lock-Up and Standstill Agreement, dated April 2, 2018, by and among Civeo Corporation, Torgerson Family Trust and 989677 Alberta Ltd. (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-36246) filed on April 2, 2018).
4.3*	Description of Securities
10.1†	Form of Indemnification Agreement (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K12B (File No. 001-36246) filed on July 17, 2015).

10.2†	Amended and Restated 2014 Equity Participation Plan of Civeo Corporation, as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q (File No. 001-36246) filed on July 29, 2020).
10.3†*	Performance Share Award Program under the 2014 Equity Participation Plan.
10.4†*	Form of Performance Share Award Agreement under the 2014 Equity Participation Plan.
10.5†	Form of Civeo Corporation Annual Incentive Compensation Plan (incorporated herein by reference to Exhibit 10.7 to the Registration Statement on Form 10 (File No. 001-36246) filed on April 22, 2014).
10.6†	Form of Canadian Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.8 to the Registration Statement on Form 10 (File No. 001-36246) filed on April 22, 2014).
10.7†	Form of Employee Non-Qualified Stock Option Agreement under the 2014 Equity Participation Plan of Civeo Corporation (incorporated herein by reference to Exhibit 10.9 to the Registration Statement on Form 10 (File No. 001-36246) filed on April 22, 2014).
10.8†	Form of Restricted Stock Agreement under the 2014 Equity Participation Plan of Civeo Corporation (incorporated herein by reference to Exhibit 10.10 to the Registration Statement on Form 10 (File No. 001-36246) filed on April 22, 2014).
10.9†	Form of Non-Employee Director Restricted Stock Agreement (incorporated herein by reference to Exhibit 10.11 to the Registration Statement on Form 10 (File No. 001-36246) filed on April 22, 2014).
10.10†	Form of Deferred Stock Agreement (Australia) (incorporated herein by reference to Exhibit 10.12 to the Registration Statement on Form 10 (File No. 001-36246) filed on April 22, 2014).
10.11†	Form of Deferred Stock Agreement (Canada) (incorporated herein by reference to Exhibit 10.13 to the Registration Statement on Form 10 (File No. 001-36246) filed on April 22, 2014).
10.12†	Form of Executive Agreement of Bradley J. Dodson (incorporated herein by reference to Exhibit 10.14 to the Registration Statement on Form 10 (File No. 001-36246) filed on April 22, 2014).
10.13†	Form of Phantom Unit Agreement under the 2014 Equity Participation Plan of Civeo Corporation (incorporated herein by reference to Exhibit 10.17 to the Annual Report on Form 10-K (File No. 001-36246) filed on March 13, 2015).
10.14†	Executive Services Agreement, dated May 30, 2012, between Peter McCann and The Mac Services Group Pty Ltd. (incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K12B (File No. 001-36246) filed on July 17, 2015).
10.15†	Dual Employment Agreement (Canada) of Bradley J. Dodson (incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K12B (File No. 001-36246) filed on July 17, 2015).
10.16†*	Dual Employment Agreement (United States) of Bradley J. Dodson.
10.17†	Executive Agreement between Civeo Corporation and Peter McCann, dated August 17, 2015 (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36246) filed on August 27, 2015).
10.18†*	Variation to Executive Services Agreement dated May 30, 2012 between Peter McCann and Civeo Pty Ltd.
10.19†	Variation to Executive Services Agreement between Civeo Pty Ltd and Peter McCann, dated August 17, 2015 (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 001-36246) filed on August 27, 2015).

10.20†	Dual Employment Agreement (Canada) of Allan Schoening, dated July 16, 2015 (incorporated herein by reference to Exhibit 10.8 to the Quarterly Report on Form 10-Q (File No. 001-36246) filed on November 3, 2015).
10.21†	Dual Employment Agreement (United States) of Allan Schoening, dated July 16, 2015 (incorporated herein by reference to Exhibit 10.9 to the Quarterly Report on Form 10-Q (File No. 001-36246) filed on November 3, 2015).
10.22†	Executive Change of Control Severance Agreement between Civeo Corporation and Allan Schoening, dated July 13, 2015 (incorporated herein by reference to Exhibit 10.11 to the Quarterly Report on Form 10-Q (File No. 001-36246) filed on November 3, 2015).
10.23†	First Amendment to Executive Change of Control Severance Agreement between Civeo Corporation and Allan Schoening, effective as of July 20, 2020 (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q (File No. 001-36246) filed on October 28, 2020).
10.24†	Executive Agreement between Civeo Corporation and Allan Schoening, dated December 15, 2014 (incorporated herein by reference to Exhibit 10.12 to the Quarterly Report on Form 10-Q (File No. 001-36246) filed on November 3, 2015.
10.25†*	Executive Change of Control Severance Agreement between Civeo Corporation and Carolyn Stone, dated May 10, 2015.
10.26	Amended and Restated Syndicated Facility Agreement, dated April 2, 2018, among Civeo Corporation and certain of its subsidiaries, as borrowers, the guarantors party thereto, the lenders named therein, Royal Bank of Canada, as Administrative Agent, and the other agents party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36246) filed on April 2, 2018).
10.27	First Amendment to Amended and Restated Syndicated Facility Agreement, dated as of October 26, 2018, among Civeo Corporation and certain of its subsidiaries, as borrowers, the guarantors party thereto, the lenders named therein, Royal Bank of Canada, as Administrative Agent, and the other agents party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36246) filed on October 31, 2018).
10.28	Second Amendment to Amended and Restated Syndicated Facility Agreement, dated as of September 30, 2019, among Civeo Corporation and certain of its subsidiaries, as borrowers, the guarantors party thereto, the lenders named therein, Royal Bank of Canada, as Administrative Agent, and the other agents party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36246) filed on October 2, 2019).
10.29	Third Amendment to Amended and Restated Syndicated Facility Agreement, dated as of September 3, 2020, among Civeo Corporation and certain of its subsidiaries, as borrowers, the guarantors party thereto, the lenders named therein, Royal Bank of Canada, as Administrative Agent, and the other agents party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36246) filed on September 8, 2020).
10.30†	Form of Director Deferred Share Agreement (United States) (incorporated herein by reference to Exhibit 10.31 to the Annual Report on Form 10-K for the year ended December 31, 2018 (File No. 001-36246).
10.31†	Form of Director Deferred Share Agreement (Canada) (incorporated herein by reference to Exhibit 10.32 to the Annual Report on Form 10-K for the year ended December 31, 2018 (File No. 001-36246).
21.1*	List of Significant Subsidiaries of Civeo Corporation.
23.1*	Consent of Ernst & Young LLP.
31.1*	Certification of Chief Executive Officer of Civeo Corporation pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer of Civeo Corporation pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934.
32.1**	Certification of Chief Executive Officer of Civeo Corporation pursuant to Rules 13a-14(b) or 15d-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350.

32.2**	Certification of Chief Financial Officer of Civeo Corporation pursuant to Rules 13a-14(b) or 15d-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*	Filed herewith.
†	Management contracts and compensatory plans and arrangements.
**	Furnished herewith.

PLEASE NOTE: Pursuant to the rules and regulations of the Securities and Exchange Commission, we have filed or incorporated by reference the agreements referenced above as exhibits to this Annual Report on Form 10-K. The agreements have been filed to provide investors with information regarding their respective terms. The agreements are not intended to provide any other factual information about Civeo or its business or operations. In particular, the assertions embodied in any representations, warranties and covenants contained in the agreements may be subject to qualifications with respect to knowledge and materiality different from those applicable to investors and may be qualified by information in confidential disclosure schedules not included with the exhibits. These disclosure schedules may contain information that modifies, qualifies and creates exceptions to the representations, warranties and covenants set forth in the agreements. Moreover, certain representations, warranties and covenants in the agreements may have been used for the purpose of allocating risk between the parties, rather than establishing matters as facts. In addition, information concerning the subject matter of the representations, warranties and covenants may have changed after the date of the respective agreement, which subsequent information may or may not be fully reflected in our public disclosures. Accordingly, investors should not rely on the representations, warranties and covenants in the agreements as characterizations of the actual state of facts about Civeo or its business or operations on the date hereof.

ITEM 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on February 26, 2021.

CIVEO CORPORATION

By /s/ CAROLYN J. STONE
Carolyn J. Stone
Senior Vice President, Chief Financial Officer and Treasurer (Duly Authorized Officer and Principal Financial Officer)

Signature	Title
/s/ RICHARD A. NAVARRE Richard A. Navarre	Chairman of the Board
/s/ BRADLEY J. DODSON Bradley J. Dodson	Director, President & Chief Executive Officer (Principal Executive Officer)
/s/ CAROLYN J. STONE Carolyn J. Stone	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Accounting Officer)
/s/ C. RONALD BLANKENSHIP C. Ronald Blankenship	Director
/s/ MARTIN A. LAMBERT Martin A. Lambert	Director
/s/ CONSTANCE B. MOORE Constance B. Moore	Director
/s/ CHARLES SZALKOWSKI Charles Szalkowski	Director
/s/ TIMOTHY O. WALL Timothy O. Wall	Director

CIVEO CORPORATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Civeo Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Civeo Corporation ("the Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

	Impairment of Long-lived Assets
Description of the Matter	As more fully described in Note 4 to the consolidated financial statements, during 2020, the Company recorded an impairment loss on certain long-lived assets groups in Canada and United States. A severe decline in overall market conditions during the first quarter of 2020 primarily due to the COVID-19 pandemic and lower oil prices resulted in a decline in forecasted demand for the Company's services. As a result of these conditions, the Company evaluated long-lived assets with impairment indicators for recoverability and determined that certain asset groups were not recoverable. As a result, the Company recognized an impairment loss of $50.5 million, which is the amount by which the carrying value exceeded the estimated fair value of these asset groups. Auditing the Company's fixed asset impairment measurement was complex and involved a high degree of subjectivity because the estimates underlying the determination of fair value involve management's judgments on significant assumptions. In particular, the Company's fair value estimate is sensitive to significant assumptions, such as occupancy levels, average daily rates, operating margin, and the weighted average cost of capital.

How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process used to determine the fair value of the asset groups and measure the long-lived asset impairment. For example, we tested controls over management's review of the significant assumptions underlying the fair value determination. To test the Company's impairment measurement of the asset groups, our audit procedures included, among others, assessing the valuation methodology and testing the significant assumptions discussed herein. For example, we compared the significant assumptions used by management to current industry and economic trends as well as to the historical results related to the occupancy, average daily rates, and operating margin. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the impact on the estimate cash flows for the asset groups that would result from changes in the significant assumptions. We also involved our valuation specialists to assist in our evaluation of the weighted average cost of capital assumption as well as the methodology and fair value model used in the estimate. We further tested the completeness and accuracy of the underlying data in the impairment calculations.
	Asset Retirement Obligations
Description of the Matter	As more fully described in Note 14 to the consolidated financial statements, at December 31, 2020, the carrying value of the Company's asset retirement obligations was $15.0 million. The Company reviews the asset retirement obligations at least annually, or more often if facts and circumstances change related to the assumptions used in estimating the obligation. Auditing the Company's asset retirement obligation required us to make subjective auditor judgments because estimates underlying the determination of the obligation were based on assumptions unique to the assets, including assumptions about projected restoration costs and the projected timing of settlement costs used to measure the obligation. Actual costs incurred in future periods could differ from amounts estimated.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process used to calculate and measure the asset retirement obligations. For example, we tested controls over the asset retirement obligation estimation process and management's review of the significant assumptions used in the estimation of the liability, including the amount and timing of retirement costs. To test the asset retirement obligation valuation, our audit procedures included, among others, assessing the valuation methodology, testing the significant assumptions discussed above, and testing the underlying data used by the Company in its analyses. We verified consistency between the projected timing of the settlement costs and management's operating plan and regulatory requirements. We compared management's estimated restoration costs to recently incurred retirement costs, third-party vendor estimates, or publicly available data. In addition, we performed sensitivity analysis to evaluate the change in obligations based on changes in the underlying assumptions.

/s/ *Ernst & Young LLP*

We have served as the Company's auditor since 2013.

Houston, Texas
February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Civeo Corporation

Opinion on Internal Control over Financial Reporting
We have audited Civeo Corporation’s internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Civeo Corporation (“the Company”) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Basis for Opinion
The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management’s annual report on internal control over financial reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting
A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ *Ernst & Young LLP*

Houston, Texas
February 26, 2021

CIVEO CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)

	YEAR ENDED DECEMBER 31,		
	2020	2019	2018
Revenues:			
Service and other	$ 505,401	$ 492,700	$ 428,829
Rental	16,817	27,993	20,079
Product	7,511	6,862	17,784
	529,729	527,555	466,692
Costs and expenses:			
Service and other costs	361,505	338,923	296,097
Rental costs	14,971	22,510	21,472
Product costs	5,612	5,381	14,845
Selling, general and administrative expenses	53,656	59,586	67,036
Depreciation and amortization expense	96,547	123,768	125,846
Impairment expense	144,120	26,148	28,661
Other operating expense	506	290	790
	676,917	576,606	554,747
Operating loss	(147,188)	(49,051)	(88,055)
Interest expense	(16,687)	(27,383)	(26,258)
Loss on extinguishment of debt	(383)	—	(748)
Interest income	20	78	226
Other income	20,823	7,281	1,623
Loss before income taxes	(143,415)	(69,075)	(113,212)
Income tax benefit	10,635	10,741	31,365
Net loss	(132,780)	(58,334)	(81,847)
Less: Net income attributable to noncontrolling interest	1,470	157	396
Net loss attributable to Civeo Corporation	(134,250)	(58,491)	(82,243)
Less: Dividends attributable to Class A preferred shares	1,887	1,849	49,589
Net loss attributable to Civeo common shareholders	$ (136,137)	$ (60,340)	$ (131,832)
Per Share Data (see Note 8) (1)			
Basic net loss per share attributable to Civeo Corporation common shareholders	$ (9.64)	$ (4.33)	$ (10.06)
Diluted net loss per share attributable to Civeo Corporation common shareholders	$ (9.64)	$ (4.33)	$ (10.06)
Weighted average number of common shares outstanding:			
Basic	14,129	13,921	13,103
Diluted	14,129	13,921	13,103

(1) Reflects our 1-for-12 reverse share split that became effective November 19, 2020. See Note 1 - Description of Business and Basis of Presentation to the notes to the consolidated financial statements in Item 8 of this annual report for further discussion.

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

CIVEO CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In Thousands)

	YEAR ENDED DECEMBER 31,		
	2020	2019	2018
Net loss	$ (132,780)	$ (58,334)	$ (81,847)
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustment, net of zero taxes	14,266	8,076	(43,036)
Total other comprehensive income (loss), net of taxes	14,266	8,076	(43,036)
Comprehensive loss	(118,514)	(50,258)	(124,883)
Less: Comprehensive income attributable to noncontrolling interest	1,552	157	396
Comprehensive loss attributable to Civeo Corporation	$ (120,066)	$ (50,415)	$ (125,279)

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

CIVEO CORPORATION

CONSOLIDATED BALANCE SHEETS
(In Thousands)

	DECEMBER 31, 2020	DECEMBER 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,155	$ 3,331
Accounts receivable, net	89,782	99,493
Inventories	6,181	5,877
Prepaid expenses	7,020	7,247
Other current assets	6,165	7,904
Assets held for sale	3,910	7,589
Total current assets	119,213	131,441
Property, plant and equipment, net	486,930	590,309
Goodwill	8,729	110,173
Other intangible assets, net	99,749	111,837
Operating lease right-of-use assets	22,606	24,876
Other noncurrent assets	3,626	1,276
Total assets	$ 740,853	$ 969,912
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 42,056	$ 36,971
Accrued liabilities	27,349	21,755
Income taxes	203	328
Current portion of long-term debt	34,585	35,080
Deferred revenue	6,812	7,165
Other current liabilities	5,760	8,741
Total current liabilities	116,765	110,040
Long-term debt, less current maturities	214,000	321,792
Deferred income taxes	—	9,452
Operating lease liabilities	19,834	21,231
Other noncurrent liabilities	14,897	16,592
Total liabilities	365,496	479,107
Commitments and contingencies (Note 16)		
Shareholders' Equity:		
Preferred shares (Class A Series 1, no par value; 50,000,000 shares authorized, 9,042 shares issued and outstanding, respectively; aggregate liquidation preference of $95,514,031 and $93,627,392 as of December 31, 2020 and 2019)	60,016	58,129
Common shares (no par value; 46,000,000 (1) shares authorized, 14,478,878 shares and 14,304,670 shares issued, respectively, and 14,215,169 shares and 14,129,700 shares outstanding, respectively)	—	—
Additional paid-in capital	1,578,315	1,572,249
Accumulated deficit	(907,727)	(771,590)
Common shares held in treasury at cost, 263,709 and 174,970 shares, respectively	(6,930)	(5,472)
Accumulated other comprehensive loss	(348,989)	(363,173)
Total Civeo Corporation shareholders' equity	374,685	490,143
Noncontrolling interest	672	662
Total shareholders' equity	375,357	490,805
Total liabilities and shareholders' equity	$ 740,853	$ 969,912

(1) Reflects our 1-for-12 reverse share split that became effective November 19, 2020. See Note 1 - Description of Business and Basis of Presentation to the notes to the consolidated financial statements in Item 8 of this annual report for further discussion.

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

CIVEO CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (In Thousands)

	Attributable to Civeo							
	Preferred Shares	Common Shares						
		Par Value	Additional Paid-in Capital	Accumulated Deficit	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Shareholders' Equity
Balance, December 31, 2017	**$ —**	**$ —**	**$ 1,383,934**	**$ (579,113)**	**$ (358)**	**$ (328,213)**	**$ 117**	**$ 476,367**
Net income (loss)	—	—	—	(82,243)	—	—	396	(81,847)
Currency translation adjustment	—	—	—	—	—	(43,036)	—	(43,036)
Dividends paid	—	—	—	—	—	—	(513)	(513)
Cumulative effect of implementation of ASU 2014-09	—	—	—	394	—	—	—	394
Issuance of shares for acquisitions	6,972	—	166,882	—	—	—	—	173,854
Dividends attributable to Class A preferred shares	49,308	—	281	(49,589)	—	—	—	—
Share-based compensation	—	—	11,036	—	(831)	—	—	10,205
Balance, December 31, 2018	**$ 56,280**	**$ —**	**$ 1,562,133**	**$ (710,551)**	**$ (1,189)**	**$ (371,249)**	**$ —**	**$ 535,424**
Net income (loss)	—	—	—	(58,491)	—	—	157	(58,334)
Currency translation adjustment	—	—	—	—	—	8,076	—	8,076
Dividends paid	—	—	—	—	—	—	(182)	(182)
Cumulative effect of implementation of ASU 2016-02	—	—	—	(699)	—	—	—	(699)
Dividends attributable to Class A preferred shares	1,849	—	—	(1,849)	—	—	—	—
Acquisition of noncontrolling interest	—	—	—	—	—	—	687	687
Share-based compensation	—	—	10,116	—	(4,283)	—	—	5,833
Balance, December 31, 2019	**$ 58,129**	**$ —**	**$ 1,572,249**	**$ (771,590)**	**$ (5,472)**	**$ (363,173)**	**$ 662**	**$ 490,805**
Net income (loss)	—	—	—	(134,250)	—	—	1,470	(132,780)
Currency translation adjustment	—	—	—	—	—	14,184	82	14,266
Dividends paid	—	—	—	—	—	—	(1,542)	(1,542)
Dividends attributable to Class A preferred shares	1,887	—	—	(1,887)	—	—	—	—
Share-based compensation	—	—	6,066	—	(1,458)	—	—	4,608
Balance, December 31, 2020	**$ 60,016**	**$ —**	**$ 1,578,315**	**$ (907,727)**	**$ (6,930)**	**$ (348,989)**	**$ 672**	**$ 375,357**

	Preferred Shares	Common Shares (in thousands) (1)
Balance, December 31, 2017	**—**	**11,022**
Issuance of shares for acquisitions	9,042	2,665
Share-based compensation	—	141
Balance, December 31, 2018	**9,042**	**13,828**
Share-based compensation	—	302
Balance, December 31, 2019	**9,042**	**14,130**
Share-based compensation	—	85
Balance, December 31, 2020	**9,042**	**14,215**

(1) Reflects our 1-for-12 reverse share split that became effective November 19, 2020. See Note 1 - Description of Business and Basis of Presentation to the notes to the consolidated financial statements in Item 8 of this annual report for further discussion.

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

CIVEO CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	YEAR ENDED DECEMBER 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net loss	$ (132,780)	$ (58,334)	$ (81,847)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	96,547	123,768	125,846
Impairment charges	144,120	26,148	28,661
Loss on extinguishment of debt	383	—	748
Deferred income tax benefit	(11,122)	(11,713)	(31,403)
Non-cash compensation charge	6,066	10,116	11,036
Gain on disposals of assets	(2,905)	(3,882)	(1,606)
Provision (benefit) for credit losses, net of recoveries	44	(30)	(276)
Other, net	(2,873)	2,659	4,879
Changes in operating assets and liabilities:			
Accounts receivable	13,679	(20,547)	13,326
Inventories	171	(87)	3,376
Accounts payable and accrued liabilities	6,890	8,473	(17,716)
Taxes payable	(134)	(75)	5,310
Other current assets and liabilities, net	(725)	(2,015)	(5,943)
Net cash flows provided by operating activities	117,361	74,481	54,391
Cash flows from investing activities:			
Capital expenditures	(10,083)	(29,812)	(17,108)
Payments related to acquisitions, net of cash acquired	—	(16,434)	(171,337)
Proceeds from disposition of property, plant and equipment	3,690	5,906	5,844
Other, net	4,619	1,762	654
Net cash flows used in investing activities	(1,774)	(38,578)	(181,947)
Cash flows from financing activities:			
Revolving credit borrowings	377,604	381,615	358,312
Revolving credit repayments	(447,914)	(385,071)	(217,339)
Term loan repayments	(39,855)	(34,942)	(26,609)
Debt issuance costs	(2,583)	(1,950)	(4,009)
Other, net	(1,458)	(4,283)	(832)
Net cash flows provided by (used in) financing activities	(114,206)	(44,631)	109,523
Effect of exchange rate changes on cash	1,443	(313)	(2,242)
Net change in cash and cash equivalents	2,824	(9,041)	(20,275)
Cash and cash equivalents, beginning of period	3,331	12,372	32,647
Cash and cash equivalents, end of period	$ 6,155	$ 3,331	$ 12,372
Non-cash investing activities:			
Value of common shares issued as consideration for acquisitions	—	—	119,797
Value of preferred shares issued as consideration for acquisition	—	—	54,821
Capital expenditure additions accrued at end of period	933	—	—
Non-cash financing activities:			
Preferred dividends paid-in-kind	1,887	1,849	1,459

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

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of the Business

We provide hospitality services to the natural resources industry in Canada, Australia and the U.S. We provide a full suite of hospitality services for our guests, including lodging, catering and food service, housekeeping and maintenance at accommodation facilities that we or our customers own. In many cases, we provide services that support the day-to-day operations of accommodation facilities, such as laundry, facility management and maintenance, water and wastewater treatment, power generation, communication systems, security and logistics. We also offer development activities for workforce accommodation facilities, including site selection, permitting, engineering and design, manufacturing management and site construction, along with providing hospitality services once the facility is constructed. We primarily operate in some of the world’s most active oil, metallurgical (met) coal, liquefied natural gas (LNG) and iron ore producing regions, and our customers include major and independent oil companies, mining companies, engineering companies and oilfield and mining service companies. We operate in three principal reportable business segments – Canada, Australia and the U.S.

Basis of Presentation

Unless otherwise stated or the context otherwise indicates: (i) all references in these consolidated financial statements to “Civeo,” “us,” “our” or “we” refer to Civeo Corporation and its consolidated subsidiaries; and (ii) all references in this report to “dollars” or “$” are to U.S. dollars.

Reverse Share Split

On November 19, 2020, we effected a reverse share split where each twelve issued and outstanding common shares were converted into one common share. Our common shares began trading on a reverse share split adjusted basis on November 19, 2020. A total of 14,215,169 common shares were issued and outstanding immediately after the reverse share split. No fractional shares were outstanding following the reverse share split. In lieu of any fractional share, the aggregate number of common shares that a holder was entitled to was, if the fraction was less than half a common share, rounded down to the next closest whole number of common shares, and if the fraction was at least half of a common share, rounded up to one whole common share.

The reverse share split did not affect the number of authorized or issued and outstanding shares of our preferred shares. As a result of the reverse share split, the conversion price for the Company’s outstanding Class A Series 1 preferred shares (Series A preferred shares) was automatically increased to $39.60 for each Series A preferred share (previously it was $3.30 per Series A preferred share).

All authorized, issued and outstanding shares and per share amounts contained in the accompanying consolidated financial statements have been adjusted to reflect this reverse share split for all prior periods presented.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Allowance for Credit Losses

We are exposed to credit losses primarily through the sale of our products and services. We maintain allowances for credit losses for estimated losses resulting from the inability of our customers to make required payments. If a trade receivable is deemed to be uncollectible, such receivable is charged-off against the allowance for credit losses account. Our expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers' trade receivables. Due to the short-term nature of such receivables, the estimate of the amount of accounts receivable that may not be collected is based on an aging of the accounts receivable balances and the financial condition of customers. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. If we have no previous experience with the customer, we typically obtain reports from various credit organizations to ensure that the customer has a history of paying its creditors. We may also request financial information, including combined financial statements or other documents, to ensure that the customer has the means of making payment. If these factors do not indicate collection is reasonably assured, we generally would require a prepayment or other arrangement to support revenue recognition and recording of a trade receivable. If the financial condition of our customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

Inventories

Inventories consist of work in process, raw materials and supplies and materials for the construction and operation of remote accommodation facilities. Inventories also include food, raw materials, labor, subcontractor charges, manufacturing overhead and catering and other supplies needed for operation of our facilities. Inventories are carried at the lower of cost or market. The cost of inventories is determined on an average cost or specific-identification method.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or at estimated fair market value at acquisition date if acquired in a business combination, and depreciation is computed, for assets owned or recorded under capital lease, using the straight-line method, after allowing for salvage value where applicable, over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized over the lesser of the life of the lease or the estimated useful life of the asset. During the first quarter of 2020, we extended the remaining useful life of certain long-lived accommodations assets in our U.S. segment. During the fourth quarter of 2019, we extended the remaining useful life of certain long-lived accommodations assets in our Canada segment.

We record the fair value of a liability, which reflects the estimated present value of the amount of asset removal and site reclamation costs related to the retirement of our assets, for an asset retirement obligation (ARO) when it is incurred (typically when the asset is installed). When the liability is initially recorded, we capitalize the associated asset retirement cost by increasing the carrying amount of the related property, plant and equipment. See Asset Retirement Obligations, below, for further discussion.

Expenditures for repairs and maintenance are charged to expense when incurred. Expenditures for major renewals and betterments, which extend the useful lives of existing equipment, are capitalized and depreciated. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the consolidated statements of operations.

Business Combinations

We evaluate acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination by assessing whether or not we have acquired inputs and processes that have the ability to create outputs. If determined to be a business combination, we account for a business acquisition under the acquisition method of accounting. The accounting rules governing business combinations require the acquiring entity in a business combination to recognize the fair value of all assets acquired and liabilities assumed and establish the acquisition date as the fair value measurement point. Accordingly, we recognize assets acquired and liabilities assumed in a business combination based on the fair value estimates as of the date of acquisition. Goodwill is measured as the excess of the fair value of the consideration paid over the fair value of the identified net assets, including intangible assets, acquired.

The fair value measurement of the identified net assets requires the significant use of estimates and is based on information that was available to management at the time the purchase price allocation was prepared. We utilize recognized valuation techniques, including the cost approach, the market approach and the income approach, to value the net assets acquired. The impact of changes to the estimated fair values of assets acquired and liabilities assumed is recorded in the reporting period in which the adjustment is identified. Final valuations of assets and liabilities are obtained and recorded within one year from the date of the acquisition.

Impairment of Long-Lived Assets

The recoverability of the carrying values of long-lived assets, including amortizable intangible assets, is assessed in step one whenever, in management’s judgment, events or changes in circumstances indicate that the carrying value of such asset groups may not be recoverable based on estimated future cash flows. If this assessment indicates that the carrying values will not be recoverable, as determined based on undiscounted cash flows over the remaining useful lives, an impairment loss is recognized. The impairment loss equals the excess of the carrying value over the fair value of the asset group.

In performing this analysis, the second step is to review asset groups at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. For each asset group, we compare its carrying value to estimates of undiscounted future cash flows. We use a variety of underlying assumptions to estimate these future cash flows, including assumptions relating to future economic market conditions, rates, occupancy levels, costs and expenses and capital expenditures. The estimates are consistent with those used for purposes of our goodwill impairment test, as further discussed in Goodwill and Other Intangible Assets, below. Based on the assessment, if the carrying values of certain of our asset groups are determined to not be recoverable, we proceed to the third step. In this step, we compare the fair value of the respective asset group to its carrying value. The fair value of the asset groups are based on prices of similar assets, if available, or discounted cash flows. Our estimate of the fair value requires us to use significant unobservable inputs, representative of Level 3 fair value measurements, including numerous assumptions with respect to future circumstances, such as industry and/or local market conditions that might directly impact each of the asset groups' operations in the future.

See Note 4 – Impairment Charges for a discussion of impairment charges we recognized in 2020, 2019 and 2018 related to our long-lived assets.

Goodwill and Other Intangible Assets

Goodwill. Goodwill represents the excess of the purchase price paid for acquired businesses over the allocated fair value of the related net assets after impairments, if applicable. All of our goodwill as of December 31, 2020 was included in our Australia reporting unit.

We evaluate goodwill for impairment, at the reporting unit level, annually and when an event occurs or circumstances change to suggest that the carrying amount may not be recoverable. A reporting unit is the operating segment, or a business one level below that operating segment (the "component" level) if discrete financial information is prepared and regularly reviewed by management at the component level. Each segment of our business represents a separate reporting unit.

In connection with the preparation of our financial statements for the three months ended March 31, 2020, we performed a quantitative goodwill impairment test as of March 31, 2020, which resulted in a reduction of the value of our goodwill in our Canadian reporting unit to zero. Please see Note 4 – Impairment Charges for further discussion of goodwill impairments recorded in the years ended December 31, 2020 and 2019.

We conduct our annual impairment test as of November 30 of each year. We compare each reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, goodwill is impaired.

We are given the option to test for impairment of our goodwill by first performing a qualitative assessment to determine whether it is more likely than not (that is, likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. If it is determined that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then performing the currently prescribed quantitative impairment test is unnecessary. In developing a qualitative assessment to meet the "more-likely-than-not" threshold, each reporting unit with goodwill is assessed separately and different relevant events and circumstances are evaluated for each unit. We have the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative goodwill impairment test.

When performing our annual assessment on November 30, 2020, we performed a qualitative assessment related to goodwill at our Australia reporting unit. Qualitative factors that we considered as part of our assessment included industry and market conditions, macroeconomic conditions and the financial performance of our Australian business. We also noted that, based on the interim quantitative testing performed as of March 31, 2020, the estimated fair value of the Australia reporting unit exceeded its carrying value by more than 125%. After assessing these events and circumstances, we determined that it was more likely than not that the fair value of the Australia reporting unit was greater than its carrying value.

In performing the quantitative goodwill impairment test, we compare each reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. Because none of our reporting units has a publicly quoted market price, we must determine the value that willing buyers and sellers would place on the reporting unit through a routine sale process (a Level 3 fair value measurement). In our analysis, we target a fair value that represents the value that would be placed on the reporting unit by market participants, and value the reporting unit based on historical and projected results throughout a cycle, not the value of the reporting unit based on trough or peak earnings. The fair value of the reporting unit is estimated using a combination of (i) an analysis of trading multiples of comparable companies (Market Approach) and (ii) discounted projected cash flows (Income Approach). The relative weighting of each approach reflects current industry and market conditions.

Market Approach - This valuation approach utilizes publicly traded comparable companies' enterprise values, as compared to their recent and forecasted earnings before interest, taxes and depreciation (EBITDA) information. We use EBITDA because it is a widely used key indicator of the cash generating capacity of companies in our industry.

Income Approach - This valuation approach derives a present value of the reporting unit's projected future annual cash flows over the next five years with a terminal value assumption. We use a variety of underlying assumptions to estimate these future cash flows, including assumptions relating to future economic market conditions, rates, occupancy levels, costs and expenses and capital expenditures. These assumptions can vary by each reporting unit depending on market conditions. In addition, a terminal value is estimated, using a Gordon Growth methodology with a long-term growth rate of 2%. We discount our projected cash flows using a long-term weighted average cost of capital based on our estimate of investment returns that would be required by a market participant.

The fair value of our reporting units is affected by future oil, coal and natural gas prices, anticipated spending by our customers, and the cost of capital. Our estimate of fair value requires us to use significant unobservable inputs, representative of Level 3 fair value measurements, including numerous assumptions with respect to future circumstances, such as industry and/or local market conditions that might directly impact each of the reporting units' operations in the future. We selected these valuation approaches because we believe the combination of these approaches and our best judgment regarding underlying assumptions and estimates provides us with the best estimate of fair value for each of our reporting units. We believe these valuation approaches are proven valuation techniques and methodologies for our industry and widely accepted by investors. The fair value of each reporting unit would change if our assumptions under these valuation approaches, or relative weighting of the valuation approaches, were materially modified.

Other Intangible Assets. We amortize the cost of other intangible assets using the straight-line method over their estimated useful lives unless such lives are deemed indefinite. For intangible assets that we amortize, we review the useful life of the intangible asset and evaluate each reporting period whether events and circumstances warrant a revision to the remaining useful life.

See Note 10 – Goodwill and Other Intangible Assets for further information.

Foreign Currency and Other Comprehensive Income

Gains and losses resulting from consolidated balance sheet translation of foreign operations where a foreign currency is the functional currency are included as a separate component of accumulated other comprehensive income within shareholders' equity representing substantially all of the balances within accumulated other comprehensive income. Remeasurements of intercompany loans denominated in a different currency than the functional currency of the entity that are of a long-term investment nature are recognized as other comprehensive income within shareholders' equity. Gains and losses resulting from consolidated balance sheet remeasurements of assets and liabilities denominated in a different currency than the functional currency, other than intercompany loans that are of a long-term investment nature, are included in the consolidated statements of operations as incurred. For the years ended December 31, 2020, 2019, and 2018, we recognized approximately $0.5 million, $0.3 million and $0.8 million in foreign currency losses, respectively.

Foreign Currency Exchange Rate Risk

A significant portion of revenues, earnings and net investments in foreign affiliates are exposed to changes in foreign currency exchange rates. We seek to manage our foreign exchange risk in part through operational means, including managing expected local currency revenues in relation to local currency costs and local currency assets in relation to local currency liabilities. We have not entered into any foreign currency forward contracts.

Revenue and Cost Recognition

We generally recognize accommodation, mobile facility rental, food service and other services revenues over time as our customers simultaneously receive and consume benefits as we serve our customers because of continuous transfer of control to the customer. Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We transfer control and recognize a sale based on a periodic (usually daily) room rate each night a customer stays in our rooms or when the services are rendered. In some contracts, rates may vary over the contract term. In these cases, revenue may be deferred and recognized on a straight-line basis over the contract term. A limited portion of our revenue is recognized at a point in time when control transfers to the customer related to small modular construction and manufacturing contracts, minor food service arrangements and optional purchases our customers make for incidental services offered at our accommodation and mobile facilities.

For significant construction projects, manufacturing revenues are recognized over time with progress towards completion measured using the cost based input method as the basis to recognize revenue and an estimated profit. Billings on such contracts in excess of costs incurred and estimated profits are classified as deferred revenue. Costs incurred and estimated profits in excess of billings on these contracts are recognized as unbilled receivables. Management believes this input method is the most appropriate measure of progress to the satisfaction of a performance obligation on larger modular construction and manufacturing contracts. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, estimated profitability and final contract settlements may result in revisions to projected costs and revenue and are recognized in the period in which the revisions to estimates are identified and the amounts can be reasonably estimated. Factors that may affect future project costs and margins include weather, production efficiencies, availability and costs of labor, materials and subcomponents. These factors can significantly impact the accuracy of our estimates and materially impact our future reported earnings.

Because of control transferring over time, the majority of our revenue is recognized based on the extent of progress towards completion of the performance obligation. At contract inception, we assess the goods and services promised in our contracts with customers and identify a performance obligation for each promise to transfer our customers a good or service (or bundle of goods or services) that is distinct. Our customers typically contract for hospitality services under take-or-pay contracts with terms that most often range from several months to three years. Our contract terms generally provide for a rental rate for a reserved room and an occupied room rate that compensates us for services provided. We typically contract our facilities to our customers on a fee per day basis where the goods and services promised include lodging and meals. To identify the performance obligations, we consider all of the goods and services promised in the context of the contract and the pattern of transfer to our customers.

Revenues exclude taxes assessed based on revenues such as sales or value added taxes.

Cost of services includes labor, food, utility costs, cleaning supplies, and other costs of operating our accommodations facilities. Cost of goods sold includes all direct material and labor costs and those costs related to contract performance, such as indirect labor, supplies, tools and repairs. Selling, general and administrative costs are charged to expense as incurred.

Income Taxes

Our operations are subject to Canadian federal and provincial income taxes, as well as foreign income taxes. We determine the provision for income taxes using the asset and liability approach. Under this approach, deferred income taxes represent the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities.

Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. In assessing the need for a valuation allowance, we look to the future reversal of existing taxable temporary differences, taxable income in carryback years, the feasibility of tax planning strategies and estimated future taxable income. The valuation allowance can be affected by changes to tax laws, changes to statutory tax rates and changes to future taxable income estimates and historical losses.

We recognize tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. See Note 15 – Income Taxes for further information.

Receivables and Concentration of Credit Risk

Based on the nature of our customer base, we do not believe that we have any significant concentrations of credit risk other than our concentration in the Canadian oil sands and Australian mining industries. We evaluate the credit-worthiness of our significant, new and existing customers' financial condition and, generally, we do not require collateral from our customers. For the year ended December 31, 2020, each of Fortescue Metals Group Ltd and Imperial Oil accounted for more than 10% of our revenues. For the year ended December 31, 2019, each of Imperial Oil and Fort Hills Energy LP accounted for more than 10% of our revenues. For the year ended December 31, 2018, each of Imperial Oil, Fort Hills Energy LP and Suncor Energy Inc. accounted for more than 10% of our revenues.

Asset Retirement Obligations

We have AROs that we are required to perform under law or contract once an asset is permanently taken out of service. We initially record the liability at fair value, which reflects the estimated present value of the amount of asset removal and site reclamation costs related to the retirement of our assets, for an ARO when it is incurred (typically when the asset is installed). When the liability is initially recorded, we capitalize the associated asset retirement cost by increasing the carrying amount of the related property, plant and equipment. Over time, the liability increases for the change in its present value, while the capitalized cost depreciates over the useful life of the related asset. Accretion expense is recognized over the estimated productive life of the related assets. If the fair value of the estimated ARO changes, an adjustment is recorded to both the ARO and the capitalized asset retirement cost. Revisions in estimated liabilities can result from changes in estimated inflation rates, changes in service and equipment costs and changes in the estimated timing of settling the ARO. We utilize current retirement costs to estimate the expected cash outflows for retirement obligations. We estimate the ultimate productive life of the properties and a risk-adjusted discount rate in order to determine the current present value of the obligation.

We relieve ARO liabilities when the related obligations are settled. Most of these obligations are not expected to be paid until many years in the future and will be funded from general company resources at the time of removal. See Note 14 – Asset Retirement Obligations for further discussion.

Share-Based Compensation

We sponsor an equity participation plan in which certain of our employees participate. We measure the cost of employee services received in exchange for an award of equity instruments (typically restricted share awards and deferred share awards) based on the grant-date fair value of the award. The fair value is calculated based on our share price on the grant-date. The resulting cost is recognized over the period during which an employee is required to provide service in exchange for the awards, usually the vesting period.

We also grant performance share awards. These awards are earned in amounts between 0% and 200% of the participant's target performance share award, based on the payout percentage associated with Civeo's relative total shareholder return rank among a peer group of other companies. The fair value of the performance share is estimated using option-pricing models at the grant date. The resulting cost is recognized over the period during which an employee is required to provide service in exchange for the awards, usually the vesting period.

Additionally, we grant phantom shares. All of the awards vest in equal annual installments and are accounted for as a liability based on the fair value of our share price. Participants granted units of phantom shares are entitled to a lump sum cash payment equal to the fair market value of a common share on the vesting date.

Guarantees

Substantially all of our Canadian and U.S. subsidiaries are guarantors under our Amended Credit Agreement. See Note 11 – Debt.

During the ordinary course of business, we also provide standby letters of credit or other guarantee instruments to certain parties as required for certain transactions initiated by us or our subsidiaries. As of December 31, 2020, the maximum potential amount of future payments that we could be required to make under these guarantee agreements (letters of credit) was approximately $5.1 million. We have not recorded any liability in connection with these guarantee arrangements. We do not believe, based on historical experience and information currently available, that it is likely that any amounts will be required to be paid under these guarantee arrangements.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of a few such estimates include revenue and income recognized on the cost-based input method, estimates of the amount and timing of costs to be incurred for AROs, any valuation allowance recorded on net deferred tax assets, warranty claims, long-lived asset and goodwill impairments and allowance for credit losses. Actual results could materially differ from those estimates.

Accounting for Contingencies

We have contingent liabilities and future claims for which we have made estimates of the amount of the eventual cost to liquidate these liabilities or claims. We make an assessment of our exposure and record a provision in our accounts to cover an expected loss when we believe a loss is probable and the amount of the loss can be reasonably estimated. These liabilities and claims sometimes involve threatened or actual litigation where damages have been quantified. Other claims or liabilities have been estimated based on their fair value or our experience in these matters and, when appropriate, the advice of outside counsel or other outside experts. Upon the ultimate resolution of these uncertainties, our future reported financial results will be impacted by the difference between our estimates and the actual amounts paid to settle a liability. Examples of areas where we have made important estimates of future liabilities include litigation, taxes, interest, insurance claims, warranty claims, contract claims and obligations.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (the FASB), which are adopted by us as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards or other guidance updates, which are not yet effective, will not have a material impact on our consolidated financial statements upon adoption.

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses” (ASU 2016-13). This new standard changes how companies measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. ASU 2016-13 is effective for financial statements issued for reporting periods beginning after December 15, 2019 and interim periods within the reporting periods. We adopted ASU 2016-13 as of January 1, 2020. The adoption of this new standard did not have a material impact on our consolidated financial statements.

3. REVENUE

The following table disaggregates our revenue by our three reportable segments: Canada, Australia and the U.S., and major categories for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	2020	2019	2018
Canada			
Accommodation revenues	$ 202,534	$ 281,577	$ 266,899
Mobile facility rental revenues	33,192	9,575	9,316
Food service and other services revenues	33,923	33,485	15,601
Manufacturing revenues	—	1,014	4,196
Total Canada revenues	269,649	325,651	296,012
Australia			
Accommodation revenues	$ 144,070	$ 126,047	$ 117,896
Food service and other services revenues	90,472	30,046	1,342
Total Australia revenues	234,542	156,093	119,238
U.S.			
Accommodation revenues	$ 2,451	$ 12,462	$ 18,288
Mobile facility rental revenues	16,837	28,119	20,389
Manufacturing revenues	6,200	5,085	12,595
Food service and other services revenues	50	145	170
Total U.S. revenues	25,538	45,811	51,442
Total revenues	$ 529,729	$ 527,555	$ 466,692

Our payment terms vary by the type and location of our customer and the products or services offered. The term between invoicing and when our performance obligations are satisfied is not significant. Payment terms are generally within 30 days and do not extend beyond 60 days. We do not have significant financing components or significant payment terms.

As of December 31, 2020, for contracts that are greater than one year, the table below discloses the estimated revenues related to performance obligations that are unsatisfied (or partially unsatisfied) and when we expect to recognize the revenue. The table only includes revenue expected to be recognized from contracts where the quantity of service is certain (in thousands):

	For the years ending December 31,				
	2021	2022	2023	Thereafter	Total
Revenue expected to be recognized as of December 31, 2020	$ 102,297	$ 68,705	$ 10,523	$ —	$ 181,525

We applied the practical expedient and do not disclose consideration for remaining performance obligations with an original expected duration of one year or less. In addition, we do not estimate revenues expected to be recognized related to unsatisfied performance obligations for contracts without minimum room commitments. The table above represents only a portion of our expected future consolidated revenues and it is not necessarily indicative of the expected trend in total revenues.

4. IMPAIRMENT CHARGES

2020 Impairment Charges

The following summarizes pre-tax impairment charges recorded during 2020, which are included in Impairment expense in our consolidated statements of operations (in thousands):

	Canada	Australia	U.S.	Total
Quarter ended March 31, 2020				
Goodwill	$ 93,606	$ —	$ —	$ 93,606
Long-lived assets	38,075	—	12,439	50,514
Total	$ 131,681	$ —	$ 12,439	$ 144,120

Quarter ended March 31, 2020. During the first quarter of 2020, we recorded impairment expense related to goodwill and long-lived assets.

The spread of the COVID-19 coronavirus (COVID-19) and the response thereto during the first quarter of 2020 negatively impacted the global economy. The resulting unprecedented decline in oil demand, coupled with disagreements between Saudi Arabia and Russia about production limits, resulted in a collapse of global oil prices in March 2020, thereby creating unprecedented downward pressure on stock prices in the energy industry, particularly small-cap companies with operations in the U.S. and Canada, such as Civeo. As a result, we experienced a sustained reduction of our share price during the first quarter of 2020. Our market capitalization implied an enterprise value which was significantly less than the sum of the estimated fair values of our reporting units, and we determined that an indicator of a goodwill impairment was present as of March 31, 2020. Accordingly, we performed an interim goodwill impairment test as of March 31, 2020, and the carrying amount of our Canadian reporting unit exceeded the reporting unit's fair value. Based on the results of the impairment test, we reduced the value of our goodwill in our Canadian reporting unit to zero and recognized impairment expense in the first quarter of 2020 of $93.6 million.

Furthermore, as a result of the decline in global oil prices and forecasts for a potentially protracted period of lower prices, as well as the goodwill impairment in our Canadian segment, we determined all asset groups within this segment had experienced a trigger that indicated that the carrying values might not be recoverable. Accordingly, we assessed the carrying value of each asset group to determine if it continued to be recoverable based on estimated future cash flows. Based on the assessment, the carrying values of certain asset groups were determined to not be fully recoverable, and we proceeded to compare the estimated fair value of these asset groups to their respective carrying values. As a result, certain asset groups were written down to their estimated fair values of $43.5 million and we recorded impairment expense of $38.1 million related to these long-lived assets.

Also, as a result of the decline in global oil prices and forecasts for a potentially protracted period of lower prices, we reviewed all asset groups in our U.S. segment to determine if an indicator of impairment had occurred that would indicate that the carrying values of the asset groups in the segment might not be recoverable. We determined that certain asset groups within the segment had experienced an indicator of impairment, and thus we assessed the carrying values of our long-lived assets in the U.S. to determine if they continued to be recoverable based on estimated future cash flows. Based on the assessment, the carrying values of certain of our U.S. asset groups were determined to not be recoverable, and we proceeded to compare the estimated fair values of the asset groups to their respective carrying values. Accordingly, these assets were written down to their estimated fair values of $12.5 million and we recorded impairment expense of $12.4 million during the first quarter of 2020 related to these long-lived assets.

2019 Impairment Charges

The following summarizes pre-tax impairment charges recorded during 2019, which are included in Impairment expense in our consolidated statements of operations (in thousands):

	Canada	Australia	U.S.	Total
Quarter ended June 30, 2019				
Long-lived assets	$ —	$ 5,546	$ —	$ 5,546
Quarter ended December 31, 2019				
Long-lived assets	702	—	—	702
Goodwill	19,900	—	—	19,900
Total	$ 20,602	$ 5,546	$ —	$ 26,148

Quarter ended December 31, 2019. In performing our annual goodwill impairment test as of November 30, 2019, we compared the fair value of our reporting units to their respective carrying values. The carrying amount of our Canadian reporting unit exceeded the reporting unit's fair value. Based on the results of the impairment test, we recognized an impairment expense of $19.9 million related to our Canadian reporting unit.

During the fourth quarter of 2019, we recorded an impairment expense of $0.7 million related to corporate office space in Canada. The facility is closed and recorded at the estimated fair value (less costs to sell) and was reduced due to a recent appraisal report.

Quarter ended June 30, 2019. During the second quarter of 2019, we identified indicators that certain long-lived assets in Australia may be impaired due to market developments, including the non-renewal of certain land development approval agreements. We assessed the carrying values of the related assets to determine if they continued to be recoverable based on estimated future cash flows. Based on the assessment, the carrying values were determined to not be fully recoverable, and we proceeded to compare the estimated fair value of the assets to their respective carrying values. Accordingly, the assets were written down to their estimated fair values of $0.5 million. As a result of the analysis described above, we recorded an impairment expense of $4.5 million.

Additionally, during the second quarter of 2019, we identified a liability related to an ARO at one of our villages in Australia that should have been recorded in 2011. We determined that the error was not material to our previously issued financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, and therefore, corrected the error in the second quarter of 2019. Specifically, we recorded the following amounts in the second quarter 2019 unaudited consolidated statement of operations related to prior periods: (1) additional accretion expense related to the ARO of $0.9 million, (2) additional depreciation and amortization expense of $0.5 million related to amortization of the related asset retirement cost and (3) additional impairment expense related to the impairment of the asset retirement cost of $1.0 million offset by recognition of an ARO liability totaling $2.3 million as of June 30, 2019.

2018 Impairment Charges

The following summarizes pre-tax impairment charges recorded during 2019, which are included in Impairment expense in our consolidated statements of operations (in thousands):

	Canada	Australia	U.S.	Total
Quarter ended March 31, 2018				
Long-lived assets	$ 28,661	$ —	$ —	$ 28,661
Total	$ 28,661	$ —	$ —	$ 28,661

Quarter ended March 31, 2018. During the first quarter of 2018, we identified an indicator that certain long-lived assets used in the Canadian oil sands may be impaired due to market developments, including expected customer commitments, occurring in the first quarter of 2018. For purposes of our impairment assessment, we separated two lodges that were previously treated as a single asset group due to the lodges no longer being used together to generate joint cash flows. We assessed the carrying value of the asset group to determine if it continued to be recoverable based on estimated future cash flows. Based on the assessment, the carrying value was determined to not be fully recoverable, and we proceeded to compare the estimated fair value of the asset group to its respective carrying value. Accordingly, the value of one of the lodges was written down to its estimated fair value of zero. As a result of the analysis described above, we recorded an impairment expense of $28.7 million.

5. FAIR VALUE MEASUREMENTS

Our financial instruments consist of cash and cash equivalents, receivables, payables and debt instruments. We believe that the carrying values of these instruments on the accompanying consolidated balance sheets approximate their fair values.

As of December 31, 2020 and 2019, we believe the carrying value of our floating-rate debt outstanding under our term loans and revolving credit facilities approximates fair value because the terms include short-term interest rates and exclude penalties for prepayment. We estimated the fair value of our floating-rate term loan and revolving credit facilities using significant other observable inputs, representative of a Level 2 fair value measurement, including terms and credit spreads for these loans.

During the first quarter of 2020 and the fourth quarter of 2019, we recorded goodwill impairment charges related to one of our reporting units. Our estimates of fair value required us to use significant unobservable inputs, representative of Level 3 fair value measurements, including numerous assumptions with respect to future circumstances that might directly impact each of the relevant asset groups' operations in the future and are therefore uncertain. These assumptions with respect to future circumstances included future cash flows, oil, met coal and natural gas prices, anticipated spending by our customers, the cost of capital, and industry and/or local market conditions. We estimated the fair value when conducting the first quarter of 2020 goodwill impairment test primarily using an income approach and we used a combination of income and market approaches when conducting the fourth quarter of 2019 goodwill impairment test. The discount rates used to value our reporting units for the first quarter of 2020 and the fourth quarter of 2019 for the goodwill impairment test ranged between 10.5% and 14.0%.

During the first quarter of 2020, the fourth and second quarters of 2019 and the first quarter of 2018, we wrote down certain long-lived assets to fair value. During the first quarter of 2020 and 2018, we estimated the fair value when conducting the long-lived asset impairment tests primarily using an income approach. We used a variety of unobservable inputs and underlying assumptions consistent with those discussed above for purposes of our goodwill impairment test. The discount rates used to value our Canadian and U.S. segments long-lived asset impairment analysis ranged between 11.0% and 14.0%. During the fourth quarter of 2019, our estimate of fair value of corporate office space in Canada and during the second quarter of 2019, our estimate of fair value of land in Australia, were based on appraisals from third parties.

See Note 2 – Summary of Significant Accounting Policies – Impairment of Long-Lived Assets and Note 2 – Summary of Significant Accounting Policies – Goodwill and Other Intangible Assets for further discussion of the significant judgments and assumptions used in calculating their fair value.

During 2019 and 2018, we acquired certain assets and businesses and recorded them at fair value. Determining the fair value of assets acquired and liabilities assumed required the exercise of significant judgment, including the amount and timing of expected future cash flows, long-term growth rates and discount rates. The cash flows employed in the valuation are based on our best estimates of future sales, earnings and cash flows after considering factors such as general market conditions, expected future customer orders, contracts with suppliers, labor costs, changes in working capital, long-term business plans and recent operating performance. See Note 7 – Acquisitions for further information.

6. DETAILS OF SELECTED BALANCE SHEET ACCOUNTS

Additional information regarding selected balance sheet accounts at December 31, 2020 and 2019 is presented below (in thousands):

	December 31, 2020	December 31, 2019
Accounts receivable, net:		
Trade	$ 66,071	$ 76,370
Unbilled revenue	22,565	23,041
Other [(1)]	1,421	335
Total accounts receivable	90,057	99,746
Allowance for credit losses	(275)	(253)
Total accounts receivable, net	$ 89,782	$ 99,493

(1) As of December 31, 2020, Other accounts receivable includes a $1.1 million receivable related to the Canada Emergency Wage Subsidy (CEWS), a subsidy implemented by the Canadian government in response to the COVID-19 pandemic. Income related to the CEWS for the year ended December 31, 2020 was $13.0 million and is included in Other income on the accompanying consolidated statement of operations.

		December 31, 2020		December 31, 2019
Inventories:				
Finished goods and purchased products	$	5,047	$	3,982
Work in process		45		813
Raw materials		1,089		1,082
Total inventories	$	6,181	$	5,877

	Estimated Useful Life (in years)		December 31, 2020		December 31, 2019
Property, plant and equipment, net:					
Land		$	47,751	$	43,147
Accommodations assets	3-15		1,737,620		1,696,425
Buildings and leasehold improvements	7-20		28,831		26,108
Machinery and equipment	4-15		12,784		12,060
Office furniture and equipment	3-7		61,850		58,005
Vehicles	3-5		15,363		14,604
Construction in progress			5,523		4,286
Total property, plant and equipment			1,909,722		1,854,635
Accumulated depreciation			(1,422,792)		(1,264,326)
Total property, plant and equipment, net		$	486,930	$	590,309

As of December 31, 2020, assets held for sale includes $3.9 million related to our modular construction and manufacturing plant near Edmonton, Alberta, Canada.

		December 31, 2020		December 31, 2019
Accrued liabilities:				
Accrued compensation	$	22,475	$	17,169
Accrued taxes, other than income taxes		3,099		3,152
Other		1,775		1,434
Total accrued liabilities	$	27,349	$	21,755

7. ACQUISITIONS

As previously disclosed in Note 1 - Description of Business and Basis of Presentation, a 1-for-12 reverse share split became effective on November 19, 2020 for all authorized, issued and outstanding shares of Civeo common shares. Accordingly, all share amounts have been adjusted to reflect this reverse stock split for all prior periods presented.

Action

On July 1, 2019, we acquired Action, a provider of integrated services to the mining industry in Western Australia. We funded the purchase price of $16.9 million in cash through a combination of cash on hand and borrowings under our revolving credit facility. Action's operations are reported as part of our Australia reporting business segment beginning on July 1, 2019, the date of acquisition.

This acquisition was accounted for in accordance with the acquisition method of accounting for business combinations, which required us to record the assets acquired and the liabilities assumed at their fair values at July 1, 2019. Our estimates of the fair value for such assets and liabilities required significant assumptions and judgment. Based on the final purchase price allocation, intangible assets acquired totaled $8.4 million and consisted primarily of customer contracts and a trade name. In addition, we recognized goodwill of $7.9 million.

Noralta

Description of Transaction. On April 2, 2018, we acquired the equity of Noralta. As a result of the Noralta Acquisition, we expanded our existing accommodations business in the Canadian oil sands market. The total consideration, which is subject to adjustment in accordance with the terms of the definitive agreement, included (i) C$207.7 million (or approximately US$161.2 million) in cash, subject to customary post-closing adjustments for working capital, indebtedness and transactions expenses, (ii) 2.7 million of our common shares, of which 1.1 million shares are held in escrow and will be released based on certain conditions related to Noralta customer contracts remaining in place, and (iii) 9,679 Class A Series 1 Preferred Shares (the Preferred Shares) with an initial liquidation preference of $96.8 million and initially convertible into 2.4 million of our common shares. We funded the cash consideration with cash on hand and borrowings under our revolving credit facility.

During the second quarter of 2020, $5.0 million in cash was released to us from escrow to cover certain agreed upon indemnification claims. As a result of this settlement, we recorded $4.7 million in Other income on the accompanying consolidated statement of operations for the year ended December 31, 2020. During the first quarter of 2019, $2.1 million in cash was released to us from escrow to cover certain agreed upon indemnification claims. During the fourth quarter of 2018, $10.4 million in cash, 0.2 million common shares and 637 Preferred Shares were released to us, and $1.2 million in cash, 15 thousand common shares and 55 Preferred Shares were released to the sellers, from escrow to cover purchase price adjustments related to employee compensation cost increases. During the third quarter of 2018, $3.6 million in cash was released to us from escrow to cover purchase price adjustments related to a working capital shortfall at closing.

The Noralta Acquisition was accounted for in accordance with the acquisition method of accounting for business combinations, and accordingly, the results of operations of Noralta were reported in our financial statements as part of our Canada reporting business segment beginning on April 2, 2018, the date of acquisition. During the year ended December 31, 2018, we recorded approximately $85.8 million of revenue and $31.5 million of gross margin in the accompanying consolidated statements of operations related to the Noralta Acquisition.

Calculation of Purchase Consideration. The total purchase consideration received by the Noralta shareholders was based on the cash consideration and fair value of our common shares and Preferred Shares issued on April 2, 2018. The purchase consideration below reflects the fair value of common shares issued, which is based on the closing price on March 29, 2018 (the last business day prior to April 2, 2018) of our common shares of $45.24 per share and the estimated fair value of Preferred Shares issued, which are valued at 61% of the initial liquidation preference of the Preferred Shares of $96.8 million.

A portion of the consideration paid, $11.6 million cash, 0.2 million common shares and 692 Preferred Shares, was initially held in escrow to support certain obligations of the sellers to compensate us for certain increased employee compensation costs expected to be incurred as a result of the union certification of certain classes of Noralta employees. As of April 2, 2018, we expected the escrowed amounts to be released to us within 12 months, and therefore, a receivable of $11.6 million related to the cash expected to be released was established. Additionally, no fair value has been allocated to such common shares or Preferred Shares portion of the consideration. As the $10.4 million of cash released to us during the fourth quarter of 2018 was less than the cash expected to be released as of April 2, 2018, we recognized a loss equal to the difference, adjusted for exchange rate changes, totaling $0.8 million. The loss is included in Other income in the accompanying consolidated statement of operations.

The purchase consideration and estimated fair value of Noralta's net assets acquired as of April 2, 2018 is presented as follows:

(In thousands, except per share data)				
Common shares issued		2,733		
Common share price as of March 29, 2018	$	45.24		
Common share consideration			$	123,622
Cash consideration [(1)]				157,539
Preferred Share consideration				59,042
Total purchase consideration			$	340,203
Less: Common shares held in escrow				(8,825)
Less: Cash held in escrow				(11,607)
Less: Preferred Shares held in escrow				(4,221)
Total purchase consideration			$	315,550

(1) Net of $3.6 million in cash released to us to cover purchase price adjustments related to a working capital shortfall at closing.

Supplemental Pro Forma Financial Information (Unaudited). The following unaudited pro forma supplemental financial information presents the consolidated results of operations of the Company and Noralta as if the Noralta Acquisition had occurred on January 1, 2017. We have adjusted historical financial information to give effect to pro forma items that are directly attributable to the Noralta Acquisition and are expected to have a continuing impact on the consolidated results. These items include adjustments to record the incremental amortization and depreciation expense related to the increase in fair values of the acquired assets, interest expense related to borrowings under the Credit Agreement to fund the Noralta Acquisition and to reclassify certain items to conform to our financial reporting presentation. However, pro forma results do not include any anticipated cost savings or other effects of the planned integration of Noralta. The unaudited pro forma results do not purport to be indicative of the results of operations had the transaction occurred on the date indicated or of future results for the combined entities (in thousands, except per share data):

	Year Ended December 31, (Unaudited)	
	Pro forma	
	2018	
Revenues	$	501,275
Net loss attributable to Civeo Corporation common shareholders		(129,900)
Basic net loss per share attributable to Civeo Corporation common shareholders	$	(9.96)
Diluted net loss per share attributable to Civeo Corporation common shareholders	$	(9.96)

Included in the pro forma results above are certain adjustments due to the following: (i) increases in depreciation and amortization expense due to acquired intangibles and the increased recorded value of property, plant and equipment, (ii) increases in interest expense due to additional credit facility borrowings to fund the Noralta Acquisition, and (iii) decreases due to the exclusion of transaction costs.

Transaction Costs. During the year ended December 31, 2018, we recognized $9.1 million of costs in connection with the Noralta Acquisition that are included in Service and other costs ($1.0 million), Selling, general and administrative expenses ($7.2 million) and Other income ($0.9 million).

8. EARNINGS PER SHARE

As previously disclosed in Note 1 - Description of Business and Basis of Presentation, a 1-for-12 reverse share split became effective on November 19, 2020 for all authorized, issued and outstanding shares of Civeo common shares. Accordingly, all share and per share amounts have been adjusted to reflect this reverse stock split for all prior periods presented.

We calculate basic and diluted earnings per share by applying the two-class method because we have participating securities in the form of Preferred Shares. Participating securities are allocated a proportional share of net income determined by dividing total weighted average participating securities by the sum of total weighted average common shares and participating securities. We also apply the treasury stock method with respect to certain share based awards in the calculation of diluted earnings per share, if dilutive.

The calculation of earnings per share attributable to Civeo common shareholders is presented below for the periods indicated (in thousands, except per share amounts):

	2020	2019	2018
Numerator:			
Net loss attributable to Civeo common shareholders	$ (136,137)	$ (60,340)	$ (131,832)
Less: income allocated to participating securities	—	—	—
Basic net income loss attributable to Civeo Corporation common shareholders	$ (136,137)	$ (60,340)	$ (131,832)
Add: undistributed income attributable to participating securities	—	—	—
Less: undistributed income reallocated to participating securities	—	—	—
Diluted net loss attributable to Civeo Corporation common shareholders	$ (136,137)	$ (60,340)	$ (131,832)
Denominator:			
Weighted average shares outstanding - basic	14,129	13,921	13,103
Dilutive shares - share based awards	—	—	—
Weighted average shares outstanding - diluted	14,129	13,921	13,103
Basic net loss per share attributable to Civeo Corporation common shareholders [(1)]	$ (9.64)	$ (4.33)	$ (10.06)
Diluted net loss per share attributable to Civeo Corporation common shareholders [(1)]	$ (9.64)	$ (4.33)	$ (10.06)

(1) Computations may reflect rounding adjustments.

When an entity has a net loss from continuing operations, it is prohibited from including potential common shares in the computation of diluted per share amounts. For the years ended December 31, 2020, 2019 and 2018, we excluded from the computation of diluted loss per share 0.4 million, 0.5 million and 0.8 million share-based awards, respectively, since the effect would have been anti-dilutive. Additionally, for the years ended December 31, 2020, 2019 and 2018, we excluded from the calculation the impact of converting the Preferred Shares into 2.4 million, 2.4 million and 2.5 million common shares, respectively, since the effect would have been anti-dilutive.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the years ended December 31, 2020, 2019 and 2018 for interest and income taxes was as follows (in thousands):

	2020	2019	2018
Interest (net of amounts capitalized)	$ 12,597	$ 23,882	$ 23,098
Net income taxes paid (refunds received)	600	1,045	(5,271)

10. GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of goodwill from December 31, 2018 to December 31, 2020 are as follows (in thousands):

	Canada	Australia	U.S.	Total
Goodwill as of December 31, 2018	$ 114,207	$ —	$ —	$ 114,207
Action acquisition [1]	—	7,923	—	7,923
Measurement period adjustments for prior year acquisition [2]	2,676	—	—	2,676
Foreign currency translation	5,255	12	—	5,267
Goodwill impairment [3]	(19,900)	—	—	(19,900)
Goodwill, net of $19.9 million accumulated impairment loss as of December 31, 2019	$ 102,238	$ 7,935	$ —	$ 110,173
Foreign currency translation	(8,632)	794	—	(7,838)
Goodwill impairment [3]	(93,606)	—	—	(93,606)
Goodwill, net of $113.5 million accumulated impairment loss as of December 31, 2020	$ —	$ 8,729	$ —	$ 8,729

(1) See Note 7 – Acquisitions for further information.
(2) The measurement period adjustment related to the Noralta Acquisition was a result of the first quarter 2019 finalization of our purchase price allocation and valuation related to intangible assets acquired.
(3) See Note 4 – Impairment Charges for further information.

The following table presents the total amount of other intangible assets and the related accumulated amortization for major intangible asset classes as of December 31, 2020 and 2019 (in thousands):

	December 31, 2020		December 31, 2019	
	Gross Carrying Amount	**Accumulated Amortization**	**Gross Carrying Amount**	**Accumulated Amortization**
Amortizable Intangible Assets				
Customer relationships	$ 44,817	$ (44,521)	$ 41,693	$ (38,104)
Trade name	3,678	(3,678)	3,450	(1,529)
Contracts / agreements	161,289	(61,867)	155,063	(48,765)
Total amortizable intangible assets	$ 209,784	$ (110,066)	$ 200,206	$ (88,398)
Indefinite-Lived Intangible Assets Not Subject to Amortization				
Licenses	31	—	29	—
Total indefinite-lived intangible assets	31	—	29	—
Total intangible assets	$ 209,815	$ (110,066)	$ 200,235	$ (88,398)

The weighted average remaining amortization period for all intangible assets, other than indefinite-lived intangibles, was 16.9 years as of December 31, 2020 and 16.8 years as of December 31, 2019. Amortization expense was $14.1 million, $14.8 million and $17.6 million in the years ended December 31, 2020, 2019 and 2018, respectively.

As of December 31, 2020, the estimated remaining amortization of our amortizable intangible assets was as follows (in thousands):

	Year Ending December 31,
2021	$ 6,115
2022	6,115
2023	5,967
2024	5,967
2025	5,879
Thereafter	69,675
Total	$ 99,718

11. DEBT

As of December 31, 2020 and 2019, long-term debt consisted of the following (in thousands):

	December 31, 2020	December 31, 2019
Canadian term loan, which matures on May 30, 2023; 3.125% of principal amounts set forth in September 3, 2020 amendment repayable per quarter; weighted average interest rate of 4.0% for the twelve-month period ended December 31, 2020	187,530	224,963
U.S. revolving credit facility, which matures on May 30, 2023; weighted average interest rate of 5.6% for the twelve-month period ended December 31, 2020	—	—
Canadian revolving credit facility, which matures on May 30, 2023; weighted average interest rate of 4.2% for the twelve-month period ended December 31, 2020	45,789	134,117
Australian revolving credit facility, which matures on May 30, 2023; weighted average interest rate of 3.6% for the twelve-month period ended December 31, 2020	17,767	—
	251,086	359,080
Less: Unamortized debt issuance costs	2,501	2,208
Total debt	248,585	356,872
Less: Current portion of long-term debt, including unamortized debt issuance costs, net	34,585	35,080
Long-term debt, less current maturities	$ 214,000	$ 321,792

Scheduled maturities of long-term debt as of December 31, 2020 are as follows (in thousands):

	Year Ending December 31,
2021	35,052
2022	35,052
2023	180,982
	$ 251,086

Credit Agreement

As of December 31, 2019, our Credit Agreement provided for: (i) a $263.5 million revolving credit facility scheduled to mature on November 30, 2021 for certain lenders, allocated as follows: (A) a $20.0 million senior secured revolving credit facility in favor of certain of our U.S. subsidiaries, as borrowers; (B) a $183.5 million senior secured revolving credit facility in favor of Civeo and certain of our Canadian subsidiaries, as borrowers; and (C) a $60.0 million senior secured revolving credit facility in favor of one of our Australian subsidiaries, as borrower; and (ii) a $285.4 million term loan facility scheduled to mature on November 30, 2021 for certain lenders in favor of Civeo.

In September 2020, we entered into an amendment to our Credit Agreement, which reduced total lender commitments by $96.2 million.

Amended Credit Agreement

As of December 31, 2020, our Credit Agreement (as so amended, the Amended Credit Agreement), provided for: (i) a $167.3 million revolving credit facility scheduled to mature on May 30, 2023, allocated as follows: (A) a $10.0 million senior secured revolving credit facility in favor of certain of our U.S. subsidiaries, as borrowers; (B) a $122.3 million senior secured revolving credit facility in favor of Civeo and certain of our Canadian subsidiaries, as borrowers; and (C) a $35.0 million senior secured revolving credit facility in favor of one of our Australian subsidiaries, as borrower; and (ii) a $194.8 million term loan facility scheduled to mature on May 30, 2023 for certain lenders in favor of Civeo.

U.S. dollar amounts outstanding under the facilities provided by the Amended Credit Agreement bear interest at a variable rate equal to the London Inter-Bank Offered Rate (LIBOR) plus a margin of 3.50% to 4.50%, or a base rate plus 2.50% to 3.50%, in each case based on a ratio of our total debt to Consolidated EBITDA (as defined in the Amended Credit Agreement). Canadian dollar amounts outstanding bear interest at a variable rate equal to a B/A Discount Rate (as defined in the Amended Credit Agreement) based on the Canadian Dollar Offered Rate (CDOR) plus a margin of 3.50% to 4.50%, or a Canadian Prime rate plus a margin of 2.50% to 3.50%, in each case based on a ratio of our total debt to consolidated EBITDA. Australian dollar amounts outstanding under the Amended Credit Agreement bear interest at a variable rate equal to the Bank Bill Swap Bid Rate plus a margin of 3.50% to 4.50%, based on a ratio of our total debt to consolidated EBITDA. The future transitions from LIBOR and CDOR as interest rate benchmarks is addressed in the Amended Credit Agreement and at such time the transition from LIBOR or CDOR takes place, we will endeavor with the administrative agent to establish an alternate rate of interest to LIBOR or CDOR that gives due consideration to (1) the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time for the replacement of LIBOR and (2) any evolving or then existing convention for similar Canadian Dollar denominated syndicated credit facilities for the replacement of CDOR.

The Amended Credit Agreement contains customary affirmative and negative covenants that, among other things, limit or restrict: (i) indebtedness, liens and fundamental changes; (ii) asset sales; (iii) acquisitions of margin stock; (iv) specified acquisitions; (v) certain restrictive agreements; (vi) transactions with affiliates; and (vii) investments and other restricted payments, including dividends and other distributions. In addition, we must maintain an interest coverage ratio, defined as the ratio of consolidated EBITDA to consolidated interest expense, of at least 3.00 to 1.00 and a maximum leverage ratio, defined as the ratio of total debt to consolidated EBITDA, of no greater than 3.50 to 1.00. Following a qualified offering of indebtedness with gross proceeds in excess of $150.0 million, we will be required to maintain a maximum leverage ratio of no greater than 4.00 to 1.00 and a maximum senior secured ratio less than 2.50 to 1.00. Each of the factors considered in the calculations of these ratios are defined in the Amended Credit Agreement. EBITDA and consolidated interest, as defined, exclude goodwill and asset impairments, debt discount amortization, amortization of intangibles and other non-cash charges. We were in compliance with our covenants as of December 31, 2020.

Borrowings under the Amended Credit Agreement are secured by a pledge of substantially all of our assets and the assets of our subsidiaries subject to customary exceptions. The obligations under the Amended Credit Agreement are guaranteed by our material subsidiaries. As of December 31, 2020, we had eight lenders that were parties to the Amended Credit Agreement, with total commitments (including both revolving commitments and term commitments) ranging from $22.4 million to $71.1 million. As of December 31, 2020, we had outstanding letters of credit of $1.2 million under the U.S facility, $0.6 million under the Australian facility and $2.7 million under the Canadian facility.

In addition to the Amended Credit Agreement, we have two bank guarantee facilities totaling $3.0 million which mature March 31, 2021. There were bank guarantees of A$0.8 million under these facilities outstanding as of December 31, 2020.

12. LEASES

We have operating leases covering certain land locations and various office facilities and equipment in our three reportable business segments. Our leases have remaining lease terms of one year to seven years, some of which include options to extend the leases for up to 10 years, and some of which include options to terminate the leases within 90 days. In addition, we do not recognize right-of-use assets or lease liabilities for leases with terms shorter than twelve months.

The components of lease expense were $6.8 million, $6.8 million and $6.8 million under operating leases for the years ended December 31, 2020, 2019 and 2018, respectively. Included in the measurement of lease liabilities, we paid $6.9 million in cash related to operating leases during the year ended December 31, 2020. Right-of-use assets obtained in exchange for new lease obligations related to operating leases during the year ended December 31, 2020 were $2.0 million.

Supplemental balance sheet information related to leases were as follows (in thousands):

	December 31, 2020	December 31, 2019
Operating leases		
Operating lease right-of-use assets	$ 22,606	$ 24,876
Other current liabilities	$ 4,437	$ 5,543
Operating lease liabilities	19,834	21,231
Total operating lease liabilities	$ 24,271	$ 26,774
Weighted average remaining lease term		
Operating leases	5.7 years	6.2 years
Weighted average discount rate		
Operating leases	5.4 %	5.9 %

Maturities of operating lease liabilities at December 31, 2020, were as follows (in thousands):

For the years ending December 31,	
2021	$ 5,682
2022	5,220
2023	4,525
2024	3,984
2025	3,122
Thereafter	5,811
Total lease payments	28,344
Less imputed interest	4,073
Total	$ 24,271

13. RETIREMENT PLANS

We sponsor various defined contribution plans. Participation in these plans is available to substantially all employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will generally have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. We recognized expense of $6.8 million, $5.3 million and $4.9 million related to matching contributions under our various defined contribution plans during the years ended December 31, 2020, 2019 and 2018, respectively.

Canadian Retirement Savings Plan

We offer a defined contribution retirement plan to our Canadian employees. In Canada, we contribute, on a matched basis, an amount up to 5% of each Canadian based, salaried employee's earnings (base salary plus annual incentive compensation) to the legislated maximum for a Deferred Profit Sharing Plan (DPSP). The maximum for 2020 was C$13,915. DPSP is a form of defined contribution retirement savings plan governed by Canadian federal tax legislation which provides for the deferral of tax on deposits and investment returns until removed from the plan to support retirement income. Employer contributions vest upon the completion of two years of service. Employee contributions are required in order to be eligible for the DPSP employer matching. Maximum employer matching (5% noted above) is attained with 6% employee contribution which would go into a Group Registered Retirement Savings Plan (GRRSP). The two plans work in tandem. Contributions to the "Retirement Savings Plan" for Canadian employees are subject to the annual maximum total registered savings limit of C$27,230 in 2020 as set out in the Canadian Tax Act.

Australian Retirement Savings Plan

Our Australian subsidiary contributes to various defined contribution plans for its employees in accordance with legislation governing the calculation of the Superannuation Guarantee Surcharge (SGC). SGC is contributed by the employer at a rate of 9.5% of the base salary of an employee, capped at the legislated maximum contribution base which is indexed annually.

Our Australian subsidiary makes no investment decisions on behalf of the employee and has no obligations other than to remit the defined contributions to the plan selected by each individual employee.

U.S. Retirement Savings Plan

We offer a defined contribution 401(k) retirement plan to substantially all of our U.S. employees. Participants may contribute from 1% to 75% of their base and cash incentive compensation (subject to Internal Revenue Service limitations), and we make matching contributions under this plan on the first 6% of the participant's compensation (100% match of the first 4% employee contribution and 50% match on the next 2% contribution). Our matching contributions vest at a rate of 40% after two years of service and 20% per year for each of the employee's next three years of service and are fully vested thereafter.

14. ASSET RETIREMENT OBLIGATIONS

AROs at December 31, 2020 and 2019 were (in thousands):

	2020	2019
Asset retirement obligations	$ 14,993	$ 18,796
Less: Asset retirement obligations due within one year [1]	1,322	3,197
Long-term asset retirement obligations	$ 13,671	$ 15,599

[1] Classified as a current liability on the consolidated balance sheets, under the caption "Other current liabilities." Balance at December 31, 2020 related to remediation work planned for 2021.

Total accretion expense related to AROs was $1.5 million, $1.5 million and $1.7 million during the years ended December 31, 2020, 2019 and 2018, respectively.

During the years ended December 31, 2020, 2019 and 2018, our ARO changed as follows (in thousands):

	2020	2019	2018
Balance as of January 1	$ 18,796	$ 18,381	$ 17,185
Accretion of discount	1,526	1,538	1,689
New obligations	—	497	6,629
Change in estimates of existing obligations	(3,961)	(1,989)	(4,336)
Settlement of obligations	(1,771)	(462)	(1,013)
Foreign currency translation	403	831	(1,773)
Balance as of December 31	$ 14,993	$ 18,796	$ 18,381

15. INCOME TAXES

The Company's operations are conducted through various subsidiaries in a number of countries throughout the world. The Company has provided for income taxes based upon the tax laws and rates in the countries in which operations are conducted and income is earned.

Income tax benefit. Pre-tax loss for the years ended December 31, 2020, 2019 and 2018 consisted of the following (in thousands):

	2020	2019	2018
Canada operations	$ (137,239)	$ (60,372)	$ (100,874)
Foreign operations	(6,176)	(8,703)	(12,338)
Total	$ (143,415)	$ (69,075)	$ (113,212)

The components of the income tax expense (benefit) for the years ended December 31, 2020, 2019 and 2018 consisted of the following (in thousands):

	2020	2019	2018
Current:			
Canada	$ 391	$ 706	$ (1,151)
Foreign	96	266	1,189
Total	$ 487	$ 972	$ 38
Deferred:			
Canada	$ (8,941)	$ (9,399)	$ (31,403)
Foreign	(2,181)	(2,314)	—
Total	$ (11,122)	$ (11,713)	$ (31,403)
Net income tax benefit	$ (10,635)	$ (10,741)	$ (31,365)

The net income tax benefit differs from an amount computed at Canadian statutory rates as follows for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	2020		2019		2018	
Canadian federal tax benefit at statutory rates	$ (21,512)	15.0 %	$ (10,361)	15.0 %	$ (16,982)	15.0 %
Canadian provincial income tax	(12,718)	8.9 %	(5,158)	7.5 %	(12,105)	10.7 %
Effect of foreign income tax, net	1,241	(0.9)%	55	(0.1)%	(1,756)	1.6 %
Valuation allowance	(1,355)	0.9 %	2,257	(3.3)%	(622)	0.5 %
Enacted tax rate change - Canada	—	— %	(2,452)	3.5 %	—	— %
Non-deductible goodwill impairment	22,984	(16.0)%	4,689	(6.8)%	—	— %
Non-deductible compensation	310	(0.2)%	1,203	(1.7)%	181	(0.2)%
Unrealized intercompany foreign currency translation gain	991	(0.7)%	(1,451)	2.1 %	—	— %
Non-taxable Noralta representations and warranties claim	(1,132)	0.8 %	—	— %	—	— %
Other, net	556	(0.4)%	477	(0.7)%	(81)	0.1 %
Net income tax benefit	$ (10,635)	7.4 %	$ (10,741)	15.5 %	$ (31,365)	27.7 %

Canadian Rate Change. Effective July 1, 2019, the Province of Alberta introduced a four-year graduated decrease in the income tax rate from 12% to 8%, resulting in a decrease of our net deferred tax liability of $2.5 million during the year ended December 31, 2019. As part of Alberta's Recovery Plan, the government accelerated the rate reduction to 8% effective July 1, 2020. As the impact of the full rate change was effectuated on our net deferred tax liability in 2019, the acceleration had no impact to our net deferred tax liability as of December 31, 2020.

Deferred Tax Liabilities and Assets. The significant items giving rise to the deferred tax assets and liabilities as of December 31, 2020 and 2019 are as follows (in thousands):

	2020	2019
Deferred tax assets:		
Net operating loss	$ 102,650	$ 97,920
Employee benefits	2,269	2,877
Deductible goodwill and other intangibles	55,471	50,024
Land	2,637	2,352
Other reserves	6,701	6,644
Unearned revenue	114	441
Operating lease liabilities	6,027	6,453
Capital losses	1,343	1,056
Other	1,559	2,028
Deferred tax assets	178,771	169,795
Valuation allowance	(88,251)	(84,503)
Deferred tax assets, net	$ 90,520	$ 85,292
Deferred tax liabilities:		
Intangibles	$ (24,359)	$ (26,242)
Depreciation	(58,329)	(62,524)
Operating lease right-of-use assets	(5,599)	(5,978)
Deferred tax liabilities	(88,287)	(94,744)
Net deferred tax assets (liabilities), net [1]	$ 2,233	$ (9,452)

[1] Net deferred tax assets are classified as a noncurrent asset on the consolidated balance sheet, under the caption "Other noncurrent assets."

NOL Carryforwards. The following table summarizes net operating loss (NOL) carryforwards at December 31, 2020 (in thousands):

	Amount	Expiration Period
Net operating loss carryforwards:		
Canada – Federal and provincial	$ 221,678	Begins to expire in 2035
Australia	101,607	Does not expire
U.S. – Federal	36,030	Begins to expire in 2036
U.S. – Federal	25,603	Does not expire
U.S. – State, tax effected	5,742	Begins to expire in 2021

Change in Valuation Allowance. Realization of our deferred tax assets is dependent upon, among other things, our ability to generate taxable income of the appropriate character in the future.

Changes in our valuation allowance for the years ended December 31, 2020 and 2019 are as follows (in thousands):

Balance as of December 31, 2018	$ (82,833)
Change in income tax provision	(2,257)
Other change	499
Foreign currency translation	88
Balance as of December 31, 2019	(84,503)
Change in income tax provision	1,355
Other change	1,663
Foreign currency translation	(6,766)
Balance as of December 31, 2020	$ (88,251)

As of each reporting date, management considers new evidence, both positive and negative, that could affect our view of the future realization of deferred tax assets. As of December 31, 2020, in part because in the current year we achieved three years of cumulative pre-tax income in the Australian federal tax jurisdiction, management determined that there is sufficient positive evidence to conclude that it is more likely than not that additional deferred tax assets of $9.1 million are realizable. We therefore reduced the valuation allowance accordingly in this jurisdiction.

Indefinite Reinvestment of Earnings. At December 31, 2020 and 2019, we had no undistributed earnings of foreign subsidiaries subject to income tax in Canada.

Unrecognized Tax Benefits. We file tax returns in the jurisdictions in which they are required. All of these returns are subject to examination or audit and possible adjustment as a result of assessments by taxing authorities. We believe that we have recorded sufficient tax liabilities and do not expect the resolution of any examination or audit of our tax returns to have a material adverse effect on our operating results, financial condition or liquidity.

Our Canadian federal tax returns subsequent to 2013 are subject to audit by the Canada Revenue Agency. Our Australian subsidiary's federal income tax returns subsequent to 2016 are open for review by the Australian Taxation Office. Our U.S. subsidiary's federal tax returns subsequent to 2017 are subject to audit by the US Internal Revenue Service.

The total amount of unrecognized tax benefits as of December 31, 2020, 2019 and 2018 was zero. Unrecognized tax benefits, if recognized, would affect the effective tax rate. We accrue interest and penalties related to unrecognized tax benefits as a component of our provision for income taxes. As of December 31, 2020, 2019 and 2018, we had accrued zero of interest expense and penalties.

16. COMMITMENTS AND CONTINGENCIES

We are a party to various pending or threatened claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters, including warranty and product liability claims as a result of our products or operations. Although we can give no assurance about the outcome of pending legal and administrative proceedings and the effect such outcomes may have on us, management believes that any ultimate liability resulting from the outcome of such proceedings, to the extent not otherwise provided for or covered by insurance, will not have a material adverse effect on our consolidated financial position, results of operations or liquidity.

17. ACCUMULATED OTHER COMPREHENSIVE LOSS

Our accumulated other comprehensive loss decreased $14.2 million from $363.2 million at December 31, 2019 to $349.0 million at December 31, 2020, as a result of foreign currency exchange rate fluctuations. Changes in other comprehensive loss during 2020 were primarily driven by the Australian dollar and Canadian dollar increasing in value compared to the U.S. dollar. Excluding intercompany balances, our Canadian dollar and Australian dollar functional currency net assets totaled approximately C$161 million and A$298 million, respectively, at December 31, 2020.

18. SHARE-BASED COMPENSATION

As previously disclosed in Note 1 - Description of Business and Basis of Presentation, a 1-for-12 reverse share split became effective on November 19, 2020 for all authorized, issued and outstanding shares of Civeo common shares. Accordingly, all share and per share amounts have been adjusted to reflect this reverse stock split for all prior periods presented.

Certain key employees and non-employee directors participate in the Amended and Restated 2014 Equity Participation Plan of Civeo Corporation (the Civeo Plan). The Civeo Plan authorizes our Board of Directors and the Compensation Committee of our Board of Directors to approve grants of options, restricted share awards, performance share awards, phantom share awards and dividend equivalents, deferred share awards, and share payments to our employees and non-employee directors. No more than 2.4 million Civeo common shares may be issued under the Civeo Plan.

Share-based compensation expense recognized in the years ended December 31, 2020, 2019 and 2018 totaled $8.4 million, $13.9 million and $16.4 million, respectively. Share-based compensation expense is reflected in Selling, general and administrative (SG&A) expense in our consolidated statements of operations. The total income tax benefit recognized in the consolidated statements of operations for share based compensation arrangements was approximately $0.5 million, $0.7 million and $1.2 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Options to Purchase Common Shares

No options were awarded in 2020, 2019 or 2018. The following table presents the changes in stock options outstanding and related information for our employees during the years ended December 31, 2020, 2019 and 2018:

	Options	Weighted Average Exercise Price Per Share	Weighted Average Contractual Life (Years)	Intrinsic Value (Thousands)
Outstanding Options at December 31, 2017	12,143	$ 215.59	4.5	$ —
Outstanding Options at December 31, 2018	12,143	$ 215.59	3.3	$ —
Outstanding Options at December 31, 2019	12,143	$ 215.59	2.3	$ —
Forfeited / Expired	(1,817)	197.16		
Outstanding Options at December 31, 2020	10,326	$ 218.83	1.4	$ —
Exercisable Options at December 31, 2018	12,143	$ 215.59	3.3	$ —
Exercisable Options at December 31, 2019	12,143	$ 215.59	2.3	$ —
Exercisable Options at December 31, 2020	10,326	$ 218.83	1.4	$ —

As no options were exercised in the last three years, the total intrinsic value of options exercised by our employees during 2020, 2019 and 2018 was zero. Additionally, the tax benefits realized for the tax deduction from options exercised during 2020, 2019 and 2018 totaled zero.

At December 31, 2020, unrecognized compensation cost related to options was zero.

The following table summarizes information for outstanding options of our employees at December 31, 2020:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding as of December 31, 2020	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable as of December 31, 2020	Weighted Average Exercise Price
$197.16	3,441	0.13	$ 197.16	3,441	$ 197.16
$209.76	2,486	2.14	$ 209.76	2,486	$ 209.76
$221.16	2,295	1.13	$ 221.16	2,295	$ 221.16
$262.44	2,104	3.14	$ 262.44	2,104	$ 262.44
$197.16 - 262.44	10,326	1.45	$ 218.83	10,326	$ 218.83

Restricted Share Awards/ Restricted Share Units/ Deferred Share Awards

The following table presents the changes in restricted share awards, restricted share units and deferred share awards outstanding and related information for our employees and non-employee directors during the years ended December 31, 2020, 2019 and 2018:

	Number of Awards/Units	**Weighted Average Grant Date Fair Value Per Share**
Nonvested shares at December 31, 2017	181,086	$ 42.29
Granted	238,263	41.02
Vested	(103,741)	46.76
Forfeited	(8,487)	44.33
Nonvested shares at December 31, 2018	307,121	$ 39.73
Granted	143,756	27.50
Vested	(135,943)	39.10
Forfeited	(8,138)	38.79
Nonvested shares at December 31, 2019	306,796	$ 34.31
Granted	1,906	4.95
Vested	(186,551)	33.78
Forfeited	(17,060)	35.26
Nonvested shares at December 31, 2020	105,091	$ 34.56

The weighted average grant date fair value per share for restricted share awards, restricted share units and deferred share awards granted during 2020, 2019 and 2018 was $4.95, $27.50 and $41.02, respectively. The total fair value of restricted share awards, restricted share units and deferred share awards vested during 2020, 2019 and 2018 was $2.6 million, $4.0 million and $3.8 million, respectively. At December 31, 2020, unrecognized compensation cost related to restricted share awards, restricted share units and deferred share awards was $1.3 million, which is expected to be recognized over a weighted average period of 1.0 year.

Phantom Share Awards

Each phantom share award is equal in value to one common share. Upon vesting, each recipient will receive a lump sum cash payment equal to the fair market value of a common share on the respective vesting date. These awards are accounted for as a liability that is remeasured at each reporting date until paid.

The following table presents the changes in phantom share awards outstanding and related information for our employees during the years ended December 31, 2020, 2019 and 2018:

	Number of Awards
Nonvested shares at December 31, 2017	379,370
Granted	—
Vested	(189,408)
Forfeited	(1,079)
Nonvested shares at December 31, 2018	188,883
Granted	117,943
Vested	(171,641)
Forfeited	(1,057)
Nonvested shares at December 31, 2019	134,128
Granted	413,569
Vested	(55,977)
Forfeited	(33,545)
Nonvested shares at December 31, 2020	458,175

At December 31, 2020, the balance of the liability for the phantom share awards was $2.2 million. For the years ended December 31, 2020, 2019 and 2018, we made phantom share cash payments of $0.9 million, $5.3 million and $8.2 million, respectively. At December 31, 2020, unrecognized compensation cost related to phantom shares was $4.4 million, as remeasured at December 31, 2020, which is expected to be recognized over a weighted average period of 2.0 years. The weighted average grant date fair value per share of phantom shares granted during the years ended December 31, 2020, 2019 and 2018 was $15.84, $30.36 and zero, respectively.

Performance Share Awards

We grant performance awards, which cliff vest in three years subject to attainment of applicable performance criteria. These awards are earned in amounts between 0% and 200% of the participant's target performance share award, based on the payout percentage associated with Civeo's relative total shareholder return (TSR) rank among a peer group of other companies. The resulting cost is recognized over the period during which an employee is required to provide service in exchange for the awards, usually the vesting period.

The fair value of each performance share award was estimated using a Monte Carlo simulation pricing model that uses the assumptions noted in the following table. The risk-free interest rate is based on the U.S. Treasury yield curve in effect for the expected term of the performance share at the time of grant. The dividend yield on our common shares was assumed to be zero since we do not currently pay dividends. The expected market price volatility of our common shares was based on an estimate that considers the historical and implied volatility of our common shares as well as a peer group of companies over a time period equal to the expected term of the option. The initial TSR performance was based on historical performance of our common shares and the peer group's common shares.

No performance share awards were granted in 2020.

	2019	2018
Risk-free weighted interest rate	2.5 %	2.4 %
Expected volatility	68.0 %	79.0 %
Initial TSR	0.7 %	(0.40)%

The following table presents the changes in performance share awards outstanding and related information for our employees during the year ended December 31, 2020, 2019 and 2018:

	Number of Awards	Weighted Average Grant Date Fair Value Per Share
Nonvested shares at December 31, 2017	222,959	$ 42.86
Granted	70,736	63.60
Vested	—	—
Forfeited	—	—
Nonvested shares at December 31, 2018	293,695	$ 47.86
Granted	98,717	44.76
Performance adjustment [1]	160,156	35.20
Vested	(320,312)	35.20
Forfeited	—	—
Nonvested shares at December 31, 2019	232,256	$ 55.27
Granted	—	—
Performance adjustment [2]	47,101	62.40
Vested	(109,904)	62.40
Forfeited	(17,141)	50.56
Nonvested shares at December 31, 2020	152,312	$ 52.86

(1) Related to 2016 performance share awards that vested in 2019, which were paid out at 200% based on Civeo's TSR rank.
(2) Related to 2017 performance share awards that vested in 2020, which were paid out at 175% based on Civeo's TSR rank.

During the years ended December 31, 2020, 2019 and 2018, we recognized compensation expense associated with performance share awards totaling $2.7 million, $4.3 million and $4.6 million, respectively. At December 31, 2020, unrecognized compensation cost related to performance share awards was $1.6 million, which is expected to be recognized over a weighted average period of 1.0 year.

19. PREFERRED SHARES

As further discussed in Note 7 – Acquisitions, on April 2, 2018, we issued 9,679 Preferred Shares as part of the Noralta Acquisition. The Preferred Shares had an initial liquidation preference of $10,000 per share. Holders of the Preferred Shares are entitled to receive a 2% annual dividend on the liquidation preference paid quarterly in cash or, at our option, by increasing the Preferred Shares' liquidation preference or any combination thereof. As of December 31, 2020, 9,042 Preferred Shares were outstanding. The decrease in Preferred Shares outstanding since the close of the Noralta Acquisition was due to the release of 637 Preferred Shares initially held in escrow to support certain obligations of the Noralta Acquisition.

The Preferred Shares are convertible into our common shares at a conversion price of $39.60 per Preferred Share, subject to certain anti-dilution adjustments (the Conversion Price). We have the right to elect to convert the Preferred Shares into our common shares if the 15-day volume weighted average price of our common shares is equal to or exceeds the Conversion Price. Holders of the Preferred Shares will have the right to convert the Preferred Shares into our common shares at any time after 2 years from the date of issuance, and the Preferred Shares mandatorily convert after 5 years from the date of issuance. The Preferred Shares also convert automatically into our common shares upon a change of control of Civeo. We may, at any time and from time to time, redeem any or all of the Preferred Shares for cash at the liquidation preference, plus accrued and unpaid dividends.

The Preferred Shares do not have voting rights, except as statutorily required.

During the years ended December 31, 2020, 2019 and 2018, we recognized preferred dividends on the Preferred Shares as follows (in thousands):

	2020	2019	2018
Deemed dividend on beneficial conversion feature at April 2, 2018	$ —	$ —	$ 47,849
In-kind dividends	1,887	1,849	1,459
Deemed dividend on beneficial conversion feature related to in-kind dividend	—	—	281
Total preferred dividends	$ 1,887	$ 1,849	$ 49,589

At the time the Preferred Shares were issued, we determined that a beneficial conversion feature existed as the fair value of the securities into which the Preferred Shares were convertible was greater than the effective conversion price on the issuance date. Accordingly, we recorded a beneficial conversion feature of $47.8 million. As the Preferred Shares do not have a stated redemption date, the discount is required to be recognized as a dividend over the minimum period from the date of issuance through the date of earliest conversion. Because the 15-day volume weighted average price of our common shares was greater than $39.60 on April 2, 2018, the earliest conversion date was determined to be April 2, 2018. Accordingly, we recorded a deemed dividend on April 2, 2018 totaling the discount of $47.8 million.

The Board of Directors elected to pay the dividends for each quarterly period beginning June 30, 2018 through December 31, 2020 through an increase in the liquidation preference rather than in cash. The paid-in-kind dividend of $1.9 million, $1.8 million and $1.5 million is included in Preferred dividends on the accompanying consolidated statements of operations for the years ended December 31, 2020, 2019 and 2018, respectively.

20. SEGMENT AND RELATED INFORMATION

In accordance with current accounting standards regarding disclosures about segments of an enterprise and related information, we have identified the following reportable segments: Canada, Australia and the U.S., which represent our strategic focus on hospitality services and workforce accommodations.

Financial information by business segment for each of the three years ended December 31, 2020, 2019 and 2018 is summarized in the following table (in thousands):

	Total Revenues	Depreciation and amortization	Operating (loss) income	Capital expenditures	Total assets
2020					
Canada	$ 269,649	$ 52,009	$ (146,435)	$ 2,201	$ 720,482
Australia	234,542	40,747	27,804	5,470	281,180
U.S.	25,538	3,240	(23,151)	1,557	26,801
Corporate and eliminations	—	551	(5,406)	855	(287,610)
Total	$ 529,729	$ 96,547	$ (147,188)	$ 10,083	$ 740,853
2019					
Canada	$ 325,651	$ 66,557	$ (32,313)	$ 22,124	$ 850,361
Australia	156,093	39,116	517	3,456	278,268
U.S.	45,811	10,987	(11,214)	3,104	46,862
Corporate and eliminations	—	7,108	(6,041)	1,128	(205,579)
Total	$ 527,555	$ 123,768	$ (49,051)	$ 29,812	$ 969,912
2018					
Canada	$ 296,012	$ 66,980	$ (63,519)	$ 6,025	$ 804,618
Australia	119,238	40,441	(1,950)	4,658	292,271
U.S.	51,442	10,626	(8,640)	5,388	60,282
Corporate and eliminations	—	7,799	(13,946)	1,037	(155,494)
Total	$ 466,692	$ 125,846	$ (88,055)	$ 17,108	$ 1,001,677

Financial information by geographic segment as of and for each of the three years ended December 31, 2020, 2019 and 2018, is summarized below (in thousands). Revenues in the U.S. include export sales. Revenues are attributable to countries based on the location of the entity selling the products or performing the services. Long-lived assets are attributable to countries based on the physical location of the entity and its operating assets and do not include intercompany balances.

	Canada	Australia	U.S. and Other	Total
2020				
Revenues from unaffiliated customers	$ 269,649	$ 234,542	$ 25,538	$ 529,729
Long-lived assets	368,636	229,629	23,375	621,640
2019				
Revenues from unaffiliated customers	$ 325,651	$ 156,093	$ 45,811	$ 527,555
Long-lived assets	558,310	242,002	38,159	838,471
2018				
Revenues from unaffiliated customers	$ 296,012	$ 119,238	$ 51,442	$ 466,692
Long-lived assets	580,644	263,094	50,142	893,880

21. VALUATION ACCOUNTS

Activity in the valuation accounts was as follows (in thousands):

	Balance at Beginning of Period	Charged (Reduction) to Costs and Expenses	Deductions (Net of Recoveries)	Translation and Other, Net	Balance at End of Period
Year Ended December 31, 2020:					
Allowance for credit losses on accounts receivable	$ 253	$ 46	$ (44)	$ 20	$ 275
Valuation allowance for deferred tax assets	84,503	(1,355)	(1,663)	6,766	88,251
Year Ended December 31, 2019:					
Allowance for credit losses on accounts receivable	$ 376	$ (5)	$ (122)	$ 4	$ 253
Valuation allowance for deferred tax assets	82,833	2,257	(499)	(88)	84,503
Year Ended December 31, 2018:					
Allowance for credit losses on accounts receivable	$ 1,338	$ (787)	$ (143)	$ (32)	$ 376
Valuation allowance for deferred tax assets	90,663	(622)	(1,119)	(6,089)	82,833

22. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table summarizes quarterly financial information for 2020 and 2019 (in thousands, except per share amounts):

	First Quarter (3)	Second Quarter (4)	Third Quarter (5)	Fourth Quarter (6)
2020				
Revenues	$ 138,792	$ 114,702	$ 142,857	$ 133,378
Gross profit (1)	35,479	31,569	45,423	35,170
Net (loss) income attributable to Civeo	(146,538)	6,136	6,517	(2,252)
Basic (loss) income per share (2)	(10.43)	0.37	0.39	(0.16)
Diluted (loss) income per share (2)	(10.43)	0.37	0.39	(0.16)
2019				
Revenues	$ 108,550	$ 122,153	$ 148,163	$ 148,689
Gross profit (1)	28,920	36,913	48,683	46,225
Net (loss) income attributable to Civeo	(17,498)	(15,310)	4,532	(32,064)
Basic (loss) income per share (2)	(1.27)	(1.10)	0.28	(2.30)
Diluted (loss) income per share (2)	(1.27)	(1.10)	0.28	(2.30)

(1) Represents "revenues" less "product costs" and "service and other costs" included in our consolidated statements of operations.

(2) Per-share computations reflect the impact of our 1-for-12 reverse share split effective November 19, 2020. See Note 1 - Description of Business and Basis of Presentation for further discussion.

(3) In the first quarter of 2020, we recognized the following items:
- Goodwill impairment loss of $93.6 million ($93.6 million after-tax, or $6.67 per diluted share) related to our Canada reporting unit. The charge is included in Impairment expense on the accompanying consolidated statements of operations.
- A charge of $38.1 million ($38.1 million after-tax, or $2.71 per diluted share), related to assets in our Canada segment. The charge is included in Impairment expense on the accompanying consolidated statements of operations.
- A charge of $12.4 million ($12.4 million after-tax, or $0.89 per diluted share), related to assets in our U.S segment. The charge is included in Impairment expense on the accompanying consolidated statements of operations.

In the first quarter of 2019, there were no significant items recognized.

(4) In the second quarter of 2020, we recognized the following items:

- Income of $4.7 million ($4.7 million after-tax, or $0.33 per diluted share) associated with the settlement of a representations and warranties claim related to the Noralta Acquisition included in Other income.

In the second quarter of 2019, we recognized the following items:

- A charge of $4.5 million ($4.5 million after-tax, or $0.32 per diluted share), related to assets in our Australian segment. The charge is included in Impairment expense on the accompanying consolidated statements of operations.
- We identified a liability related to an ARO at one of our villages in Australia that should have been recorded in 2011. We determined that the error was not material to our previously issued financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, and therefore, corrected the error in the second quarter of 2020. Specifically, we recorded: (1) additional accretion expense related to the ARO of $0.9 million, (2) additional depreciation and amortization expense of $0.5 million related to amortization of the related asset retirement cost and (3) additional impairment expense related to the impairment of the asset retirement cost of $1.0 million offset by recognition of an ARO liability totaling $2.3 million as of June 30, 2019.

(5) In the third quarter of 2020, there were no significant items recognized.

In the third quarter of 2019, we recognized the following items:

- A gain on sale of assets related to the sale of a village in Australia and related $2.2 million release of an ARO liability assumed by the buyer.
- Costs associated with the Action acquisition of $0.2 million ($0.2 million after-tax, or $0.02 per diluted share), included primarily in Selling, general and administrative expenses on the accompanying consolidated statements of operations.

(6) In the fourth quarter of 2020, there were no significant items recognized.

In the fourth quarter of 2019, we recognized the following items:

- Goodwill impairment loss of $19.9 million ($19.9 million after-tax, or $1.42 per diluted share) related to our Canada reporting unit. The charge is included in Impairment expense on the accompanying consolidated statements of operations.
- A charge of $0.7 million ($0.5 million after-tax, or $0.04 per diluted share), related to assets in our Canada segment. The charge is included in Impairment expense on the accompanying consolidated statements of operations.
- Costs associated with the Action acquisition of $0.2 million ($0.2 million after-tax, or $0.01 per diluted share), included primarily in Selling, general and administrative expenses on the accompanying consolidated statements of operations.

Amounts are calculated independently for each of the quarters presented. Therefore, the sum of the quarterly amounts may not equal the total calculated for the year.

Exhibit 4.3

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES ACT OF 1934**

General

The authorized shares of Civeo Corporation ("Civeo," "us," "our" or "we") consist of (i) 46,000,000 common shares, no par value, (ii) up to 50,000,000 Class A preferred shares, no par value, to be issued in one or more series, and (iii) up to 50,000,000 Class B preferred shares, no par value, to be issued in one or more series, provided that the authorized limit of the Class A preferred shares and the Class B preferred shares is 50,000,000 shares in the aggregate. The first series of Class A preferred shares are designated as the "Class A Series 1 Preferred Shares" and up to 50,000,000 Class A Series 1 Preferred Shares are authorized for issuance, and the first series of Class B preferred shares are designated as the "Class B Series 1 Preferred Shares" and up to 50,000,000 Class B Series 1 Preferred Shares are authorized for issuance, provided that no more than 50,000,000 Class A Series 1 Preferred Shares and Class B Series 1 Preferred Shares are issued in the aggregate. We have outstanding 9,042 Class A Series 1 Preferred Shares that were issued in connection with our 2018 acquisition of Noralta Lodge Ltd.

We may issue shares subject to the maximum authorized share capital contained in our notice of articles. The maximum number of shares that we are authorized to issue out of any class or series of shares may be increased or decreased by a resolution passed at a general meeting of shareholders by two thirds of the votes cast on such resolution by shareholders voting shares that carry the right to vote at general meetings. Our directors are authorized to issue new common shares, Class A preferred shares or Class B preferred shares without shareholder approval.

The rights and restrictions to which the common shares and Class A Series 1 Preferred Shares are subject are set out in our amended and restated articles ("articles"). Our notice of articles and articles permit the board of directors, without shareholder approval, to alter and attach special rights and restrictions to the Class B Series 1 Preferred Shares, including the number of shares, dividend rights, liquidation preferences, voting rights, conversion rights, preemptive rights and redemption rights.

Description of Common Shares

The following description sets forth certain material terms and provisions of our common shares, which are registered under Section 12 of the Securities Exchange Act of 1934, as amended. The following description of our common shares is not complete and is qualified in its entirety by reference to our notice of articles and articles, which are filed as exhibits to our Annual Report on Form 10-K.

Voting Rights

Except as provided by law or pursuant to the rights that the directors may attach to the Class B Series 1 Preferred Shares or any future outstanding series of preferred shares, holders of common shares are entitled to one vote for each share held of record on all matters submitted to a vote of the shareholders, have the right to vote for the election of directors and do not have cumulative voting rights. Except as otherwise required by law, holders of common shares are not entitled to vote on any amendment to the notice of articles or articles that prejudices or interferes with the rights and special rights of the Class A Series 1 Preferred Shares, Class B Series 1 Preferred Shares or any future outstanding series of preferred shares if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the notice of articles and articles or pursuant to British Columbia law or the *Business Corporations Act* (British Columbia) (the "BCA").

Dividends

Subject to prior rights and preferences that are applicable to the Class A Series 1 Preferred Shares and that may be applicable to the Class B Series 1 Preferred Shares or any future outstanding series of preferred shares, holders of common shares are entitled to receive ratably in proportion to the number of common shares held by them such dividends (payable in cash, shares or otherwise), if any, as may be declared from time to time by the board of directors out of funds available for dividend payments. Dividends will not be declared where there are reasonable grounds for believing the company is insolvent or the payment of dividends would render the company insolvent. There is not a fixed rate of dividends.

Conversion, Sinking Fund, Redemption, Liquidation and Preemption Rights

The holders of common shares have no preferences or rights of conversion, exchange, pre-emption or other subscription rights. There are no redemption or sinking fund provisions applicable to the common shares. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of our affairs, holders of common shares will be entitled to share ratably in our assets in proportion to the common shares held by them that are remaining after payment or provision for payment of all of our debts and obligations and after distribution in full of preferential amounts to be distributed to holders of outstanding shares of the Class A Series 1 Preferred Shares, the Class B Series 1 Preferred Shares or any other outstanding preferred shares, if any.

Notice of Articles and Articles

Provisions of our notice of articles and articles may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which shareholders might otherwise receive a premium for their shares, or transactions that our shareholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our shares.

These provisions are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Among other things, our notice of articles and articles:

- provide that our directors are divided into three classes serving staggered three-year terms, with only one class being elected each year by our shareholders. This classified board may discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for shareholders to replace a majority of our directors;

- provide that our directors may only be removed by shareholders passing a resolution with the requisite majority of three-quarters of the votes cast at a meeting of shareholders entitled to vote in the election of directors, voting together as a single class;

- establish advance notice procedures with regard to shareholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our shareholders. These procedures provide that notice of shareholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not later than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our articles specify the requirements as to form and content of all shareholders' notices. These requirements may preclude shareholders from bringing matters before the shareholders at an annual or special meeting;

- provide our board of directors the ability to issue the Class A Series 1 Preferred Shares and the Class B Series 1 Preferred Shares. This ability makes it possible for our board of directors to issue, without shareholder approval, preferred shares with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company;

- provide that the authorized number of directors may only be set by the board of directors;

- provide that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred shares, be filled by the affirmative vote of a majority of directors then in office;

- provide that any action required or permitted to be taken by the shareholders must be effected at a duly called annual or special meeting of shareholders and may not be effected by any consent in writing in lieu of a meeting of such shareholders, subject to the rights of the holders of any series of preferred shares with respect to such series;

- provide that our notice of articles and articles can be amended or repealed at any annual or special meeting of shareholders or amended by the board of directors in certain circumstances, including the requirement that certain amendments by the shareholders to the articles at a meeting be upon a resolution passed by the affirmative vote of the holders of 66 2/3% of the voting power of the issued and outstanding shares entitled to vote on such matters, voting together as a single class; and

- provide that, if a meeting of shareholders has been adjourned one or more times due to insufficient attendance required to pass any resolution, and at such adjourned meeting, less than the number of holders required to pass any resolution requiring 66 2/3% of the voting power of the issued and outstanding shares is present in person or by proxy, with the approval of the board, the holders holding at least 66 2/3% of the shares present in person or by proxy at such adjourned meeting and entitled to vote on the matter, voting together as a single class, may alter the articles.

When interpreting a director’s duties under British Columbia law, Canadian courts have generally interpreted a director’s duty to act in “the best interest of the company” to include a duty to treat all stakeholders affected by corporate actions equitably and fairly, including in the context of a change of control transaction. Accordingly, in determining what is in “the best interests of the company”, it may be legitimate for our directors to consider the interests of not only the company’s shareholders, but other stakeholders, such as employees and creditors, as well.

Limitation of Liability and Indemnification Matters

Our articles allow us to indemnify our directors to the fullest extent authorized by the BCA against all expenses, liabilities and losses (including judgments and fines) which may be reasonably incurred by reason of being or having been a director of the company, except for liability that cannot be indemnified under British Columbia law. British Columbia law provides that a company must not indemnify its directors if any of the following circumstances apply:

- if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, the company was prohibited from giving the indemnity or paying the expenses by its articles;

- if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, the company is prohibited from giving the indemnity or paying the expenses by its articles;

- if, in relation to the subject matter of the relevant proceeding, the director did not act honestly and in good faith with a view to the best interests of the company or the associated corporation, as the case may be, with such associated corporation being an affiliate of the company or a partnership, trust, joint venture or other unincorporated entity in which the director served in the capacity as a director or a position equivalent to that thereof, at the request of the company; or

- in the case of the relevant proceeding other than a civil proceeding, if the director did not have reasonable grounds for believing that the director’s conduct in respect of which the proceeding was brought was lawful.

Notwithstanding any of the above prohibitions, the company or a director may apply to court for an order that the company must indemnify the director for any liability or expenses incurred by the director or for any other related obligations of the company.

The articles also provide that we will indemnify our directors and officers to the fullest extent permitted by British Columbia law. The articles also permit us to purchase insurance on behalf of any officer, director, employee or other agent of our company or, at our request, of another entity, for any liability arising out of that person's actions in such capacity. We have entered into indemnification agreements with each of our current directors and executive officers requiring us to indemnify these individuals to the fullest extent permitted under British Columbia law against liability that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified, and have received a written undertaking from each such director and officer as required under British Columbia law.

Exhibit 10.3

Civeo Corporation
Performance Share Award Program

1. PURPOSE

This Performance Share Award Program (this "**Program**") provides for the grant of Performance Share Awards (as defined below) to Employees under the 2014 Equity Participation Plan of Civeo Corporation, as amended and restated May 12, 2016, and as thereafter amended from time to time (the "**Plan**"). The purpose of this Program is to promote the interests of Civeo Corporation (the "**Company**") and its stockholders by motivating key employees of the Company and its affiliates to produce outstanding results, encouraging superior performance, increasing productivity, and aiding in the ability to attract and retain such key employees through Performance Share Award opportunities.

2. DEFINITIONS.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan. As used in this Program, the following capitalized terms have the following meanings:

i. "**Award Agreement**" shall mean an agreement setting forth the terms and conditions of a Performance Share Award.

ii. "**Cause**" shall mean:

  i. the Participant's conviction of (or plea of nolo contendere to) a felony, dishonesty or a breach of trust;

  ii. the Participant's commission of any act of theft, fraud, embezzlement or misappropriation regardless of whether a criminal conviction is obtained;

  iii. the Participant's continued failure to devote substantially all of his business time to the Company's business affairs (excluding failures due to illness, incapacity, vacations, incidental civic activities and incidental personal time) which failure is not remedied within a reasonable time after written demand is delivered by the Company, which demand identifies the manner in which the Company believes that the Participant has failed to devote substantially all of his business time to the Company's business affairs; or

  iv. the Participant's unauthorized disclosure of confidential information of the Company.

1. "**Disability**" shall mean a physical or mental impairment that entitles the Participant to receive benefits under a long-term disability plan of the Company. Where the Company does not make available a long-term disability plan to

Participants, equivalent qualification determination for a long-term disability plan provided by an independent third party considered acceptable, in the sole discretion of the Committee, shall apply.

2. "**<u>Good Reason</u>**" shall mean:

    i. a material reduction in the Participant's authority, duties or responsibilities from those in effect immediately prior to the Change of Control or the assignment to the Participant duties or responsibilities materially inconsistent with those of the Participant in effect immediately prior to the Change of Control;

    ii. a material reduction of the Participant's compensation and benefits, including, without limitation, annual base salary, annual bonus, and equity incentive opportunities from those in effect immediately prior to the Change of Control;

    iii. the Company requires Participant, without the Participant's consent, to be based at any office located more than 50 miles from the Company's offices to which the Participant was based immediately prior to the Change of Control, except for travel reasonably required in the performance of the Participant's duties.

    Notwithstanding the above, however, Good Reason shall not exist with respect to a matter unless all of the following conditions are satisfied: (i) the condition giving rise to the Participant's termination of employment must have arisen without the Participant's consent; and (ii) (1) the Participant must provide written notice to the Company of such condition within 30 days of the initial existence of the condition, (2) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company and (3) the date of the Participant's termination of employment must occur within 30 days after the expiration of the cure period set forth in (2) above.

3. "**<u>Payout Percentage</u>**" means the percentage of the target Performance Share Award earned as determined by the Committee after the end of the Performance Period that reflects the extent to which the Company achieved the Performance Measures during the Performance Period.

4. "**<u>Performance Measures</u>**" means the performance measures set forth in the Award Agreement, as determined by the Committee.

5. "**<u>Performance Period</u>**" means the period over which the Performance Measures are measured, as set forth in the Award Agreement, as determined by the Committee.

6. "**Performance Share Award**" means a Performance Award granted under this Program representing the right to receive a number of Common Shares, or the value of a number of Common Shares in cash, depending on the Payout Percentage achieved during the Performance Period.

7. "**Retirement**" means voluntary termination of employment following (i) the attainment of age 60 or; (ii) the attainment of age of 55 with 10 years of service with the Company.

3. PROGRAM GUIDELINES.

The administration of this Program and any potential financial remuneration to come as a result of its implementation is subject to the determination by the Committee that the performance goals for the applicable periods have been achieved. This Program is an additional compensation program designed to encourage Program participants ("**Participants**") to exceed specified objective performance targets for the designated period. Payments under this Program will be made upon approval by the Committee after it reviews the performance results for the designated period.

4. PERFORMANCE TARGETS.

Performance Share Awards will be earned in amounts equal to between 0% to 200% of the Participant's target Performance Share Award (or such other percentage determined by the Committee), based on the Payout Percentage associated with the Performance Measures over the Performance Period as set forth in the Award Agreement.

5. PARTICIPANTS.

Employees of the Company and its affiliates eligible to participate in this Program shall be designated by the Committee, in its discretion, as Participants.

6. GRANT AND PAYOUT OF PERFORMANCE SHARE AWARDS.

A Participant's designated target Performance Share Award shall be determined under criteria established or approved by the Committee. In the discretion of the Committee, different target Performance Share Awards may be established for Participants. A Participant's target Performance Share Award will be set forth in an Award Agreement and communicated to the Participant. The amount of Performance Share Award, if any, a Participant may receive will depend upon the Performance Measures achieved, as determined by the Committee. Payment of the Performance Share Award shall be made in the form designated in the Participant's Award Agreement no later than the 15th day of the 3rd month following the end of the Performance Period, subject to earlier forfeiture or payment as provided in Section 7. For the avoidance of doubt, a Performance Share Award may be settled in cash or Common Shares as determined in the Committee's sole discretion.

7. <u>VESTING REQUIREMENTS</u>.

a. <u>Termination of Employment</u>. A Participant's termination of employment for any reason, including termination without Cause, prior to the payment of the Performance Share Award will result in the Participant's forfeiture of any right, title or interest in any payment of the Performance Share Award under this Program without consideration or compensation, except as expressly set forth below:

8. If a Participant's employment is terminated due to death or Disability, then the Participant or the Participant's estate will be entitled to a payment following the end of the Performance Period as provided in Section 6 based on the Payout Percentage achieved for the Performance Period, but prorated based on the number of days employed during the Performance Period prior to termination of employment.

9. If a Participant's employment is terminated due to Retirement, then the Participant will be entitled to a payment following the end of the Performance Period as provided in Section 6 based on the Payout Percentage achieved for the Performance Period, but prorated based on the number of days employed during the Performance Period prior to termination of employment.

10. The requirement that a Participant remain employed for the entire Performance Period may be waived by the Committee, in its sole discretion.

b. <u>Change of Control</u>. If a Change of Control occurs prior to the end of the Performance Period, then the Payout Percentage will be determined by the Committee as if the date of the Change of Control were the last day of the Performance Period. In determining the Payout Percentage, the Performance Measures will be assessed based on the level of performance through the date of Change of Control. Payout of Performance Share Awards will made following the completion of the Performance Period as provided in Section 6, subject to the Participant's continued employment through the end of the Performance Period; provided, however, that if the Participant's employment is terminated (i) by the Company without Cause or by the Participant for Good Reason or (ii) as a result of the Participants death or Disability, in either case following a Change of Control and prior to the payout of Performance Share Awards, then the Participant will be entitled to payout of the Performance Share Award (A) in the case of a termination within two years following a Change of Control that constitutes a "change in control event" within the meaning of Code Section 409A, within 15 days following termination of employment or (B) in all other cases, at the completion of the Performance Period as provided in Section 6, without regard to any obligation to remain employed.

8. <u>AMENDMENT AND TERMINATION</u>.

The Committee, at its sole discretion, reserves the right to amend this Program and to terminate this Program at any time; provided, however, that no such amendment or termination shall materially adversely affect the rights of any Participant who has received a Performance Share Award grant prior to the date of such amendment or termination without the consent of such Participant. For the avoidance of doubt, in no event will the Committee's exercise of discretion as contemplated by the Plan or this Program be considered an amendment under this Section 8.

9. ADMINISTRATION OF PROGRAM.

a. Administration. The Committee may delegate the responsibility for the day-to-day administration and operation of this Program to the President & Chief Executive Officer (or his designee(s)) of the Company or any participating affiliate. The Committee (or the person(s) to which administrative authority has been delegated) shall have the authority to interpret and construe any and all provisions of this Program. Any determination made by the Committee (or the person(s) to which administrative authority has been delegated) shall be final and conclusive and binding on all persons.

b. Indemnification. Neither the Company, any participating affiliate, the Board, any member or any committee thereof, nor any employee of the Company or any participating affiliate shall be liable for any act, omission, interpretation, construction or determination made in connection with this Program in good faith; and the members of the Board, the Committee and/or the employees of the Company and any participating affiliate shall be entitled to indemnification and reimbursement by the Company to the maximum extent permitted by law in respect of any claim, loss, damage or expense (including counsel's fees) arising from their acts, omissions and conduct in their official capacity with respect to this Program.

10. GENERAL PROVISIONS.

a. Non-Guarantee of Employment. Nothing contained in this Program shall be construed as a contract of employment between the Company and/or a participating affiliate and a Participant, and nothing in this Program shall confer upon any Participant any right to continued employment with the Company or a participating affiliate, or to interfere with the right of the Company or a participating affiliate to discharge a Participant, with or without cause.

b. Interests Not Transferable. No benefits under this Program shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment or other legal process, or encumbrance of any kind, and any attempt to do so shall be void.

c. Facility of Payment. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee or its designee, is unable to properly manage his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Committee or its designee may select, and each participating affiliate shall be relieved of any further liability for payment of such amounts.

d. Tax Withholding. The Company and/or any participating affiliate may deduct from any payments otherwise due under this Program to a Participant (or beneficiary) amounts required by law to be withheld for purposes of federal, state or local taxes.

e. Section 409A.

11. The Performance Share Awards granted pursuant to this Program are intended to comply with or be exempt from Code Section 409A, and ambiguous provisions hereof, if any, shall be construed and interpreted in a manner consistent with such intent. No payment, benefit or consideration shall be substituted for the Performance Share Awards if such action would result in the imposition of taxes under Code Section 409A. Notwithstanding anything in this Program to the contrary, if any Program provision or Award Agreement results in the imposition of an additional tax under Code Section 409A, that Program provision or provision of the Award Agreement shall be reformed, to the extent permissible under Code Section 409A, to avoid imposition of the additional tax, and no such action shall be deemed to adversely affect the Participant's rights to the Performance Share Award.

12. Notwithstanding any provision of the Program to the contrary, if the Participant is identified by the Company as a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) on the date on which the Participant has a "separation from service" (other than due to death) within the meaning of Treasury Regulation § 1.409A-1(h), the Performance Share Awards payable or settled on account of a separation from service that are deferred compensation subject to Code Section 409A shall be paid or settled on the earliest of (i) the first business day following the expiration of six months from the Participant's separation from service, (ii) the date of the Participant's death, or (iii) such earlier date as complies with the requirements of Code Section 409A.

13. For all purposes of this Program, the Participant shall be considered to have terminated employment with the Company and its Affiliates when the Participant incurs a "separation from service" with the Company within the meaning of Treasury Regulation § 1.409A-1(h).

f. **Gender and Number**. Words in the masculine gender shall include the feminine gender, the plural shall include the singular and the singular shall include the plural.

g. **Controlling Law**. To the extent not superseded by federal law, the law of the State of Texas shall be controlling in all matters relating to this Program and the Plan.

h. **No Rights to Award**. No person shall have any claim to be granted any award under this Program, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of awards need not be the same with respect to each recipient.

i. **Severability**. If any provision of this Program, the Plan or any award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or award, or would disqualify this Program, the Plan or any award under the law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of this Program, the Plan or the award, such provision shall be stricken as to such jurisdiction, person or award and the remainder of this Program, the Plan and any such award shall remain in full force and effect.

j. **No Trust or Fund Created**. None of this Program, the Plan or any award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any participating affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any participating affiliate pursuant to an award, such right shall be no greater than the right of any general unsecured creditor of the Company or any participating affiliate.

k. **Headings**. Headings are given to the Sections of this Program solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Program or any provision thereof.

Exhibit 10.4

CIVEO CORPORATION
PERFORMANCE SHARE AWARD AGREEMENT

This Performance Share Award Agreement ("**Agreement**") is made between Civeo Corporation, a British Columbia Corporation (the "**Company**") and **[[FIRSTNAME]] [[LASTNAME]]** (the "**Participant**"), regarding a Performance Share Award of a target of **[[NUMBER OF]]** Restricted Share Units (this "**Award**" and such target number of Restricted Share Units, the "**Target RSUs**") granted to the Participant on **[[GRANTDATE]]** (the "**Grant Date**"), pursuant to the 2014 Equity Participation Plan of Civeo Corporation (as amended and restated, the "**Plan**"). Such Award is subject to the following terms and conditions:

1. **Relationship to Plan**. This Award is subject to all of the terms, conditions and provisions of the Plan, including the Performance Share Award Program (the "**Program**") and administrative interpretations thereunder, if any, which have been adopted by the Committee thereunder and are in effect on the date hereof. Except as otherwise provided herein, capitalized terms shall have the same meanings ascribed to them under the Plan or Program, as applicable. The Restricted Share Units are intended to represent a Performance Share Award under the Program, representing the right to receive the value of the Award in cash or Common Shares of the Company, subject to the satisfaction of the terms and conditions of this Agreement.

2. **Performance Period; Performance Measures and Settlement**. The number of Restricted Share Units that the Participant may earn pursuant to this Agreement, if any, will depend on the achievement of the Performance Measures, as set forth on Appendix A attached hereto, over the period commencing on [START DATE] and ending on [END DATE] (the "**Performance Period**"), as determined by the Committee and such vested Restricted Share Units shall be settled in cash or Common Shares, as determined by the Committee in its discretion, no later than the 15th day of the 3rd month following the end of the Performance Period.

3. **No Rights as Shareholder**. The Participant shall have no rights as a shareholder as a result of the grant of Restricted Share Units hereunder.

4. **Holding Requirement**. To the extent that the Restricted Share Units granted under this Award are settled in Common Shares in accordance with Section 2, the Participant shall retain 50% of the Common Shares received in settlement of this Award (after giving effect to any Common Shares withheld for purposes of satisfying the tax withholding obligations in accordance with Section 5) for a minimum of 12 months following the date the Restricted Share Units become vested.

5. **Withholding**. To the extent that the grant, vesting or payment of an Award results in the receipt of compensation by the Participant with respect to which the Company or its Affiliate has a tax withholding obligation pursuant to applicable law, the Company or its Affiliate is authorized to withhold from any payment due under this Award or from any other compensation or other amount owing to the Participant the amount of such applicable taxes or other statutory remittances payable in respect of the lapse of restrictions hereon and to take such

other action as may be necessary in the opinion of the Company or its Affiliate to satisfy its withholding obligations for the payment of such taxes or other statutory remittances.

6. **Governing Law**. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas without regard to conflicts of laws thereof.

7. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and upon any person lawfully claiming under the Participant.

8. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

9. **Committee's Powers**. No provision contained in this Agreement shall in any way terminate, modify or alter, or be construed or interpreted as terminating, modifying or altering any of the powers, rights or authority vested in the Committee pursuant to the terms of the Plan, including, without limitation, the Committee's rights to make certain determinations and elections with respect to this Award.

10. **Amendment**. This Agreement cannot be modified, altered or amended, except by an agreement, in writing, signed by both the Company and the Participant.

CIVEO CORPORATION

By:

Date: [DATE]__

Name: Bradley J. Dodson __

Title: President & CEO __

The Participant hereby accepts the foregoing Agreement, subject to the terms and provisions of the Plan and administrative interpretations thereof referred to above.

PARTICIPANT:

Date: [[SIGNATURE_DATE]]__

[[SIGNATURE]]__

[[FIRSTNAME]] [[LASTNAME]]

Appendix A

Exhibit 10.16

Dual Employment Agreement

United States

You will continue in your role as Chief Executive Officer and President for Civeo Corporation and the following terms and conditions of employment will apply:

1. The Parties.

Civeo USA Corp. (in the following referred to as the "Employer") and Bradley J. Dodson (in the following referred to as the "Executive") (Collectively referred to as "the Parties") have today entered into the following employment contract.

2. Period of employment.

Your contract will automatically renew every year on July 16th. Subject only to the terms of the Executive Agreement, your employment with the Employer is at will and may be terminated by either of the Parties at any time, with or without cause.

3.0 Role and place of work

3.1 The Executive's job duties and responsibilities will be to serve as Chief Executive Officer and President, overseeing the operations of the Employer and reporting to the Board of Directors of Civeo Corporation.

3.2 The majority of the work duties performed by the Executive will take place at the address listed in section 3.3, or such other address in the United States as Employer may dictate from time to time.

3.3 333 Clay St., Suite 4980 / Houston, TX 77002 / United States

4.0 Compensation & Benefits

4.1 The Executive's annual salary under this contract is $450,000.00 USD.

4.2 The Executive will also be entitled to participate in an annual incentive plan established by the Employer with a target amount equal to 90% of Executive's annual salary.

4.3 Civeo Corporation will cover the fees as it relates to personal income tax preparation services for the duration of this Agreement and any years after the termination of this Agreement that are impacted by tax issues incurred during the assignment. Civeo Corporation will cover the fees for the services from the Employer's preferred Firm only, and will not reimburse the Executive for any fees incurred as a result of service provided from any other vendor. In addition, with regard to these fees, Civeo Corporation will pay the Executive any gross-up payments necessary to result in this benefit being provided to the Executive on a net non-taxable basis.

4.4 Civeo Corporation agrees to reimburse the Executive for income taxes and any related gross ups ultimately due and paid on compensation paid under this Agreement that are in excess of those that would have been incurred had all services been performed in the United States.

4.5 To the extent Civeo Corporation provides health and dental plan coverage, the Executive will be entitled to participate in a group health and dental plan maintained by Civeo Corporation or a subsidiary which includes out of country emergency health and dental coverage.

4.6 Under the Employer's policies, the Executive is only entitled to participate in the retirement plan of one legal entity within the Civeo Corporation worldwide organization. To the extent the Executive currently participates in the plans of a legal entity other those maintained by Civeo Corporation, Executive will continue participation in such plans unless determined otherwise by Employer.

4.7 All long-term incentive compensation will be awarded based on services provided in the United States.

4.8 All payments to the Executive under this agreement will be subject to withholding of all applicable social and income taxes.

5.0 Governing law and jurisdiction.

This Agreement will be governed and construed in accordance with the laws of the State of Texas without regard to conflicts of law principles. Each party hereto irrevocably submits to the exclusive jurisdiction of the State and Federal Courts in Harris County, Texas, for the purposes of any proceeding arising out of this agreement.

6.0 Counterparts.

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one party, but together signed by both parties hereto.

7.0 Entire Agreement.

This Agreement is an integration of the parties' agreement and no agreement or representatives, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement hereby expressly terminates, rescinds and replaces in full any prior agreement (written or oral) between the parties relating to the subject matter hereof. Notwithstanding the foregoing, the Executive Agreement between the Employer and the Executive originally dated as of October 10, 2006, as amended effective January 1, 2009 and assumed by the Employer as of May 31, 2014 (the "Executive Agreement") remains in full force and effect and is not affected by this Agreement.

8.0 Section 409A

The intent of the parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and the regulations and interpretive guidance promulgated thereunder (collectively, “Section 409A”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. The Employer and the Executive shall take commercially reasonable efforts to reform or amend any provision hereof to the extent that either of them reasonably determine that such provision would or could reasonably be expected to cause the Executive to incur any additional tax or interest under Section 409A to try to comply with or be exempt from Section 409A through good faith modifications, in any case, to the minimum extent reasonably appropriate to conform with Section 409A, provided that any such modifications shall not increase the cost or liability to the Employer. To the extent that any provision hereof is modified in order to comply with or be exempt from Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Employer of the applicable provision without violating the provisions of Section 409A. To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred; provided, that Executive submits Executive’s reimbursement request promptly following the date the expense is incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive’s right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

_/s/ Martin Lambert____________ __July 16, 2015_________
MARTIN LAMBERT DATE
Chair, Compensation Committee, Civeo Corporation

_/s/ Bradley J. Dodson___________ _July 16, 2015__________
BRADLEY J.DODSON DATE

VARIATION TO EXECUTIVE SERVICES AGREEMENT DATED 30 MAY 2012

BETWEEN **Peter McCann** of **(you or your);** and Civeo Pty Ltd [ABN 53 003 657 510] of Level 6, 10 Bond Street, Sydney in the State of New SouthWales **(Civeo AUS)**

1. Definitions

1.1 In this variation agreement, unless the context requires otherwise:

(a) ***Civeo*** means Civeo Corporation, being a company incorporated in the province of British Columbia, Canada;

(b) ***ESA*** means the Executive Services Agreement between you and Civeo AUS dated 30 May 2012;

(c) ***Executive Agreement*** means the executive agreement between you and Civeo dated August 17, 2015; and

(d) ***FW Act*** means the *Fair Work Act 2009 {Cth)* as amended from time to time.

2. Relationship to the ESA

2.1 The parties acknowledge and agree that the Executive Agreement shall operate according to its terms, but subject to the terms of this variation agreement.

2.2 To the extent of any inconsistency between the ESA and the Executive Agreement, the terms of this variation agreement shall apply and prevail. In all other respects, the ESA continues to prescribe your terms and conditions of employment with Civeo AUS.

2.3 Nothing in this Agreement will be deemed to create a relationship of employer and employee between you and Civeo, and you acknowledge and agree you remain employed by Civeo AUS unless and until your employment is terminated in accordance with the ESA.

3. Executive Agreement

3.1 Despite and in addition to clauses 11 and 15 of the Executive Agreement, in the event of any dispute then either party to the Executive Agreement may in the alternative elect to commence a proceeding in any Federal or State court of competent jurisdiction in New South Wales.

4. Termination

4.1 Despite clause 3{A) of the Executive Agreement, clause 18 of the ESA shall continue to prescribe the terms and conditions applicable to the termination of your employment with Civeo AUS.

4.2 In the event your employment with Civeo AUS in terminated in circumstances giving rise to an entitlement to a redundancy payment under section 119 of the FW Act, or any other applicable industrial law or instrument, then you acknowledge and agree that your entitlement to redundancy pay under such law or instrument may be offset by any amounts paid or payable toyou pursuant to the Executive Agreement.

5. General

5.1 Acknowledgement: you acknowledge and agree that you have had the opportunity to take independent professional legal advice regarding this variation agreement and you enter into the variation agreement voluntarily without duress, coercion or undue influence.

5.2 Waiver: any failure by a party to insist on performance of a term of this agreement at any time is not a waiver of its right to insist upon performance of that or any other term at a later time.

5.3 Severability: Any provision of this agreement that is or becomes illegal, void or unenforceable will be ineffective to the extent only of such illegality, voidness or unenforceability and will not invalidate the remaining provisions.

5.4 Entire Agreement: this variation agreement shall be read together with the terms of the ESA as representing the entire agreement between Civeo AUS and you in relation to your terms and conditions of employment and supersedes any prior understanding or agreement between you and Civeo AUS and any prior condition, warranty, representation or indemnity imposed or made by either party whether in writing or not.

5.5 In the event of any default by Civeo in relation to any rights or obligations under the terms of the Executive Agreement, then Civeo AUS agrees to be bound by the terms of the Executive Agreement as if it were a party.

5.6 In the event of any default by you in relation to any rights or obligations under the terms of the Executive Agreement, then Civeo AUS may (in addition or in the alternative to Civeo) enforce the Executive Agreement against you.

5.7 Variation: no part of this agreement may be changed or varied in any way after it has been signed except in writing signed by or on behalf of Civeo, Civeo AUS and you.

5.8 Counterparts: this agreement may be executed in counterparts and all counterparts when taken together shall form one instrument.

civeo

6. EXECUTION

EXECUTED FOR AND ON BEHALF OF CIVEO AUS ON

Date:

Fred C Stenning

Signature of Executor

Fred C Stenning

Name of Executor

EXECUTED FOR AND ON BEHALF OF CIVEO CORPORATION

Date:

Signature of Executor

Bradley J. Dodson

Name of Executor

EXECUTED BY THE EMPLOYEE ON

Date:

Signature

EXECUTIVE AGREEMENT

This Executive Agreement ***("Agreement")*** between Civeo Corporation, a Canadian corporation (the ***"Company"),*** and Peter McCann (the ***"Executive")*** is made and entered into effective as of the date of August 17, 2015 (the ***"Effective Date").***

WHEREAS, Executive is a key executive of the Company or a subsidiary; and

WHEREAS, the Company believes it to be in the best interests of its stockholders to attract, retain and motivate key executives and ensure continuity of management; and

WHEREAS, it is in the best interest of the Company and its stockholders if the key executives can approach material business development decisions objectively and without concern for their personal situation; and

WHEREAS, the Company recognizes that the possibility of a Change of Control (as defined below) of the Company may result in the departure of key executives to the detriment of the Company and its stockholders; and

WHEREAS, the Board of Directors of the Company (the "Board") has authorized this Agreement and certain similar agreements in order to retain and motivate key management and to ensure continuity of key management;

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive agree as follows:

1. Term of Agreement

(A) This Agreement shall commence on the Effective Date and, subject to the provisions for earlier termination in this Agreement, shall continue in effect through the third anniversary of the Effective Date; provided, however, commencing on the Effective Date and on each day thereafter, the term of this Agreement shall automatically be extended for one additional day unless the Board shall give written notice to Executive that the term shall cease to be so extended in which event the Agreement shall terminate on the third anniversary ofthe date such notice is given.

(B) Notwithstanding anything in this Agreement to the contrary, this Agreement, if in effect on the date of a Change of Control, shall automatically be extended for the 24-month period following the Change of Control.

(C) Termination of this Agreement shall not alter or impair any rights of Executive arising hereunder on or before such termination.

2. Certain Definitions

(A) ***"Cause"*** shall mean:

(i) Executive's conviction of (or plea of nolo contendere to) a felony, dishonesty or a breach of trust;

(ii) Executive's commission of any act of theft, fraud, embezzlement or misappropriation regardless of whether a criminal conviction is obtained;

(iii) Executive's continued failure to devote substantially all of his business time to the Company's business affairs (excluding failures due to illness, incapacity, vacations, incidental civic activities and incidental personal time) which failure is not remedied within a reasonable time after written demand is delivered by the Company, which demand identifies the manner in which the Company believes that Executive has failed to devote substantially all of his business time to the Company's business affairs; or

(iv)C Executive's unauthorized disclosure of confidential information of the ompany.

(B) ***"Change of Controf'*** shall mean any of the following:

(i) any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the ***"Exchange Act")),*** (other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any affiliate, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), acquires "beneficial ownership" (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities; provided, however, that if the Company engages in a merger or consolidation in which the Company or surviving entity in such merger or consolidation becomes a subsidiary of another entity, then references to the Company's then outstanding securities shall be deemed to refer to the outstanding securities of such parent entity;

(ii) a change in the composition of the Board, as a result of which fewer than a majority of the directors are Incumbent Directors. ***"Incumbent Directors"*** shall mean directors who either (i) are directors of the Company as of the Effective Date, or (ii) are elected, or nominated for election, to the Board with the affirmative votes of at least two-thirds of the Incumbent Directors at the time of such election or nomination, but Incumbent Director shall not include an individual whose election or nomination occurs as a result of either (1) an actual or threatened election contest (as such terms are used in Rule l 4a-11 of Regulation 14A promulgated under the Exchange Act) or (2) an actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity (or if the surviving entity is or shall become a subsidiary of another entity, then such parent entity)) more than 50% of the combined voting power of the voting securities of the Company (or such surviving entity or parent entity, as the case may be) outstanding immediately after such merger or consolidation;

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company; or

(v) the sale or disposition (other than a pledge or similar encumbrance) by the Company of all or substantially all of the assets of the Company other than to a subsidiary or subsidiaries of the Company.

(C) ***"Date of Termination"*** shall mean the date the Notice of Termination is given unless such Notice of Termination is by Executive in which event the Date of Termination shall not be less than 30 days following the date the Notice of Termination is given. Further, a Notice of Termination given by Executive due to a Good Reason event that is corrected by the Company before the Date of Termination shall be void.

(D) ***"Good Reason"*** shall mean:

(i) a material reduction in Executive's authority, duties or responsibilities from those in effect immediately prior to the Change of Control or the assignment to Executive duties or responsibilities materially inconsistent with those of Executive in effect immediately prior to the Change of Control;

(ii) a material reduction of Executive's compensation and benefits, including, without limitation, annual base salary, annual bonus, and equity incentive opportunities from those in effect immediately prior to the Change of Control;

(iii) the Company fails to obtain a written agreement from any successor or assigns of the Company to assume and perform this Agreement as provided in Section 8 hereof; or

(iv) the Company requires Executive, without Executive's consent, to be based at any office located more than 50 miles from the Company's offices to which Executive was based immediately prior to the Change of Control, except for travel reasonably required in the performance of Executive's duties.

Notwithstanding the above however, Good Reason shall not exist with respect to a matter unless all of the following conditions are satisfied: (i) the condition giving rise to Executive's termination of employment must have arisen without Executive's consent; and (ii) (1) Executive must provide written notice to the Company of such condition in accordance with Section 11 within 30 days of the initial existence of the condition, (2) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company and (3) the date of Executive's termination of employment must occur within 30 days after the expiration of the cure period set forth in (2) above.

For purposes of this Agreement, ***"Good Reason"*** shall be construed to refer to Executive's positions, duties, and responsibilities in the position or positions in which Executive serves immediately before the Change of Control, but shall not include titles or positions with subsidiaries and affiliates of the Company that are held primarily for administrative convenience.

(E) ***"Notice of Termination"*** shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. For this purpose, termination of Executive's employment shall be interpreted consistent with the meaning of the term ***"Separation from Service"*** in Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the ***"Code")*** and applicable regulation authority.

(F) ***"Protected Period"*** shall mean the 18-month period beginning on the effective date of a Change of Control.

(G) ***"Target AICP'*** shall mean the targeted value of Executive's annual incentive compensation plan bonus for the year in which the Date of Termination occurs or the fiscal year immediately preceding the Change of Control, whichever is a greater amount.

(H) ***"Termination Base Salary"*** shall mean Executive's annual base salary at the rate in effect at the time the Notice of Termination is given or, if a greater amount, Executive's annual base salary at the rate in effect immediately prior to the Change of Control.

3. No Employment Agreement.

(A) This Agreement shall be considered solely as a "severance agreement" obligating the Company to pay Executive certain amounts of compensation and to provide certain benefits in the event and only in the event of Executive's termination of employment for the specified reasons and at the times specified herein. The parties agree that this Agreement shall not be considered an employment agreement and that Executive is an "at will" employee of the Company.

(B) Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute an automatic resignation of Executive as an officer of the Company and each affiliate of the Company, and an automatic resignation of Executive from the Board and the board of directors of the Company (if applicable) and from the board of directors or similar governing body of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such affiliate's designee or other representative.

4. Regular Severance Benefits.

Subject to Section 13, if the Company terminates Executive's employment other than for Cause and not during the Protected Period, Executive shall receive the following compensation and benefits from the Company:

(A) Within 15 days of the expiration of the Release Period (as defined in Section 13), the Company shall pay to Executive in a lump sum, in cash, an amount equal to one times the sum of Executive's (i) Termination Base Salary and (ii) Target AICP.

(B) Notwithstanding anything in any Company stock plan or grant agreement to the contrary, all restricted shares, restricted stock units, phantom stock units or any other equity based award of Executive shall, to the extent such awards would have vested in accordance with their terms had Executive remained employed for the 12-month period following the Date of Termination, become vested and restrictions thereon shall lapse as of the expiration of the Release Period, and the Company shall promptly deliver such shares to Executive.

5. Change of Control Severance Benefits

Subject to Section 13, if either (a) Executive terminates his employment during the Protected Period for a Good Reason event or (b) the Company terminates Executive's employment during the Protected Period other than for Cause, Executive shall receive, the following compensation and benefits from the Company:

(A) Within 15 days of the expiration of the Release Period, the Company shall pay to Executive in a lump sum, in cash, an amount equal to two times the sum of Executive's (i) Termination Base Salary and (ii) Target AICP.

(B) Notwithstanding anything in any Company stock plan or grant agreement to the contrary, (i) all restricted shares, restricted stock units, phantom stock units and any other equity based award of Executive shall become 100% vested and all restrictions thereon shall lapse as of the expiration of the Release Period, and the Company shall promptly deliver such shares (or cash in lieu of shares in the case of phantom stock unit awards) to Executive and (ii) each then outstanding stock option of Executive shall become 100% exercisable as of the expiration of the Release Period and shall remain exercisable for 90 days following the lapse of the Release Period.

(C) For the period beginning on the date of termination of Executive's employment with the Company and ending on December 31 of the second calendar year following the calendar year which includes the date of termination, or until

Executive accepts other employment, including as an independent contractor, with a new employer, Executive shall be entitled to receive outplacement services, payable by the Company, with an aggregate cost not to exceed 15% of Executive's Termination Base Salary, with an executive outplacement service firm reasonably acceptable to the Company and Executive.

6. Mitigation.

Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise nor, except as provided in Section 4C and Section SD shall the amount of any payment or benefit provided for in this Agreement be reduced by any compensation earned or benefit received by Executive as the result of employment by another employer or self-employment, by retirement benefits, by offset against any amount claimed to be owed by Executive to the Company or otherwise. Executive shall not be entitled to receive any severance payments or benefits pursuant to any Company severance plan or program for employees in general.

7. Successor Agreement.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place.Failure of the successor to so assume shall constitute a breach of this Agreement and entitle Executive to the benefits hereunder as if triggered by a termination by the Company other than for Cause.

8. Indemnity.

In any situation where under applicable law the Company has the power to indemnify, advance expenses to and defend Executive in respect of any judgments, fines, settlements, loss, cost or expense (including attorneys fees) of any nature related to or arising out of Executive's activities as an agent, employee, officer or director of the Company or in any other capacity on behalf of or at the request of the Company, then the Company shall promptly on written request, indemnify Executive, advance expenses (including attorney's fees) to Executive and defend Executive to the fullest extent permitted by applicable law, including but not limited to making such findings and determinations and taking any and all such actions as the Company may, under applicable law, be permitted to have the discretion to take so as to effectuate such indemnification, advancement or defense. Such agreement by the Company shall not be deemed to impair any other obligation of the Company respecting Executive's indemnification or defense otherwise arising out of this or any other agreement or promise of the Company under any statute.

9. Notice.

For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and delivered by United States certified or registered mail (return receipt requested, postage prepaid) or by courier guaranteeing overnight delivery or by hand delivery (with signed receipt required), addressed to the respective addresses set forth below, and such notice or communication shall be deemed to have been duly given two days after deposit in the mail, one day after deposit with such overnight carrier or upon delivery with hand delivery. The addresses set forth below may be changed by a writing in accordance herewith.

Company:	Executive:
Civeo Corporation	Peter McCann
333 Clay Street, Suite 4980	
Houston, Texas 77002	
Attn: Chairman of the Board	

10. Arbitration.

Subject to the Company's right to seek equitable or injunctive relief pursuant to Section 14, the parties agree to resolve any claim or controversy arising out of or relating to this Agreement, including but not limited to the consequences of any termination of employment of Executive, by binding arbitration under the Federal Arbitration Act before one arbitrator in Houston, Texas, administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The fees and expenses of the arbitrator shall be borne solely by the non-prevailing party or, in the event there is no clear prevailing party, as the arbitrator deems appropriate. Except as provided above, each party shall pay its own costs and expenses (including, without limitation, attorneys' fees) relating to any mediation/arbitration proceeding conducted under this Section 12.

11. Waiver and Release.

As a condition to the receipt of any payment or benefit as a severance payment under Section 4 or 5 of this Agreement, Executive must first execute and deliver to the Company a binding general release, as prepared by the Company in substantially the form attached hereto as Exhibit A, that releases the Company, its officers, directors, employees, agents, subsidiaries and affiliates from any and all claims and from any and all causes of action of any kind or character that Executive may have arising out of Executive's employment with the Company or the termination of such employment, but excluding (i) any claims and causes of action that Executive may have arising under or based upon this Agreement, and (ii) any vested rights Executive may have under any employee benefit plan or deferred compensation plan or programof the Company. The general release described above must be effective and irrevocable within 55 days after the date of Executive's termination of employment with the Company (the ***"Release Period")***.

12. Restrictive Covenants.

During Executive's employment with the Company, the Company shall give Executive access to some or all of its Confidential Information, as defined below, that Executive has not had access to or knowledge of before the execution of this Agreement.

(A) **Non-Competition.** Executive agrees that, in consideration for the Company's promise to provide Executive with Confidential Information, during the Term and for a period of twelve (12) months following any termination of employment (the ***"Restricted Period"),*** he will not either directly or indirectly, own, manage, operate, control, invest in, hold shares or any other equity interest in, lend to, serve as a consultant to, be employed by, participate in, be a director, officer, trustee or be connected, in any manner, with the ownership, management, operation or control of any business that directly or indirectly in whole or in part engages in the business of (i) the design, manufacture, sale and/or lease of mobile or modular buildings, or (ii) providing remote site, workforce accommodations or associated facility management services, catering, water and wastewater treatment, commercial laundry or personnel logistics in New South Wales, Queensland or Western Australia; provided, however, Executive shall not be prevented from owning no more than 2% of any company whose stock is publiclytraded or in any company where such ownership is expressly disclosed to the Company by Executive prior to execution of this Agreement. Executive agrees that, in order to protect the Company's Confidential Information, it is necessary toenter into this restrictive covenant, which is ancillary to the enforceable promises between the Company and Executive otherwise contained in this Agreement.

(B) **Confidential Information.** Executive agrees that he will not, except as the Company may otherwise consent or direct in writing, reveal or disclose, sell, use, lecture upon, publish or otherwise disclose to any third party any Confidential Information or proprietary information of the Company, or authorize anyone else to do these things at any time either during or subsequent to his employment with the Company. This subsection shall continue in full force and effect after termination of Executive's employment and after the termination of this Agreement. Executive's obligations under this subsection with respect to any specific Confidential Information and proprietary information shall cease when that specific portion of the Confidential Information and proprietary information becomes publicly known, in its entirety and without combining portions of such information obtained separately. It is understood that such Confidential Information and proprietary information of the Company include matters that Executive conceives or develops, as well as matters Executive learns from other employees of the Company. "Confidential Information" is defined to include information: (1) disclosed to or known by Executive as a consequence of or through his employment with the Company; (2) not generally known outside the Company; and (3) that relates to any aspect of the Company or its business, finances, operation plans, budgets, research, or strategic development. "Confidential Information" includes, but is not limited to, the Company's trade secrets, proprietary information, financial documents, long range plans, customer or supplier lists, employer compensation, marketing strategy, data bases, costing data, computer software developed by the Company, investments made by the

Company, and any information provided to the Company by a third party under restrictions against disclosure or use by the Company or others.

(C) **Non-Solicitation.** To protect the Company's Confidential Information, and in the event of Executive's termination of employment for any reason whatsoever, whether by Executive or the Company, it is necessary to enter into the following restrictive covenant, which is ancillary to the enforceable promises between the Company and Executive otherwise contained in this Agreement. Executive covenants and agrees that during Restrictive Period, Executive will not, directly or indirectly, either individually or as a principal, partner, agent, consultant, contractor, employee or as a director or officer of any corporation or association, or in any other manner or capacity whatsoever, except on behalf of the Company, solicit business, or attempt to solicit business, and products or services competitive with products or services sold by the Company, from the Company's clients, suppliers or customers, or those individuals or entities with whom the Company did business during Executive's employment. Executive further agrees that during Executive's employment and for the Non-Solicitation Period, Executive will not, except on behalf of the Company, either directly or indirectly, or by acting in concert with others, solicit or influence any Company employee to leave the Company's employment.

(D) **Return of Documents, Equipment, Etc.** All writings, records, and other documents and things comprising, containing, describing, discussing, explaining, or evidencing any Confidential Information, and all equipment, components, parts, tools, and the like in Executive's custody or possession that have been obtained or prepared in the course of Executive's employment with the Company shall be the exclusive property of the Company, shall not be copied and/or removed from the premises of the Company, except in pursuit of the business of the Company, and shall be delivered to the Company, without Executive retainingany copies, upon notification of the termination of Executive's employment or at any other time requested by the Company. The Company shall have the right to retain, access, and inspect all property of Executive of any kind in the office, work area, and on the premises of the Company upon termination of Executive's employment and at any time during employment by the Company to ensure compliance with the terms of this Agreement.

(E) **No Previous Restrictive Agreements.** Executive represents that, except as disclosed in writing to the Company, Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of Executive's employment by the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party. Executive further represents that Executive's performance of all the terms of this Agreement and Executive's work duties for the Company does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive in confidence or in trust prior to Executive's employment with the Company, and Executive will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or other party.

(F) **Breach.** Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 14 hereof are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Section 14 by Executive, and the Company or its direct or indirect subsidiaries shall be entitled to enforce the provisions of this Section 14 by specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Section 14 but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive's agents and/or any termination or offset against any payments that may be due pursuant to this Agreement.

(G) **Enforceability.** The agreements contained in this Section 14 are independent of the other agreements contained herein. Accordingly, failure of the Company to comply with any of its obligations outside of this Section does not excuse Executive from complying with the agreements contained herein.

(H) **Survivability.** The agreements contained in this Section 14 shall survive the termination of this Agreement for any reason.

(I) **Reformation.** The Company and Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Section 14 would cause irreparable injury to the Company. Executive expressly represents that enforcement of the restrictive covenants set forth in this Section 14 will not impose an undue hardship upon Executive or any person affiliated with Executive. Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses during the Restricted Period, but acknowledges that Executive will receive sufficiently high remuneration and other benefits from the Company to justify such restriction. Further, Executive acknowledges that Executive's skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competentjurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal.

13. Employment with Affiliates.

Employment with the Company for purposes of this Agreement includes employment with any entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of all outstanding equity interests, and employment with any entity which has a direct or indirect interest of 50% or more of the total combined voting power of all outstanding equity interests of the Company.

14. Governing Law.

(A) THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

(B) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS IN HARRIS COUNTY, TEXAS, FOR THE PURPOSES OF ANY PROCEEDING ARISING OUT OF THIS AGREEMENT.

15. Entire Agreement.

This Agreement is an integration of the parties' agreement and no agreement or representatives, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement hereby expressly terminates, rescinds and replaces in full any prior agreement (written or oral) between the parties relating to the subject matter hereof.

16. Withholding of Taxes.

The Company shall withhold from all payments and benefits provided under this Agreement all taxes required to be withheld by applicable law.

17. Beneficiary.

In the event Executive dies before receiving the lump sum severance payment to which Executive was entitled hereunder, Executive's spouse or, if there is no spouse, the beneficiary designated by Executive shall receive such payment.

[End of Page]

IN WITNESS WHEREOF, the Company and Executive have executed this Agreement effective for all purposes as of the Effective Date.

CIVEO CORPORATION

/s/ Bradley J. Dodson
Name: Bradley J. Dodson
Title: President & CEO

EXECUTIVE
/s/ Peter McCann
Name: Peter McCann
Title: Senior Vice President

WAIVER AND RELEASE AGREEMENT

This Waiver and Release Agreement (the "Agreement") is made and entered into effective as of the____ day of _, 20_ by and between Civeo Corporation, a Canadian corporation ("Employer"), and______________("Executive") (collectively, the "Parties"). Reference is made herein to the Employment Agreement effective as of___________between Employer and Executive. Capitalized terms used herein but not otherwise defined in this Agreement shall have the meanings given such terms in the Employment Agreement.

1. Termination of Employment.

Effective as of _______, 20 ___(the " Separation Date"), Executive's employment has been terminated and he has resigned from and any and all positions he has held with Employer and any affiliates.

2. Separation Benefits.

In satisfaction of the Employment Agreement and in consideration of Executive's execution (without revocation) of this Agreement and his release of all claims as provided in this Agreement, and Executive's other agreements herein, Employer agrees to provide Executive with the benefits listed in the attached Agreement(s), less all required withholding and other authorized deductions, provided that the Waiver Effective Date (as defined in Section 14) has occurred on or before lapse of 55 days following Separation Date (the "Release Period"):

3. Other Benefits.

Employer shall pay all accrued but unpaid base salary and all accrued but unused vacation pay to Executive in a lump sum in cash as soon as practicable after the Separation Date.

4. No Other Compensation.

Except as set forth in Sections 2 and 3 above, Executive shall not be entitled to any other salary, commission, bonuses, employee benefits (including long and short term disability, 40I(k), and pension), expense reimbursement or compensation from Employer or its affiliates after the Separation Date and all of Executive's rights to salary, commission, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the Separation Date from Employer.

5. General Release.

In consideration of the payments to be made hereunder and having acknowledged the above-stated consideration as full compensation for and on account of any and all injuries and damages which Executive has sustained or claimed, or may be entitled to claim, Executive, for himself, and his heirs, executors, administrators, successors and assigns, does hereby release, forever discharge and promise not to sue Employer, its parents, subsidiaries, affiliates, successors and assigns, and its past and present officers, directors, partners, employees, members, managers, shareholders, agents, attorneys, accountants, insurers, heirs, administrators, executors (collectively the "Released Parties") from any and all claims, liabilities, costs, expenses, judgments, attorney fees, actions, known and unknown, of every kind and nature whatsoever in law or equity, which Executive had, now has, or may have against the Released Parties relating in any way to Executive's employment with Employer or termination thereof, including but not limited to, all claims for contract damages, tort damages, special, general, direct, punitive and consequential damages, compensatory damages, loss of profits, attorney fees and any and all other damages of any kind or nature; all contracts, oral or written, between Executive and any of the Released Parties except as otherwise described herein; any business enterprise or proposed enterprise contemplated by any of the Released Parties, as well as anything done or not done prior to and including the date of execution of this Agreement. Nothing in this Agreement shall be construed to release Employer from any obligations set forth in this Agreement.

Executive understands and agrees that this release and covenant not to sue shall apply to any and all claims or liabilities arising out of or relating to Executive's employment with Employer and the termination of such employment, including, but not limited to: claims of discrimination based on age, race, color, sex (including sexual harassment), religion, national origin, marital status, parental status, veteran status, union activities, disability or any other grounds under applicable federal, state or local law, including, but not limited to, claims arising under the Age Discrimination in Employment Act of 1967, as amended; the Americans with Disabilities Act; and Title VII of the Civil Rights Act, as amended, the Civil Rights Act of 1991; 42 U.S.C. § 1981, the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act of 1985 as amended, the Rehabilitation Act of 1973, the Equal Pay Act of 1963 (EPA) as well as any claims regarding wages; benefits; vacation; sick leave; business expense reimbursements; wrongful termination; breach of the covenant of good faith and fair dealing; intentional or negligent infliction of emotional distress; retaliation; outrage; defamation; invasion of privacy; breach of contract; fraud or negligent misrepresentation; harassment; breach of duty; negligence; discrimination; claims under any employment, contract or tort laws; claims arising under any other federal law, state law, municipal law, local law, or common law; any claims arising out of any employment contract, policy or procedure; and any other claims related to or arising out of his employment or the separation of his employment withEmployer.

In addition, Executive agrees not to cause or encourage any legal proceeding to be maintained or instituted against any of the Released Parties.

This release does not apply to any claims for unemployment compensation or any other claims or rights which, by law, cannot be waived, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however that Executive disclaims and waives any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.

6. Confidential Information and Protective Covenants.

The Parties agree that all terms and provisions of Section 14 of the Employment Agreement related to Confidential Information, Non-Competition and Non-Solicitation shall remain in full force and effect for the applicable period following the Separation Date as provided in the Employment Agreement. Executive represents that he has complied with Section

14 of the Employment Agreement related to the return of Employer's Confidential Information and other Employer property.

7. Non-Disparagement.

Executive shall not, directly or indirectly, make or cause to be made and shall use his best efforts to cause the officers, directors, employee, agents and representatives of any entity or person controlled by Executive not to make or cause to be made, any disparaging, denigrating, derogatory or other negative, misleading or false statement orally or in writing to any person or entity, including members of the investment community, press, and customers, competitors and advisors to Employer, about Employer, its shareholders, subsidiaries or affiliates, their respective officers or members of their boards of directors, or the business strategy or plans, policies, practices or operations of Employer, its shareholders, subsidiaries or affiliates; provided, however, that (i) nothing in this Agreement shall prohibit Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation, and (ii) Executive does not need prior authorization from the Employer to make any such reports or disclosures and Executive is not required to notify the Employer that he has made such reports or disclosures.

8. Cooperation Agreement.

Executive acknowledges that in the course of his employment with Employer, Executive has gained knowledge and experience and/or was a witness to events and circumstances that may arise in or relate to Employer's defense or prosecution of current or subsequent proceedings. Executive agrees to cooperate fully with Employer's reasonable request as a witness and/or consultant in defending or prosecuting claims of all kinds, including but not limited to, any litigation, administrative actions or arbitrations.

9. Resolution of Claims.

The provisions of this Agreement are contractual and not merely recitals and are intended to resolve disputed claims. No party hereto admits liability of any kind and no portion of this Agreement shall be construed as an admission of liability.

10. No Assignment of Claims.

Executive and Employer represent, recognizing that the truth of the following representation is a material consideration upon which this Agreement is based, that they have not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof, or interest therein relating to any claims being released by any party to this Agreement, and that they are unaware of any other entity having any interest in such claims, and agree to indemnify and hold the other party harmless from and against any and all claims, based on or arising out of any such third-party interest in, or assignment or transfer, or purported assignment or transfer of, any claims, or any portion thereof or interest therein.

11. Governing Law.

(a) THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS IN HARRIS COUNTY, TEXAS, FOR THE PURPOSES OF ANY PROCEEDING ARISING OUT OF THIS AGREEMENT.

12. Sufficient Time to Review.

Executive acknowledges and agrees that: (a) he has had reasonable and sufficient time to read and review this Agreement and that he has, in fact, read and reviewed this Agreement; (b) that he has the right to consult with legal counsel regarding this Agreement and is encouraged to consult with legal counsel with regard to this Agreement; (c) that he has had (or has had the opportunity to take) 21[1] calendar days to discuss the Agreement with a lawyer of his choice before signing it and, if he signs before the end of that period, he does so of his own free will andwith the full knowledge that he could have taken the full period; (d) that he is entering into this Agreement freely and voluntarily and not as a result of any coercion, duress or undue influence; (a) that he is not relying upon any oral representations made to him regarding the subject matter of this Agreement; (f) that by this Agreement he is receiving consideration in addition to that which he was already entitled; and (g) that he has received all information he requires from Employer in order to make a knowing and voluntary release and waiver of all claims against Employer.

13. Revocation/Payment.

Executive acknowledges and agrees that he has seven days from the date of the execution of this Agreement within which to rescind or revoke this Agreement by providing notice in writing to Employer. To revoke this Agreement, Executive must deliver written notice of such revocation to [Name, Title, Address] no later than [Date]. Executive further understands that the Agreement will have no force and effect until the end of that seventh day (the "Waiver Effective Date"), and that he will receive the benefits identified in Section 2 above after the Waiver Effective Date and following Employer's receipt of the Agreement as executed by Executive if the Agreement is not revoked. If Executive revokes the Agreement pursuant to this Section 14, Employer will not be obligated to provide Executive with the separation payments identified in Section 2 and other benefits described in this Agreement, and this Agreement shall be deemed null and void.

14. Taxes.

All payments made by Employer under this Agreement will be subject to applicable federal, state and local taxes, and withholdings required for the same, which taxes will be the

[1] Increase to 45 days in the event termination is part of a group under ADEA.

responsibility of Executive. Executive is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement.

15. Entire Agreement; Severability.

This Agreement constitutes the entire agreement and understanding between the Parties and each of their affiliates (including, without limitation, the Released Parties) and replaces, cancels and supersedes any prior agreements and understandings relating to the subject matter hereof including, without limitation, the Employment Agreement, except as expressly provided herein, and all prior representations, agreements, understandings and undertakings among the parties hereto with respect to the subject matter hereof are merged herein. The Parties agree that this Agreement is the entire agreement between the parties relating to the subject matter hereof, and that there is no agreement, representation or other inducement for the execution of this Agreement other than the consideration recited herein.

Should any provision of this Agreement be found to be invalid or unenforceable, the remaining provisions of this Agreement shall be deemed to be in full force and effect, at Employer's sole discretion, to the fullest extent permitted by law. Any waiver of any term or provision of this Agreement shall not be deemed a continuing waiver and shall not prevent Employer from enforcing such provision in the future.

16. Section 409A.

Each payment under this Agreement, including each payment in a series of installment payments, is intended to be a separate payment for purposes of Treas. Reg. §l.409A-2(b), and is intended to be: (a) exempt from Section 409A of the Internal Revenue Code of 1986, the regulations and other binding guidance promulgated thereunder ("Section 409A"), including, but not limited to, by compliance with the short-term deferral exemption as specified in Treas. Reg. § l.409A-l(b)(4), or (b) in compliance with Section 409A, including, but not limited to, being paid pursuant to a fixed schedule or specified date pursuant to Treas. Reg.§ 1.409A-3(a) and the provisions of this Agreement will be administered, interpreted and construed accordingly.

17. Binding Effect.

This Agreement shall be binding on and inure to the benefit of each of the parties hereto, as well as their respective successors, assigns, heirs, executors and administrators.

EMPLOYEE AFFIRMS THAT HE HAS CONSULTED WITH HIS ATTORNEY OR HAS HAD AN OPPORTUNITY TO DO SO PRIOR TO SIGNING THIS AGREEMENT AND THAT HE IS EXECUTING THE AGREEMENT VOLUNTARILY AND WITH FULL UNDERSTANDING OF ITS CONSEQUENCES.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CIVEO CORPORATION

By: ______________________________
Name: Bradley J. Dodson
Title: President & Chief Executive Officer

EXECUTIVE

____
[Name]

Exhibit 10.25

EXECUTIVE CHANGE OF CONTROL SEVERANCE AGREEMENT

This Executive Agreement ***("Agreement")*** between Civeo Corporation, a Delaware corporation (the ***"Company")***, and Carolyn Stone (the ***"Executive")*** is made and entered into effective as of the date of May 10, 2015 (the ***"Effective Date")***.

WHEREAS, Executive is a key executive of the Company or a subsidiary; and

WHEREAS, the Company believes it to be in the best interests of its stockholders to attract, retain and motivate key executives and ensure continuity of management; and

WHEREAS, it is in the best interest of the Company and its stockholders if the key executives can approach material corporate development decisions objectively and without concern for their personal situation; and

WHEREAS, the Company recognizes that the possibility of a Change of Control (as defined below) of the Company may result in the departure of key executives to the detriment of the Company and its stockholders; and

WHEREAS, the Board of Directors of the Company (the ***"Board")*** has authorized this Agreement and certain similar agreements in order to retain and motivate key management and to ensure continuity of key management;

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive agree as follows:

1. Term of Agreement

(A) This Agreement shall commence on the Effective Date and, subject to the provisions for earlier termination in this Agreement, shall continue in effect through the second anniversary of the Effective Date; provided, however, commencing on the Effective Date and on each day thereafter, the term of this Agreement shall automatically be extended for one additional day unless the Board shall give written notice to Executive that the term shall cease to be so extended in which event the Agreement shall terminate on the third anniversary of the date such notice is given.

(B) Notwithstanding anything in this Agreement to the contrary, this Agreement, if in effect on the date of a Change of Control, shall automatically be extended for the 24-month period following the Change of Control.

(C) Termination of this Agreement shall not alter or impair any rights of Executive arising hereunder on or before such termination.

2. Certain Definitions

(A) ***"Cause"*** shall mean:

(i) Executive's conviction of (or plea of nolo contendere to) a felony, dishonesty or a breach of trust;

(ii) Executive's commission of any act of theft, fraud, embezzlement or misappropriation regardless of whether a criminal conviction is obtained;

(iii) Executive's continued failure to devote substantially all of his business time to the Company's business affairs (excluding failures due to illness, incapacity, vacations, incidental civic activities and incidental personal time) which failure is not remedied within a reasonable time after written demand is delivered by the Company, which demand identifies the manner in which the Company believes that Executive has failed to devote substantially all of his business time to the Company's business affairs; or

(iv) Executive's unauthorized disclosure of confidential information of the Company.

(B) ***"Change of Control'*** shall mean any of the following:

(i) any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the ***"Exchange Act")),*** (other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any affiliate, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), acquires "beneficial ownership" (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities; provided, however, that if the Company engages in a merger or consolidation in which the Company or surviving entity in such merger or consolidation becomes a subsidiary ofanother entity, then references to the Company's then outstanding securities shall be deemed to refer to the outstanding securities of such parent entity;

(ii) a change in the composition of the Board, as a result of which fewer than a majority of the directors are Incumbent Directors. ***"Incumbent Directors"*** shall mean directors who either (i) are directors of the Company as of the Effective Date, or (ii) are elected, or nominated for election, to the Board with the affirmative votes of at least two-thirds of the Incumbent Directors at the time of such election or nomination, but Incumbent Director shall not include an individual whose election or nomination occursas a result of either (1) an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or (2) an actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity (or if the surviving entity is or shall become a subsidiary of another entity, then such parent entity)) more than 50% of the combined voting power of the voting securities of the Company (or such surviving entity or parent entity, as the case may be) outstanding immediately after such merger or consolidation;

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company; or

(v) the sale or disposition (other than a pledge or similar encumbrance) by the Company of all or substantially all of the assets of the Company other than to a subsidiary or subsidiaries of the Company.

For the avoidance of doubt, in no event will a redomicile transaction or redomestication of the Company's place of incorporation to Canada be deemed to constitute a "Change of Control" for purposes of this Agreement.

(C) ***"Date of Termination"*** shall mean the date the Notice of Termination is given unless such Notice of Termination is by Executive in which event the Date of Termination shall not be less than 30 days following the date the Notice of Termination is given. Further, a Notice of Termination given by Executive due to a Good Reason event that is corrected by the Company before the Date of Termination shall be void.

(D) ***"Good Reason"*** shall mean:

(i) a material reduction in Executive's authority, duties or responsibilities from those in effect immediately prior to the Change of Control or the assignment to Executive duties or responsibilities materially inconsistent with those of Executive in effect immediately prior to the Change of Control;

(ii) a material reduction of Executive's compensation and benefits, including, without limitation, annual base salary, annual bonus, and equity incentive opportunities from those in effect immediately prior to the Change of Control;

(iii) the Company fails to obtain a written agreement from any successor or assigns of the Company to assume and perform this Agreement as provided in Section 7 hereof; or

(iv) the Company requires Executive, without Executive's consent, to be based at any office located more than 50 miles from the Company's offices to which Executive was based immediately prior to the Change of Control, except for travel reasonably required in the performance of Executive's duties.

Notwithstanding the above however, Good Reason shall not exist with respect to a matter unless all of the following conditions are satisfied: (i) the condition giving rise to Executive's termination of employment must have arisen without Executive's consent; and (ii) (1) Executive must provide written notice to the Company of such condition in accordance with Section 10 within 30 days of the initial existence of the condition, (2) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company and (3) the date of Executive's termination of employment must occur within 30 days after the expiration of the cure period set forth in (2) above.

For purposes of this Agreement, ***"Good Reason"*** shall be construed to refer to Executive's positions, duties, and responsibilities in the position or positions in which Executive serves immediately before the Change of Control, but shall not include titles or positions with subsidiaries and affiliates of the Company that are held primarily for administrative convenience.

For the avoidance of doubt, in no event will a redomicile transaction or redomestication of the Company's place of incorporation to Canada be deemed to constitute "Good Reason" for purposes of this Agreement.

(E) ***"Notice of Termination"*** shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. For this purpose, termination of Executive's employment shall be interpreted consistent with the meaning of the term ***"Separation from Service"*** in Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the ***"Code")*** and applicable regulation authority.

(F) ***"Protected Period"*** shall mean the 18-month period beginning on the effective date of a Change of Control.

(G) ***"Target AICP"*** shall mean the targeted value of Executive's annual incentive compensation plan bonus for the year in which the Date of Termination occurs or the fiscal year immediately preceding the Change of Control, whichever is a greater amount.

(H) ***"Termination Base Salary"*** shall mean Executive's annual base salary at the rate in effect at the time the Notice of Termination is given or, if a greater amount, Executive's annual base salary at the rate in effect immediately prior to the Change of Control.

3. No Employment Agreement.

(A) This Agreement shall be considered solely as a "Change of Control severance agreement" obligating the Company to pay Executive certain amounts of compensation and to provide certain benefits in the event and only in the event of Executive's termination of employment for the specified reasons and at the times specified herein. The parties agree that this Agreement shall not be considered an employment agreement and that Executive 1s an "at will" employee of the Company.

(B) Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's employment, any termination of Executive's employment shall constitute an automatic resignation of Executive as an officer of the Company and each affiliate of the Company, and an automatic resignation of Executive from the Board and the board of directors of the Company (if applicable) and from the board of directors or similar governing body of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company's or such affiliate' s designee or other representative.

4. Change of Control Severance Benefits

Subject to Section 12, if either (a) Executive terminates his employment during the Protected Period for a Good Reason event or (b) the Company terminates Executive's employment during the Protected Period other than for Cause, Executive shall receive the following compensation and benefits from the Company:

(A) Within 15 days of the expiration of the Release Period (as defined in Section 12), the Company shall pay to Executive in a lump sum, in cash, an amount equal to 1.75 times the sum of Executive's (i) Termination Base Salary and (ii) Target AICP.

(B) Notwithstanding anything in any Company stock plan or grant agreement to the contrary, (i) all restricted shares, restricted stock units, phantom stock units and any other equity based award of Executive shall become 100% vested and all restrictions thereon shall lapse as of the expiration of the Release Period, and the Company shall promptly deliver such shares (or cash in lieu of shares in the case of phantom stock unit awards) to Executive and (ii) each then outstanding stock option of Executive shall become 100% exercisable as of the expiration of the Release Period and shall remain exercisable for 90 days following the lapse of the Release Period.

(C) Executive shall be fully vested in Executive's accrued benefits under all qualified pension, nonqualified pension, profit sharing, 401(k), deferred compensation and supplemental plans maintained by the Company for Executive's benefit as of the lapse of such sixty-day period except to that the extent the acceleration of vesting of such benefits would violate any applicable law or require the Company to accelerate the vesting of the accrued benefits of all participants in such plan or plans, in which event the Company shall pay Executive a lump sum amount, in cash, within 15 days of the lapse of such sixty-day period, equal to the present value of such unvested accrued benefits that cannot become vested under the plan for the reasons provided above.

(D) For the 12-month period following the date of termination of Executive's employment with the Company, the Company shall continue to provide Executive and Executive's eligible family members with medical and dental health benefits at least equal to those which would have been provided to Executive if Executive's employment had not been terminated. The medical and dental health benefits coverage shall be provided at full cost to the Executive during the applicable period. The Company shall also provide Executive with a lump sum payment within 15 days following the expiration of each of the two, sixth-month periods following termination of Executive's employment with the Company in such amount that, after all taxes on that amount, shall be equal to the full cost, reduced by the cost sharing applicable to active employees, of providing Executive and Executive's eligible family members with medical and dental health benefits coverage during each such preceding six-month period. Notwithstanding the foregoing, such benefits coverage shall not continue beyond the first sixty days following termination of Executive's employment with the Company, and the lump sum payments shall not be paid, unless Executive complies with the requirements of Section 12 hereof by executing a general release. Notwithstanding the foregoing, if Executive becomes eligible to receive medical, dental and disability benefits under another employer's plans during the 12-month period following the date of termination of Executive's employment with the Company, the Company's obligations under this Section 4D shall be reduced to the extent comparable benefits are actually received by Executive during such period, and any such benefits actually received by Executive shall be promptly reported by Executive to the Company. In the event Executive is ineligible under the terms of the Company's health and other welfare benefit plans or programs to continue to be so covered during the 24-month period following the date of termination of Executive's employment with the Company, the Company shall provide Executive with substantially equivalent coverage through other sources or will provide Executive with a lump sum payment within 15 days following the expiration of each of the two, six-month periods following termination of Executive's employment with the Company in such amount that, after all taxes on that amount, shall be equal to the cost of providing Executive and Executive's eligible family members with medical and dental health benefits coverage during each such preceding six-month period. Any lump sum shall be determined on a present value basis using the interest rate provided in Section 1274(b)(2)(B) of the Code on the Date of Termination.

(E) For the period beginning on the date of termination of Executive's employment with the Company and ending on December 31 of the second calendar year following the calendar year which includes the date of termination, or until Executive accepts other employment, including as an independent contractor, with a new employer, Executive shall be entitled to receive outplacement services, payable by the Company, with an aggregate cost not to exceed 15% of Executive's Termination Base Salary, with an executive outplacement service firm reasonably acceptable to the Company and Executive.

5. Parachute Taxes.

Notwithstanding anything to the contrary in this Agreement, if Executive is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for under this Agreement, together with any other payments and benefits whichExecutive has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for under this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and its affiliates will be one dollar ($1.00) less than three times Executive's "base amount"(as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a parachute payment exists, exceeds one dollar ($1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made.

6. Mitigation.

Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise nor, except as provided in Section 4Dshall the amount of any payment or benefit provided for in this Agreement be reduced by any compensation earned or benefit received by Executive as the result of employment by another employer or self-employment, by retirement benefits, by offset against any amount claimed to be owed by Executive to the Company or otherwise. Executive shall not be entitled to receive any severance payments or benefits pursuant to any Company severance plan or program for employees in general.

7. Successor Agreement.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place.Failure of the successor to so assume shall constitute a breach of this Agreement and entitle Executive to the benefits hereunder as if triggered by a termination by the Company other than for Cause.

8. Indemnity.

In any situation where under applicable law the Company has the power to indemnify, advance expenses to and defend Executive in respect of any judgments, fines, settlements, loss, cost or expense (including attorney's fees) of any nature related to or arising out of Executive's activities as an agent, employee, officer or director of the Company or in any other capacity on behalf of or at the request of the Company, then the Company shall promptly on written request, indemnify Executive, advance expenses (including attorney's fees) to Executive and defend Executive to the fullest extent permitted by applicable law, including but not limited to making such findings and determinations and taking any and all such actions as the Company may, under applicable law, be permitted to have the discretion to take so as to effectuate such indemnification, advancement or defense. Such agreement by the Company shall not be deemed to impair any other obligation of the Company respecting Executive's indemnification or defenseotherwise arising out of this or any other agreement or promise of the Company under any statute.

9. Code Section 409A Restrictions.

(A) Each payment under this Agreement, including each payment in a series of installment payments, is intended to be a separate payment for purposes of Treas. Reg. § 1.409A-2(b), and is intended to be: (i) exempt from Section 409A of the Code, the regulations and other binding guidance promulgated thereunder ***("Section 409A"),*** including, but not limited to, by compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-l(b)(4) and the involuntary separation pay exception within the meaning of Treas. Reg. § 1.409A- l(b)(9)(iii), or (ii) in compliance with Section 409A, including, but not limited to, being paid pursuant to a fixed schedule or specified date pursuant to Treas. Reg. §l.409A-3(a) and the provisions of this Agreement will be administered, interpreted and construed accordingly.

(B) Notwithstanding anything in this Agreement to the contrary, if payment of any amounts under this Agreement would be subject to additional taxes and interest under Section 409A because the timing of such payments is not delayed as provided in Section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then any such payments that Executive would otherwise be entitled to during the first six months following the date of the Executive's termination of employment with the Company shall be accumulated and paid on the first business day that is six months after the date of the Executive's termination of employment with the Company, or such earlier date upon which such payments can be paid under Section 409A without being subject to such additional taxes and interest. If this Section becomes applicable such that any payments are delayed, any payments that are so delayed shall accrue interest on a non-compounded basis, from the date they would otherwise have been made absent such delay to the actual date of payment, at the prime or base rate of interest announced by Wells Fargo Bank (orany successor thereto) at its principal office in Houston, Texas on the date of such termination, which shall be paid in a lump sum on the actual date of payment of the delayed payments.

(C) Notwithstanding anything in this Agreement to the contrary, if benefits to be made available under this Agreement would be subject to additional taxes and interest under Section 409A because the provision of such benefits is not delayed for the first six months following the date of the Executive's termination of employment with the Company as provided in Section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, such benefits shall not be delayed; however, the Executive shall pay to the Company, at the time or times such benefits are provided, the fair market value of such benefits, and the Company shall reimbursethe Executive for any such payments on the fifth business day following the expiration of such six-month period.

(D) Executive hereby agrees to be bound by the Company's determination of its "specified employees" (as such term is defined in Section 409A) in accordance with any of the methods permitted under the regulations issued under Section 409A.

10. Notice.

For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and delivered by United States certified or registered mail (return receipt requested, postage prepaid) or by courier guaranteeing overnight delivery or by hand delivery (with signed receipt required), addressed to the respective addresses set forth below, and such notice or communication shall be deemed to have been duly given two days after deposit in the mail, one day after deposit with such overnight carrier or upon delivery with hand delivery. The addresses set forth below may be changed by a writing in accordance herewith.

Company:	Executive:
Civeo Corporation	Carolyn Stone
333 Clay Street, Suite 4980	____________________
Houston, Texas 77002	
Attn: Chairman of the Board	____________________

11. Arbitration.

The parties agree to resolve any claim or controversy arising out of or relating to this Agreement, including but not limited to the consequences of any termination of employment of Executive, by binding arbitration under the Federal Arbitration Act before one arbitrator in Houston, Texas, administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The fees and expenses of the arbitrator shall be borne solely by the non-prevailing party or, in the event there is no clear prevailing party, as the arbitrator deems appropriate. Except as provided above, each party shall pay its own costs and expenses (including, without limitation, attorneys' fees) relating to any mediation/arbitration proceeding conducted under this Section 11.

12. Waiver and Release.

As a condition to the receipt of any payment or benefit as a severance payment under Section 4 of this Agreement, Executive must first execute and deliver to the Company a binding general release, as prepared by the Company in substantially the form attached hereto as Exhibit A, that releases the Company, its officers, directors, employees, agents, subsidiaries and affiliates from any and all claims and from any and all causes of action of any kind or character that Executive may have arising out of Executive's employment with the Company or the termination of such employment, but excluding (i) any claims and causes of action that Executive may have arising under or based upon this Agreement, and (ii) any vested rights Executive may have under any employee benefit plan or deferred compensation plan or program of the Company. The general release described above must be effective and irrevocable within 55 days after the date of Executive's termination of employment with the Company (the ***"Release Period").***

13. Employment with Affiliates.

Employment with the Company for purposes of this Agreement includes employment with any entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of all outstanding equity interests, and employment with any entity which has a direct or indirect interest of 50% or more of the total combined voting power of all outstanding equity interests of the Company.

14. Governing Law.

(A) THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

(B) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS IN HARRIS COUNTY, TEXAS, FOR THE PURPOSES OF ANY PROCEEDING ARISING OUT OF THIS AGREEMENT.

15. Entire Agreement.

This Agreement is an integration of the parties' agreement and no agreement or representatives, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement hereby expressly terminates, rescinds and replaces in full any prior agreement (written or oral) between the parties relating to the subject matter hereof.

16. Withholding of Taxes.

The Company shall withhold from all payments and benefits provided under this Agreement all taxes required to be withheld by applicable law.

17. Beneficiary.

In the event Executive dies before receiving the lump sum severance payment to which Executive was entitled hereunder, Executive's spouse or, if there is no spouse, the beneficiary designated by Executive under the Company-sponsored group term life insurance plan, shall receive such payment.

[End of Page]

IN WITNESS WHEREOF, the Company and Executive have executed this Agreement effective for all purposes as of the Effective Date.

CIVEO CORPORATION

/s/ Bradley J. Dodson
Name: Bradley J. Dodson
Title: President & CEO

EXECUTIVE

/s/ Carolyn Stone
Name: Carolyn Stone
Title: Vice President, Controller & Corporate Secretary

Exhibit A

WAIVER AND RELEASE AGREEMENT

This Waiver and Release Agreement (the "Agreement") is made and entered into effective as of the____ day of _, 20_ by and between Civeo Corporation, a Delaware corporation ("Employer"), and Carolyn Stone ("Executive") (collectively, the "Parties"). Reference is made herein to the Employment Agreement effective as of___________between Employer and Executive. Capitalized terms used herein but not otherwise defined in this Agreement shall have the meanings given such terms in the Employment Agreement.

18. Termination of Employment.

Effective as of ____________(the "Separation Date"), Executive's employment has been terminated and he has resigned from and any and all positions he has held with Employer and any affiliates.

19. Separation Benefits.

In satisfaction of the [Executive / Executive Change of Control] Agreement and in consideration of Executive's execution (without revocation) of this Agreement and his release of all claims as provided in this Agreement, and Executive's other agreements herein, Employer agrees to provide Executive with the following benefits, less all required withholding and other authorized deductions, provided that the Waiver Effective Date (as defined in Section 14) has occurred on or before lapse of 55 days following Separation Date (the "Release Period"):

(i) [Insert severance benefits under Section 4 of the Executive Change of Control Agreement, as applicable]

20. Other Benefits.

Employer shall pay all accrued but unpaid base salary and all accrued but unused vacation pay to Executive in a lump sum in cash as soon as practicable after the Separation Date.

21. No Other Compensation.

Except as set forth in Sections 2 and 3 above, Executive shall not be entitled to any other salary, commission, bonuses, employee benefits (including long and short term disability, 401(k), and pension), expense reimbursement or compensation from Employer or its affiliates after the Separation Date and all of Executive's rights to salary, commission, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the Separation Date from Employer (other than vested benefits under Employer's employee benefit plans which are payable to Executive pursuant to the terms and conditions set forth in the applicable plan documents) shall cease upon the Separation Date, other than those expressly required under applicable law (such as the Consolidated Omnibus Budget Reconciliation Act of 1985).

22. General Release.

In consideration of the payments to be made hereunder and having acknowledged the above-stated consideration as full compensation for and on account of any and all injuries and damages which Executive has sustained or claimed, or may be entitled to claim, Executive, for himself, and his heirs, executors, administrators, successors and assigns, does hereby release, forever discharge and promise not to sue Employer, its parents, subsidiaries, affiliates, successors and assigns, and its past and present officers, directors, partners, employees, members, managers, shareholders, agents, attorneys, accountants, insurers, heirs, administrators, executors (collectively the "Released Parties") from any and all claims, liabilities, costs, expenses, judgments, attorney fees, actions, known and unknown, of every kind and nature whatsoever in law or equity, which Executive had, now has, or may have against the Released Parties relating in any way to Executive's employment with Employer or termination thereof, including but not limited to, all claims for contract damages, tort damages, special, general, direct, punitive and consequential damages, compensatory damages, loss of profits, attorney fees and any and all other damages of any kind or nature; all contracts, oral or written, between Executive and any ofthe Released Parties except as otherwise described herein; any business enterprise or proposed enterprise contemplated by any of the Released Parties, as well as anything done or not done prior to and including the date of execution of this Agreement. Nothing in this Agreement shall be construed to release Employer from any obligations set forth in this Agreement.

Executive understands and agrees that this release and covenant not to sue shall apply to any and all claims or liabilities arising out of or relating to Executive's employment with Employer and the termination of such employment, including, but not limited to: claims of discrimination based on age, race, color, sex (including sexual harassment), religion, national origin, marital status, parental status, veteran status, union activities, disability or any other grounds under applicable federal, state or local law, including, but not limited to, claims arising under the Age Discrimination in Employment Act of 1967, as amended; the Americans with Disabilities Act; and Title VII of the Civil Rights Act, as amended, the Civil Rights Act of 1991;42 U.S.C. § 1981, the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act of 1985 as amended, the Rehabilitation Act of 1973, the Equal Pay Act of 1963 (EPA) as well as any claims regarding wages; benefits; vacation; sick leave; business expense reimbursements; wrongful termination; breach of the covenant of good faith and fair dealing; intentional or negligent infliction of emotional distress; retaliation; outrage; defamation; invasion of privacy; breach of contract; fraud or negligent misrepresentation; harassment; breach of duty; negligence; discrimination; claims under any employment, contract or tort laws; claims arising under any other federal law, state law, municipal law, local law, or common law; any claims arising out of any employment contract, policy or procedure; and any other claims related to or arising out of his employment or the separation of his employment with Employer.

In addition, Executive agrees not to cause or encourage any legal proceeding to be maintained or instituted against any of the Released Parties.

This release does not apply to any claims for unemployment compensation or any other claims or rights which, by law, cannot be waived, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however that

Executive disclaims and waives any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.

23. Acknowledgement of Waiver of Claims under ADEA.

Executive expressly acknowledges that he is voluntarily, irrevocably and unconditionally releasing and forever discharging Employer and its respective present and former parents, subsidiaries, divisions, affiliates, branches, insurers, agencies, and other offices from all rights or claims he has or may have against Employer including, but not limited to, without limitation, all charges, claims of money, demands, rights, and causes of action arising under the Age Discrimination in Employment Act of 1967, as amended ("ADEA"), including, but not limited to, all claims of age discrimination in employment and all claims of retaliation in violation of ADEA. Executive further acknowledges that the consideration given for this waiver of claims under the ADEA is in addition to anything of value to which he was already entitled in the absence of this waiver. Executive further acknowledges: (a) that he has been informed by this writing that he should consult with an attorney prior to executing this Agreement; (b) that he hascarefully read and fully understands all of the provisions of this Agreement; (c) he is, through this Agreement, releasing Employer from any and all claims he may have against it; (d) he understands and agrees that this waiver and release does not apply to any claims that may arise under the ADEA after the date he executes this Agreement; (e) he has at least 21[1] days within which to consider this Agreement; and (f) he has seven days following his execution of this Agreement to revoke the Agreement (as provided in Section 14 of this Agreement); and (g) this Agreement shall not be effective until the revocation period has expired and Executive has signed and has not revoked the Agreement.

24. Confidential Information and Protective Covenants.

The Parties agree that all terms and provisions of Section 14 of the Employment Agreement related to Confidential Information, Non-Competition and Non-Solicitation shall remain in full force and effect for the applicable period following the Separation Date as provided in the Employment Agreement. Executive represents that he has complied with Section 14 of the Employment Agreement related to the return of Employer's Confidential Information and other Employer property.

25. Non-Disparagement.

Executive shall not, directly or indirectly, make or cause to be made and shall use his best efforts to cause the officers, directors, employee, agents and representatives of any entity or person controlled by Executive not to make or cause to be made, any disparaging, denigrating, derogatory or other negative, misleading or false statement orally or in writing to any person or entity, including members of the investment community, press, and customers, competitors and advisors to Employer, about Employer, its shareholders, subsidiaries or affiliates, their respectiveofficers or members of their boards of directors, or the business strategy or plans, policies, practices or operations of Employer, its shareholders, subsidiaries or affiliates; provided,

[1] If termination is part of a group for purposes of ADEA, increase to 45 days and include required demographic information

however, that (i) nothing in this Agreement shall prohibit Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation, and (ii) Executive does not need prior authorization from the Employer to make any such reports or disclosures and Executive is not required to notify the Employer that he has made such reports or disclosures.

26. Cooperation Agreement.

Executive acknowledges that in the course of his employment with Employer, Executive has gained knowledge and experience and/or was a witness to events and circumstances that may arise in or relate to Employer's defense or prosecution of current or subsequent proceedings. Executive agrees to cooperate fully with Employer's reasonable request as a witness and/or consultant in defending or prosecuting claims of all kinds, including but not limited to, any litigation, administrative actions or arbitrations.

27. Resolution of Claims.

The provisions of this Agreement are contractual and not merely recitals and are intended to resolve disputed claims. No party hereto admits liability of any kind and no portion of this Agreement shall be construed as an admission of liability.

28. No Assignment of Claims.

Executive and Employer represent, recognizing that the truth of the following representation is a material consideration upon which this Agreement is based, that they have not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof, or interest therein relating to any claims being released by any party to this Agreement, and that they are unaware of any other entity having any interest in such claims, and agree to indemnify and hold the other party harmless from and against any and all claims, based on or arising out of any such third-party interest in, or assignment or transfer, or purported assignment or transfer of, any claims, or any portion thereof or interest therein.

29. Governing Law.

(a) THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS IN HARRIS COUNTY, TEXAS, FOR THE PURPOSES OF ANY PROCEEDING ARISING OUT OF THIS AGREEMENT.

30. Sufficient Time to Review.

Executive acknowledges and agrees that: (a) he has had reasonable and sufficient time to read and review this Agreement and that he has, in fact, read and reviewed this Agreement; (b) that he has the right to consult with legal counsel regarding this Agreement and is encouraged to consult with legal counsel with regard to this Agreement; (c) that he has had (or has had the opportunity to take) 21[2] calendar days to discuss the Agreement with a lawyer of his choice before signing it and, if he signs before the end of that period, he does so of his own free will andwith the full knowledge that he could have taken the full period; (d) that he is entering into this Agreement freely and voluntarily and not as a result of any coercion, duress or undue influence; (e) that he is not relying upon any oral representations made to him regarding the subject matter of this Agreement; (f) that by this Agreement he is receiving consideration in addition to that which he was already entitled; and (g) that he has received all information he requires from Employer in order to make a knowing and voluntary release and waiver of all claims against Employer.

31. Revocation/Payment.

Executive acknowledges and agrees that he has seven days from the date of the execution of this Agreement within which to rescind or revoke this Agreement by providing notice in writing to Employer. To revoke this Agreement, Executive must deliver written notice of such revocation to [Name, Title, Address] no later than [Date]. Executive further understands that theAgreement will have no force and effect until the end of that seventh day (the "Waiver EffectiveDate"), and that he will receive the benefits identified in Section 2 above after the Waiver Effective Date and following Employer's receipt of the Agreement as executed by Executive if the Agreement is not revoked. If Executive revokes the Agreement pursuant to this Section 14, Employer will not be obligated to provide Executive with the separation payments identified in Section 2 and other benefits described in this Agreement, and this Agreement shall be deemed null and void.

32. Taxes.

All payments made by Employer under this Agreement will be subject to applicable federal, state and local taxes, and withholdings required for the same, which taxes will be the responsibility of Executive. Executive is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement.

33. Entire Agreement; Severability.

This Agreement constitutes the entire agreement and understanding between the Parties and each of their affiliates (including, without limitation, the Released Parties) and replaces, cancels and supersedes any prior agreements and understandings relating to the subject matter hereof including, without limitation, the Employment Agreement, except as expressly provided herein, and all prior representations, agreements, understandings and undertakings among the parties hereto with respect to the subject matter hereof are merged herein. The Parties agree that

[2] Increase to 45 days in the event termination is part of a group under ADEA.

this Agreement is the entire agreement between the parties relating to the subject matter hereof, and that there is no agreement, representation or other inducement for the execution of this Agreement other than the consideration recited herein.

Should any provision of this Agreement be found to be invalid or unenforceable, the remaining provisions of this Agreement shall be deemed to be in full force and effect, at Employer's sole discretion, to the fullest extent permitted by law. Any waiver of any term or provision of this Agreement shall not be deemed a continuing waiver and shall not prevent Employer from enforcing such provision in the future.

34. Section 409A.

Each payment under this Agreement, including each payment in a series of installment payments, is intended to be a separate payment for purposes of Treas. Reg. §1.409A-2(b), and is intended to be: (a) exempt from Section 409A of the Internal Revenue Code of 1986, the regulations and other binding guidance promulgated thereunder ("Section 409A"), including, but not limited to, by compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-l(b)(4), or (b) in compliance with Section 409A, including, but not limited to, being paid pursuant to a fixed schedule or specified date pursuant to Treas. Reg. § 1.409A-3(a) and the provisions of this Agreement will be administered, interpreted and construed accordingly.

35. Binding Effect.

This Agreement shall be binding on and inure to the benefit of each of the parties hereto, as well as their respective successors, assigns, heirs, executors and administrators.

EMPLOYEE AFFIRMS THAT HE HAS CONSULTED WITH HIS ATTORNEY OR HAS HAD AN OPPORTUNITY TO DO SO PRIOR TO SIGNING THIS AGREEMENT AND THAT HE IS EXECUTING THE AGREEMENT VOLUNTARILY AND WITH FULL UNDERSTANDING OF ITS CONSEQUENCES.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CIVEO CORPORATION

By: ______________________________

Name:______________________________

Title:______________________________

EXECUTIVE

____

Name: Carolyn Stone

Title: Vice President, Controller & Corporate Secretary

Exhibit 21.1

SIGNIFICANT SUBSIDIARIES OF CIVEO CORPORATION

Name of Entity	Jurisdiction of Organization
Civeo Holding Company 1 Pty Ltd	Australia
Civeo Holding Company 2 Pty Ltd	Australia
Civeo Canada Limited Partnership	Alberta, Canada
Civeo Management LLC	Delaware, U.S.
Civeo Pty Ltd	Australia
Civeo USA LLC	Delaware, U.S.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(i) the Registration Statement (Form S-8 No. 333-196292, as amended) pertaining to the 2014 Equity Participation Plan of Civeo Corporation,

(ii) the Registration Statement (Form S-8 No. 333-211393) pertaining to the Amended and Restated 2014 Equity Participation Plan of Civeo Corporation,

(iii) the Registration Statement (Form S-8 No. 333-226388) pertaining to the Amended and Restated 2014 Equity Participation Plan of Civeo Corporation,

(iv) the Registration Statement (Form S-8 No. 333-240167) pertaining to the Amended and Restated 2014 Equity Participation Plan of Civeo Corporation, and

(v) the Registration Statement (Form S-3 No. 333-233444) pertaining to the registration of common shares, preferred shares, debt securities and warrants

of our reports dated February 26, 2021, with respect to the consolidated financial statements of Civeo Corporation and the effectiveness of internal control over financial reporting of Civeo Corporation included in this Annual Report (Form 10-K) for the year ended December 31, 2020.

/s/ Ernst & Young LLP

Houston, Texas
February 26, 2021

EXHIBIT 31.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF CIVEO CORPORATION
PURSUANT TO RULE 13a–14(a) UNDER THE
SECURITIES EXCHANGE ACT OF 1934

I, Bradley J. Dodson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Civeo Corporation (“Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 26, 2021

/s/ Bradley J. Dodson

Bradley J. Dodson
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF CIVEO CORPORATION
PURSUANT TO RULE 13a–14(a) UNDER THE
SECURITIES EXCHANGE ACT OF 1934

I, Carolyn J. Stone, certify that:

1. I have reviewed this Annual Report on Form 10-K of Civeo Corporation ("Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s Board of Directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: February 26, 2021

/s/ Carolyn J. Stone

Carolyn J. Stone
Senior Vice President, Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF CIVEO CORPORATION
PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Civeo Corporation (the "Company") for the twelve month period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bradley J. Dodson, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

	/s/ Bradley J. Dodson
Name:	Bradley J. Dodson
Date:	February 26, 2021

EXHIBIT 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF CIVEO CORPORATION
PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Civeo Corporation (the "Company") for the twelve month period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carolyn J. Stone, Senior Vice President, Chief Financial Officer and Treasurer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

	/s/ Carolyn J. Stone
Name:	Carolyn J. Stone
Date:	February 26, 2021