



Press Release January 29, 2015

WAVEFRONT ANNOUNCES FIRST QUARTER 2015 FINANCIAL RESULTS

EDMONTON, Alta., January 29, 2015 Wavefront Technology Solutions Inc. (Wavefront or the Company, TSX-V: WEE; OTCQX: WFTSF) a technology provider offering fluid delivery processes to oil and gas producers that are widely effective methods for maximizing reserves in mature field revitalization (enhanced oil recovery or “EOR”) as well as increasing single well productivity through more effective well stimulation announces its financial results for the first quarter ending November 30, 2014.

The financial highlights for the three months ended November 30, 2014 include:

- During this period of declining and volatile markets, Wavefront was able to marginally increase revenues to \$1,493,590 from the fourth quarter ended August 31, 2014 (i.e., the three months ended August 31, 2014) that reported revenues of \$1,486,805. Moreover, the Powerwave cash generating unit (“CGU”) revenues increased from fourth quarter 2014 to first quarter 2015 by approximately \$92,000 as Powerwave product revenues such as Powerwave stimulations and Neptune EOR applications may have greater market appeal in the low price oil environments.
- Wavefront’s revenues for the first quarter of 2015 amounted to \$1,493,590, which was a decrease of 9% compared to the comparative quarter in 2014 that reported total revenues of \$1,646,640.
- The Company was also able to increase gross profit margin¹ to 75.5% of revenues compared to 69.1% in the comparative quarter in 2014. The largest gains in gross profits¹ came from the Powerwave CGU, which was able to increase its gross profits by approximately \$246,190 due to fewer international projects.
- Coupled with the Company’s ability to increase revenues and gross profits¹ over the prior quarter, Wavefront was able to decrease overall sales and marketing, general and administrative, and research and development expenses by \$241,243.
- As at November 30, 2014, the Company determined that impairment indicators existed related to the Company’s market capitalization being below the carrying value of its net assets, the drop in and volatility in oil prices, and the changes to operating and capital budgets of exploration and production

¹ The Company uses IFRS, additional and non-IFRS measures to make strategic decisions, set targets and are used in operating activities, as well the Company believes that these additional and non-IFRS measures provide useful supplemental information to investors. “Gross profit” and “gross profit margin” are measures used by the Corporation that does not have a standard meaning prescribed by IFRS and may not be comparable under GAAP under IFRS or to similar measures used by other companies. Gross profit is calculated by deducting cost of sales which includes direct costs, such as direct materials, direct labour, travel related expenditures, sub-contractors, shipping, duties and taxes, from gross revenue. Gross profit margin is calculated by dividing the gross profit by gross revenue.

("E&P") companies. The Company completed the impairment tests and recorded a non-cash impairment loss related to the Powerwave, Primawave and Performance Drilling CGUs of \$2,054,590, which is comprised of a \$1,655,206 non-cash impairment charge to property, plant and equipment and \$399,384 non-cash impairment charge to intangible assets. This non-cash charge does not have an impact on the Company's cash flows from operating activities and will not have an impact on the CGUs' future operations.

- The basic and diluted net loss for the quarter ended November 30, 2014 increased by \$1,924,278 to \$2,716,682 (\$0.033 per share), compared to \$792,404 (\$0.009 per share) in comparative quarter ended November 30, 2013, principally due to the non-cash impairment expense of \$2,054,590. Prior to the non-cash impairment expense, the basic and diluted net loss for the quarter ended November 30, 2014 decreased by \$130,312 to \$662,092 (\$0.008 per share).
- The EBITDA loss² and EBITDA loss per share for the quarter ended November 30, 2014 was \$2,351,692 (\$0.028 per share), compared to \$501,474 (\$0.006 per share) in the comparative quarter ended November 30, 2013. The EBITDA loss² and EBITDA loss per share, prior to the non-cash impairment expense of \$2,054,590, for the quarter ended November 30, 2014 decreased \$220,952 or 44.1% to \$280,522 (\$0.003 per share).
- Cash used in operating activities³ decreased by \$350,664 or 41.7% to \$451,178 from the \$839,406 in comparative quarter ended November 30, 2013. Wavefront will continue to strive to work towards sustainability by focusing on expenses that related to near term revenues.
- Total assets decreased by \$2,735,937 to \$16,544,833 from the prior year end. Of the net decrease, \$2,054,590 relates to the non-cash impairment loss and \$251,166 relates to amortization and depreciation. Cash resources decreased by \$486,154, of which \$108,919 was used for the acquisition of additional Powerwave tools and equipment, \$552,064 was used to fund operations, and \$160,333 was used to reduce its current liabilities. This was offset by the Company's ability to reduce its trade and other receivables by \$214,465 that helped fund ongoing operations.

The above financial highlights should be read in conjunction with the audited consolidated financial statements and management discussion and analysis of results for Wavefront for the first quarter ended November 30, 2014, which were filed on SEDAR on January 29, 2015.

² The Company uses IFRS, additional and non-IFRS measures to make strategic decisions, set targets and are used in operating activities, as well the Company believes that these additional and non-IFRS measures provide useful supplemental information to investors. EBITDA is calculated by adding back all interest, tax, depreciation and amortization to net loss, and is further discussed in Non-IFRS Measures.

³ The Company uses IFRS, additional and non-IFRS measures to make strategic decisions, set targets and are used in operating activities, as well the Company believes that these additional and non-IFRS measures provide useful supplemental information to investors. "Cash flow used in operating activities" is a measure of the total cash generated from the Corporation's operations and is calculated by adding back amortization, share based payments and other non-cash items to net income and then adjusting for changes in working capital. Cash flow used in operating activities is a component of the IFRS consolidated statement of cash flows.



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Subsequent to the quarter ended November 30, 2014, the Company commenced installation of the Petrobras EOR project in Brazil and is scheduled to install Powerwave EOR tools with Pan American Energy and Ecopetrol in February 2015. These EOR projects will have combined approximate revenues that are in excess of \$2,000,000, which the Company, once the tools are installed, will commence recognizing over the term of the contracts.

ON BEHALF OF THE BOARD OF DIRECTORS

WAVEFRONT TECHNOLOGY SOLUTIONS INC.

"D. Brad Paterson" (signed)

D. Brad Paterson, CFO & Director

About Wavefront:

Wavefront is a technology based world leader in fluid injection technology for improved/enhanced oil recovery and groundwater restoration. Wavefront publicly trades on the TSX Venture Exchange under the symbol WEE and on the OTCQX under the symbol WFTSF. The Company's website is www.onthewavefront.com.

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Cautionary Disclaimer – Forward Looking Statement

Certain statements contained herein regarding Wavefront and its operations constitute "forward-looking statements" within the meaning of Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995. All statements that are not historical facts, including without limitation statements regarding future estimates, plans, objectives, assumptions or expectations or future performance, are "forward-looking statements". In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "believe", "continue" or the negative of these terms or other comparable terminology. We caution that such "forward-looking statements" involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. Such factors include fluctuations in the acceptance rates of Wavefront's Powerwave and Primawave Processes, 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 were described in further detail in Wavefront's continuous disclosure filings, available on SEDAR at www.sedar.com. Wavefront expressly disclaims any obligation to update any "forward-looking statements", other than as required by law.

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