



Wavefront Announces Fiscal Second Quarter 2013 Results

EDMONTON, Alta., April 29, 2013 Wavefront Technology Solutions Inc. (“Wavefront” or the “Company”, TSX-V: WEE; OTCQX: WFTSF) a developer of leading-edge technology for fluid injection optimization for improved performance and profitability in the oil and gas and environmental sectors announces its financial results for the second quarter ending February 28, 2013.

Wavefront is a technology company with a reputation for quality, innovation and creativity. Wavefront is focused on global markets and utilizes its patented technology to provide measurable solutions when exploration and production companies (or “E&P” companies) are faced with the challenges of optimizing oil production, well intervention and performance drilling.

With the evolution of our core “*pressure-pulse technology*” to encompass a portfolio of products, our new theme, “From Bit to Last Drop”, encompasses the life cycle of a client’s post exploration operations. The Company’s primary focus areas are: performance drilling; well stimulation; and mature field revitalization.

Innovative new Neptune designed to ensure constant water distribution

New developments this quarter include Wavefront’s introduction of the “Neptune”, an innovative pulsating selective injection waterflood regulator valve. Waterflood regulator valves are designed to inject water into a desired zone but are often plagued by scaling issues which inhibit water injection. This type of injection system is widely used in South America and Asia with as many as 21 valves in a single water injection well.

Injection rates and water distribution are crucial for maximizing overall oil recovery. The Neptune is designed to prevent scaling thus ensuring seamless, continuous injection enabling oil producing companies to maintain injection rates and improve water distribution in the oil-bearing formation.

In South America there are approximately 17,000 water regulator valves in use.¹ Wavefront’s marketing strategy is to sell the Neptune to clients with a target price of US \$4,500 per valve. To obtain a recurring revenue stream the pulsating injection head on the Neptune would be replaced approximately every two years at a target price of US \$1,500 per injection head.

¹ Eduardo Tidball, Binning Oil Tools, 2013

Realigned marketing plan capitalizes on evolving markets and international EOR opportunities

After a careful review of evolving market forces in the U.S. and Canada Wavefront's Board of Directors adopted a realignment of our strategic plan to guide Wavefront's operations in two key areas. Marketing in North America will focus primarily on performance drilling and well stimulation in 2013 and beyond, to promote the strengths of our stimulation and performance drilling technologies in response to the growing demand for these services throughout the U.S. and Canada.

This demand increase presents significant and almost immediate revenue generation potential and is the result of two key market developments. The first is the long term view of the price differential between the benchmark heavy oil prices in Canada, Western Canadian Select ("WCS") relative to West Texas Intermediate ("WTI") which has ranged from approximately \$20 to \$40 per barrel. The Company anticipates that prolonged high price differentials may negatively impact Powerwave mature field revitalization revenue generated in the Canadian market as oil producers evaluate operational strategies to reduce operating costs to address low Netback from production operations (Netback is calculated by taking the price of the oil, less all costs associated with getting the oil to a market. These costs can include; transportation, production and disposal, refining costs, royalty fees, taxes, and other costs).

The second market development is the focus of U.S. operators on tight oil plays and the technology in demand for operations in these conditions. In both cases there has been a move away from mature field revitalization and strongly towards drilling unconventional resources and stimulations. Wavefront's realigned marketing plan capitalizes on these market shifts while still utilizing its core Powerwave technologies, high gross profit margins and recurring revenue generating opportunities.

Wavefront will continue to market projects in Enhanced Oil Recovery ("EOR"), primarily to high value markets in Latin and South America, the Middle East and Asia. Within these markets there is tremendous revenue generation opportunity for EOR, despite the long sales cycle of approximately 9 months and two years required for evaluation of the technology.

Wavefront's fluid pulsing performance drilling tools were introduced to the drilling market in October 2012 and have been under evaluation in both Canada and the United States. The evaluation testing phase is required to better understand the use of the tools as well as to make necessary improvements to the quality control/quality assurance of the tool design to maximize tool benefits while ensuring tool integrity during operation. During this initial tool evaluation phase clients were provided a full discount on the day rate in exchange for data performance. The Company has recently, subsequent to the reporting period, started charging a daily rental rate ranging from \$2,500 to \$3,500 per day.

During the evaluation phase Wavefront obtained a wide range of results for ROP from 94% improvement to a 0% improvement. Generally, ROP increases fell within the 5% to 30% range.

"We are confident that Wavefront's growing suite of technologies, our patents, our experience and expertise and the strength of the Powerwave brand name positions the Company well over the long term to take advantage of the North American market opportunities related to performance drilling, well stimulation, and mature field revitalization," said Wavefront President and CEO, Brett Davidson. "At the same time, we are equally confident that our Enhanced Oil Recovery business has tremendous potential in Latin and South America, the Middle East and Asia."

Financial highlights for the three months ended February 28, 2013 include;

- Total revenues were \$1,027,488, a decrease of \$367,514 over the comparative period in 2012 that recognized revenues of \$1,395,002. The decrease in long-term Powerwave projects related to mature field revitalization seen in the Company's three market focus areas relate to the renegotiation of international contracts (i.e., involving the changing the contract term, numbers and types of tools involved, etc.); reduction of revenues due to expiring and changing contract terms; the focus of United States operators on replacing produced reserves through drilling unconventional resources; international withholding taxes; and macroeconomic conditions such as the heavy oil price differential in Canada. Moving forward the international contracts in Brazil and

Colombia, worth approximately \$1.9 million, and elsewhere will drive future long-term Powerwave mature field revitalization revenue streams.

- The total revenue of long-term Powerwave projects related to secondary and tertiary oil recovery mature field revitalization involving either waterflooding or CO2 flooding totalled \$402,004 compared to \$778,376 in the comparative period.
- Powerwave revenues related to well stimulations totalled \$347,892, an increase of \$184,561 compared to \$163,331 in the comparative period. Further revenue growth is anticipated as the geographical client base and client experience with stimulation approaches are adopted.
- Despite changes in product mix and revenues, cost of sales remained relatively stable at \$239,512 (or 23.3% of revenues) compared to \$307,409 (or 22.0% of revenues) for the comparative reporting period.
- The Company continued its focus on cost controls with total expenses decreasing by \$232,128 or approximately 8.9% to \$2,414,869. Excluding amortization, depreciation and depletion total expenses decreased by \$317,590 or 13.7%.
- As at February 28, 2013, the Company had total assets of \$26,802,263, of which cash and cash equivalents on hand amounted to \$12,060,937.

The above financial highlights should be read in conjunction with the unaudited consolidated financial statements and management discussion and analysis of results for Wavefront for the second quarter ended February 28, 2012, which were filed on SEDAR on April 29, 2013.

“Wavefront continues to focus on growth in all product lines, maintaining high gross profit margins, and controlling expenses,” said Davidson. “We’re committed to meeting the needs of the marketplace with best-in-class technologies, knowledgeable people and attractive business arrangements that help our clients achieve greater profitability.”

ON BEHALF OF THE BOARD OF DIRECTORS

WAVEFRONT TECHNOLOGY SOLUTIONS INC.

“D. Brad Paterson” (signed)

D. Brad Paterson, CFO & Director

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