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**Wavefront Energy and Environmental Services Inc.**

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|-------------------------------------|------------------------|
| <input type="checkbox"/>            | <b>Annual Report</b>   |
| <input type="checkbox"/>            | For the fiscal         |
| <input type="checkbox"/>            | year ended             |
| <input checked="" type="checkbox"/> | <b>August 31, 2006</b> |

*The following discussion and analysis of financial results should be read in conjunction with the audited financial statements and the accompanying notes for the year ended August 31, 2006 and is based on information available to December 15<sup>th</sup>, 2006. Additional information on Wavefront Energy and Environmental Services Inc.'s (the "Corporation" or "Wavefront") is available on SEDAR at [www.sedar.com](http://www.sedar.com).*



## Management's Discussion and Analysis of Financial Condition and Results of Operations

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### Management's Responsibility

The management of the Corporation is responsible for the accuracy of the information disclosed in the Management Discussion and Analysis. The interim and annual Management Discussion and Analysis of Financial Conditions and Results from Operations are also reviewed and approved by the Audit Committee of the Corporation's Board of Directors. This Management Discussion and Analysis of Financial Conditions and Results from Operations contain information available to December 29<sup>th</sup>, 2006.

### Overview of Business

The principal business of Wavefront Energy and Environmental Services Inc. ("Wavefront" or "the Corporation") is the development and commercialization of innovative technologies for fluid flow optimization and monitoring processes in both the environmental and energy sectors.

#### Core Intellectual Property

At the core of Wavefront's strategic value proposition is its patented fluid flow process marketed in the energy sector as Powerwave<sup>TM</sup> and in the environmental sector as Primawave<sup>TM</sup> (collectively known as 'PW' and formerly known and marketed as Deepwave<sup>SM</sup>). PW is an injection process that dramatically improves the flow rate and distribution of liquids in the ground.

PW has been proven to be an effective method of achieving oil production revitalization through the following techniques:

#### *Short-term Well Intervention Applications*

- Well intervention (single wells)
- Matrix Acid – typical near wellbore cleanup
- Remedial sand control
- Acid Inhibition treatments
- Paraffin removal

#### *Long-term Stimulation Applications*

- Add-on to water injectors for improved injectivity rates, sweep efficiency, and reservoir conformance
- Add-on to water disposal wells
- Liquid CO<sub>2</sub> Injection
- Surfactant and Polymer floods

PW has been successfully applied in heavy and light oil, as well as in groundwater. The method of implementation or system utilized depends upon, among other things, the geology and fluid viscosity. The operation of PW system must be specific to suit the geological situation. PW can be modified to increase injection and production flow rates, production well efficiency, and oil recovery ratios in a wide variety of configurations.

Environmentally, groundwater contamination came to the forefront in the early 1980s. Since the physics of fluid flow is similar in shallow groundwater conditions to that of the oil industry, Wavefront has diversified its client base and utilizes a scaled-down PW system for groundwater remediation. PW has also been verified as an environmental remedial strategy by Environment and Industry Canada. The following are some applications of PW in the environmental sector:



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- Enhancement of “pump-and-treat” systems to extract the contaminant; a similar methodology to an oilfield waterflood;
- Improved injection of “*in situ*” or in-ground remedies, such as the injection of biological, chemical or oxidant agents to neutralize the groundwater contaminant; and,
- Rehabilitation of water wells.

The optimization of PW is dependant upon, among other things, the frequency and amplitude of the fluid waveform created. Thus, part of Wavefront's value proposition is to monitor and model, and optimize PW outcomes. Wavefront's intellectual property strategy is to maintain absolute control over its PW modeling software known as the “PW Analyzer”. The software enables Wavefront to evaluate reservoir characteristics and provides key insights into the optimized waveform required for the desired outcome in any given geological setting.

### Energy Sector Applications of the Powerwave™ Process

Given the Corporation's limited resources and challenges in implementing a global technology, Wavefront entered into Technology Licensing and Collaboration Agreements with Halliburton Energy Services Inc (“Halliburton”). The License Agreement provides Halliburton non-exclusive rights in Canada and the United States to market Powerwave™ and exclusive rights outside of Canada and the United States. In consideration of the exclusive component of the Licensing Agreement, Wavefront entered into a Collaboration Agreement which allows both parties to jointly research, develop and manufacture Powerwave™ systems for the improvement or enhancement of oil recovery, oil well stimulation and oilfield disposal methodologies. The Halliburton agreements will assist Wavefront in the following:

- Expedite the adoption rate of Powerwave™ by utilizing Halliburton's sales network;
- Eliminate potential Powerwave™ system manufacturing and implementation bottlenecks;
- Provide the Corporation and Powerwave™ with greater credibility; and,
- Through the Collaboration Agreement, expand the markets for Powerwave™ by having different systems that can operate in different geological environments.

Throughout the industry, downhole monitoring has emerged as a significant tool for reservoir surveillance to reduce costs and to maximize oil recovery for producers. To optimize the implementation of Powerwave™, Wavefront also monitors downhole data to ensure the proper waveform is created. As such, the Corporation developed downhole monitoring technologies to measure and monitor the types of waves created. In addition to providing monitoring products and services internally for Powerwave™, the Corporation also serves, on a selected basis, external customers allowing them to increase production efficiencies by providing real time reservoir information.

Wavefront offers two types of monitoring systems: (i) permanent systems specifically designed for placement within the cemented well casing for continuous monitoring throughout the life of the well and (ii) reusable systems (production tubing and coil tubing). Additionally, these monitoring products are sold to monitor the frequency and amplitude of the wave created. The revenue from the well monitoring business has provided cash flows to allow Wavefront to attend to its infrastructure while marketing Powerwave™.



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### Environmental Sector Application of Primawave™ Technology

With the negative net present value of environmental remediation projects and the long sales cycles, Wavefront, in parallel fashion, has also licensed to Environmental Resource Management ("ERM"), and AIM Environmental Group Ltd. ("AIM") non-exclusive rights to market Primawave™ in the environmental sector. Wavefront also has one registered sales agent in Finland promoting the technology to the user sector. Utilization of licensing and securing outside agents has allowed Wavefront to gain market exposure for Primawave™ while limiting the resources required to grow a revenue stream from the environmental sector. The sales cycle of environmental remediation projects has approximated between three to six months.

### OVERALL RESULTS FROM OPERATIONS

Currently the Corporation in managing its business and reporting structure, does so on a consolidated basis, as such, is no longer presenting its operational results on a segmented basis.

Fiscal 2006 was a year of change for Wavefront, which included a greater focus on the advancement and commercialization of Powerwave™ in the energy sector; more specifically, the implementation of Powerwave™ in oil field assets that Wavefront participates in. The major developments occurring in 2006 included the following:

- The Corporation becoming the operator of the Rogers County, Oklahoma leases.
- A lawsuit with Applied Seismic Research Corporation ("ASR") resulted in professional fees of U.S. \$ 476,693 being expensed.
- The Corporation entering into a farm-in agreement with Green Tree Gas and Oil Ltd. ("Green Tree") to show case the Powerwave™ Process.
- The renegotiation of the Halliburton Energy Services licensing and collaboration agreement, such that: (i) the agreements now expire with the expiry of the Corporations patents, and (ii) that Wavefront may utilize the Powerwave™ Process in any property where it owns at least a 10% interest.
- The development of the new Dragonfly system or tool to deliver the Powerwave™ Process in energy sector. The development of Dragonfly tools allows the Corporation and it licensees' to deploy the Powerwave™ Process in a broader range of geological environments, thereby increasing the potential markets for the technology.
- The development, and subsequent licensing, of the new Hornet system or tool to deliver the Primawave™ Process in the environmental sector. The Hornet tool is a more cost effective solution for the environmental sector, which management hopes lowers the barrier for its use by environmental consultants and service contractors in ground water remediation.
- The acquisition of mineral rights in Rogers County, Oklahoma to "showcase" the Powerwave™ Process. The strategy of showcasing the technology in these locations provides Wavefront the opportunity to:
  - Demonstrate the efficacy of Powerwave™ with a large number of permanently installed systems.
  - Have a site where clients, analysts and the media may have unencumbered access to observe Powerwave™ technology.



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- Provide ongoing results of the efficacy of Powerwave™ to further support marketing efforts.
- Increase the Corporation's revenue and asset base.

### Revenues

Revenues for the year ended August 31, 2006 were \$763,537. This is a decrease of \$570,747 over the comparative period in 2005 that recognized revenues of \$1,334,284. The decrease in revenue resulted primarily from the prior years recognizing of one time integrated monitoring jobs. As the Corporation moved away from the labour intensive, commodity nature integrated monitoring work and focused more on its core technologies of Primawave™ and Powerwave™, the Corporation expected such revenue decreases.

The Corporation has recognized production revenue of \$16,386 related to the Rogers County venture. As the Rogers County and Green Tree oil lease are developed, and with the on-going efforts to acquire or enter into a farm-in agreements with an existing oil producer(s), the Corporation expects that production revenue will become the predominate revenue stream until such time that global acceptance and licensing revenue predominates.

Included in other revenue is interest income of \$213,028, which resulted from the investment of private placement proceeds.

Geographically, \$413,210 (2005 – \$1,230,408) in revenue was generated in Canada, \$395,708 (2005 - \$81,931) was from the USA, and nil (2005 - \$21,945) was from Venezuela.

### Costs of Goods Sold

Direct expenses related to revenue decreased to \$107,875 (or 14% of gross revenue) compared to \$860,427 (or 64% of gross revenues) for fiscal 2005. This correlates to an increase in gross profit margin to 86% from 36%. The current year increase in profit margin is a function of a larger percentage of revenue being derived from licensing revenue and interest income, both of which have little costs of goods sold. In the prior year the Corporation priced its integrated monitoring products in line with the rest of industry, as a result the prior year had lower profit margins.

### Operating Expenses

Operating expense for the period amounted to \$3,627,033, compared to \$2,020,811 in 2005. The increase in operating expenses of \$1,606,222 was principally a result of the following changes:

- An increase in "wages, employee benefits, and contract employees" expense of \$951,675 which can be attributed to an increase in non-cash stock based compensation expense of \$873,732 (2005 - \$101,904) and increases in wage rates associated with the building of staffing infrastructure in Houston.
- An increase in "professional fees" of \$690,588 which was predominately due to the legal and patent research fees associated with the lawsuit against Applied Seismic Corporation ("ASR") of Plano, Texas. The Corporation in its lawsuit asserted that ASR had tortuously interfered with a pending long-term, multiple system, contract for the implementation of Powerwave™ with Occidental Petroleum of Elk Hills in California. ASR made a counterclaim against the Corporation asserting patent infringement. Legal and patent attorney costs totaled U.S. \$476,693 and are recorded within the professional fees expense. Subsequent to the fiscal year, and in an order signed by United States District Judge for the Eastern District of Texas Leonard Davis, it was ordered, adjudged, and decreed that:



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1. Wavefront's "Dragonfly" tool, either alone or in combination with any other component or process or manner of use, does not infringe any claim of the ASR patents under any theory of infringement, including but not limited to direct or indirect infringement, and induced or contributory infringement; and,
2. Each of the counterclaims asserted by ASR was dismissed with prejudice.

The remainder of the professional fees increase are related to using employment agencies to hire qualified staff, U.S. immigration lawyer, securities and corporate lawyer fees.

- An increase in "office" expenses of \$115,261 which relates to the establishment of a site office in Rogers County, Oklahoma and an office in Houston, Texas. Additionally, the costs increase relates to the relocation of the Corporation's head office within Edmonton, Alberta.
- An increase in "travel and promotion" expense of \$109,351 which relates to increased activity in developing Rogers County, collaborating and supporting Halliburton sales initiatives, travel related to the ASR laws suit and opening a Houston office.

The changes in operating expenses are a result of re-focusing on the commercialization of the Powerwave™, a move away from the seasonal and commodity based business of integrated monitoring. The Corporation's focus on the Powerwave™ and Primawave™ included the development and fabrication of tools and systems for both the energy and environmental sectors, the implementation of Powerwave™ systems in Rogers County, Oklahoma, supporting all licensed providers on the marketing of the technology, and the acquisition of additional mineral rights to showcase Powerwave™.

### Net Loss and Loss Per Share

The net loss for the year ended August 31, 2006 was \$3,029,897 (\$0.09 per share), compared to \$1,607,731 (\$0.06 per share) in 2005. The net loss is attributed to the change in focus to that of the Corporations' core Powerwave™ and Primawave™ technologies, which has resulted in a temporary decrease in revenue, and the increase in expenses associated with operating the Rogers County oilfield and ASR law suit. The Corporation expects financial results moving towards profitability in the next fiscal year as Powerwave™ licensing revenues and oil production revenues from Rogers County, Green Tree and any acquired oil leases are expected to increase while operating costs are expected to remain relatively stable.

### LIQUIDITY AND CAPITAL RESOURCES

#### Assets and Liabilities

Total assets increased by \$17,771,829 to \$18,704,396, which was principally due to an increase in cash resulting from the below noted share capital transactions. Additional increases in accounts receivable and mineral property interests relate to work associated with Rogers County in Oklahoma.



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As at August 31, 2006 the Corporation held a 30% working interest in an aggregate of 780 acres, consisting of four separate oil field leases having paid consideration of U.S. \$15,000. Additionally, the Corporation held a 90% working interest in an aggregate of 580 acres, consisting of four separate oil field leases having paid consideration of U.S. \$190,000. Effective August 31, 2006 in a non-cash transaction with Phoenix Oil, LLC and Highfill Oil Company the Corporation assumed an additional 10% working interest in both acreages bringing its working interest in those assets to 40% and 100% from 30% and 90%.

On February 28, 2006, the anniversary date of the Milam County option agreement, the Corporation let its mineral rights option lapse. Milam County had no production infrastructure in place, as such the expiry of the Milam County mineral rights allowed to the Corporation to focus its resources on Rogers County, which had a certain level of production equipment in place. Thus, the Corporation has written off the Milam County mineral rights in the amount of \$12,626.

Total liabilities increased by \$54,271 to \$1,635,174 from the previous year-end. This was principally due to the accrual of operating and capital expenses related to the operation of Rogers County and the development and manufacturing of new tools. These increases however, were offset by eliminations, in bank indebtedness, notes payables and advances on share subscriptions, all of which were a direct result of closing the below noted share capital transactions.

The increase in accounts payable and accrued liabilities of \$851,433 relate to legal fees associated with the ASR lawsuit increasing professional fees by U.S. \$476,693 and the assumption of operations of Rogers County. With the assumption of operations of Rogers County, the Corporation initially incurs one hundred percent of operating and developing costs and then reduces this amount by its working interest partner's proportionate share at a later date, thereby creating either a receivable or non-participation amounts due.

### Liquidity

As at the end of the year, the Corporation had working capital of \$13,206,359. The Corporation initially will see its working capital decrease as the developments of Rogers County and farm-in with Green Tree advance, and should the Corporation be successful in acquiring or participating in additional oilfield assets.

Given the upfront costs associated with building Powerwave™ systems and integrated monitoring projects, the Corporation continued its policy of requiring customers to provide a deposit upon execution of a purchase order, allowance for expenditure, or contract. This assists the Corporation in better managing its cash flow and requires less external working capital financing.

### Financings

During the fiscal year, the Corporation closed the following private placements:

- 1,959,160 units of the Corporation at a price of \$0.23 for gross proceeds of \$450,607. The units were issued by way of a non-brokered private placement. Each unit consisted of one common share and one common share purchase warrant, with each full share purchase warrant entitling the holder to acquire a common share at a price of \$0.40 for a period of 12 months ending September 1, 2006. Of the 1,959,160 units issued, a director of the Corporation subscribed for 276,767 units. In connection with this non-brokered private placement, the Corporation issued 128,696 common shares at a deemed price of \$0.23 as a finder's fee to two arm's length parties. In addition, the Corporation paid filing and legal fees of \$3,225 resulting in net cash proceeds of \$447,382.



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- 7,038,008 common shares of the Corporation at a price of \$1.35 for gross proceeds of \$9,501,311. The subscription of the Private Placement was by two institutions as portfolio managers. The Corporation paid a finders fee in the amount of \$450,079 to an arms length party. In addition, the Corporation paid filing and legal fees of \$48,181 resulting in net cash proceeds of \$9,003,051.
- 4,485,115 common shares of the Corporation at a price of \$1.80 per common shares for gross proceeds of \$8,073,207. The subscription of the Private Placement was by three institutions as portfolio managers, and private investors. The Corporation paid finder's fees in the amount of \$153,700 to two arm's length parties. In addition, the Corporation paid filing and legal fees of \$44,168 resulting in net cash proceeds of \$7,875,339.

The proceeds from the above private placements have been designated to support Halliburton's marketing efforts, to collaborate on new Powerwave™ systems, to develop mineral properties rights to showcase Powerwave™, to initiate the manufacturing of an inventory of Powerwave™ systems for a field-wide implementation and for unallocated working capital.

In addition, the following convertible securities were exercised to net the Corporation gross proceeds of \$2,547,909:

- 5,890,110 common share purchase warrants were exercised at prices ranging from \$0.35 to \$0.55 resulting in gross proceeds of \$2,364,882, of which 1,183,251 were exercised by directors of the Corporation.
- 414,366 incentive stock options were exercised at prices ranging from \$0.40 to \$0.50 resulting in gross proceeds of \$183,027, of which 340,200 were exercised by directors of the Corporation.

Liquidity risk associated with financial instruments, which is generally related to accounts receivable and non-participation amounts due. The liquidity risk associated with accounts receivable is believed to be very low based on the Corporation's history and the customers generally serviced. The liquidity risk associated with the non-participation amounts due however, is related to the production with the initial mineral rights of the Roger County venture.

The Corporation did not default nor was it in arrears on any lease interest or principal payments. Interest on notes payable is due and payable on demand; however, interest was accrued and was not paid during the year.

### Capital Resources

Currently, the Corporation has the following commitments for capital expenditures:

At August 31, 2006, the Corporation entered into a "Farm-in" Agreement with Green Tree Oil and Gas Ltd. ("Green Tree") to develop Green Tree's Rodney South oil field lease. Under the Farm-in Agreement the Corporation will supply its Powerwave™ technology and fund up to \$2.25 million for initial capital expenditures and working capital requirements. Additional development costs are expected to be financed from cash from operations. Green Tree will act as the Operator of the lease and will contribute the petroleum leases, existing seismic and geological data, and the use of its existing field facilities. Green Tree will also provide its field maintenance staff, administrative, and office support staff. In consideration for each party's contributions, cash flows from operating activities will be allocated 70% and 30% to the Corporation and Green Tree, respectively, until payout of the Corporation's initial \$2.25 million capital investment.



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Subsequent to payout, cash flow from operating activities will be allotted 50% to the Corporation and Green Tree.

As at August 31, 2006, the Corporation has paid Green Tree \$74,663 and accrued \$50,637 under the Farm-in Agreement, which has been recorded as capital assets on the consolidated balance sheet. The Corporation is obligated to the remaining balance of up to \$2,124,700 under the Farm-in Agreement.

In addition, and in accordance with the Corporation's strategic plan, cash resources will be required for the following:

- To support the ongoing collaboration efforts with Halliburton for the development of Powerwave™ systems. The research and development of such systems allows the Corporation (and Halliburton) to expand the types of potential applications that Powerwave™ can be used in.
- To support the marketing efforts with, and to train all licensees, on the implementation of Powerwave™ Primawave™.
- To further develop the Rogers County lease in proportion to the Corporation's working interest.
- To build an inventory of Powerwave™ systems for deployment in Rogers County, Oklahoma, in Rodney, Ontario, and for license to external clients for use in waterfloods.

There are no known trends or expected fluctuations in the Corporation's capital resources.

As of December 12, 2006, there are no amounts owed in respect of the lines of credit and the Corporation had \$12,304,974 of cash on hand.

### CONTRACTUAL COMMITMENTS

The Corporation has entered into long-term contractual arrangements from time-to-time for facilities, lines of credit, and the provision of goods and services. The following table presents contractual obligations arising from these arrangements currently in force:

As at August 31, 2006	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Capital lease obligations	1,878	1,878	-	-	-
Operating lease obligations	12,178	9,942	2,236	-	-
Supplier purchase obligations	377,563	217,330	102,870	57,363	-
Other long-term liabilities	-	-	-	-	-
	\$ 391,619	\$ 229,150	\$ 105,106	\$ 57,363	\$ -



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### OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off balance sheet arrangements.

### TRANSACTIONS WITH RELATED PARTIES

In connection with the reverse take-over of PE-TECH Inc., dated September 30, 2003, certain directors and shareholders of the Corporation entered into a Debt Repayment Agreement. Under the terms of the Debt Repayment Agreement, the creditors agreed to postpone their ability to demand repayment of the balance until September 30, 2004, after which principal repayment was restricted to twenty percent (20%) of consolidated cash flows from operations. As such, the entire balance was classified as long-term debt. In the prior year the Corporation settled \$495,515 of amounts due to shareholders in accordance with a Shares-for-Debt Settlement Agreement. As a result, the balance outstanding at August 31, 2005 was \$34,189. During the year ending August 31, 2006, the Corporation repaid the principal balance of \$75,686 on the short-term notes and \$34,189 on the long-term amounts due to shareholders. All amounts repaid were owing to directors of the Corporation or to a company controlled by a director and a related party of the Corporation.

Interest expense on long-term amounts due to shareholders for the fiscal year ended August 31, 2006, owing to directors of the Corporation or to a company controlled by a director and a related party of the Corporation totaled \$2,181 (2005 - \$11,033). Accrued interest payable at August 31, 2006, owing to directors of the Corporation or to a company controlled by a director and a related party of the Corporation is \$41,796 (2005 - \$39,623) and is included in accounts payable and accrued liabilities.

Interest expense on short-term notes owing to directors of the Corporation for the fiscal year ended August 31, 2006, totaled \$5,052 (2005 - \$7,755). Accrued interest payable as at August 31, 2006 is \$5,126 (2005 - \$12,631) and is included in accounts payable and accrued liabilities.

Effective September 1, 2005, the Corporation issued 1,959,160 units of the Corporation at a price of \$0.23 per unit for gross proceeds of \$450,607. The 1,959,160 units were issued by way of a non-brokered private placement. Each unit consisted of one common share and one common share purchase warrant, with each full share purchase warrant entitling the holder to acquire a common share at a price of \$0.40 for a period of 12 months ending September 1, 2006. Of the 1,959,160 units issued, a director of the Corporation subscribed for 276,767 units.

Of the 414,366 stock options exercised during the fiscal year ended August 31, 2006, 340,200 stock options were exercised by directors of the Corporation at a prices ranging from \$0.44 to \$0.45.

Of the 5,890,110 common share purchase warrants that were exercised during the fiscal year ended August 31, 2006, 1,183,251 common share purchases warrants were exercised by directors of the Corporation at prices ranging from \$0.35 to \$0.55. In connection with the common share purchases warrants that were undertaken by a director of the Corporation, \$41,103 of the consideration paid was non-cash and involved the extinguishment of notes payable, accrued interest and other accrued liabilities.



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In fiscal 2005, the Corporation entered into an Option Agreement (the "Option Agreement") to acquire ninety percent (90%) of the working interest in the production, equipment and mineral leases of Phoenix Oil, LLC of Claremore, Oklahoma, for total consideration of U.S. \$180,000. The leases, known as the Chelsea-Alluwe Waterflood Leases, are comprised of 780-acres and are situated in Rogers County, Oklahoma. For the Option Agreement, the Corporation paid a U.S. \$15,000 deposit that was applied to the total purchase price. A related limited liability company, Boulder Oil, LLC ("Boulder") executed the Option Agreement on behalf of the Corporation by paying the remaining U.S. \$165,000 of the purchase price for a sixty percent (60%) working interest in the leases. A director and a related party to a director of the Corporation control fifty-five percent (55%) of the voting membership units of the Boulder. In consideration of the U.S. \$15,000 deposit paid by the Corporation, it retained a thirty percent (30%) working interest in the leases. Each working interest party is responsible for operating and field development costs in proportions relative to their working interest percentage.

The Corporation has capitalized and included in capital assets its proportionate share of the oil well development costs totaling \$1,254,293 (2005 - \$12,340) related to the Rogers County venture. During the fiscal year ending August 31, 2006, the Corporation became the operator of record, and Boulder, as a non-operating partner, exercised its non-participation right in the Joint Operating Agreement. As at August 31, 2006, amounts due to the Corporation by the Boulder totaled \$1,214,002, and are included in non-participation amounts due. Under the Joint Operating Agreement, the Corporation will receive all production revenues from production wells associated with the costs incurred till such time that the Corporation is repaid 200% of the costs incurred, after which, production revenues will revert back to the working interest proportions.

### PROPOSED TRANSACTIONS

During the year ended August 31, 2006, the Corporation entered into a Letter of Intent to acquire a 100% undivided interest (the "Top Gun Acquisition") in Top Gun Sand Pumps and Rentals ("Top Gun"), an arms length privately held Saskatchewan company. Total consideration for the Top Gun Acquisition will not exceed \$1.2 million (the "Top Gun Purchase Price"). Of the total Purchase Price, the Corporation will issue common shares in its capital, such value equal to fifty percent (50%) of the Top Gun Purchase Price (i.e., up to \$600,000), based on the closing share price of the Corporation's listed common shares on the TSX Venture Exchange (the "TSX") on the trading day prior to the execution date of the purchase agreement(s). In addition, Top Gun's principals have agreed to have all shareholder advances, loans, debts and interest to be restructured as unsecured and non-interest bearing, to be repaid over three (3) years.

In addition, and during the year ended August 31, 2006, the Corporation also entered into a purchase agreement to acquire fifty (50%) percent of the outstanding membership units of Oil Enhancement Tools LLC ("OET"), a privately held Wyoming company, from an arms length individual (the "OET Acquisition"). Total consideration for the OET Acquisition will not exceed U.S. \$250,000 (the "Purchase Price"). In connection with entering into the Letter of Intent, the Corporation advanced a U.S. \$100,000 refundable deposit (the "OET Deposit"). The OET Deposit is secured by a demand promissory note, with the membership units or shares in OET placed in trust with the Corporation's lawyers. Upon closing of the OET Acquisition, the Corporation will issue common shares in its capital, such value equal to U.S. \$100,000 of the purchase price, based on the closing share price of Corporation's listed common shares on the TSX on the trading day prior to the execution date of the Purchase Agreement(s) and the balance of U.S. \$50,000 in cash.



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Completion of the Top Gun and OET acquisitions is subject to a number of conditions, including but not limited to, TSX acceptance, further due diligence by the Corporation, definitive purchase agreements and the Corporation's board approval. There can be no assurances that the transaction will be completed as proposed or at all.

### OUTLOOK

Looking forward, some industry experts expect that the high price environment for crude oil and natural gas appears to be sustainable for the foreseeable future. As a result, production efforts in North America and on a worldwide basis are expected to remain strong. This focus on production will be a strong driver on how Powerwave™ is commercialized and will affect the Corporation's financial performance in fiscal 2007.

Efforts for fiscal 2007 will be focused on bringing the Corporation to a positive cash flow position. We will endeavor to accomplish this through (1) increased cash flow from production operations and licensing; (2) actively acquiring additional assets that fit the business model of Powerwave™; (3) the strategic acquisition of complimentary companies and technologies, and (4) implement a field-wide Powerwave™ waterflood project with mainstream producers.

### RISK AND UNCERTAINTIES

*No History of Earnings* - Wavefront is an early stage development company and does not yet have a history of earnings, profit or return on investment. There is no assurance that it will earn sufficient revenues to operate profitably or provide a return on investment in the future. The Corporation has no intention for the foreseeable future to pay dividends.

*Need For Additional Financing* - Wavefront may require additional financing in order to make further investments in the technology or to fund unanticipated demand, to take advantage of unanticipated opportunities, to fund the acquisition of additional oil field assets, or to fund the Corporation through a slower than anticipated scale-up to profitability. In addition, the Corporation may choose, in an attempt to expedite the achievement of market acceptance and/or to increase the yield from PW, to become engaged in the upfront financing of certain PW jobs in return for a share of the benefits of the process over time. There can be no assurance that additional financing will be available to the Corporation on acceptable terms, or at all. Such financing, if available, might have the effect of diluting the holdings of existing shareholders.

*Market Acceptance* - PW acceptance will be dependent on the Corporation's consistently demonstrating the benefits of it in the field and under a variety of conditions. Much of the field validation of PW technology has been obtained to date in heavy oil environments with limited results in light oil and groundwater remediation. There can be no assurance that commercial acceptance of the Corporation's products and services will be achieved within a reasonable timeframe and with the financial resources available to the Corporation now or in the future.

*Technology Risks* - Although the results of research, development, and field installations have demonstrated the PW Process to be viable, there is no guarantee that Wavefront's technology will be successful or be applied successfully in all cases. Although Wavefront believes there will be many applications for its products and services and that the anticipated market will be receptive and expand, these beliefs may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of its products. The possibility of a PW project not providing the intended benefits (albeit, believed by Management to be manageable and small), due to unforeseeable factors, could also impede the acceptance of the technology by the market place. Any failure of the



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PW Process to generate the intended benefits even in isolated circumstances, could have an adverse effect on or slow, market acceptance.

*Oil Development and Production Risks* – Inherent in the development and production of oil reserves are risks, among others, of drilling dry holes, encountering production or drilling difficulties or experiencing high decline rates in producing wells and reservoir performance uncertainties. In addition, a major market risk exposure is in the pricing applicable to oil production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot prices applicable to Wavefront's oil production. Prices for oil production have been and remain volatile and unpredictable. If oil prices decline significantly, even for a short period of time, it is possible that a non-cash write-down of oil property and related assets could occur under the full-cost accounting method allowed by the Canadian Institute of Chartered Accountants.

*Rapid Changes / Competition* – Other companies have developed, and may be developing, alternative technologies faster than Wavefront. Such companies may develop products that are as, or more, effective than those developed by Wavefront and there can be no assurance that research and development by others will not render Wavefront's technology obsolete or non-competitive.

*Volatile Commodity Markets* - The marketability of Wavefront's products and services could be affected, directly or indirectly, by significant declines in oil prices. The Corporation believes that there would have to be a fairly major decline before the incremental cost / benefit of PW would be rendered unconvincing.

*Government Regulations / Policy* – The Corporation may be subject to, and adversely affected from time to time by changes in regulation and policy in the countries it is, or plans to be, operating in and such factors may create delays in project procurement and implementation that may result in the need for additional funding.

*International Business* – The Corporation undertakes business internationally. Securing of such business introduces currency risks, credit risks, political risks and other risks inherent to conducting business internationally. There can be no assurance that steps taken by management to address these risks will eliminate all adverse affects and, accordingly, the Corporation may suffer losses.

*Management of Growth and Key Personnel* – The Corporation's anticipated growth and expansion into new geographic areas and, ultimately, new applications for the PW Process, will require additional management expertise and will place increased demands on Wavefront's resources and management with respect to recruiting, training, budgeting, scheduling and technical skills. These demands will require the addition of new management and technical personnel and the development of additional expertise by existing personnel. A shortage of, or failure to retain, such personnel or develop or acquire the expertise could adversely affect prospects for Wavefront's success.

*Patents* – Wavefront's success will depend, in part, on its ability to enforce and defend its patents, maintain trade secret protection and operate without infringing on the proprietary rights of third parties or having third parties circumvent the Corporation's rights. Wavefront has received five patents, and is actively pursuing, applications for patents in Canada, the United States and the UK. Furthermore, there can be no assurance that others will not independently develop similar products, which duplicate any of Wavefront's technology or products or, if patents are issued to Wavefront, design around those patented products developed by Wavefront. The Corporation will however, vigorously defend its patents and any intellectual property.



## Management's Discussion and Analysis of Financial Condition and Results of Operations

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*Conflicts of Interest* - Directors and officers of the Corporation may serve as directors of, or have shareholdings in, other reporting or private entities. To the extent that such other companies or entities may participate in ventures in which the Corporation may participate, the directors or officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The laws of Canada, applicable to the Corporation, provide that the directors of the Corporation must act honestly, in good faith and in the best interests of the Corporation in resolving any conflicts that may arise, and all directors of the Corporation are aware of these fiduciary responsibilities. In determining whether or not the Corporation will participate in a particular venture, the directors will primarily consider the degree of risk to which the Corporation may be exposed, its financial position at that time and, depending on the magnitude of the venture and the absence of any disinterested directors, whether or not to subject any ventures in question to the shareholders of the Corporation for their approval.

*Reliance on Third Parties and Future Collaboration* – The Corporation has, and is anticipated to enter into, various arrangements with collaborators, licensors, licensees and others for the research, development, testing, manufacturing and marketing of its products and services. There can be no assurance that the Corporation will be able to establish such collaborations on favorable terms, if at all, or that its current or future collaborative arrangements will be successful.

*Product Liability, Warranties and Uninsured Risks* – The sale of products and services may expose the Corporation to warranty costs or other potential liability resulting from such use. Although product liability insurance is currently maintained, the obligation to pay a claim in excess of insurance could have a material adverse effect on the business, financial condition and future prospects of the Corporation. With regards to warranty exposure, the Corporation shall establish a reserve for such in accordance with GAAP.

*Environmental Matters* – Currently the Corporation supplies and licenses oilfield and environmental remediation products and services, there is the possibility that it will be subject to federal, provincial and local laws and regulations regarding the environment. Although management believes its safety procedures are appropriate, the risk of offence or liability cannot be completely eliminated. Moreover, there can be no assurance that the Corporation will not be required to incur significant costs to comply with laws and regulations in the future. The acquisition of mineral rights however, will expose the Corporation to those environmental, plugging and abandonment liabilities associated with any other oil producer.

### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include estimates that reflect management's estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses for the period reported. Estimates are based upon historical experience and various other assumptions that reflect management's best judgments. These estimates are evaluated periodically and form the basis for making judgments regarding the carrying values of assets and liabilities and the reported amount of revenue and expenses. Actual results could differ from these estimates.

The significant accounting policies that are believed to be the most critical in fully understanding and evaluating the reported financial results are described below. Significant accounting policies are disclosed in Note 2 of the notes to the audited consolidated financial statements.



## Management's Discussion and Analysis of Financial Condition and Results of Operations

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### Revenue recognition and unearned revenue

Revenue is recognized when products or services have been delivered to and accepted by third party customers. Amounts received from customers in advance of products or services being provided are recorded as unearned revenue when received. Specific revenue recognition policies are as follows:

- (a) Revenue from the sale of monitoring systems is recognized at the completion of a monitoring installation. In addition, under certain sales and service contracts a provision for potential warranty expense is provided for at the time of sale, based on warranty terms and prior claims experience.
- (b) Licensing royalties or technology fees are recognized on a percentage of completion bases as the underlying PW contracts are for a set time period. Percentage of completion is determined by relating the amount of time a PW system has been operating to the total contracted amount of time the system will be operating. Any project loss is recognized immediately.
- (c) Revenue associated with the production and sale of crude oil where the Corporation has working interest in oilfields is recognized in same period as when the title passes to third parties.

### Oilfield Property, Plant and Equipment

In connection with the mineral rights owned by the Corporation, the Corporation has capitalized and included in its proportionate share operating expenses and oil well development costs. As the operator of the Rogers County oilfield, the Corporation is responsible for 100% of all operating and development costs, which are then reduced by its working partners' proportionate share. The working partners' proportionate amounts are then recorded as non-participation amounts due and an offset to operating expenses and oil well development costs.

Investments in unproved mineral rights and development expenditures are not amortized until proved reserves associated with the project can be determined or until impairment occurs. The process of estimating reserves is complex and requires judgment based on available geological, engineering and economic data. Until there is sufficient, reliable, production data for review by an independent engineering firm, the Corporation cannot provide estimates of proved reserves. No depletion or depreciation of the oilfield mineral rights has been recorded at August 31, 2006.

On February 28, 2006, the anniversary date of the Milam County option agreement, the Corporation had let its mineral right option lapse. Thus, the Corporation has written off the Milam County mineral rights in the amount of \$12,626. At August 31, 2006, Management believes that there should be no impairments of the Rogers County mineral rights.

### Asset Retirement Obligations

The Corporation recognizes the fair value of estimated asset retirement obligations on the consolidated balance sheet when a reasonable estimate of fair value can be made. Asset retirement obligations include those for which a company faces a legal obligation to retire tangible long-lived assets such as well sites, pipeline and facilities. Actual expenditures incurred are charged against the accumulated obligations.



## **Management's Discussion and Analysis of Financial Condition and Results of Operations**

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The asset retirement cost, equal to the estimated fair value of the retirement obligations, is capitalized as part of the cost of the related long-lived assets. Asset retirement costs are amortized using the unit-of-production methods and are to be included in the depletion and depreciation in the consolidated statement of loss and deficit. Unit-of-production requires that proved reserves associated be determined, as such no amortization of the asset retirement cost has been recorded at August 31, 2006.

### **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in any accounting policies.

### **FINANCIAL AND OTHER INSTRUMENTS**

The Corporation's significant financial and other instruments consist of accounts receivable, as well as accounts payable and accrued liabilities and interest bearing obligations such as its operating line and promissory notes, and other amounts that will result in future cash outlays.

#### **Credit Risk**

Credit risk arises from the potential that counterparty will fail to perform its obligations. The Corporation's financial instruments that are exposed to concentrations of credit risk consist primarily of accounts receivable and non-participation amounts due. Concentrations of credit risk with respect to accounts receivable are limited as the majority of transactions are with large publicly traded corporations or government organizations and the dispersion of these customers across geographic areas. Credit risk, with respect to accounts receivables in Canada and the United States, is also limited due to the Corporation's credit evaluation and cash management processes.

Concentrations of credit risk with respect to non-participation amounts due are related to the original mineral rights for the Rogers County Venture and are based on production of that venture.

#### **Foreign currency risk**

The Corporation is exposed to currency risks as a result of its export to foreign jurisdictions of goods produced in Canada or services provided from Canada, and the operational expenses and production revenue of the Rogers County venture. These risks are partially covered by purchases of goods and services in the foreign currency. The Corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

#### **Fair value of financial instruments**

The carrying value of the Corporation's financial instruments approximates their fair value. The estimated fair value approximates the amount for which the financial instruments could currently be exchanged in an arm-length transaction between willing parties who are under no compulsion to act. Certain financial instruments lack an available trading market; therefore, fair value amounts should not be interpreted as being necessarily realizable in an immediate settlement of the instrument.



## Management's Discussion and Analysis of Financial Condition and Results of Operations

### SUPPLEMENTARY INFORMATION

#### Selected Annual Information

The following is selected annual consolidated financial information from the Corporation's audited financial statements for each of the three most recently completed years ending August 31, 2006:

	2006	2005	2004
Revenues	\$ 763,537	\$ 1,334,284	\$ 519,970
Loss from operations	2,971,371	1,546,954	1,553,795
Net loss	3,029,897	1,607,731	1,653,487
Basic and diluted loss per share	\$ 0.09	\$ 0.06	\$ 0.08
Weighted average number of common shares outstanding	34,940,952	25,250,710	20,558,552
Working capital	\$ 13,206,359	(1,237,260)	(398,888)
Total assets	18,704,396	932,567	1,551,842
Total long term financial liabilities	62,668	65,550	544,185
Total liabilities	\$ 1,635,174	\$ 1,580,903	\$ 1,821,770
Shares outstanding at August 31	47,913,796	27,998,341	23,562,422

(1) This financial data is prepared in accordance with Canadian GAAP

(2) In Canadian dollars, except share data.

Although Wavefront has re-focused on the commercialization of PW, its core strategic value proposition, much of the expertise required for monitoring crosses over into development of PW. Monitoring projects have historically provided the Corporation with increased cash flow and have allowed it to maintain some infrastructure. However, the Corporation is an early stage company, with a technology that has yet to be fully adopted by industry. It is anticipated that as PW gains greater commercial acceptance, and increased revenues are realized for current and anticipated oil field assets the Corporation's financial picture will change accordingly.

Losses in 2006 were also inline with expectations due to the resources required to support development in the Corporation's oil field assets, the development of new tools and systems, and the Halliburton coiled tubing collaboration and marketing initiatives. Furthermore, additional resources throughout the year were used in the search, analysis, selection and acquisition of oil properties to showcase Powerwave<sup>TM</sup>, and the development of the Hornet tool to position Primawave<sup>TM</sup> more effectively in the environmental marketplace. Losses were minimized due to larger volumes, albeit at lower margins, of monitoring work and better management of operating costs. Similar losses in fiscal 2005 can be attributed to a lower volume of work with higher margins.

Total Assets at the end of 2006 were higher than 2005 due to the above note share capital transactions, the increases in capital assets associated with the Rogers County and Green Tree oil leases and associated production equipment, and the manufacturing of Powerwave<sup>TM</sup> and Primawave<sup>TM</sup> tools.



## Management's Discussion and Analysis of Financial Condition and Results of Operations

### Summary of Quarterly Results

	4th Qtr Aug 31 '06	3rd Qtr May 31 '06	2nd Qtr Feb 28 '06	1st Qtr Nov 30 '05	Annual
<b>Fiscal 2006</b>					
Revenue	\$ 294,863	\$ 203,345	\$ 169,972	\$ 95,357	\$ 763,537
Loss from Operations	1,245,512	821,883	553,911	350,065	2,971,371
Net Loss	\$ 1,302,976	\$ 801,700	\$ 573,273	\$ 351,948	\$ 3,029,897
Basic and diluted loss per share	\$ 0.035	\$ 0.024	\$ 0.020	\$ 0.012	\$ 0.090
Common shares outstanding					
Weighted average shares outstanding	34,940,952	33,926,976	31,818,243	30,388,119	34,904,952
Diluted shares outstanding					
	4th Qtr Aug 31 '05	3rd Qtr May 31 '05	2nd Qtr Feb 28 '05	1st Qtr Nov 30 '04	Annual
<b>Fiscal 2005</b>					
Revenue	\$ 123,387	\$ 469,616	\$ 419,170	\$ 322,111	\$ 1,334,284
Loss from Operations	452,468	392,249	317,808	384,429	1,546,954
Net Loss	\$ 447,248	\$ 400,202	\$ 376,067	\$ 384,214	\$ 1,607,731
Basic and diluted loss per share	\$ 0.009	\$ 0.020	\$ 0.015	\$ 0.016	\$ 0.06
Common shares outstanding					
Weighted average shares outstanding	25,250,710	25,005,307	24,261,881	23,608,370	25,250,710
Diluted shares outstanding					

(1) This Financial data has been prepared in accordance with Canadian GAAP

(2) All amounts in Canadian dollars except share data

### FOURTH QUARTER RESULTS FOR THREE MONTHS ENDED AUGUST 31, 2006

#### Revenues

Revenues for the three months ended August 31, 2006 were \$294,863, an increase of \$171,476 over the comparative period in 2005 that recognized revenues of \$123,387. The increase in revenue resulted from the investment of private placement proceeds

#### Costs of Goods Sold

Direct expenses related to revenue remained constant from the third quarter at \$157,366 as a result of the overwhelming majority of the fourth quarter's revenue coming from investment income.



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### Operating Expenses

Operating expense for the three months ending August 31, 2006 amounted to \$1,589,866, compared to \$588,376 in 2005. The increase in operating expenses of \$1,001,496 was principally a result of the following changes:

- An increase in "wages, employee benefits, and contract employees" expense of \$551,117 to \$697,589 which can be attributed to an increase in non-cash stock based compensation expense, as discussed above, and increases in wage rates associated with the building of staffing infrastructure in Houston.
- An increase in "professional fees" of \$401,138 to \$452,012 which was predominately due to the legal and patent research fees associated with the lawsuit against Applied Seismic Corporation ("ASR") of Plano, Texas, as discussed above. The remainders of the professional fees increase are related to using employment agencies to hire qualified staff, securities and corporate lawyer fees.
- An increase in "office" expenses of \$132,059 to \$191,407 which relates to the establishment of a site office in Rogers County, Oklahoma and an office in Houston, Texas. Additionally, the costs increase relates to the relocation of the Corporation's head office within Edmonton, Alberta.
- An increase in "travel and promotion" expense of \$82,373 to \$97,790 which relates to increased activity in developing Rogers County, collaborating and supporting Halliburton sales initiatives, travel related to the ASR laws suit and opening a Houston office.

Offsetting these expense increases was a decrease in research and development costs of \$153,443 to \$24,799 which is a result of focused efforts on the Roger County venture. The changes in operating expenses for the three months ended August 31, 2006 are a result of concluding the ASR law suit and work involved in Rogers County venture.

### Net Loss and Loss Per Share

The net loss for the three months ending August 31, 2006 was \$1,302,976 or \$0.035 per share, compared to \$447,248 or \$0.009 for the comparative period in 2005.



## Management's Discussion and Analysis of Financial Condition and Results of Operations

### Description of share capital

As at August 31, 2006, the Corporation's share capital consists of the following:

<b>Common shares</b>		
Authorized:		unlimited
Issued and outstanding:		
Free trading	38,912,628	
Escrow and seed shares	<u>9,001,168</u>	
		47,913,796
Convertible into common shares		
Share purchase warrants	-	
Incentive stock options	<u>2,941,089</u>	
		<u>2,941,089</u>
Fully diluted share capital:		50,854,885

Of the escrow and shares are subject to seed share matrix restrictions that are similar to escrow restrictions, 274,616 seed shares have been released. The balance of escrow shares and seed shares were subject to release on September 30, 2006.

### Market for Securities

The common shares of Wavefront Energy and Environmental Services Inc. are listed on the TSX Venture Exchange under the symbol of WEE.

### Options outstanding

<b>Date Granted</b>	<b>Expiry Date</b>	<b>Number of incentive stock options</b>	<b>Price per share</b>
August 1, 2006	August 1, 2011	175,000	\$ 1.76
September 1, 2005	September 1, 2010	240,000	\$ 0.40
June 1, 2005	June 1, 2010	168,334	\$ 4.00
April 30, 2004	April 30, 2009	210,000	\$ 0.44
October 5, 2004	October 5, 2009	407,755	\$ 0.45
January 15, 2004	January 15, 2009	50,000	\$ 0.50
September 30, 2003	September 30, 2008	640,000	\$ 0.50
November 30, 2003	November 30, 2008	125,000	\$ 0.55
May 15, 2006	May 15, 2011	200,000	\$ 2.57
January 11, 2006	January 11, 2011	<u>725,000</u>	\$ 2.95
		2,941,089	



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The Corporation maintains a Stock Option Plan under which it may grant options for up to 5,130,623 shares of the Corporation at an exercise price no less than the market price of the Corporation's share price at the date of grant. All stock options issued under the Stock Option Plan vest equally, in three month intervals, over eighteen months.

### Options granted during the period

Date of Grant	Number of Shares	Optionee	Exercise Price	Expiry Date
August 1, 2006	100,000	Director	\$ 1.76	August 1, 2011
August 1, 2006	75,000	IR Consultant	\$ 1.76	August 1, 2011
May 15, 2006	200,000	Employees	\$ 2.57	May 15, 2011
January 11, 2006	525,000	Directors	\$ 2.95	January 11, 2011
January 11, 2006	200,000	Employee	\$ 2.95	January 11, 2011
September 1, 2005	240,000	Directors	\$ 0.40	September 1, 2010
	1,340,000			

### Warrants outstanding

During the fiscal year all common share purchase warrants were exercised and none were issued. As at August 31, 2006, no common share purchase warrants were outstanding.

### DISCLOSURE CONTROLS

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal control over financial reporting or causing it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principals. There are inherent weaknesses in the systems of internal control due to the small size of the Corporation and its inability to segregate incompatible functions and use of manual systems as a result. The Corporation plans to remediate these weakness by expanding the number of individuals involved in the accounting function as the Corporation grows and by implementing new accounting related software.

Effective disclosure controls and procedures are achieved, despite these weaknesses internal controls over financial reporting, because of the Chief Financial Officer's direct involvement in the disclosure controls and procedures process.

### FORWARD-LOOKING INFORMATION

*Statements in this Management Discussion and Analysis relating to matters that are not historical facts are forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results implied by such forward-looking statements. Such factors include fluctuations in acceptance rates of Wavefront's DeepWave<sup>SM</sup> (formerly known as Pressure Pulsing Technology) technology, demand for products and services, fluctuations in the market for oil and gas related products and services, the ability of Wavefront to attract and maintain key personnel, technology changes, global political and economic conditions, and other factors that are described in further detail in Wavefront's continuous disclosure filings.*



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### **ADDITIONAL INFORMATION**

Additional information regarding Wavefront Energy and Environmental Services can be found on System for the Electronic Document Analysis and Retrieval ("SEDAR" at [www.sedar.com](http://www.sedar.com)).