

WAVEFRONT

Wavefront Technology Solutions Inc.

Quarterly Report

for the

Period ended

November 30, 2011



The following discussion and analysis of financial results should be read in conjunction with the interim financial statements and the accompanying notes for the period ended November 30, 2011 and is based on information available to February 17, 2012. Additional information on Wavefront Technology Solutions Inc.'s (the "Corporation" or "Wavefront") is available on SEDAR at www.sedar.com or on the Company's website www.onthewavefront.com.



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

MANAGEMENT'S RESPONSIBILITY

The Management of Wavefront Technology Solutions Inc. ("Wavefront" or "the Company") 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 Wavefront's Audit Committee and Board of Directors.

This Management Discussion and Analysis ("MD&A") has been prepared for the three months ended November 30, 2011, contains information available to February 17, 2012, and should be read in conjunction with Wavefront's unaudited consolidated financial statements for the three months ended November 30, 2011, and the MD&A and audited consolidated financial statements for the year ended August 31, 2011.

As of September 1, 2011, Wavefront adopted International Financial Reporting Standards ("IFRS"), and the following disclosures, as well as the associated interim condensed financial statements have been prepared in accordance with IFRS. Wavefront's effective transition date is September 1, 2010, to accommodate 2010 IFRS comparative information. The Company has provided information throughout this document and other publicly filed documents to assist a user in understanding Wavefront's transition from Canadian Generally Accepted Accounting Principles ("GAAP"). A comprehensive summary of all of the significant changes including the various reconciliations of Canadian GAAP financial statements to those prepared under IFRS is included in note 19 to the Company's unaudited interim consolidated financial statements for the three months ended November 30, 2011.

Unless otherwise indicated, all amounts shown below are in Canadian dollars. Additional information regarding our Company is available on SEDAR, www.sedar.com or on the Company's website www.onthewavefront.com. Such additional information is not incorporated herein, unless otherwise specified, and should not be deemed to be made part of this Management Discussion and Analysis.

TRANSITION TO IFRS

Adopting IFRS did not impact the cash flow of the Company or how it conducts its business. Under Canadian GAAP, Wavefront had presented its expenses in the financial statements using a combination of function (i.e., sales and marketing) and nature (i.e., amortization or stock based compensation expense). Under IFRS, Wavefront has elected to present its expenses by function. Included in this MD&A is additional information as to the re-classifications.

For the vast majority of accounting policies, Wavefront's accounting policies did not materially change with the adoption of IFRS. The following is a summary of the significant changes affecting the financial statements:

- IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while historical Canadian GAAP only required the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions. The Company's accounting policies related to decommissioning liabilities changed to reflect these differences; however, the adoption of the IFRS decommissioning liabilities policy had a nominal impact to the Company's financial statements.

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NON-IFRS MEASURES

The Company uses both IFRS and non-IFRS measures to make strategic decisions and set targets and believes that these non-IFRS measures provide useful supplemental information to investors. "Working capital", "gross profit", "gross profit margin", and "cash from operations" are measures used by the Company that do not have a standard meaning prescribed by IFRS and may not be comparable to similar measures used by other companies.

- Working capital is calculated by subtracting current liabilities from current assets;
- 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;
- Cash flow used in operating activities is a measure of the total cash generated from the Company'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, and;
- Backlog is defined as the net total of orders that have not yet been included in revenue and that Management has assessed as having a higher certainty than not of being performed because of the existence of a contract or purchase order specifying the scope, value and timing of an order. It does not include recurring revenue contracts.
- Core revenues are defined as revenues derived directly or indirectly from Wavefront's technologies, include revenues attributed to Powerwave, Primawave, tubing pumps and bailers, and exclude oil and gas production revenues.
- EBITDA, an acronym for earnings before interest, taxes, depreciation, and amortization. It is calculated by adding back all interest, tax, depreciation and amortization entries to net loss and comprehensive loss.

OVERVIEW OF BUSINESS

Wavefront specializes in designing and developing leading-edge techniques for oil well stimulation, secondary oil recovery and environmental groundwater remediation.

Wavefront pioneered the development of a unique technology that generates powerful fluid pulses to momentarily expand the pore structure of rock and soil, which dramatically improves fluid flow in the ground. This "*pressure-pulse technology*" creates highly uniform waves of fluid to "push" oil to extraction wells or distribute treatment chemicals to be in better contact with contaminants. The multi-patented fluid flow process is applicable to all fluid injection and is marketed in the energy sector as Powerwave[™] and in the environmental sector as Primawave[™]. Although Powerwave and Primawave are practiced using a plurality of tools, it is important to note that the tools are ancillary to the process. The characteristics of the reservoir or aquifer, well completions design, or client considerations determine Powerwave and Primawave tool selection.

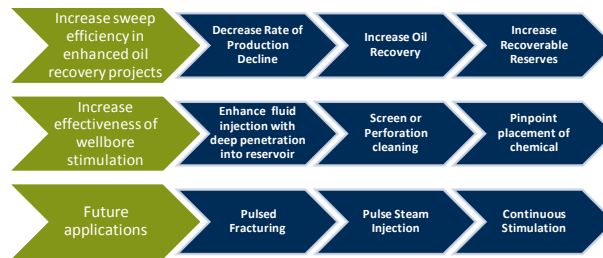
Business Strategy

As a technology-based company, Wavefront desires to position itself as the global leader in differentiated fluid flow technologies to maximize reservoir recovery processes. Wavefront has developed, and continues to develop and assess, unique technologies focused on differentiated fluid flow.

In the oil industry, Wavefront's strategy is to establish "anchor" clients in particular regions. The Company targets mid-tier to international oil producers that are either viewed as early adaptors or thought leaders in enhanced oil recovery. Once Wavefront implements Powerwave, and given its clients' focus on cost control or reduction, when

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injection and production data has been made available, Wavefront has, at its cost, analyzed Powerwave results and prepared detailed reports to its clients. The Company’s objective is then to organically grow the implementation of Powerwave across the client’s assets, and leverage those results. Wavefront’s focused marketing strategy for Powerwave can be summarized in the following diagram.



The decision to perform well stimulations, workovers, or to use tubing pumps and bailers tends to be done at the field or asset level due to the shorter term nature of such projects. Wavefront continues to build market share in the Canadian Western Sedimentary basin, and has used its client’s experience with the shorter term projects, client relations and its presence to leverage itself into enhanced oil recovery projects. By focusing on fluid flow technologies, Wavefront is positioning itself as a fluid flow solution / enhancement provider.

Subsequent to the reporting period, Wavefront acquired the intellectual property of Midland, Texas based Vortech Inc. The acquisition provides complementary pulsating technology and associated intellectual property patents. Vortech’s tools produce higher frequency fluid pressure waves that are better suited to remove near wellbore impediments and improve drilling operations. Vortech intellectual properties will broaden Wavefront’s fluid injection technology portfolio and capabilities. Coupled with the Vortech acquisition, the Company currently employs certain former Vortech employees and plans on establishing an office / warehouse in the Midland, TX market to further leverage its suite of technologies. The Vortech acquisition will now allow the Company to provide fluid pulsing technologies from drilling all the way through completion and production.

Fundamental to our Company’s business strategy is the creation of recurring revenue models where Wavefront licenses its Technologies to third parties or end users the right to use tools or systems. The Company’s business model is to create a high margin, recurring revenue licensing stream to enhance shareholder value. In licensing the Technology, the Company does not sell or otherwise transfer ownership to third parties or end users the tools or systems, thus maintaining a strong measure of control over future developments.

OUTLOOK

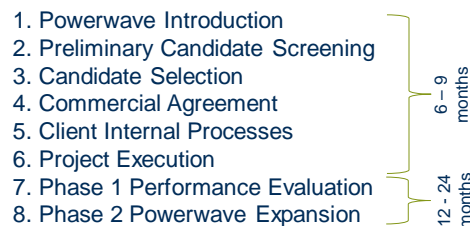
We continue to believe that based on Wavefront’s suite of technologies, patents, know-how, the Powerwave brand name, and the recently acquired Vortech patents and brand name we are well-positioned to take advantage of the market opportunities related to enhanced oil recovery.

The Company believes that the most powerful driver of future, potentially accelerated, revenue growth will be continued positive customer case histories associated with Wavefront’s suite of technologies.

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The Company continues to strive to shorten the sales cycle for Powerwave enhanced oil recovery projects as its credibility in the oil industry continues to grow, as the confidence in applying Powerwave increases and the production and financial benefits are more broadly disseminated. The inherent sales cycle for Powerwave, which averages 6-9 months to get Phase 1 Pilot projects implemented is mainly related to the internal processes of clients which Wavefront cannot control. Moving forward, the Company believes that once it gets through Phase 1 implementation and evaluation the time cycle to realize further commercialization should be much less. To aid sales efforts Wavefront will engage a credible outside resource for independent validation of project performance as the many potential clients rely on independent validation as the primary mechanism to reduce risk.

Anatomy of a Powerwave Project for Enhanced Oil Recovery



Although vastly increasing the number of Powerwave enhanced oil recovery projects thus providing long-term revenue streams remains the primary task, there remains significant opportunity in the single well stimulation market. Over the next quarters, the Company will focus on building the business infrastructure around stimulation services including the recently acquired Vortech intellectual property. It is believed that the stimulation market will provide an ever increasing contribution to Wavefront's revenue, and at a reduced sales cycle time. Stimulation clients will see Powerwave as a basic need and will see results much sooner than they experience with Powerwave enhanced oil recovery projects.

The Company's pump and tubing bailer rental business in western Canada has experienced moderate growth in the second quarter 2012 and this trend is expected for the remainder of the fiscal year. However, the Company will look to other markets to grow the product line.

The Primawave product line is not expected to see appreciable growth as the primary driver for groundwater remediation, Brownfield redevelopment (real estate transactions), continues to lag. As a shift in marketing strategy the Company is now relying more on its outside accredited providers opposed to a direct sales force to generate sales.

As the product mix continues to shift towards leveraging Powerwave for both enhanced oil recovery and stimulation services, we expect to increase gross profit margins; however, gross profit margins may vary depending on the mix of products and services sold. As we move towards positive cash flows from operations, expenses, as a percentage of revenue, are expected to decrease over the next five years.

Our objective remains to focus on long term growth and profitability for the Company. Research and development will continue to be a key focus as the Company continues to invest in new Powerwave systems and tools, and service developments and enhancements. Additional resources will continue to be committed to sales and marketing as the Company further commercializes its Technologies and develops its global sales channels and continues to promote its Technologies and services in key target markets. Acquisitions will continue to be evaluated for strategic growth in geographical areas and technology advancements.

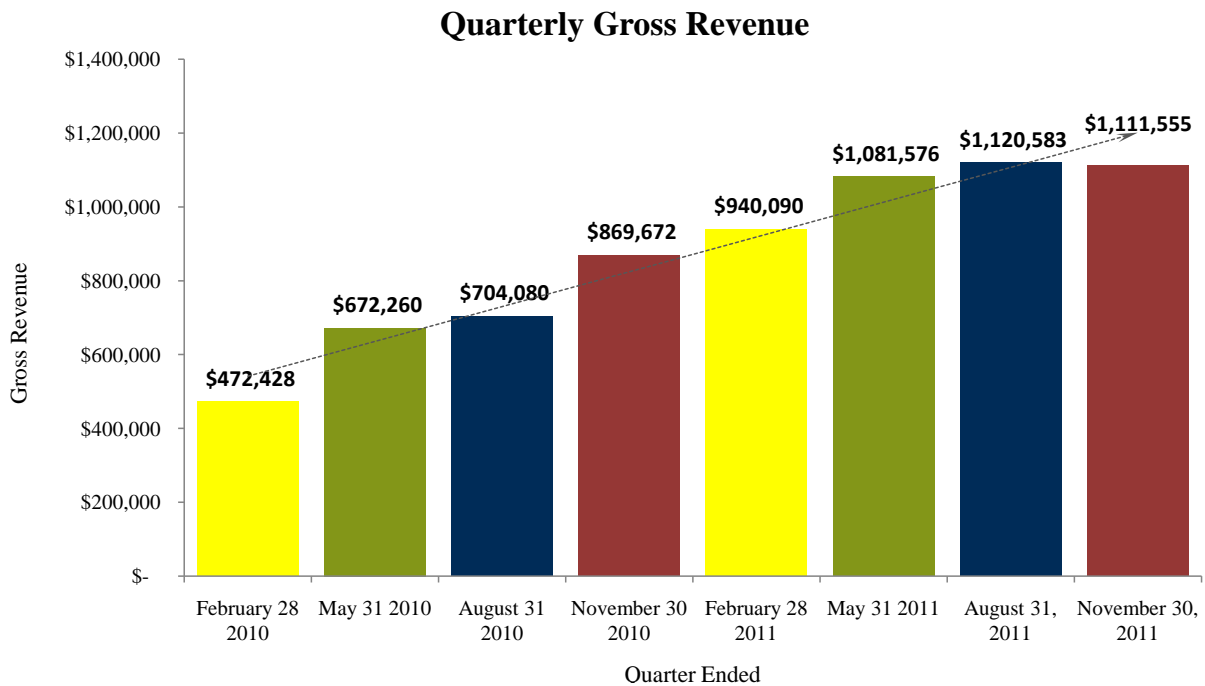
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OVERALL RESULTS FROM OPERATIONS

Wavefront is positioned as a technology company and has used its oil field assets to showcase the Company’s technologies. Accordingly, we report operational results based on one reportable segmented.

Interest revenue under IFRS is stated separately in the financing section of the condensed consolidated statement of compressive loss and is not included in gross revenue.

In the first quarter ended November 30, 2011, Wavefront revenues increased by \$241,883 to \$1,111,555, a 27.8% increase over the comparative period that reported total revenues of \$869,672. Revenues were relatively flat compared to the three months ended August 31, 2011 due to declining pump revenues. However, these declines were offset by continued increases in revenues attributed to Powerwave, which increased 91.7% or \$366,538 from the comparative period ended November 30, 2010 of \$399,862. The following chart sets out the gross quarterly revenue for the past eight quarters.



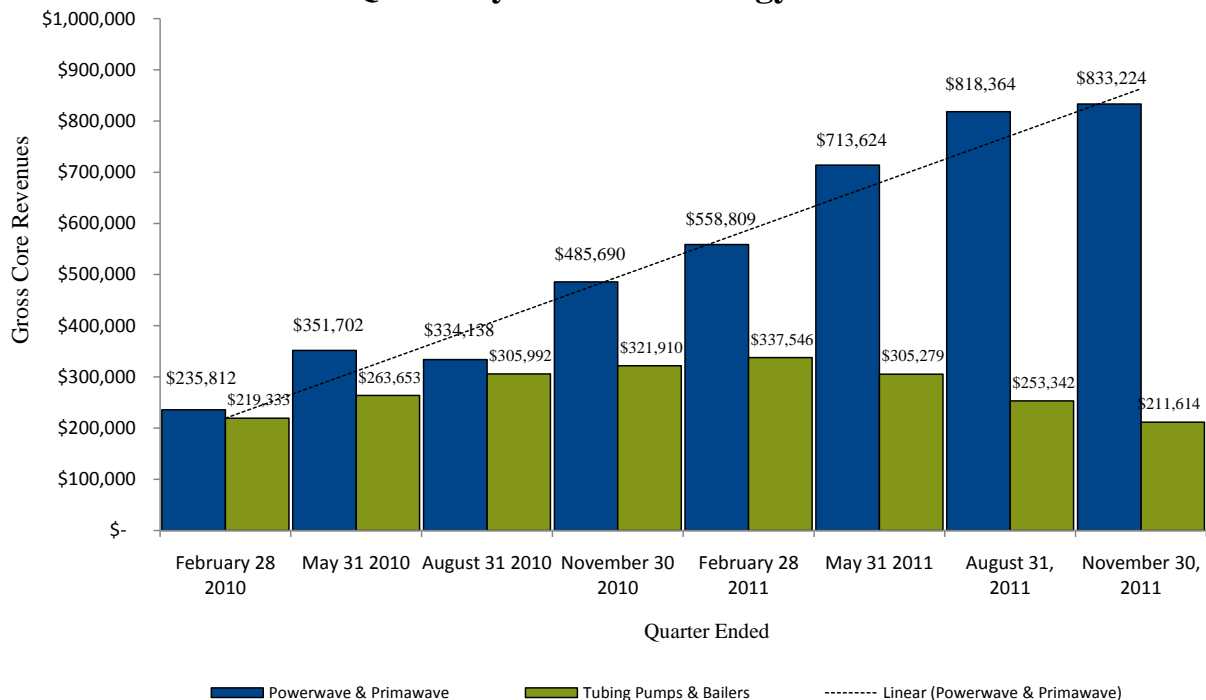
note 1: The above historical gross revenue figures have had interest revenue re-classified to conform to the current IFRS presentation.

The tubing pump and bailer product lines revenue totalled \$211,614, a decrease of \$119,096 from \$321,910 recorded in the comparative period in 2010. The decrease in tubing pump and bailer product line revenues is primarily a result of decreased tubing pump sales that are attributed to higher oil prices, which has resulted in less demand from oil producers as producers tend to overlook candidates for tubing pumps because of lucrative cash flow. In many instances the production engineer is content with paying for multiple workovers on their PCP pumps on high sand cut wells where, with lower oil prices, they would normally seek a Shark pump to combat high sand cuts. As at November 30, 2011, the tubing pumps and bailer product line contributed 20.3% (November 30, 2010 – 40.9%) of core revenues (i.e., revenues derived directly or indirectly from Wavefront’s technologies, including revenues attributed to Powerwave,

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Primawave, tubing pumps and bailers, and excluding oil and gas production revenues). The decrease in the tubing pumps and bailer product line product mix principally relates to the growing revenues attributed to Powerwave. Gross quarterly revenues for the first quarter ended November 30, 2011 for Powerwave approximated \$766,400 or 73.4% of core revenues; whereas in the comparative reporting period, Powerwave approximated \$399,862 or 49.5% of core revenues. Quarter over quarter, Powerwave and Primawave revenue growth has been the strongest growth by product line, as illustrated in the chart below.

Quarterly Core Technology Revenues



The following key highlights and initiatives occurred during and subsequent to the first quarter 2012:

- i) The Company engaged Casimir Capital LP, who will serve as Wavefront’s Principal American Liaison on the OTC market, and commenced trading on the prestigious tier, OTCQX International (www.otcqx.com).
- ii) The Company installed an initial 4 of 6 Powerwave systems with Petroleum Development Oman (“PDO”) in the Sultanate of Oman. PDO is the leading exploration and production company in Oman, producing approximately 70% of the country’s crude oil production. PDO is owned by the Government of Oman, Royal Dutch Shell, Total, and Partex. Subsequent to the reporting period, Wavefront completed the installation in PDO.
- iii) The Company acquired the intellectual property of Vortech Inc., a private company in Midland, Texas. The Company acquired patents that will provide a complementary pulsating technology to Powerwave. Vortech’s

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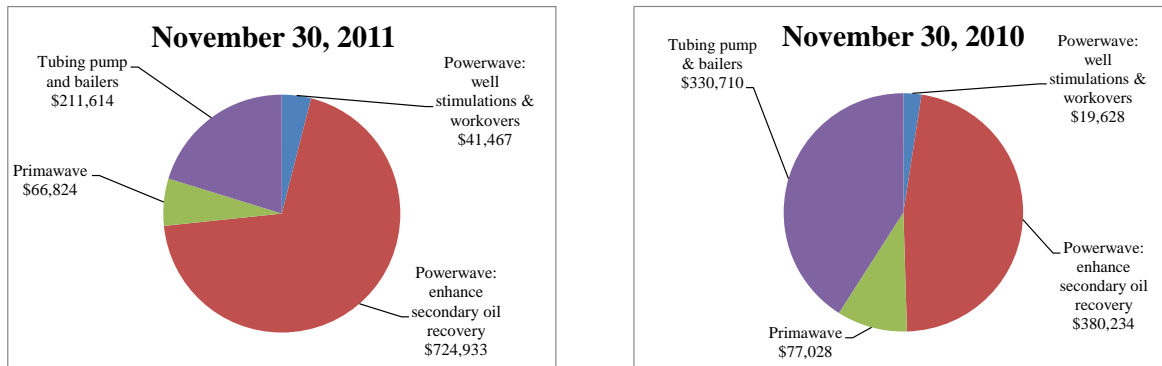
tools produce higher frequency fluid pressure waves that are better suited to remove near wellbore impediments and improve drilling operations. The acquisition of Vortech’s intellectual property will broaden Wavefront’s fluid injection technology portfolio and capabilities. The Company plans on establishing an office / warehouse in the Midland, TX market to further leverage its suite of technologies. The acquisition of the Vortech technology will now allow the Company to provide fluid pulsing technologies from drilling all the way through completion and production.

- iv) In the prior fiscal year the Company undertook the research and development of a new Powerwave system that may be able to create fluid pressure pulses at the surface versus down hole. The advantages of creating a fluid pressure pulse at surface include opening a larger number of well candidates where Powerwave could be deployed, and reducing the overall cost of a Powerwave installation. Management is pleased with the continued development of the new up-hole system and anticipates that it will be field tested in the coming reporting periods.

Consolidated Results – three months ended November 30, 2011

Revenues

Revenues for the period ended November 30, 2011 were \$1,111,555, an increase of \$241,883 over the comparative period in 2010 that recognized revenues of \$869,672. Core revenues (i.e., revenues derived directly or indirectly from Wavefront’s technologies, include revenues attributed to Powerwave, Primawave, tubing pumps and bailers, and exclude oil and gas production revenues) totalled \$1,044,838, compared to core revenues of \$807,600 for the comparative period. Revenues attributed to Powerwave increased by 91.7% or \$366,538 from the comparative period ended November 30, 2010 to \$766,400. The following charts illustrate the growing shift to Powerwave.



This growing increase in Powerwave revenues is a result of increased installation and expansion of existing projects. With growing client experience with Powerwave, the Company anticipates that revenues will continue to grow as projects are expanded and Wavefront’s reputation for results allows for broader acceptance. Powerwave product line revenues can be broken into short-term projects involving well stimulations and long-term enhanced oil recovery projects related to using Wavefront’s Technology to enhance secondary oil recovery in waterflood or CO2 flooding applications. For the first quarter ended November 30, 2011 Powerwave revenues related to well stimulations totalled \$41,467 (November 30, 2010 – \$19,628). It is believed that Powerwave well stimulations may lead to enhanced oil recovery applications as client companies become more familiar with the process, obtaining and validating their own data related to Powerwave.



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For the first quarter ended November 30, 2011, the total revenue of long-term Powerwave projects related to secondary and tertiary oil recovery involving either waterflooding or CO2 flooding totalled \$724,933 compared to \$380,234 in the comparative period. The increase in the related long-term Powerwave revenue relates to increase in the number of contracts entered into, expansion of installations, and a reduction of discounts and incentives.

For the first quarter ended November 30, 2011 revenues from the tubing pumps and bailer product totalled \$211,614.

For the first quarter ended November 30, 2011 Primawave revenues totalled \$66,824 for the reporting period, a decrease of \$10,204 from \$77,028 from the comparative reporting period. The decrease in Primawave revenues relates to a greater focus on Powerwave sales, principally related to enhanced oil recovery projects.

During the first quarter ended November 30, 2011, the Company also recognized production and operator revenues of \$66,717 (November 30, 2010 - \$62,072) related to the Rogers County and South Rodney ventures. Of the production recognized, \$45,649 (November 30, 2010 - \$42,553) relates to the South Rodney venture, and \$21,068 (November 30, 2010 - \$19,518) relates to the Rogers County venture.

Geographically, \$849,185 (November 30, 2010 - \$638,685) in revenue was generated in Canada, \$201,780 (November 30, 2010 - \$189,033) from the United States, and \$60,590 (November 30, 2010 - \$41,953) in revenue was generated outside of Canada and the United States. The geographic revenues are more specifically described as follows:

Canada: Gross revenues in our Canadian operation increased by \$210,500 or 33.0% to \$849,185 compared to \$596,132 in the comparative period.

Powerwave enhanced oil recovery applications revenues totalled \$552,182 (November 30, 2010 - \$253,272); Powerwave stimulation revenues in Canada totalled \$36,590 (November 30, 2010 - \$9,650); Primawave revenues totalled \$3,150 (November 30, 2010 - \$2,500); tubing pump and bailer revenues totalled \$211,614 (2010 - \$330,710); and oil production revenues totalled \$45,649 (November 30, 2010 - \$42,553). We believe that Powerwave revenues will continue to grow in 2012 as the Technology offering is expanded. Additionally revenues attributed to well workovers and stimulation that involve Powerwave or the Vortech patents are expected to grow throughout the second half of fiscal 2012.

United States: Gross revenues in our US operation increased by \$12,747 to \$201,780 (November 30, 2010 - \$193,878). Powerwave secondary and tertiary flooding applications revenues totalled \$112,161 (November 30, 2010 - \$92,159); Powerwave stimulation revenues totalled \$4,877 (November 30, 2010 - \$9,978); Primawave revenues totalled \$63,674 (November 30, 2010 - \$67,378); and oil production revenue totalled \$21,077 (November 30, 2010 - \$19,518). Revenues attributed to well workovers and stimulation that involve Powerwave or the Vortech patents are expected to grow throughout the second half of fiscal 2012. Our Company's goal remains to secure key additional anchor clients for Powerwave secondary and tertiary flooding applications in fiscal 2012.

International: Gross revenues outside our Canadian and US operation increased by \$18,637 to \$60,590 (November 30, 2010 - \$41,953). Powerwave secondary and tertiary flooding applications revenues totalled \$60,590 (November 30, 2010 - \$34,803); and Primawave revenues totalled \$nil (November 30, 2010 - \$7,150).

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Cost of Goods Sold

Under IFRS cost of goods sold includes direct labour, wage benefits and associated stock option benefits, consumable (inventory) parts, third party installation costs of Powerwave, Primawave, and tubing pump and bailer product lines and, any loss or gain on sale and the write-down and amortization of all Powerwave, Primawave, and tubing pump and bailer tools. Comparatively, Canadian GAAP costs of goods sold included direct labour, wage benefits, consumable parts, third party installation costs of Powerwave, Primawave, and tubing pump and bailer product lines:

	Three months ended November 30, 2011	Three months ended November 30, 2010
Wages, and other short-term wage benefits (inclusive of taxes, etc.)	\$ 97,538	\$ 84,917
Inventory consumables and direct third party costs	108,244	237,781
IFRS re-classifications:		
Wages, and other short-term wage benefits (inclusive of taxes, etc.)	27,124	45,868
Stock option benefit	6,646	3,646
Loss (gain) on sale of property, plant and equipment	4,577	(7,527)
	<u>\$ 244,129</u>	<u>\$ 364,685</u>

Any losses related to Powerwave projects are immediately recognized and have the effect of increasing direct cost for the period in which they occur or are known to occur.

Cost of goods sold relate to service revenue and royalties revenue, which is associated with the delivery of Powerwave and Primawave, and tubing pumps and bailer. Costs of goods sold decreased to \$244,129 (or 22.0% of gross revenues) compared to \$364,685 (or 41.9% of gross revenues) for the comparative reporting period.

The change in direct costs was due to the following:

- A growing shift in product mix to Powerwave and Primawave (see above charts on product mix shifts); and,
- Greater stabilization of direct costs on Powerwave related projects.

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Gross Profit

The following table sets out the gross profit margins by product line for the quarter ended November 30, 2011:

	Powerwave	Primawave	Tubing pumps & bailers	Oil and gas production	Total
Gross revenues	\$ 766,400	\$ 66,824	\$ 211,614	\$ 66,717	\$ 1,111,555
Cost of goods sold	115,500	4,367	97,138	27,124	244,129
	\$ 650,900	\$ 62,457	\$ 114,476	\$ 39,593	\$ 867,426
Gross profit margin (note 1)	84.9%	93.5%	54.1%	59.3%	78.0%

note 1: Gross profit margin is calculated by subtracting costs of goods sold from gross revenue and dividing the result by gross revenue, and is further discussed in Definition of Non-GAAP Measures

The following table sets out the gross profit margins by geographic region for the quarter ended November 30, 2011:

	Canada	United State of America	International	Total
Gross revenues	\$ 849,185	\$ 201,780	\$ 60,590	\$ 1,111,555
Costs of good sold	179,257	51,520	13,352	244,129
	\$ 669,928	\$ 150,260	\$ 47,238	\$ 867,426
Gross profit margin (note 1)	78.9%	74.5%	78.0%	78.0%

note 1: Gross profit margin is calculated by subtracting costs of goods sold from gross revenue and dividing the result by gross revenue, and is further discussed in Definition of Non-GAAP Measures

Other Expenses

Other expenses for the reporting period amounted to \$1,933,307, compared to \$2,017,800 in November 30, 2010. The decrease in these expenses of \$84,493 was principally a result of the following changes:

- i) An increase of \$76,714 in "general and administrative" expenses principally related to an increase in Professional Fees of \$61,439 due to the closing of the Vortech acquisitions and the US OTCQX International listing. The increase in Office expenses of \$49,848 relates to an increase in liability insurance, computer expenses, facility property tax and facility rent. Offsetting these increases were decreases in consultant expense of \$53,600 due to elimination of sales agents and services provided by external consultants and a decrease in repairs and maintenance of \$37,012 is a result of fewer shop supplies purchased in the current reporting period.

The following table outlines the details and the IFRS re-classification of general and administrative expenses:

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	Three months ended November 30, 2011	Three months ended November 30, 2010
Wages, and other short-term wage benefits (inclusive of taxes, etc. - note 1)	\$ 560,685	\$ 572,112
Office	213,216	163,368
Professional	151,899	90,460
Consultant	89,902	143,502
Repairs and maintenance	71,574	108,586
Vehicle	55,506	57,954
Miscellaneous	788	197
Bad debts	(1,356)	7,166
IFRS re-classifications:		
Share-based payments	82,450	92,541
Listing and public company fees	37,106	42,402
Wages, and other short-term wage benefits (inclusive of taxes, etc. - note 1)	(194,507)	(287,739)
	<u>1,067,263</u>	<u>990,549</u>

note 1: Wages previously reported under Canadian GAAP, have been re-classified under IFRS to the functional expense based on each employees' activities.

- ii) A decrease of \$46,578 in "sales and marketing" expenses related to a decrease in advertising, printing and promotion of \$33,442 more focused sales efforts in establishing an anchor client in the US and expanding the Canadian Western Sedimentary basin Powerwave projects and client listings. The current reporting period also reflects a reduction of wage expense of \$57,733 due to the restructuring of the sales workforce.

The following table outlines the details and the IFRS re-classification of sales and marketing expenses:

	Three months ended November 30, 2011	Three months ended November 30, 2010
Advertising, printing and promotion	269,868	303,310
Wages, and other short-term wage benefits (inclusive of taxes, etc.)	-	-
Seminars and trade shows	8,993	11,660
IFRS re-classifications:		
Wages, and other short-term wage benefits (inclusive of taxes, etc.)	146,215	203,948
Stock option benefit	84,201	36,937
	<u>509,277</u>	<u>555,855</u>

- iii) A decrease of \$130,161 in "research and development" expenses principally related to a narrow focus of tool research and development for a surface mounted Powerwave system, and a greater focus on Powerwave installations during the current reporting period.



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The following table outlines the details and the IFRS re-classification of research and development expenses:

	Three months ended November 30, 2011	Three months ended November 30, 2010
Wages, and other short-term wage benefits (inclusive of taxes, etc.)	59,871	131,716
Direct materials	23,518	63,945
IFRS re-classifications:		
Wages, and other short-term wage benefits (inclusive of taxes, etc.)	21,171	37,933
Stock option benefit	10,914	12,041
	<u>115,474</u>	<u>245,635</u>

Compensation of key management personnel of the corporation (note 12 to interim financial statements) include compensation of five independent directors (November 30, 2010 – four) , and seven (November 30, 2010 – seven) employees that are either the chief executive officer, chief financial officer or senior vice presidents or management of the Company.

Finance Section of Condensed Statement of Comprehensive Loss

Interest revenue under IFRS is stated separately in the financing section of the condensed consolidated statement of comprehensive loss under financing income. Interest earned for the reporting period decreased to \$59,413 compared to \$61,263 for the comparative period. The decrease of \$1,850 relates to declining principal balances.

Accretion expense totalling \$1,735 (November 30, 2010 - \$1,549), foreign exchange gain totalling <\$19,090> (November 30, 2010 - \$7,958) and interest expenses totalling \$2,047 (November 30, 2010 - \$2,775) are reported as a financing cost under IFRS.

Operating Cash Flows

The following table and description sets out the cash used in operations for the periods ended November 30, 2011 and 2010:

	Three months ended November 30, 2011	Three months ended November 30, 2010
Net loss for the period	\$ (991,160)	\$ (1,469,592)
Items not affecting cash		
Amortization, depreciation, depletion and accretion	243,032	225,899
Share-based payments	184,211	145,164
Loss (gain) on disposal of property, plant and equipment	4,577	(7,527)
	<u>\$ (559,340)</u>	<u>\$ (1,106,056)</u>



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In addition to the above, for the three months ended November 30, 2011 there was a net change to non-cash working capital items of \$(93,222) compared to \$(295,445) in for the comparative period in 2010. Total cash used in operations for the reporting period was \$652,566 (November 30, 2010 - \$1,401,501), a decrease of \$748,935 or 53.4%.

Given Wavefront's cash and working capital positions (see Liquidity section below), the Company believes it has sufficient working capital to meet current strategic objectives.

Net Loss and Loss Per Share

The basic and diluted net and comprehensive loss for the period ended November 30, 2011 decreased by \$478,437 to \$991,160 (\$0.01 per share), compared to \$1,469,590 (\$0.02 per share) in 2010.

Earnings before interest tax, depreciation and amortization ("EBITDA")

The following table sets out the Company's EBITDA loss and EBITDA loss per share:

	Three months ended November 30, 2011	Three months ended November 30, 2010
Net loss and comprehensive loss	\$ (991,160)	\$ (1,469,592)
Items not affecting cash		
Amortization, depreciation, depletion and accretion	243,032	225,899
Interest expense	2,047	2,775
Tax expense	528	24
EBITDA	\$ (745,553)	\$ (1,240,894)
EBITDA loss per share	\$ (0.009)	\$ (0.015)

LIQUIDITY AND CAPITAL RESOURCES

Assets and Liabilities

Total assets decreased by \$747,586 to \$32,506,921 from the fiscal year ended August 31, 2011. The net decrease was related to a decrease in current assets, the purchase of intangible assets and Powerwave assets as reflected by the decrease in cash and cash equivalents by \$1,093,401 to \$23,417,192. Current assets were also affected by the decrease in trade and other receivables by \$208,284 to \$836,759 and an offsetting increase in prepaid expenses by \$237,240 to \$379,538. The changes in accounts receivable reflect timing differences in incurring installation expenses and collecting receivables and are directly related to increased Powerwave contracts and our financial accounting policy of recognizing Powerwave revenue equally over the term of the contracts. The increase in prepaid expenses resulted from prepaying the Company's insurance policies.

Non-current assets are principally related to an increase of \$311,299 in Powerwave systems, \$116,858 for the betterment and expansion of Powerwave test cell, \$53,529 for tubing wire used with Powerwave installations, and \$20,319 for office furniture purchased for the new facilities in Edmonton, Alberta.



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

Oilfield Property, Plant and Equipment

The initial acquisitions of oilfield leases were to allow the collection of and auditing of Powerwave data, and to showcase our Company's Technology. As Wavefront's clients gain their own experience as to the effectiveness of Powerwave, collect their own Powerwave data and results and there is a greater commercialization of the Powerwave technology across the market, the strategic importance of Wavefront's oilfield assets has diminished. The data however, originally obtained from our Company's various oilfield leases and related assets led directly to the early market adoption, and subsequent expansion, of Powerwave's commercialization.

The September 1, 2010, opening, IFRS adjustment to the decommissioning liability resulted in an increase to the associated asset and liability of \$ 58,763 (\$16,299 related to the South Rodney oilfield and \$42,463 related to Rogers County oilfield). As the Company previously realized a non-cash write-down of the carrying value of the Rogers County oilfield property, plant and equipment, Wavefront concurrent to the recognition of the opening decommissioning liability adjustment recognized a corresponding write-down of the decommissioning liability asset equal to \$23,198.

Liabilities

Total liabilities increased by \$5,364 to \$ 1,428,203 from the prior year-end balance of \$1,422,839. Trade accounts payable and accrued liabilities increased by \$4,093 to \$1,048,391. Of the current liabilities, \$531,442 relates to trade accounts payable, and \$516,950 relates to accruals related to the design, manufacturing of Powerwave tool inventory, sales and marketing liabilities and other various corporate services.

Liquidity

The following table presents working capital information as at November 30, 2011 and 2010:

	Three months ended November 30, 2011	Three months ended November 30, 2010	Change
Current assets	25,101,698	26,071,859	(970,161)
Current liabilities	1,048,392	1,044,298	4,094
Working capital (note 1)	24,053,306	25,027,561	(974,255)

note 1: Working capital is calculated by subtracting current liabilities from current assets, and is further discussed in Definition of Non-GAAP Measure

Wavefront believes that its working capital position will continue to fluctuate despite having a significant increase in the number of Powerwave contracts in-hand, as Wavefront cannot control or dictate the installation schedules or delivery of equipment. Our Company's cash flow break-even will also be affected by the product mixes between tubing pumps and bailers, Powerwave stimulations and workovers, Powerwave secondary and tertiary oil recovery applications and Primawave applications, which have been changing.

It is believed that, as our clients experience positive Powerwave results, further uptake of the Technology will result in future cash inflows, but the Company will be required to invest in additional Powerwave tool inventories.

The Company did not default nor was it in arrears on any operating lease payments.



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

Financings

During the three month period ended November 30, 2011, the Corporation did not undertake any financings. However, 100,000 incentive stock options were exercised by an employee of the Corporation during the period, at a price of \$0.54 resulting in gross proceeds of \$54,000.

Capital Resources

Currently, and in addition to the Contractual Commitments (noted below), and in accordance with Wavefront's strategic plan, cash resources will be required for the following:

- To continue to build an inventory of Powerwave and Primawave systems as well as bailers and tubing pumps for deployment to external clients;
- To broaden and support global marketing efforts; and,
- To expand operations to support a growing global client base.

There are no known trends or expected fluctuations or restrictions in Wavefront's capital resources.

As of February 17, 2012, there are no amounts owed in respect of the lines of credit and Wavefront had \$18,395,766 of cash on hand. Of the cash on hand, Wavefront has \$17,186,697 in Term Deposits on deposit with TD Canada Trust, a Canadian chartered bank. The investments in Term Deposits mature on February 27, 2012 and March 9, 2012, with guaranteed interest rates of 1.05%. Credit risk on the GIC investment is linked to the insurance coverage limits as prescribed by the Canadian Deposit Insurance Corporation and that of TD Canada Trust.

During the 2011 fiscal year, Wavefront pledged one of the \$260,000 Term Deposits as security against a Letter of Credit, issued by TD Canada Trust. The Letter of Credit was issued as security for the Company's new Edmonton office and warehouse lease. The value of the Letter of Credit declines each year by \$65,000 to year four (i.e., 2014) and then is terminated in year five (i.e., 2015). The balance of the Company's capital is not subject to any external restrictions.

CONTRACTUAL COMMITMENTS

The Company 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:



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	Property	Plant, equipment, automotive and other	Total
Next year	\$ 187,100	\$ 185,725	\$ 372,825
Within two to five years	800,671	440,000	1,240,671
Thereafter	863,157	-	863,157
	<u>\$ 1,850,928</u>	<u>\$ 625,725</u>	<u>\$ 2,476,653</u>

The Company is of the opinion that its working capital position of \$24,053,306 as at November 30, 2011 is sufficient to cover its current commitments and operations for the forthcoming fiscal year. It is also anticipated that internally generated cash from operations will continue to increase as our Company's core Technologies continue to be commercialized and inducements and incentives decrease. As such Wavefront does not, currently, foresee any need for equity or debt financing, although it may consider future financings based on expected need to finance Powerwave tools, working capital, or acquisitions. As our Company moves forward it will also consider debt financing of its Powerwave tools to better match the assets' life and revenue stream with the financing sources. Any such financing will be dependent on Wavefront's credit rating, quality of licensing contracts, etc.

All future expenditures and investments in capital assets and projects will be governed by the Company's working capital position throughout the year.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company entered into a twelve month PowerwaveTM License agreement to provide up to three PowerwaveTM licenses and systems at a rate of \$2,400 per month per PowerwaveTM license, plus any associated installation fees with a company whose executive officer is also a director of the Corporation. There is a 100% discount to the PowerwaveTM licensing fee for the first four months of the agreement. The monetary transaction is considered to be in the normal course of operations and is measured at the exchange amount. For the three months ended November 30, 2011, the Corporation recorded \$50,400 (three months ended November 30, 2011 - \$15,605).

PROPOSED TRANSACTIONS

At the time of the report the Corporation has no proposed transactions.



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RISK AND UNCERTAINTIES

The Corporation's business risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2011.

ENVIRONMENTAL RISK

The Company is engaged in the enhancing oil and gas production and groundwater remediation. The Company is committed to ensuring that all stakeholders are aware of both their responsibility for safety matters and protection of the environment and how integral those matters are to Wavefront's business. These risks are managed by executing policies and standards that are designed to comply with or exceed government regulations and industry best practices. In addition, Wavefront maintains a system, in respect of our operations, that identifies, assesses and controls safety, security and environmental risk and requires regular reporting to Senior Management and the Board of Directors. The Safety, Health and Environmental Affairs Operational Committee of the Company provides recommended environmental policies for approval by our Board and oversees compliance with government laws and regulations. Monitoring and reporting programs for environmental, health and safety performance in day-to-day operations, as well as inspections and assessments, are designed to provide assurance that environmental and regulatory standards are met. Contingency plans are in place for a timely response to an environmental event.

The Company is exposed to physical risk that may arise due to Powerwave's potential damage of a well, regulation risk related to environmental permits and abandonment costs for Rogers County and Rodney South oilfields, environmental permits for Primawave projects, litigations risks related to the use of Powerwave or Primawave to inject fluids into the ground which may cause harm or inadvertently displace a contaminant plume from one location to another. These inherent risks may also create a reputational risk to the Company and its Technologies: Powerwave and Primawave.

There are no known environmental trends, and the exposure to future environmental obligations is currently limited to the asset retirement obligations associated with the Rogers County and Rodney South oilfields as disclosed in note 8 to the audited financial statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company'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 3 of the notes to the interim consolidated financial statements.

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

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:

- i) Revenue from oilfield services is recognized when the underlying services are provided. Revenue from the rental of tubing pumps and bailers is recognized when the equipment is delivered and accepted by third party customers.
- ii) Licensing royalties or technology fees are recognized over the term of the underlying contracts. Any project loss is recognized immediately.

Revenue recognition commences upon either delivery or installation of Powerwave systems. Where installation is the triggering point of revenue recognition, installation rates will affect the timing of revenue recognition. The calculation and estimate of future project costs are a source of uncertainty and may affect a project's profitability or when a project loss is recognized.

- iii) Revenue associated with the production and sale of crude oil where Wavefront has a working interest in oilfields is recognized in same period as when the title passes to third parties.
- iv) Interest from cash and cash equivalents is recognized in the period earned when collection can be reasonably assured.

Recoverability of asset carrying values

Wavefront assesses its property plant and equipment, including oilfield property, plant and equipment and its Powerwave and Primawave assets, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. Such indicators include changes in our Company's business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future operating expenditures.

As at August 31, 2011, an impairment test was carried out on the oilfields in accordance with the accounting policy stated in note 2 (g) to the audited financial statements. All calculations require the use of estimates, and the present value of future cash flows was computed on a pre-tax basis by applying forecast prices of oil to estimated future production of proved reserves, less estimated future operating expenditures. The commodity price estimates, production rates, operating expenses, and discount rates are a source of measurement uncertainty in Wavefront's impairment test since there can be no assurance as to actual results. As such any calculated impairment loss, and the resulting carrying values, may not be indicative of the actual values.

If the forecast oil prices applied to the impairment test for oilfield property, plant and equipment were to change by ten (10%) per cent, the change in the recoverable amount would increase or decrease by approximately \$96,479. The ten (10%) per cent change in oil prices however, would not result in recording any impairment amount.

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Wavefront also assesses its goodwill for possible impairment on an annual basis or when an event or circumstance occurs that more likely than not reduces the fair value of a reporting unit below its carrying amount. Circumstances include significant adverse change in legal factors or in the business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, and a more-likely-than-not expectation that a significant portion or all of a reporting unit will be sold or otherwise disposed of.

Impairment tests as at August 31, 2011, did not indicate that a provision for impairment loss was necessary for goodwill or any other assets of Wavefront. However, during the 2011 fiscal year the Company identified specific Powerwave tools that were determined to be functionally obsolete or where the repair costs of those specific Powerwave tools exceeded their net book value. The specific tool assessment was made in light of our Company enhancing its tool designs, manufacturing and assembly processes.

Asset Retirement Obligations

Under CICA Handbook Section 3110, "Asset Retirement Obligations", Wavefront is required to recognize a liability for the future retirement obligations associated with its property, plant and equipment. An Asset Retirement Obligation liability associated with the retirement of a tangible long-lived asset is recognized to the extent of a legal obligation resulting from an existing or enacted law, statute, ordinance or written or oral contract, or by legal construction of a contract. The Asset Retirement Obligation is based on estimated costs, taking into account the anticipated method and extent of restoration consistent with legal requirements, technological advances and the possible use of the site. Since these estimates are specific to the sites involved, there are many individual assumptions underlying Wavefront's total Asset Retirement Obligation amount. These individual assumptions can be subject to change.

The estimated fair values of Asset Retirement Obligation's related to long-term assets are recognized as a liability in the period in which they are incurred. Retirement costs equal to the estimated fair value of the Asset Retirement Obligation are capitalized as part of the cost of associated capital assets and are amortized to expense through depletion over the life of the asset. The fair value of the Asset Retirement Obligation is estimated by discounting the expected future cash flows to settle the Asset Retirement Obligation at Wavefront's average credit-adjusted risk-free interest rate, which is currently 9.49%. In subsequent periods, the Asset Retirement Obligation is adjusted for the passage of time and for any changes in the amount or timing of the underlying future cash flows. The estimates described impact earnings by way of depletion on the retirement cost and accretion on the asset retirement liability. In addition, differences between actual and estimated costs to settle the Asset Retirement Obligation, timing of cash flows to settle the obligation and future inflation rates may result in gains or losses on the final settlement of the Asset Retirement Obligation.

CHANGES IN ACCOUNTING POLICIES

The changes in accounting policies and future accounting changes not yet applied relate to the adoption of International Financial Reporting Standards ("IFRS").



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

FINANCIAL AND OTHER INSTRUMENTS

Wavefront's significant financial and other instruments consist of accounts receivable, accounts payable and accrued liabilities and interest bearing obligations such as its operating line, amounts due to shareholders, and other amounts that will result in future cash outlays.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. Wavefront'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 dispersed across geographic areas. Credit risk, with respect to accounts receivables in Canada and the United States, is also limited due to Wavefront's credit evaluation and cash management processes.

Foreign currency risk

Wavefront 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. Wavefront does not use derivative instruments to reduce its exposure to foreign currency risk.

Fair value of financial instruments

The carrying value of Wavefront'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's 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.

SUPPLEMENTARY INFORMATION

Summary of Quarterly Results

	1st Qtr Nov 30 '11	4th Qtr Aug 31 '11	3rd Qtr May 31 '11	2nd Qtr Feb 28 '11
Revenue	\$ 1,111,555	\$ 1,120,583	\$ 1,081,576	\$ 940,090
Net loss and comprehensive loss	(991,160)	(1,223,069)	(929,407)	(870,610)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Common shares outstanding				
Weighted average shares outstanding	82,847,871	82,837,923	82,835,682	82,833,538
Diluted shares outstanding	83,272,426	84,135,272	84,500,376	84,064,547



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	1st Qtr Nov 30 '10	4th Qtr Aug 31 '10	3rd Qtr May 31 '10	2nd Qtr Feb 28 '10
Revenue	\$ 869,672	\$ 704,080	\$ 672,260	\$ 472,428
Net loss and comprehensive loss	(1,469,592)	(3,720,982)	(1,802,988)	(1,778,332)
Basic and diluted loss per share	\$ (0.02)	\$ (0.05)	\$ (0.02)	\$ (0.03)
Common shares outstanding				
Weighted average shares outstanding	82,827,568	75,770,126	73,401,925	72,028,109
Diluted shares outstanding	84,075,144	76,133,567	73,828,664	72,463,649

note 1: Certain financial data has been re-classified to conform with the current IFRS presentation.

note 2: The reporting periods of November 30, 2011 and 2010, and August 31, 2011 and 2010 include the IFRS adjustments related to decommissioning liabilities and accretion.

note 3: All amounts are in Canadian dollars except per share data.

DESCRIPTION OF SHARE CAPITAL

As at November 30, 2011, Wavefront's share capital consisted of the following:

Common shares	
Authorized:	unlimited
Issued and outstanding:	
Free trading	82,944,574
Convertible into common shares	
Share purchase warrants	5,219,085
Incentive stock options	<u>2,646,500</u>
	7,865,585
Fully diluted share capital:	<u>90,810,159</u>

Market for Securities

The common shares of Wavefront Technology Solutions Inc. are listed on the TSX Venture Exchange under the symbol of WEE, and trade on the International OTCQX under the symbol of WFTSF.

Options granted during the period

The Corporation maintains a Stock Option Plan under which it may grant options for up to 10,771,583 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 stock 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.



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Date of Grant	Number of Shares	Optionee	Exercise Price	Expiry Date
September 16, 2011	165,000	Employee	\$ 0.66	September 16, 2016
	165,000			

Share purchase warrants granted during the period

During the 2011 fiscal year end, no share purchase warrants were issued.

CONTROLS AND PROCEDURES

Under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Company, as a "Venture Issuer" files on an annual basis Form 52-109FV1, the "*Certificate of annual filings – venture issuer basic certificate*" (the "**Annual Form**") which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal controls over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing the Annual Form are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and,
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

However, the Company's management, and its certifying officers on the Annual Form are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in that Annual Form. The Annual Form does contain representations which confirms that management has established processes, which are in place to provide the certifying officers with sufficient knowledge to support their written representations that they have exercised reasonable diligence that (i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and that (ii) the audited annual financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited financial statements.

The Company's certifying officers of the Annual Form are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in that certificate. However, the reader should be aware that inherent limitations on the ability of the certifying officers to design and implement, on a cost effective basis, DC&P and ICFR for the Company as defined in NI 52-109, may result in additional risks

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to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation, including this Management Discussion & Analysis.

FORWARD-LOOKING INFORMATION

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 of Wavefront and or any of its subsidiaries, as described in the Management Discussion and Analysis above, are "forward-looking statements". Statements of this type are contained in this report, including the discussion of future conditions under the headings "Overall Results from Operations" and "Liquidity and Capital Resources" and expectations under the heading "Outlook". We provide a financial outlook (a type of forward-looking statement) for Wavefront's business under the heading "Outlook" in order to describe the management expectations and targets by which Wavefront measures its success and to assist Wavefront shareholders in understanding Wavefront's financial position as at and for the periods ended on the dates presented in this report. Readers are cautioned that this information may not be appropriate for other purposes. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other 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 material 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. For a more detailed description of these risks, and of other risks to which Wavefront is subject, please see the "Risks and Uncertainties" section in our Annual Report for the year ended August 31, 2011 incorporated by reference herein. In determining Wavefront's forward-looking statements, Wavefront considers material factors including assumptions and expectations about: the "Technology Adoption" section, customer demand and adoption rates for Wavefront's products; commodity prices and interest and foreign exchange rates; and the availability and cost of inputs, labour and services, patent, technology and competitive risk. These material risk factors and material assumptions are not intended to represent a complete list of the factors that could affect Wavefront; please see other factors that are described in further detail in Wavefront's continuous disclosure filings, from time to time, and available on SEDAR at www.sedar.com.

The forward-looking statements contained herein represent Wavefront's expectations at December 2, 2011, and, accordingly are subject to change after such date. Except as may be required by law, Wavefront does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time.

ADDITIONAL INFORMATION

Additional information regarding Wavefront Technology Solutions Inc. can be found on System for the Electronic Document Analysis and Retrieval ("SEDAR" at www.sedar.com).