Third Quarter Interim Period Ended January 31, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This Management Discussion and Analysis ("MD&A") prepared March 26, 2009 focuses on key statistics from the unaudited consolidated financial statements of Dalmac Energy Inc. for the three ("Q3'09") and nine month("YTD'09") period ended January 31, 2009, and pertains to known risks and uncertainties relating to Dalmac's operations in the oilfield services industry. This MD&A should be read in conjunction with the Corporation's corresponding financial statements for the same period and should not be considered all-inclusive, as it excludes changes that may occur in general economic, political and environmental conditions. The Corporation's financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP"). The Corporation's MD&As and financial statements for earlier periods should also be considered relevant and are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com or on the Corporation's web site at www.dalmacenergy.com.

Non-GAAP Measures: *Dalmac uses certain non-GAAP measures as indicators of financial performance and believes that these non-GAAP measures provide useful information to shareholders. EBITDAS and gross margin are measures used by the Company and which have no standardized meaning under GAAP. The Company's method of calculating EBITDAS and gross margin may differ from other companies and may not be comparable. EBITDAS is defined as earnings before interest, taxes, depreciation and amortization, gain or loss on sale of property, plant and equipment, and stock based compensation. Management believes that in addition to net income, EBITDAS is a useful supplemental measure which provides an indication of the operating cash flow generated by the Company. EBITDAS is not intended to represent an alternative to net income as determined in accordance with GAAP as an indicator of the Company's performance. Gross margin is defined as revenue less cost of sales. Cost of sales includes direct labor and costs directly associated with the provision of goods and services.*

Forward Looking Statements*: Statements in this MD&A relating to matters that are not historical facts are forward looking statements. Such forward-looking statements may involve known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Corporation to be materially different from any future results implied or contemplated by such forward looking statements. Some of the risks that may cause actual results to vary are described under the "Business Risks" section. References made in this MD&A, to "Dalmac", the "Corporation", "Company", "us", "we" and "our" mean Dalmac Energy Inc. and its subsidiaries Dalmac Oilfield Services Inc., 1421771 Alberta Ltd. and 1353245 Alberta Ltd.*

Overview

Dalmac Energy Inc. is a public company which has traded on the TSX Venture exchange since January 2004. Dalmac is a leading oilfield fluid handling services provider which offers chemical sales, transport, pumping and well intervention and disposal services throughout west central Alberta from its 5 operating locations based in Fox Creek, Hinton, Edson, Warburg and Pigeon Lake. Currently employing over 120 people, the Corporation has over 250 pieces of rental equipment in addition to 144 pieces of rolling stock which includes, tank, vacuum, hydro-vac, pressure, hot oiler, acid flush, steamer, picker and winch trucks. With its headquarters in Edmonton, Alberta, Dalmac's operations have been servicing the west central Alberta oilfields for over 50 years.

Operating Results

The following analysis of the Company's results of operations refers to the three month period ended January 31, 2009 ("Q3'09") and January 31, 2008 ("Q3'08") along with the respective nine month or year to date summaries for the periods which are referenced as "YTD'09" and "YTD'08". April 30, 2008 ("YE'08") year end information is also referenced for comparison purposes. For purposes of brevity, abbreviations for million(s) will be referenced as "M" and thousand(s) will be referenced as "K".

Selected Financial Information

(000's Cdn Dollars, except per share data)	Q3' 09	Q3' 08	YTD' 09	YTD' 08
Revenues	6,535	5,552	15,671	11,322
Gross Margin	1,867	1,648	4,434	3,502
Gross Margin %	29%	30%	28%	31%
General and administrative expenses	345	303	960	777
EBITDAS (loss)	1,060	947	2,107	1,640
EBIDTAS per share - basic	0.08	0.07	0.16	0.13
EBITDAS per share - diluted	0.08	0.06	0.16	0.10
Stock based compensation	18	42	61	122
Interest	253	195	595	494
Depreciation and amortization	494	367	1,329	942
Net income (loss)	236	202	(41)	9
Net income (loss) per share - basic	0.02	0.02	0.00	0.00
Net income (loss) per share - diluted	0.02	0.01	0.00	0.00
Total Assets	26,952	24,113	26,952	24,113
Total long-term financial liabilities	6,718	6,542	6,718	6,542
Shareholder Equity	9,938	10,150	9,938	10,150
Weighted average common shares -basic	12,974,522	12,647,125	12,974,522	12,647,125
Weighted average common shares - diluted	13,527,843	16,274,185	12,974,522	16,274,185

* General and administrative expenses include travel and automotive, advertising & promotion, telephone and utilities, insurance, business taxes and training.

Total revenue for Q3'09 increased 18% to $6.5M from the $5.5M reported in Q3'08. The year to date revenues increased by 38% to $15.7M from the $11.3M reported for the same period of the previous year. This increase in revenue is largely due to additional production contracts as a result of continued efforts to expand our operations in this segment and also from the acquisition of Tinky Rentals L.P. and Tinky Trucking L.P. (the "Tinky Group") of Edson, Alberta which was completed September 15, 2008.

Q3 is generally one of Dalmac's busiest quarters. In this quarter the drilling and well servicing activities are usually at their highest annual levels largely due to the frozen ground and snow packed roads which create greater heavy equipment access to remote well locations. However in Q3'09 the drilling activity levels were very low compared to previous years. The drilling utilizations in Q3'09 were about 42% compared to over 60% in Q3'08. In spite of the drilling reductions, Dalmac was able to offset this reduction by securing more production related contracts. About 70% of the revenues for Q3'09 were derived from production operations.

The gross margin for Q3'09 increased by 13% to $1.9M from the $1.6M reported in Q3'08. The year to date gross margin increased by 27% to $4.4M from the $3.5M reported in the same period last year. The year to date gross margin, as a percent of revenue, decreased by 3.0% as compared to same period last year. The gross margin was affected by the competitive environment in the current market conditions which placed downward pressure on pricing. Competitive factors and the timing of revenues combined with infrastructure costs may cause gross margins to vary from time to time. The current quarter was materially affected by decreased drilling activity and increased competition along with customer requests for rate cuts. Towards the latter part of the period the Company responded by reverting to its 2005 rack rates. The Q3'09 direct costs, such as labour, products and fuel, as a percentage of revenue, did not vary significantly from the previous year. The same holds true for the year to date direct costs. At present the Company has not implemented any salary or wage reductions but is not ruling them out in the event of any further deterioration of margins or activity levels.

In Q2'09 the Company announced that it adopted new cost control polices. These policies include, without limitation, things like vehicle repairs and certifications which are continuing to transition through Q3 and into the future. Vehicle repairs, to a large extent are being done in house as opposed to being outsourced and certifications are being completed over the course of the year as opposed to being primarily scheduled in Q1. It is estimated that any repairs done in-house will result in cutting the service labour costs in half.

EBITDAS for Q3'09 increased by 12% to $1.1M from the $0.9M reported in Q3'08. The year to date EBITAS increased by 29% to $2.1M from the $1.6M reported for the same period in the previous year. The net income for Q3'09 increased by 17% to $236K from the $202K reported in Q3'08. The year to date results at the end of nine months reflects a loss of $40K compared to a profit of $9K in the same period last year.

Expenses

Total expenses for Q3'09 increased by 19% to $1.6M from the $1.3M reported in Q3'08. The year to date expenses increased by 26% to $4.2M from the $3.4M reported for the same period last year. This increase in expenses is consistent with the increased costs associated with the operational expansions and acquisitions made over the course of the year.

Amortization for Q3'09 increased by 35% to $494K from the $367K reported in Q3'08. The year to date amortization increased by 41% to $1.3M from the $0.9M reported last year. This increase is also consistent with the additional operating equipment acquired through the acquisition announced earlier in this and earlier MD&As.

Total interest expenses for Q3'09 increased by 30% to $253K from the $195K reported in Q3'08. About $30K of this increase was for transaction costs directly associated with the refinancing of various operating leases and other long term equipment debt which in turn resulted in a significant reduction to our monthly payments. The year to date total interest expense also increased by 20% to $595K from the $494K reported in the same period last year. The year to date portion of interest on long term debt increased by 10% to $351K from the $320K reported in the same period last year. Interest on callable debt for both the quarter and the nine month year to date was similar with less the 1% variance in both cases. Callable debt is essentially the same as long term debt but is provided by the Corporation's bank and pursuant to the rules relating to the Bank Act, it is treated as callable. The callable debt was used for purchases of equipment and property which were referenced in this and earlier MD&A's for previous periods.

The bank charges for Q3'09 increased by $19K to $20K from the $1K reported in Q3'08. A significant portion of this increase is non-recurring and was due to the timing of repayments of various vendor related obligations. On a year to date basis these charges increased marginally by $1K to $36K from the $35K reported in the previous year. All of the above expenses are consistent with the purchases made and the debt obligations repaid over the course of the year and which were incurred in the normal course of business.

Stock based compensation expense for Q3'09 was $18K compared to $42K in Q3'08. The current year to date expense was $61K compared to $122K for the same period last year. Stock based compensation is a non-cash expense that is recorded in accordance with GAAP each time stock options are issued. The stock option expense has been calculated in accordance with the Black-Scholes option pricing model. All the stock options relating to this stock based compensation expense are subject to a three year vesting period.

In Q3'09, the Company had a loss on the disposal of assets in the amount of $0.6K as compared no such losses for the same period last year. The year to date loss on disposal of assets was $70K compared to a zero loss in the previous year. The disposal of assets loss is associated with the sale of equipment which was deemed no longer useful to the Company`s operations.

Income Taxes

Future taxes are essentially the liability which results from the differences between the financial statements presentation and the tax treatment of the affected transactions, assets and liabilities. The Q3’09 future tax liability was $59K as compared to $141K in Q3’08. The year to date future tax liability was $172K as compared to $194K in the same period last year. Due to the carry forward of tax losses reported in previous periods, the Company had no current tax liability at Q3’09.

Summary of Quarterly Results

(000's Cdn Dollars, except per share data)	Q3' 09 Quarter Ended 31-Jan-2009	Q2'09 Quarter Ended 31-Oct-2008	Q1'09 Quarter Ended 31-Jul-2008	Q4'08 Quarter Ended 30-Apr-2008
Revenue	6,535	5,167	3,970	4,838
Net income (loss)	236	148	(425)	(390)
Net income (loss) per share - basic	0.02	0.01	(0.03)	(0.03)
Net income (loss) per share - diluted	0.02	0.01	(0.03)	(0.03)

(000's Cdn Dollars, except per share data)	Q3'08 Quarter Ended 31-Jan-2008	Q2'08 Quarter Ended 31-Oct-2007	Q1'08 Quarter Ended 31-Jul-2007	Q4'07 Quarter Ended 30-Apr-2007
Revenue	5,551	3,234	2,537	2,775
Net income (loss)	202	4	(198)	5
Net income (loss) per share - basic	0.02	0.00	(0.02)	0.00
Net income (loss) per share - diluted	0.01	0.00	(0.01)	0.00

Liquidity and Capital Resources

The Company’s capital requirements consist primarily of working capital necessary to fund operations, capital expenditures related to the purchase and manufacture of operation equipment and capital to finance strategic acquisitions. Sources of funds available to meet these capital requirements include cash flow from operations, external lines of credit, equipment financing, term loans and access to equity markets. At Q3’09 the Corporation had $27M in assets and $17M in liabilities. The current net book value of the Company’s common shares is $0.77 per share. On a fair market equipment appraisal basis the asset value per share is expected to be considerably greater, however, a current appraisal of our equipment has not been conducted.

Liquidity and capital resources are dependent upon the results of operations, commodity prices, capital expenditures and debt service charges. The Q3’09 cash flow from operating activities increased by 8% to $808K from the $752K reported in Q3’08. On a year to date basis the increase was 26% to $1.6M over the $1.3M reported last year.

Non cash working capital for Q3’09 also decreased by 39% to $0.8M from the $1.2M reported in Q3’08. On a year to date basis the decrease was 64% to $0.5M from the $1.3M reported last year.

Investing activities for the quarter decreased cash flow by $0.6M to $1.0M from the $0.4M reported in Q3’08. On a year to date basis cash flow from investing activities decreased by $3.4M to $5.1M from the $8.5M reported in the previous year.

Financing activities, in Q3’09, increased cash flow by $8K to $831K from the $823K reported in Q3’08. The year to date cash from financing activities decreased by $2.0M to $2.5M from the $4.6M reported in the same period last year. The YTD cash and cash equivalents decreased by

$1.4M to $152K from the $1.6M at the same period last year. This decrease in cash is related to the acquisitions made over the course of the year.

On October 23, 2008 the Company renewed its finance facility with its major lender. The new agreement provides for a $1.0M increase to the existing demand revolving operating overdraft segment and a further increase of $1.0M to the demand revolving loan segment. The combined total facility is for $8.0M which is comprised of $4.0M for the operating overdraft segment and $4.0M for the revolving loan segment. The unused portions of these facilities at Q3'09 is about $1.4M on the operating overdraft and about $1.0M on the loan segment portion.

On December 11, 2008 the Company entered into a new finance facility with its major lender to increase its credit facilities by $1.6M. This new facility was used to payout certain existing debt and operating leases with new term debt on more favorable terms. This restructuring has reduced our monthly payments by about $42K. The total borrowing facilities with the major lender currently stands at $9.6M.

As of Q3'09 the Company had a working capital deficit of $3.0M compared to a deficit of $898K at Q3'08. This deficit includes $2.7M of bank credit line which supplements the cash flow. The callable debt (bank financing for property mortgage and equipment purchases) has been excluded from the calculation of working capital and is considered long term for the purposes of this report. Capital lease obligations are also excluded from the working capital calculation. Dalmac believes it has sufficient working capital, cash flow from operations, and access to capital to fund its ongoing business requirements.

Long-Term Debt

The long term debt decreased by $1.4M to $2.8M from the $4.3M reported at YE'08. Callable debt increased by $1.9M to 3.7M from the $1.7M reported at YE'08.

Property, plant and equipment at Q3'09 increased by $3.7M to $19.1M from the $15.3M reported at YE'08. These balances reflect expenditures which were mainly for operating equipment purchases either directly or through acquisitions of business concerns.

Capital lease obligations also decreased by 18% to $179K from the $220K reported at YE'08. The decrease in callable and long term debt is consistent with decreasing balances on financings related to equipment purchases and acquisitions. As a result of increased operational activities, bank indebtedness on the operating line increased to $2.7M from $1.9M reported at YE'08.

As part of the September 15, 2008 purchase of the Tinky Group, the Corporation authorized the issuance of 900,000 redeemable preferred shares from 1421771 Alberta Ltd., which is a wholly owned subsidiary of the Corporation. This transaction is recorded in the financial statements of the current period as a non-controlling interest in a subsidiary in the amount of $900K.

Contractual Obligations

Dalmac leases equipment and premises under long term operating leases. The leases for premises are exclusive of operating costs. Future minimum annual lease payments are as follows:

Lease Commitments

		2009	2010	2011	2012	2013
Equipment	$	365,510	28,479	8,278	3,462	1,443
Premises		346,248	368,557	342,925	297,105	164,450
	$	711,758	397,036	351,203	300,567	165,893

Shareholders' Equity
Consistent with the results of operations, shareholders' equity increased by \$21K to \$9.9M, from the amount reported atYE'08. The total assets of the Company increased by \$3.8M to \$27M from the \$23M reported at YE'08.

Outstanding Share Data
The following are the issued and outstanding shares options and warrants as of the date of this MD&A:

Common Shares	Options	Warrants
12,974,522	901,847	Nil

Subsequent Events
None

Outlook
During the quarter ended Q3'09 commodity prices continued their downward spiral and the turmoil in world financial economies worsened. The Canadian dollar's retreat in comparison to its US counterpart partially helped to offset the negative effects of dropping commodity prices. However, this was not enough to reenergize the oilfield service industry to previous years' levels. The year to date drilling rig utilization, which acts as a barometer for oilfield activity, has averaged 42% compared to 60% in the comparable period of 2008. Utilization levels seem to have peaked in early February and spring break up is beginning to arrive. The lower utilization levels, driven by economic factors rather than just weather and road conditions, have resulted in restricting our customers' access to capital markets which is necessary to maintain their spending budgets. Our customers responded with requests for the Corporation to cut its rates. Dalmac has accommodated its customers by reducing prices by going back to the 2005 rack rate pricing. In addition to cutting our rates, the Company has been successful in securing more production hauls. With this offset, the Corporation's revenue has increased and margins have remained relatively stable over the quarter. As a result of the new production hauls and contracts that have been secured, Dalmac expects that this will have a further stabilizing effect on the spring and summer utilization levels. Also, the Corporation's recent restructuring of its financing obligations on more favorable terms, which was announced earlier in this MD&A, along with reduced monthly payments, has given Dalmac greater flexibility to deal with unanticipated short term fluctuations in activity levels.

Dalmac earns its revenue by providing specialized oilfield fluid hauling, intervention, disposal, storage, and transportation services which are required for the exploration, development and production of oil and gas resources. The demand for the Company's services is correlated to a fair extent with the economic conditions of the energy industry which in turn is largely measured by the number of new well completions in the Western Canadian Sedimentary Basin ("WCSB").
In January 2009, the Petroleum Service Association of Canada ("PSAC") forecasted 13,500 wells to be drilled in Canada this year on a rig release basis. This represents a 21% decrease from their 2008 well count of 17,043. In February of 2009, the Canadian Association of Oilwell Drilling Contractors ("CAODC") forecasted 11,176 wells to be drilled this year on a well completion basis. This represents a 46% decrease from their 2008 well count of 20,679. PSAC is predicting declines in all of the western Canadian provinces with the exception of British Columbia. Due to the Alberta government's new royalty program, which took effect January 2009, Alberta is anticipating significant activity declines. Alberta has, however, responded with several short term incentives related to the royalty program but it is uncertain how much impact that will have given the absence of a competitive long term royalty framework.

In spite of the bleak short term outlook, management continues to believe in the long term fundamentals for oil and gas services in the WCSB. The long term fundamentals still point to an increasing demand for oil and gas. Given the increasing decline in production rates in the WCSB, more drilling will be required to maintain current production levels.

Presently, about 70% of Dalmac's revenues are derived from existing production services which excludes drilling and well workovers. Increased drilling, well workovers and additional production deriving therefrom will only serve to further benefit the Company's revenue base. Dalmac continues to strive toward securing addition sources of production revenue while keeping a close watch on maintaining an optimal balance of commitment to production services and drilling activities. The Company is dedicated to maintaining and forging strong and healthy working relationships with our customers and vendors. Our objective is to provide our customers with a broader and more practical range of products and services in order to present a better solution for their needs.

Expansion opportunities are constantly subject to an ongoing review, which may include additional acquisitions that may involve the requirement for capital expenditures beyond the normal course for the Corporation. Dalmac may pursue any or all opportunities that may present themselves. In doing so the Corporation may incur debt, issue equity, or any combination of the foregoing.

Critical Accounting Policies

The Corporation's financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and may include estimates that reflect management's estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements 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 may differ from the estimates.

Property, Plant and Equipment: These assets are recorded at cost and are amortized over their useful lives. The Company evaluates the carrying value of these assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The Company recognizes an impairment charge when it is probable that estimated future cash flows of the underlying asset will be less than the carrying value of the assets. Judgment is required in determining the useful lives of capital assets and the appropriate method of amortization. Factors considered in estimating the useful lives of capital assets include expected future usage, effects of technological or commercial obsolescence, expected wear and tear from use or the passage of time and effectiveness of the Company's maintenance program.

Allowance for Doubtful Accounts: The Company performs ongoing credit evaluations of its customers and grants credit based upon past payment history, financial and anticipated industry conditions. Customer payments are regularly monitored and a provision for doubtful accounts is established based on specific situations and overall industry conditions. The Company's history of bad debt losses has been minimal and is generally limited to specific customer circumstances. A change in these factors could impact the estimated allowance and the provision for bad debts recorded in the accounts. The actual collecting of accounts receivable and the resulting bad debts may differ from the estimated allowance for doubtful accounts and the difference may be material.

Inventory: The Company's inventory is made up of parts and chemicals, parts are valued on a first-in and first-out basis and chemical is valued on average costing. The parts inventory is used for fleet maintenance and repair while chemical inventory is for resale. The latter is valued net of obsolescence. Management's assessment and judgment is critical to determining the obsolescence of this inventory based on aging.

Future Income Tax: The Company uses the liability method which records the differences between the financial statements presentation and the tax treatment of the affected transactions, assets and liabilities. Future tax assets and liabilities are recognized for the future tax consequences attributable the variance of the fore mentioned over the course of their respective lives. Valuation allowances are established to reduce future tax assets when it is more likely than not that some portion or all of the assets will not be realized. Estimates of future taxable income and the continuation of ongoing prudent tax planning arrangements have been considered in assessing the utilization of available tax pools. Changes in circumstances and assumptions and clarification of uncertain tax regimes may require changes to the valuation allowances with the Company's future tax assets.

Stock Based Compensation: Stock-based compensation expense associated with share options granted to directors and employees is estimated based on various assumptions using a Black-Scholes based option pricing model. This estimate may vary due to changes in the model's variables, which include the risk free interest rate of the Company, the expected stock price volatility and the rate of forfeitures.

Risk Management

Business Risks: Activity in the oil and gas industry is subject to a range of external factors that are difficult to manage, including resource demand, commodity pricing and climate. These include risks associated with the current crises in the financial sector in the United States, which is having an impact on commodity prices, the availability of credit, and other factors that affect the business of the Company. The Company plans to mitigate these risks by maintaining a strong balance sheet and remaining responsive to changes in industry dynamics. The Company has a comprehensive insurance policy to help safeguard its assets, operations, and employees. This is reviewed annually and revised as changes in circumstances warrant.

Credit Risks: The Company currently transacts with oil and gas exploration companies and is exposed to the associated credit risk. Management continually assesses the credit worthiness of these customers and monitors all outstanding balances. Management views the credit risk of its account receivables as normal for its industry.

Financing Risk: The ability of the Company to complete its budgeted capital acquisition program and meet its payment obligations as they become due will continue to be dependent on its ability to secure sufficient funds through additional debt and equity financing and to generate positive cash flow from operations.

Supplier Risk: The Company has a large portion of its service equipment and associated equipment manufactured by a single provider. While this arrangement provides certain market advantages, it also exposes the Company to potential short-term vulnerability if this supplier experiences unusual production disruptions or labor disputes.

Seasonal and Weather Risk: Seasonal factors and unexpected weather patterns may lead to reduced oil and gas exploration activity and corresponding declines in the demand for the Company's services during various times of the year.

Competitive Conditions: The operating climate within the Western Canadian Sedimentary Basin is very competitive resulting in fluctuations of price and utilization rates. Dalmac attempts to mitigate these risks by creating good working relationships with its customers while focusing more on production operations and on longer term contracts.

Changes in Accounting Policies
On May 1, 2008, the Company adopted CICA Handbook Sections 3130 “Inventories”, Section 3862 “Financial Instruments – Disclosures”, Section 3863 “Financial Instruments – Presentation”, and Section 1535 “Capital Disclosures” These new standards have been adopted on a prospective basis with no restatement of prior periods.

Section 1535 requires the Company to disclose quantitative and qualitative information regarding its objectives, policies and processes for managing its capital. The Company has included this information as Note 3 to the Q1’09 financial statements.

Section 3031 requires inventories to be measured at the lower of cost or net realizable value and the reversal of previously recorded write downs to realizable value when the circumstances that caused the write down no longer exist. The new standard did not have a material impact on the Company’s financial statements for Q1’09.

The new Sections 3862 “Financial Instruments – Disclosures” and 3863 “Financial Instruments – Presentation” will prescribe the requirements for presentation and disclosure of financial instruments. These two new standards increase the Company’s disclosure regarding the nature and extent of the risks associated with financial instruments and how these risks are managed.

In February 2008 the Canadian Institute of Chartered Accountants issued Section 3064 “Goodwill and Intangible Assets” replacing Section 3062, “Goodwill and other intangible assets”. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard will be applicable to the Company on May 1, 2009. The Company is currently evaluating the impact of this new section on its financial statements.

With the Canadian Accounting Standards Board’s recent announcement that January 1, 2011 is the date International Financial Reporting Standards (“IFRS”) will replace current Canadian GAAP for publicly accountable enterprises, the Company, has been carefully evaluating its own implementation plan and assessing the impact the various accounting changes will have on the organization. This implementation plan will be presented to the audit committee and the Board of Directors and will include, without limitation, such key features as: definition of the discrete tasks required for conversion, prioritization of tasks, the assignment of key personnel within the organization and an analysis of key interdependencies relating to the conversion steps. As the final implementation date approaches, the Company will continue to monitor developments and their impact on the Company.

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