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www.onthewavefront.com

For Immediate Release

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## **WAVEFRONT ENERGY & ENVIRONMENTAL SERVICES INC.**

### **Announces First Quarter Results**

EDMONTON, Alta., January 29, 2009/ Wavefront Energy and Environmental Services Inc. ("Wavefront"), a leader in technology development and implementation for improved oil recovery and optimized groundwater remediation announces its financial and operating results for the first quarter ended November 30, 2008.

During the first quarter of fiscal 2009, a licensed provider of Powerwave completed four, royalty bearing, coil tubing well stimulations in Colombia. Three of the stimulations were completed with a Brazilian-based oil and gas producer while one stimulation was undertaken by a Colombia-based client. Also during the quarter, the Corporation began recognizing revenue from the installation of Powerwave systems that have been announced over the last fiscal year. Although the revenues from these systems were not significant, they are now starting to grow with the increase in the numbers of systems installed.

Revenues for the three months ended November 30, 2008 were \$430,955, an increase of \$146,137 from the revenues recognized in the corresponding period of 2007 of \$248,818. The increase in revenues relate primarily to the interest generated from the investments of cash from private placements, and related subsequent warrant exercises that closed on December 24, 2007 and January 31, 2008.

The basic and dilute net loss for the three months ended November 30, 2008 was \$2,694,935 (\$0.04 per share), compared to \$1,018,271 (\$0.02 per share) in 2007. The Corporation's expenses through the three month period were \$3,125,890 compared to \$1,303,089 for the comparative period in 2007. The increase of \$1,822,801 was primarily from:

- During the reporting period there was a precipitous drop in commodities prices, which in general has affected the valuation of resource properties across the energy sector. The drop in commodity prices was viewed by the Corporation as a triggering event, causing it to fair value its oilfield related assets. As a result, the Corporation realized a non-cash, write-down of its Rogers County oilfield property, plant and equipment and Royalty Rights by \$1,689,148.
- General and administrative expenses increased by \$260,697 due principally to increased wage, office, professional, vehicle, and consultant expenses; and
- Selling, marketing and travel expenses increased by \$116,069 which relates to increased activity and resulting increase in the size of the Corporation's sales force and operating at multiple office locations across Canada and the United States. The Corporation will continue to expand its sales network focusing on the United States southeast and west coast locations.

Offsetting expense increases noted above were decreases in direct expenses related to service and royalties to \$92,710 (or 38.6% of gross services and royalty revenue), compared to \$143,273 (or 71.2% of gross service and royalty revenue) for the comparative reporting period. The decrease in direct costs relates principally to the Corporation recognizing the installation costs of overriding royalty Powerwave projects, i.e., projects where the Corporation receives a percentage of net or gross production revenue in the comparative period.

Research and development expenses also decreased by \$102,414. The decrease can be attributed to the comparative period's reclassification of \$122,074 of costs that were previously included in assets under construction.

Total assets decreased by \$1,932,403 to \$29,996,324 from August 31, 2008 to November 30, 2008. The decrease was primarily due to a decrease of \$1,081,138 in cash that was used to fund working capital requirements and for the purchase of property, plant and equipment. The decrease in assets was also affected by the decision by the Corporation to write-down its oilfield related property, plant and equipment and Royalty Rights.



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As at November 30, 2008, the Corporation had working capital of \$20,638,705. The Corporation believes that its working capital position will continue to decline despite having a significant increase in the number of Powerwave contracts in-hand, as Wavefront cannot commence billing of Powerwave clients that have execute contracts in-hand till such time that the Powerwave systems are installed and operational. The Corporation cannot control the installation rate of such Powerwave systems, which are controlled and dictated by the oil producers, who often want such installations to occur when other work is being performed on the well targeted for the Powerwave installation.

The Corporation believes that lower commodity prices may also force producers to look at alternatives to replacing produced reserves, which may be favorable to the adaptation rate Corporation's Powerwave technology. However, the Corporation is not immune to the global economic conditions that continue to deteriorate, inclusive of increases in United States and Canadian unemployment rate, or the volatility in the commodity markets and foreign exchange rate.

The above financial highlights should be read in conjunction with the unaudited consolidated financial statements and management discussion and analysis of results for Wavefront's most recently completed quarter, ended November 30, 2008, which have been filed on SEDAR.

The Corporation is also pleased to announce that it is currently finalizing its due diligence and negotiation a potential acquisition of a complementary company to that of Wavefront Sand Pumps & Rentals Ltd. Although a non-binding Letter of Intent has been entered into, the closing of the transaction and the terms cannot be assured at this time.

***About Wavefront Energy and Environmental Services Inc.***

Wavefront is a technology-based company with a focused, strategic plan to leverage the value of our intellectual property in order to maximize oil production recovery operations, as well as provide additional solutions for environmental applications.

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ON BEHALF OF THE BOARD OF DIRECTORS

***WAVEFRONT ENERGY AND ENVIRONMENTAL SERVICES INC.***

*"D. Brad Paterson" (signed)*

D. Brad Paterson, CFO & Director

Cautionary Disclaimer – Forward Looking Statements

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", "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](http://www.sedar.com). Wavefront expressly disclaims any obligation to up-date any "forward-looking statements", other than as required by law.

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