Unaudited Consolidated Financial Statements of

WAVEFRONT ENERGY AND ENVIRONMENTAL SERVICES INC.

For the Second Quarter ended February 28, 2007 and 2006

TABLE OF CONTENTS

WAVEFRONT ENERGY AND ENVIRONMENTAL SERVICES INC.

Consolidated Balance Sheets

	As at February 28, 2007 (unaudited)	As at August 31, 2006 (audited - note 2)
ASSETS		
Current assets		
Cash	**$ 9,959,068**	$ 14,411,315
Accounts receivable	**182,937**	297,329
Prepaid expenses	**87,176**	32,219
Inventory	**38,002**	38,002
	10,267,183	14,778,865
Property, plant and equipment (note 3)	**3,355,702**	2,403,544
Non-participation amounts due (note 3)	**2,193,952**	1,214,002
Intangible assets (note 5)	**1,595,356**	165,173
Deposits	**32,440**	142,812
	$ 17,444,633	$ 18,704,396
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,571,821**	$ 1,570,319
Unearned revenue	**6,320**	309
Current portion of obligation under capital leases	**-**	1,878
	1,578,141	1,572,506
Asset retirement obligation (note 4)	**75,835**	62,668
	1,653,976	1,635,174
Shareholders' equity		
Capital stock (note 6)	**26,297,823**	26,279,824
Contributed Surplus (note 6)	**1,783,731**	1,006,832
Deficit	**(12,290,897)**	(10,217,434)
	15,790,657	17,069,222
	$ 17,444,633	$ 18,704,396

WAVEFRONT ENERGY AND ENVIRONMENTAL SERVICES INC.

Consolidated Statements of Loss and Deficit (Unaudited)

	Six Month Period Ended February 28 2007	Six Month Period Ended February 28 2006	Three Month Period Ended February 28 2007	Three Month Period Ended February 28 2006
Revenue				
Sales	**$ 152,252**	$ 265,269	**$ 76,945**	$ 169,930
Other	**205,625**	60	**92,075**	42
	357,877	265,329	**169,020**	169,972
Direct costs	**11,746**	142,928	**(13,139)**	86,692
Gross Profit	**346,131**	122,401	**182,159**	83,280
Operating expenses				
Wages, employee benefits, and contract employees	**1,413,510**	507,163	**740,444**	344,069
Professional fees	**231,691**	68,132	**109,766**	35,727
Travel and promotion	**208,171**	88,778	**82,615**	58,917
Office	**192,142**	126,920	**108,541**	68,475
Consultants	**101,573**	24,406	**45,041**	19,406
Listing and public company fees	**85,698**	69,863	**64,679**	53,373
Depreciation and amortization	**74,831**	54,417	**41,090**	27,887
Vehicle	**39,398**	40,768	**20,365**	17,984
Research and development	**33,681**	33,956	**18,770**	17,005
Repairs and maintenance	**15,056**	11,021	**6,790**	5,335
Accretion of asset retirement obligation (note 4)	**4,112**	4,102	**1,507**	2,572
Miscellaneous	**590**	4,269	**211**	1,464
Interest expense	**426**	(7,418)	**82**	(15,023)
	2,400,879	1,026,377	**1,239,901**	637,191
Loss from operations	**(2,054,748)**	(903,976)	**(1,057,742)**	(553,911)
Other income (expenses)				
Gain on disposal of property, plant and equipment	**6,655**	-	**6,655**	-
Write-down of mineral rights	**-**	(12,836)	**-**	(12,836)
Foreign exchange loss	**(25,370)**	(8,409)	**25,429**	(6,526)
Net loss for the period	**(2,073,463)**	(925,221)	**(1,025,658)**	(573,273)
Deficit - Beginning of Period	**(10,217,434)**	(7,187,537)	**(11,265,239)**	(7,539,485)
Deficit - End of period	**$ (12,290,897)**	$ (8,112,758)	**$ (12,290,897)**	$ (8,112,758)
Loss per common share (note 7)				
Basic and Diluted	**$ (0.04)**	$ (0.03)	**$ (0.02)**	$ (0.02)

WAVEFRONT ENERGY AND ENVIRONMENTAL SERVICES INC.

Consolidated Statements of Cash Flow (Unaudited)

	Six Month Period Ended February 28		Three Month Period Ended February 28	
Cash provided for (used in)	**2007**	2006	**2007**	2006
Operating activities				
Net loss	**$ (2,073,463)**	$ (925,221)	**$ (1,025,658)**	$ (573,273)
Items not affecting cash				
Depreciation and amortization	**74,831**	54,417	**41,090**	27,887
Gain on disposal of capital assets	**(6,655)**	-	**(6,655)**	-
Write-down of mineral rights	**-**	12,836	**-**	12,836
Stock based compensation (Note 6)	**773,900**	156,957	**382,687**	140,790
Accretion of asset retirement obligation (note 4)	**4,112**	4,102	**82**	2,572
	(1,227,275)	(696,908)	**(607,029)**	(389,187)
Changes in non-cash working capital	**(108,326)**	(462,122)	**494,465**	(397,725)
	(1,335,601)	(1,159,030)	**(112,564)**	(786,912)
Financing activities				
(Repayment of) proceeds from bank indebtedness	**-**	(246,380)	**-**	(100,677)
Proceeds from private placement, net of share issuance costs (note 6)	**-**	9,003,051	**-**	9,003,051
Proceeds from options exercised	**15,000**	149,477	**15,000**	113,336
Proceeds from warrants exercised	**-**	2,010,389	**-**	1,247,911
Repayment of obligation under capital leases	**(1,878)**	(5,409)	**-**	(3,645)
	13,122	10,911,128	**15,000**	10,259,976
Investing activities				
Non-participation amounts due (note 3)	**(967,880)**	-	**(589,107)**	-
Purchase of property, plant and equipment	**(940,089)**	(215,022)	**(291,504)**	(79,063)
Proceeds on disposal of property, plant and equipment	**11,972**	-	**11,972**	-
Intangible costs	**(1,233,772)**	(75,143)	**(1,215,249)**	(56,454)
	(3,129,769)	(290,165)	**(2,083,888)**	(135,517)
(Decrease) increase in cash	**(4,452,247)**	9,461,933	**(2,181,452)**	9,337,547
Cash - Beginning of period	**14,411,315**	144,634	**12,140,520**	269,020
Cash - End of period	**$ 9,959,068**	$ 9,606,567	**$ 9,959,068**	$ 9,606,567
Supplementary information				
Amount of interest paid during the period	**1,016**	48,204	**292**	44,926

1. DESCRIPTION OF BUSINESS

Wavefront Energy and Environmental Services Inc. (the "Corporation") is incorporated under the Canada Business Corporations Act. The Corporation's principal business activities are the enhancement and improvement of oil recovery, oil well stimulation (Powerwave™) and optimization of groundwater remediation (Primawave™) using the Corporation's patented technology. The Corporation's strategy is to license the technology to service providers, provide site licenses to oil producers and to acquire or earn working interests in mature oilfields.

2. BASIS OF PRESENTATION

These interim consolidated financial statements should be read in conjunction with the financial statements of the Corporation for the year ended August 31, 2006. These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial statements using the same accounting policies as set out in the financial statements of the Corporation for the year ended August 31, 2006.

Omitted from these statements are certain information and note disclosure normally included in the annual consolidated financial statements prepared in accordance with Canadian GAAP.

Certain of the prior period and year amounts have been reclassified to conform to the presentation adopted for the current period.

3. OILFIELD PROPERTY, PLANT and EQUIPMENT

In a prior period, 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 Boulder. In consideration for the U.S. $15,000 deposit paid, the Corporation retained a thirty percent (30%) working interest in the leases. The Corporation then acquired an additional ten percent (10%) working interest in the Rogers County venture exchange for $214,352 owed from a third party. Each working interest party is responsible for operating and field development costs in proportions relative to their working interest percentage.

For the reporting period, the Corporation has capitalized and included in property, plant and equipment its proportionate share of the oil well development costs totaling $519,902 (2006 - $112,545) related to the Rogers County venture. In the 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 February 28, 2007, amounts due to the Corporation from Boulder totaled $2,193,952 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 until such time that the Corporation is repaid 200% of the costs incurred, after which, production revenues will revert back to the working interest proportions.

3. OILFIELD PROPERTY PLANT, and EQUIPMENT (continued)

No depletion or amortization expense of any oilfield property, plant and equipment has been recorded to date as no meaningful production has occurred, so no proved reserves could be determined or calculated.

The Corporation has recognized production revenue of $18,259 (2006 – $9,945) related to the Rogers County venture.

During the period ended February 28, 2006 the Corporation acquired 100% of the working interest in certain mineral leases adjacent to the Rogers County leases for total consideration of U.S. $2,750. No costs were incurred on these leases for the period ended February 28, 2007.

During the year ended August 31, 2006, the Corporation decided not to proceed with development of the Milam County mineral rights, and wrote-down mineral rights totaling $12,836.

4. ASSET RETIREMENT OBLIGATION

The Corporation has asset retirement obligations associated with its oilfield property plant and equipment (note 3). These asset retirement obligations primarily relate to the plugging of wells and abandonment costs.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligations associated with the retirement of the Corporation's proportion of oilfield property, plant and equipment assets:

	Six Months Ended February 28, 2007	Year Ended August 31, 2006
Asset retirement obligations, beginning of period	**$ 62,668**	$ 29,483
Liabilities incurred	**9,055**	16,517
Liabilities settled	**-**	(1,519)
Accretion expense	**4,112**	18,187
Asset retirement obligations, end of period	**$ 75,835**	$ 62,668

The total undiscounted amount of estimated cash flows required to settle the obligation is U.S. $322,528 (2006 – U.S. $301,450), which has been discounted using credit-adjusted risk free rates ranging from 6.72% to 13.61%. The majority of these obligations are not expected to be settled for six to thirty years in the future and will be funded from general corporate resources at the time of the retirement and removal.

5. COMMITMENTS

Greentree Gas and Oil Ltd.. Farm-in Agreement

In the year ended August 31, 2006, the Corporation entered into a "Farm-in" Agreement with Greentree Gas and Oil Ltd. ("Greentree") to develop Greentree's Rodney South oilfield 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. Greentree will act as the operator of the

4. COMMITMENTS (continued)

lease and will contribute the petroleum leases, existing seismic and geological data and the use of its existing field facilities. Greentree also provides its field maintenance staff, administrative and office

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 Greentree, respectively, until payout of the Corporation's initial $2.25 million capital investment. Subsequent to payout, cash flow from operating activities will be allotted 50% to the Corporation and Greentree respectively. As at February 28, 2007, the Corporation has paid Greentree an aggregate $983,383 and accrued $80,821 under the Farm-in Agreement, which has been recorded to intangible assets on the consolidated balance sheet. The Corporation is obligated to the remaining balance of up to $1,185,796 under the Farm-in Agreement.

6. SHARE CAPITAL

Capital stock

The Corporation's authorized and issued share capital as at February 28, 2007 and August 31, 2006 are as follows:

Authorized
Unlimited common shares without par value

	Six Months Ended February 28, 2007		Year Ended August 31, 2006	
	Number	**Stated Capital**	Number	Stated Capital
Issued				
Balance, beginning of period	**47,913,796**	**$ 26,279,824**	27,998,341	$ 6,306,799
Shares issued in private placement(1)(2)	-	-	13,610,979	17,252,343
Stock options exercised(3)	**30,000**	**17,999**	414,366	215,219
Warrants exercised(4)	-	-	5,890,110	2,505,463
Balance	**47,943,796**	**26,297,823**	47,913,796	26,279,824
Warrants				
Balance, beginning of period	-	-	4,873,314	66,848
Warrants granted in private placement(1)(2)	-	-	1,959,160	73,840
Exercised(4)	-	-	(5,890,110)	(140,500)
Expired	-	-	(942,364)	(188)
Balance	-	-	-	-
		$ 26,297,823		$ 26,279,824

Notes

1. 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. The common share

6. SHARE CAPITAL (continued)

purchase warrants were valued at $73,840. 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 $447,381.

2. Effective January 5, 2006, the Corporation issued 7,038,008 common shares at a price of $1.35 per common share for gross proceeds of $9,501,311. The 7,038,008 common shares were issued by way of a non-brokered private placement. The Corporation paid a finder's fee in the amount of $450,079 to an arm's length party. In addition, the Corporation paid filing and legal fees of $48,181 resulting in net cash proceeds of $9,003,051.

3. The 30,000 stock options exercised during the period ending February 28, 2007 were at $0.50 by an employee of the Corporation. Of the 414,366 stock options exercised during the year ended August 31, 2006, 340,200 stock options were exercised by directors of the Corporation at prices ranging from $0.40 to $0.50.

4. Of the 5,890,110 common share purchase warrants exercised during the year ended August 31, 2006, 1,183,251 common share purchase warrants were exercised by directors of the Corporation at prices ranging from $0.35 to $0.55.

Common Share Purchase Warrants

A summary of the status of the Corporation's common share purchase warrants as at February 28, 2007 and August 31, 2006, and the changes during the periods ending on those dates are presented below:

	Six Months Ended February 28, 2007		Year Ended August 31, 2006	
Common Share Purchase Warrants	**Number**	**Weighted Average Exercise Price**	Number	Weighted Average Exercise Price
Outstanding, beginning of period	-	$ -	4,873,314	$ 0.48
Granted	-	-	1,959,160	0.40
Exercised	-	-	(5,890,110)	0.40
Cancelled	-	-	(942,364)	0.56
Outstanding, end of period	-	$ -	-	$ -

Stock-based compensation Plan

The Corporation maintains an Employee, Director, Officer and Consultant Stock Option Plan under which the Corporation may grant options for up to 5,130,623 shares of the Corporation at an exercise price equal to or greater than the market price of the Corporation's stock at the date of grant. All options awarded are exercisable for a period of five years and vest in equal tranches at three (3) month intervals over a period of eighteen (18) months.

A summary of the status of the Corporation's stock option plan as at February 28, 2007 and August 31, 2006, and the changes during the periods ending on those dates are presented below:

6. SHARE CAPITAL (continued)

Stock Options	Six Months Ended February 28, 2007 Number	Six Months Ended February 28, 2007 Weighted Average Exercise Price	Year Ended August 31, 2006 Number	Year Ended August 31, 2006 Weighted Average Exercise Price
Outstanding, beginning of period	**2,941,089**	**$ 1.29**	2,050,455	$ 0.46
Granted[1]	-	-	1,340,000	2.28
Exercised	**(30,000)**	**0.50**	(414,366)	0.44
Cancelled[2]	**(50,000)**	**0.40**	(35,000)	0.43
Outstanding, end of period	**2,861,089**	**$ 1.31**	2,941,089	$ 1.29

The following table summarizes information about stock options outstanding at February 28, 2007:

	Options outstanding		Options exercisable	
Exercise Price $	**Number outstanding**	**Weighted average remaining contractual life**	**Number outstanding**	**Weighted average remaining contractual life**
2.95	725,000	3.9	362,500	3.9
2.57	200,000	4.2	66,667	4.2
1.76	175,000	4.4	29,167	4.4
0.55	125,000	1.8	125,000	1.8
0.50	660,000	1.6	660,000	1.6
0.45	407,755	2.6	407,755	2.6
0.44	210,000	2.2	210,000	2.2
0.40	358,334	3.4	331,250	3.4
	2,861,089	3.0	2,192,338	3.0

Notes:

1. Of the 1,340,000 stock options issued in the comparative year ended August 31, 2006, directors of the Corporation were issued 865,000 stock options with an exercises price ranging from of $0.40 to $2.95. These stock options are subject to the stock option plan and expire on September 1, 2010.

2. During the reporting period ended February 28, 2007, 50,000 non-employee incentive stock options, with an exercise price of $0.40 were cancelled.

The fair value of stock options issued to both employees and non-employees was calculated using the Black-Scholes option pricing model resulting in a charge to wage and consultant expense with a corresponding increase in contributed surplus, assuming the following:

6. SHARE CAPITAL (continued)

	2007		2006	
	Ranging from		Ranging from	
Dividend Yield	-	-	-	-
Risk-free Rate	**3.17%**	**4.29%**	3.51%	3.88%
Average Life	**5 yrs**	**5 yrs**	5 yrs	5 yrs
Volatility Rate	**58.70%**	**115.06%**	59.41%	61.94%
Marketability Discount	**0%**	**60%**	0%	60%
Weighted Fair Value of Options Granted	**$0.07**	**$2.42**	$0.07	$0.12

During the period ended February 28, 2007, the Corporation incurred $779,898 (2006 - $156,957) in compensation expense relating to outstanding employee stock options.

The amounts computed according to the Black-Scholes pricing model may not be indicative of the actual values realized upon the exercise of the options by the holders.

Contributed Surplus

The following table provides a summary of the changes to contributed surplus as at February 28, 2007 and August 31, 2006:

	Six Months Ended February 28, 2007	Year Ended August 31, 2006
Balance, beginning of period	**$ 1,006,832**	$ 165,554
Stock option issuance	**779,898**	873,732
Stock options exercised	**(2,999)**	(32,454)
Balance, end of period	**$ 1,783,731**	$ 1,006,832

Escrow Shares

In connection with the reverse take-over that occurred in 2003, 499,380 escrow shares were cancelled for nominal value. Included in the 14,140,432 common shares issued in conjunction with the acquisition were 8,351,486 escrow shares. These common shares held in escrow are being released from escrow over a period of three years from the date of issue. There was no balance of common shares held in escrow as at February 28, 2007 (2006 – 1,435,733).

7. LOSS PER SHARE

The Corporation uses the treasury stock method to calculate diluted earnings per share. Under the treasury stock method, the numerator remains unchanged from the basic earnings per share calculation, as the assumed exercise of the Corporation’s share purchase warrants and stock options do not result in an adjustment to income. The weighted average number of common shares outstanding was 47,918,911 (2006 – 34,940,952).

Diluted loss per share is computed by giving effect to the potential dilution that would occur if stock options and common share purchase warrants were exercised. The treasury stock method assumes that the proceeds received from the exercise of the “in-the-money” stock options and common share purchase warrants are used to repurchase common shares at the average market price for the period ended February 28, 2007.

8. ECONOMIC DEPENDANCE and SEGMENTED INFORMATION

The Corporation has one reportable operating segment being the enhancement of oil recovery, oil well stimulation and optimization of groundwater remediation using the Corporation's patented technology. During 2006, the Corporation acquired a certain oilfield property and equipment and incurred certain development costs (note 3) as part of its strategy to employ and further develop the market for its technology. To the extent that operations associated with oil and gas development activity become significant as an operating segment separate from the Corporation's primary business, segmented information, may be required in the future.

In the six month period ended February 28, 2007, sales from the Corporation’s top two customers amounted to $30,819 and $17,052 which represent 9% and 5% of total revenue respectively. In addition, during the reporting period, the Corporation recognized production revenue of $18,259, which represented 5% of total revenue, and an operator fee of $81,597, which represents 23% of revenue. In 2006, sales from the top two customers amounted to $100,862 and $90,278, which represented 38%, and 34% of total revenue respectively.

The Corporation operates with one operating segment. The Corporation has generated revenue from products sold and services provided within Canada of $227,202 (2006 – $148,671). The remaining revenue of $130,675 (2006 - $116,658) was generated from the United States.

9. CONTINGENT COMMITMENTS

During the reporting period, the Corporation entered into a Letter of Intent to acquire a 100% undivided interest in ICI Solutions Inc. (“ICI Acquisition”), an arms length privately held Alberta company. Total consideration for the ICI Acquisition will not exceed $16,000,000 (the "ICI Purchase Price"). Of the total ICI Purchase Price, the Corporation will issue common shares in its capital, such value equal to fifty percent (50%) of the Purchase Price (i.e., up to $8,000,000), based on the closing share price of the Corporation’s listed common shares on the TSX Venture Exchange on the trading day prior to the execution date of the Purchase Agreement(s). The common shares to be issued by Wavefront may be subject to the required hold periods, escrow restrictions, or other restriction that the TSX Venture Exchange may impose.

Completion of the ICI acquisition 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.

10. RELATED PARTY TRANSACTIONS

During the period ended February 28, 2007, the Corporation had the following related party transactions:

i. The Corporation incurred charges for wages, employee benefits, and consultants totaling $239,334 (2006 - $157,332) that were paid to significant shareholders or a company controlled by a party related to a director of the Corporation.

10. RELATED PARTY TRANSACTIONS (continued)

ii. In connection with the September 1, 2005 non-brokered private placement, where the Corporation issued 1,959,160 units at a price of $0.23 per unit for gross proceeds of $450,067, a director of the Corporation subscribed for 276,676 units for total subscription proceeds of $63,635.

iii. During the period there were no exercises of incentive stock options by related parties (2006 – 295,200 incentive stock options were exercised at a price of $0.44 to $0.45 for aggregate consideration $130,510).

iv. During the period there were no exercises of common share purchase warrants by related parties (2006 – 906,484 common share purchase warrants were exercised at a prices ranging from $0.44 to $0.45 for aggregate consideration of $382,443).

In fiscal 2006, the Corporation became the operator of record of the Rogers County venture, and Boulder, as a non-operating partner and related party, exercised its non-participation rights in the Joint Operating Agreement. As at February 28, 2007, amounts due to the Corporation by Boulder totaled $2,193,952, 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 until such time that the Corporation is repaid 200% of the costs incurred, after which, production revenues will revert back to the working interest proportions.

11. SEASONALITY OF OPERATIONS

The integrated monitoring services offered by the Corporation are seasonable and related to the product offering and geographical extent to which products were offered for sale. The Corporation’s main product offering as it relates to integrated monitoring are pressure measuring systems suitable for two distinct well types: steam injection wells and independent pressure monitoring wells. The target geographical area of this product offering is Alberta, and more specifically the heavy oil belt in the area north of Cold Lake. Due to temperature influences on ground conditions, the majority of work is completed in the months between November and March when the ground is in a “frozen” state passable by vehicles as well as drilling and services rigs. The Corporation however, is focusing its resources on Powerwave and Primawave and where it can showcase the Powerwave technology in oilfields where it has mineral rights.

There are no known seasonal fluctuations as it relates to the application of Powerwave and Primawave and the Corporation’s mineral rights.

12. SUBSEQUENT EVENTS

Effective March 1, 2007, the Corporation completed the acquisition of a 100% undivided interest (the “Acquisition”) in Top Gun Sand Pumps and Rentals Ltd. (“Top Gun”), an arms length privately held Saskatchewan company. Total consideration for the Acquisition was $1,200,000 (the “Purchase Price”). Of the total Purchase Price, the Corporation paid $600,000 cash and issued 600,000 common shares (the “Shares”) in the capital of the Corporation at a deemed value of $1.00 per share. In accordance with securities legislation currently in effect, the Shares will be subject to “hold period” of four months plus one day expiring on expiring on July 2, 2007. Although not required by the TSX Venture Exchange, Top Gun’s principals have agreed to place the Shares in a three year value escrow agreement and have had all Top Gun shareholder advances, loans, debts and interest to be restructured as unsecured and non-interest bearing, to be repaid over three (3) years.

12. SUBSEQUENT EVENTS (continued)

Concurrent with the closing of the Top Gun Acquisition, Top Gun's name was changed to that of Wavefront Sand and Pump Rentals Ltd., with the by-laws, articles, share capital remaining the unchanged.