



CriticalControl Solutions Corp.
Consolidated Financial Statements
September 30, 2010

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements.

Consolidated Balance Sheet

(in thousands of Canadian dollars)

	September 30, 2010	December 31, 2009
Assets		
Current assets:		
Cash	1,191	1,049
Accounts receivable	7,569	7,326
Unbilled revenue	297	259
Inventory	3,672	2,768
Prepaid expenses and other	1,915	2,074
	14,644	13,476
Investment tax credit receivable	580	580
Deferred costs	59	59
Future tax asset	331	435
Property & equipment	3,005	3,421
Intangible assets	10,046	11,114
Goodwill	11,122	11,344
	39,787	40,429
Liabilities and Shareholders' Equity		
Current liabilities:		
Operating line of credit (note 6)	1,250	2,698
Accounts payable and accrued liabilities	3,235	4,628
Unearned revenue	1,805	2,331
Current portion of long-term debt (note 7)	3,122	1,610
Current portion of deferred lease inducement	160	160
	9,572	11,427
Deferred lease inducement and other long term liabilities	1,179	1,339
Future tax liability	1,710	1,738
Long term debt (note 7)	5,459	8,320
	17,920	22,824
Shareholders' equity:		
Share capital (note 8)	26,416	24,110
Contributed surplus (note 8)	928	1,005
Deficit	(5,167)	(7,526)
Accumulated other comprehensive income	(310)	16
	21,867	17,605
	39,787	40,429

See accompanying notes to consolidated financial statements.

On behalf of the Board:

(signed) "William Hammett"
William Hammett

(signed) "Alykhan Mamdani"
Alykhan Mamdani

Consolidated Statements of Operations

(in thousands of Canadian dollars, except share data)

	Three Months Ended Sep 30, 2010	Three Months Ended Sep 30, 2009	Nine Months Ended Sep 30, 2010	Nine Months Ended Sep 30, 2009
Revenue	11,669	7,057	37,507	19,119
Cost of revenue	6,457	3,396	21,093	9,185
	5,212	3,661	16,414	9,934
Operating expenses:				
Selling and administrative	2,946	2,321	10,024	6,335
Research & development	290	186	920	523
Amortization of property & equipment	302	305	960	808
Amortization of customer relationships & contracts	375	191	1,041	492
(Gain)/loss on foreign exchange	8	(15)	(152)	(29)
Interest	134	8	435	14
	4,055	2,996	13,228	8,143
Income before income tax	1,157	665	3,186	1,791
Income tax expense	304	0	827	0
Net income	853	665	2,359	1,791
Net income per share				
Basic earnings	0.02	0.02	0.06	0.04
Diluted earnings	0.02	0.02	0.05	0.04
Weighted average number of shares outstanding				
Basic	46,334,556	40,864,943	43,668,651	41,603,216
Diluted	46,892,791	42,956,512	44,374,662	42,300,403

Consolidated Statements of Other Comprehensive Income

	Three Months Ended Sep 30, 2010	Three Months Ended Sep 30, 2009	Nine Months Ended Sep 30, 2010	Nine Months Ended Sep 30, 2009
Net income	853	665	2,359	1,791
Other comprehensive income				
Foreign currency translation	(283)	-	(326)	-
Total comprehensive income	570	665	2,033	1,791

Consolidated Statements of Deficit and Accumulated Other Comprehensive Income

	Three Months Ended Sep 30, 2010	Three Months Ended Sep 30, 2009	Nine Months Ended Sep 30, 2010	Nine Months Ended Sep 30, 2009
Deficit, beginning of period	(6,020)	(9,424)	(7,526)	(10,550)
Net income	853	665	2,359	1,791
Deficit, end of period	(5,167)	(8,759)	(5,167)	(8,759)
Accumulated other comprehensive income, beginning of period	(27)	-	16	-
Foreign currency translation	(283)	-	(326)	-
Accumulated other comprehensive income, end of period	(310)	-	(310)	-

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

	Three Months Ended Sep 30, 2010	Three Months Ended Sep 30, 2009	Nine Months Ended Sep 30, 2010	Nine Months Ended Sep 30, 2009
Cash flows from (used in) operating activities:				
Net income	853	665	2,359	1,791
Items not involving cash:				
Accretion of long term debt	26		84	
Amortization of property & equipment	302	305	960	808
Amortization of customer relationships & contracts	375	191	1,041	492
Amortization of deferred lease inducement	(45)	(43)	(136)	(123)
	1,511	1,118	4,308	2,968
Change in non-cash working capital balances from operating activities:				
Accounts receivable	1,492	(458)	330	806
Unbilled revenue	(56)	29	(38)	173
Inventory	(601)	8	(908)	6
Prepaid expenses and other	85	166	161	44
Accounts payable and accrued liabilities	(1,566)	(807)	(2,298)	(2,072)
Unearned revenue	(173)	(161)	(526)	(6)
Increase in cash from operations	692	(105)	1,029	1,919
Cash flows from (used in) financing activities:				
Shares issued for cash	-	-	2,229	5
Repurchase of shares for cancellation	-	-	-	(470)
Proceeds (payments) from (to) operating line of credit	1,161	(492)	(1,447)	(492)
Proceeds from long term debt	-	-	554	-
Repayment of long term debt	(1,208)	(17)	(1,317)	(868)
	(47)	(509)	19	(1,825)
Cash flows from (used in) investing activities:				
Proceeds from sale of property & equipment	-	-	9	-
Purchase of property & equipment	(85)	(193)	(504)	(362)
Acquisition of business (note 4)	-	168	(411)	168
	(85)	(25)	(906)	(194)
Increase (decrease) in cash	560	(639)	142	(100)
Cash, beginning of period	631	1,666	1,049	1,127
Cash, end of period	1,191	1,027	1,191	1,027
Supplemental disclosure of cash flow information:				
Cash interest paid	134	8	435	14

See accompanying notes to consolidated financial statements.

1. Basis of Presentation

The interim consolidated financial statements of CriticalControl Solutions Corp. (the "Corporation") have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual audited consolidated financial statements. These interim consolidated financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the Corporation's annual audited consolidated financial statements as at and for the year ended December 31, 2009, except as described in note 2. In management's opinion, the interim consolidated financial statements include all adjustments necessary to fairly present such information.

2. Accounting Policy Changes

On January 1, 2010, the Corporation early adopted the three new accounting standards issued in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests". Section 1582 replaces Section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") IFRS 3, "Business Combinations". Sections 1601 and 1602 together replace Section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements. It is equivalent to the corresponding provisions of International Accounting Standards ("IAS") IAS-27, "Consolidated and Separate Financial Statements". The adoption of these standards did not have a material impact on the interim consolidated financial statements.

3. Segmented Information

The Corporation has identified Service Bureau Operations and Energy Services as reportable segments which are used to manage the business and key areas of potential growth to increase profitability. Prior to 2010, Services Bureau Operations consisted primarily of the Corporation's government services based in Alberta and now includes the operations resulting from the Corporation's expansion of such business outside of Alberta and to verticals outside its previous scope. The segmented disclosures reflect these key segments.

All public company costs, interest and other expenses not directly attributed to the two operating segments are included in corporate.

In assessing performance of the segments and the allocation of resources to the segments, management of CriticalControl evaluates gross margin directly attributable to the segments.

All of the Corporation's identifiable assets are located in Canada and U.S.

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(in thousands of Canadian dollars, except share data)

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	Service Bureau Operations	Energy Services	Corporate	Three months ended Sep 30, 2010
Revenue	4,321	7,348	-	11,669
Cost of revenue	2,860	3,597	-	6,457
Gross margin	1,461	3,751	-	5,212
Selling & administrative expense	1,191	916	839	2,946
Research & development expense	-	290	-	290
Amortization of property & equipment	111	168	23	302
Amortization of customer relationships & contracts	198	177	-	375
Interest & other expenses	-	-	142	142
	1,500	1,551	1,004	4,055
Income (loss) before income tax	(39)	2,200	(1,004)	1,157
Segment assets	12,187	27,242	358	39,787
Goodwill	3,820	7,302	-	11,122
Capital expenditures	18	58	9	85

	Service Bureau Operations	Energy Services	Corporate	Three Months ended Sep 30, 2009
Revenue	4,258	2,799	-	7,057
Cost of revenue	2,542	854	-	3,396
Gross margin	1,716	1,945	-	3,661
Selling & administrative expense	1,131	560	630	2,321
Research & development expense	-	186	-	186
Amortization of property & equipment	102	202	1	305
Amortization of customer relationships & contracts	93	98	-	191
Interest & other expenses	-	-	(7)	(7)
	1,326	1,046	624	2,996
Income (loss) before income tax	390	899	(624)	665
Segment assets	11,338	12,730	59	24,127
Goodwill	2,490	3,820	-	6,310
Capital expenditures	126	67	-	193

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	Service Bureau Operations	Energy Services	Corporate	Nine months ended Sep 30, 2010
Revenue	14,245	23,262	-	37,507
Cost of revenue	9,491	11,602	-	21,093
Gross margin	4,754	11,660	-	16,414
Selling & administrative expense	4,151	2,704	3,169	10,024
Research & development expense	-	920	-	920
Amortization of property & equipment	331	583	46	960
Amortization of customer relationships & contract	540	501	-	1,041
Interest & other expenses	-	-	283	283
	5,022	4,708	3,498	13,228
Income before income tax	(268)	6,952	(3,498)	3,186
Segment assets	12,187	27,242	358	39,787
Goodwill	3,820	7,302	-	11,122
Capital expenditures	130	182	192	504

	Service Bureau Operations	Energy Services	Corporate	Nine months ended Sep 30, 2009
Revenue	10,400	8,719	-	19,119
Cost of revenue	6,241	2,944	-	9,185
Gross margin	4,159	5,775	-	9,934
Selling & administrative expense	2,636	1,917	1,782	6,335
Research & development expense	-	523	-	523
Amortization of property & equipment	222	583	3	808
Amortization of customer relationships & contract:	200	292	-	492
Interest & other expenses	-	-	(15)	(15)
	3,058	3,315	1,770	8,143
Income before income tax	1,101	2,460	(1,770)	1,791
Segment assets	11,338	12,730	59	24,127
Goodwill	2,490	3,820	-	6,310
Capital expenditures	257	105	-	362

For the nine months ended September 30, 2010 the Corporation derived approximately 13% (2009 – 40%) of its total revenue from the Government of Alberta. As at September 30, 2010, 11% (2009 – 14%) of accounts receivable pertained to this customer.

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The Corporation earned revenue from sales to customers in the following geographical areas (based on location of the customer):

	Three months ended Sep 30, 2010	Three months ended Sep 30, 2009	Nine months ended Sep 30, 2010	Nine months ended Sep 30, 2009
Canada	6,954	7,057	22,284	19,119
U.S.A.	4,715	-	15,223	-
	11,669	7,057	37,507	19,119

	September 30, 2010		Total	September 30, 2009		Total
	Canada	U.S.A.		Canada	U.S.A.	
Segmented Assets	25,679	14,108	39,787	24,127	-	24,127
Goodwill	6,529	4,593	11,122	6,310	-	6,310

4. Business Acquisitions

- a. On May 1, 2010, the Corporation acquired 100% of the outstanding shares of QM4 Engineering Ltd. ("QM4") for \$500 cash. Additional contingent consideration totaling a maximum of \$3,000 will be payable over the next 5 years upon meeting certain revenue growth criteria, the occurrence of which is not currently determinable. This component of the purchase price will be recognized as an expense if and when the future event is realized and the contingent consideration is paid. The purchase price was financed by a term loan from the Corporation's bank at prime plus 1.55%, repayable on December 31, 2010.

QM4 is a provider of advanced algorithms which analyze natural gas production and composition information together with spatial data to determine areas of risk for production flow degradation and corrosion in complex gathering systems.

The acquisition has been accounted for using the acquisition method and the results of operations are included in the consolidated statements of operations and other comprehensive income from the date of acquisition. The acquisition equation is preliminary and subject to change.

Fair value of net assets acquired	
Cash	65
Non-cash working capital	163
Property & equipment	9
Future tax liability	(104)
Customer relationships & contracts	367
Net assets acquired	500
Consideration	
Cash	500
	500

- b. On November 1, 2009, CriticalControl Energy Services Inc., ("CCES") incorporated in Delaware, a wholly-owned subsidiary of the Corporation acquired 100% of the outstanding shares of Gas Analytical Service, Inc. ("GAS") for \$11,170. GAS is a provider of natural gas measurement services based in Bridgeport, West Virginia with field offices in Indiana, Pennsylvania and Canonsburg, Pennsylvania.

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The purchase price consisted of \$960 cash, \$9,669 promissory note bearing an interest rate of 4% over a period of 5 years and transaction costs of \$541. The acquisition has been accounted for using the purchase method, and the results of operations are included in the consolidated statements of operations and other comprehensive income from the date of acquisition. Upon further review of the purchase equation and based on recommendation of an external valuation report, the original purchase price allocation as reported as of December 31, 2009 has been revised. The value of the promissory note was adjusted to fair value reflecting the prevailing interest rates, with the offset being allocated to intangible assets and goodwill.

Fair value of net assets acquired	
Cash	422
Non-cash working capital	3,068
Property & equipment	938
Long term debt	(244)
Future tax liability	(1,737)
Customer relationships & contracts	3,176
Non Competition agreement	291
Goodwill	4,791
Net assets acquired	10,705

Consideration	
Cash	960
Promissory note	9,204
Transaction costs	541
	10,705

- c. On October 1, 2009 the Corporation acquired 100% of the outstanding shares of Southport Data Systems Inc. ("Southport") for \$1,828, consisting of \$1,500 cash, \$300 non-interest bearing promissory note due on the 12 month anniversary, and transaction costs of \$28. Contingent consideration of \$500 will be payable upon meeting certain performance criteria, the occurrence of which is not currently determinable. This component of the purchase price will be recognized as an additional cost of the purchase being assigned to customer relationships if and when the future event is realized and the contingent consideration is paid.

The acquisition has been accounted for using the purchase method and the results of operations are included in the consolidated statements of operations and other comprehensive income from the date of acquisition.

Fair value of net assets acquired	
Cash	191
Non-cash working capital	1
Property & equipment	417
Long term liabilities	(69)
Future tax liabilities	(699)
Customer relationships & contracts	1,768
Goodwill	219
Net assets acquired	1,828

Consideration	
Cash	1,500
Promissory note	300
Transaction costs	28
	1,828

- d. On July 31, 2009, the Corporation acquired 100% of the outstanding shares of BPO Management Services, Ltd. ("BPOMS"). Pursuant to the acquisition, the Corporation assumed non-cash working capital of \$2,684 including BPOMS line of credit for \$1,517 and long term debt of \$17, which were paid out on closing. The acquisition has been accounted for using the purchase method and the results of operations are included in the consolidated statements of operations and other comprehensive income from the date of acquisition.

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Fair value of net assets acquired	
Cash	268
Property & equipment	339
Future tax asset	936
Non-cash working capital	(2,527)
Customer relationships & contracts	1,984
Net assets acquired	1,000
Consideration	
Cash	100
Restructuring costs	725
Transaction costs	175
	1,000

5. Income Taxes

As at September 30, 2010 the Corporations' Canadian subsidiaries had non-capital loss carry-forwards for income tax purposes available to reduce future taxable income. Income taxes payable for the Corporations' US subsidiary have been accrued.

6. Operating Line of Credit

The Corporation has a secured revolving line of credit with a Schedule "A" Canadian chartered bank, for up to \$5,000 to support the Corporation's working capital requirements. The line bears interest at prime plus 1.25% payable monthly in arrears. The line of credit is limited by the standard margining of accounts receivable and the outstanding letters of credit of \$200 which reduce the Corporation's available funds under its operating line of credit.

Pursuant to a US\$9,000 promissory note issued in relation to the acquisition of GAS, the Corporation has agreed, with the vendor, not to increase the Corporation's operating line above \$5,000 until a total of US\$3,000 has been repaid on the promissory note due to the vendor (notes 4b and 7).

7. Long-term Debt

The Corporation has the following long-term debt obligations:

	September 30 2010	December 31, 2009
Unsecured promissory note, \$300 due on October 1, 2010.	300	300
Secured promissory note US\$9,000 maturing November 1, 2014.	7,745	9,419
Installment loans with financial institutions, payable in variable monthly installments of \$12, including interest rates of 0% to 9.25%, maturing at various dates through July 2013, secured by vehicles.	162	211
Term loan, \$476 due on May 31, 2011	374	
	8,581	9,930
Less: current portion	3,122	1,610
	5,459	8,320

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On October 1, 2009 the Corporation, upon the acquisition of Southport (note 4c) issued a \$300 promissory note to the previous shareholders of Southport Data Systems Inc. The note is non interest bearing, due and paid on October 1, 2010.

On November 1, 2009 the Corporation, upon the acquisition of GAS (note 4b) issued a \$9,669 (US\$9,000) promissory note, bearing interest at the rate of 4% per annum over a 5 year term. The promissory note is secured by a general security agreement with a first priority security interest on all of the Corporation's present and after acquired property and assets of GAS. Interest payments are payable on a quarterly basis and the principal payment will be made as per the following schedule:

Year	
2011	2,317 (US\$2,250)
2012	2,703 (US\$2,625)
2013	1,545 (US\$1,500)
2014	1,545 (US\$1,500)
	8,110 (US\$7,875)

For the purposes of the purchase price equation of the GAS acquisition, a portion of the total principal payments of \$8,110 has been treated as interest due to the interest rate on the promissory note compared to the cost of debt to the Corporation in the open market. Accordingly \$7,745 of the promissory note has been accounted for as long term debt and the remaining \$365 of the principal payments will be accreted to the debt over the remaining term of the promissory note.

On May 1, 2010, upon acquisition of QM4, the Corporation entered into a \$476 term loan agreement with its bank. The term loan bears interest at prime plus 1.55% and is repayable on May 31, 2011.

8. Share Capital

a. **Authorized:** Unlimited common shares without nominal or par value.

b. **Issued and Outstanding**

Common shares		Amount
Balance, December 31, 2009	42,216,782	\$24,110
Issued on exercise of stock options	69,998	\$49
Issued on redemption of deferred shares (note 8e)	147,776	57
Issued on private placement subscriptions	3,900,000	2,200
Balance, September 30, 2010	46,334,556	\$26,416

During the nine months ended September 30, 2010, options to purchase common shares were exercised for proceeds of \$29. The additional \$20 credited to share capital represents a transfer of the contributed surplus in respect of these options.

c. **Contributed Surplus**

Balance, December 31, 2009	\$1,005
Stock-based compensation expense	-
Redemption of deferred shares (note 8e)	(57)
Reclassification to share capital for stock options exercised (note 8b)	(20)
Balance, September 30, 2010	\$928

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d. Stock Option Plan

As at September 30, 2010, the Corporation had 10,000 (2009 – 139,327) stock options outstanding with an exercise price of \$0.60 per share, expiring August 1, 2011. The following table summarizes stock option transactions:

	Number of options	Weighted-average exercise price
Outstanding, December 31, 2009	139,327	\$0.54
Exercised	69,998	\$0.42
Forfeited	59,329	\$0.48
Outstanding, September 30, 2010	10,000	\$0.60
Exercisable, September 30, 2010	10,000	\$0.60

The Corporation has the following stock options outstanding:

Exercise Price	Number outstanding at September 30, 2010	Weighted-average remaining contractual life (years)	Number exercisable at September 30, 2010
\$0.60	10,000	0.84	10,000

The Corporation records compensation costs on the granting of stock options using the fair value based method. The following table presents the weighted-average assumptions used to determine stock-based compensation expense using the Black-Scholes option pricing model:

	September 30, 2010	December 31, 2009
Stock-based compensation expense	-	(4)
Dividend yield	0%	0%
Expected volatility	0%	106.05%
Risk-free interest rate	0.50%	0.50%
Expected life	1 year	1 year
Weighted-average grant date fair value	\$0.19	\$0.45

e. Deferred Annual Bonus and Share Purchase Plan

As an additional performance incentive measure, the Corporation adopted a Deferred Annual Bonus and Share Purchase Plan ("DSP") in 2006. The DSP enables employees to elect to receive up to 10% of their annual base salary and up to 100% of any annual bonus to which they become entitled in the form of Deferred Common Shares ("DCS"). Each DCS may be redeemed by the holder for one common share of the Corporation for no additional payment on the death or termination of the holder's service to the Corporation. Up to 1,000,000 DCS may be issued under the Plan, but in no event shall the total number of DCS, combined with the number of outstanding stock options issued pursuant to the Corporation's stock option plan, exceed 10% of the outstanding shares of the Corporation.

As at September 30, 2010, 549,413 DCS have been granted with a deemed value of \$226.

	No. of Deferred Common Shares	Deemed Value
Outstanding December 31, 2009	697,187	\$283
Redeemed	147,776	(57)
Outstanding September 30, 2010	549,411	\$226

f. **Net Income per Share**

The calculation of net income per share is based on the consolidated weighted-average number of common shares outstanding and the diluted shares for the period ended September 30, 2010 of 44,374,662 (nine months ended September 30, 2009 - 42,300,403). Diluted amounts are calculated using the treasury stock method, taking into consideration the potential conversions and the exercise of options, warrants and deferred share units.

9. Financial Instruments

The Corporation's financial instruments consist of cash, accounts receivable, operating line of credit, accounts payable, accrued liabilities and long term debt.

The Corporation has classified cash as held-for-trading measured at fair value with any gains or losses identified during periodic evaluations recorded in net income.

Accounts receivable are classified as loans and receivables and are measured at amortized cost. The carrying value of these financial assets approximates their fair value due to the relatively short period to maturity.

Operating line of credit and accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost. The carrying values of these other financial liabilities approximate their fair value due to the relatively short period to maturity. The stated value of the long term debt approximates its fair value at September 30, 2010.

Financial Risk management

The Corporation's activities expose it to a variety of financial risks including foreign currency, credit risk and liquidity risk. Management reviews these risks on an ongoing basis to ensure that the risks are appropriately managed. The Corporation does not have a practice of trading derivatives and has none outstanding at September 30, 2010.

a. **Interest Rate Risk**

The Corporation's objective in managing interest rate risk is to monitor expected volatility in interest rates while also minimizing financing expense levels. Interest rate risk mainly arises from fluctuations of interest rates and the impact on the return earned on cash and the expense on floating rate debt. On an ongoing basis, management monitors changes in short-term rates and considers long-term forecasts to assess potential cash flow impacts to the Corporation. A change of 100 basis points in the market interest rate would have had for the period ended September 30, 2010 an approximate impact on net earnings of \$45 (\$nil - 2009). The Corporation does not currently hold any financial instruments to mitigate its interest risk.

b. **Credit Risk**

Credit risk is the risk of a financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Corporation is exposed to credit risk through its cash and accounts receivable. Credit risk for accounts receivables are managed through established credit monitoring activities.

The Corporation has a concentration of customers in government agencies. Losses under trade accounts receivable have been historically insignificant. The credit worthiness of new customers is subject to review by management and that of existing customers is monitored.

The Corporation reviews its trade receivable accounts regularly and amounts are written down to their expected realizable value when the account is determined not to be fully collectible. The bad debt expense is charged to net income in the period that the account is determined to be doubtful. The accounts receivable aging for the period ended September 30, 2010 was as follows:

Accounts receivable carrying values	Current	30 days	60 days	over 90 days
2010	5,640	757	540	632
	75%	10%	7%	8%

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The Corporation has an allowance of \$428 for doubtful accounts as of September 30, 2010 (2009 - \$180).

c. Liquidity Risk

The Corporation's liquidity risk results from its potential ability to meet its financial liabilities. The Corporation regularly monitors its operations and cash flow to ensure that current and future obligations will be met.

The Corporation's financial liabilities inclusive of operating leases were as follows:

	2010	2011	2012	Beyond 2012
Operating line of credit	1,250	-	-	-
Accounts payable and accrued	3,235	-	-	-
Long term debt	705	2,337	2,711	2,828
Commitments	763	1,435	1,149	4,069
Total	5,953	3,772	3,860	6,897

Management anticipates that its current level of cash flow from operations is sufficient to meet its obligations, but will regularly review its level of capital resources and adjust spending accordingly. This review will consider factors such as the current economic environment, changes in demand for the Corporation's services and profitability of the Corporation's operations, any of which may materially affect the Corporation's ability to meet its obligations.

d. Foreign exchange rate risk

A portion of the Corporation's sales and long term debt are in U.S. dollars. Future fluctuations in the exchange rates may have a material effect on the Corporation's business and results of operations. The Corporation does not currently undertake any exchange rate hedging activities.

A change of 100 basis points in exchange rate would have had, for the period ended September 30, 2010, an approximate impact on net earnings of \$28. The Corporation does not currently hold any financial instruments to mitigate foreign exchange rate risk.

10. Subsequent Events

On October 1, 2010, the Corporation acquired Calgary, Alberta based Visible Data Inc. and Visible One Call Inc. (the "Visible Data Group" or "VDG") for \$750. The purchase price includes \$550 paid on closing, \$200 to be paid by June 1, 2011 and additional performance-based compensation based on revenue growth of up to \$250 over the next three years. The cash portion of the purchase price was financed by a term loan from the Corporation's bank at prime plus 1.75%, repayable over a one-year period.

On October 25, 2010, the Corporation announced a bought deal private placement for 4,545,455 common shares of the Corporation for \$0.55 per share representing gross proceeds of \$2,500 with Laurentian Bank Securities ("LBS"). Additionally, LBS was granted an option to increase the size of the placement by an additional 909,091 common shares representing additional gross proceeds of \$500 on the same terms and conditions of the private placement.

On November 1, 2010, the Corporation signed a formal agreement to acquire the business and assets of TSM, Ltd. of Girard, Ohio ("TSM") for \$1,900 through its wholly owned United States subsidiary, CriticalControl, Inc. TSM currently operates as Tri State Measurement and is a leading provider of gas measurement services, including the integration of gas charts, in Ohio.