

HSE Integrated Ltd. Management Discussion and Analysis (“MD&A”) For the Quarter and Year to Date Ended June 30, 2007 and 2006

The following management discussion and analysis is dated August 9, 2007, and is a review of the financial results of HSE Integrated Ltd. (“HSE”, “We”, “Our”, or the “Company”) for the quarter and year to date ended June 30, 2007 and 2006. This should be read in conjunction with the documents filed on SEDAR at www.sedar.com. Unless otherwise disclosed, the financial information presented in this discussion has been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and takes into consideration information available to management up to August 9, 2007. Unless otherwise stated, dollar figures presented are expressed in thousands of Canadian dollars and per-share figures in dollars per weighted-average common share. The following MD&A contains forward-looking information and statements. We refer you to the end of the MD&A for the disclaimer on forward looking statements.

Selected Financial Information

	Three Months ended June 30,		Quarter Over Quarter % Change	Six Months ended June 30,		Year Over Year % Change
	2007	2006		2007	2006	
Revenue	\$ 19,352	\$ 19,924	(2.9)%	\$ 47,300	\$ 47,388	(0.2)%
Operating and materials	18,545	16,826	10.2%	39,175	36,561	7.1%
Operating margin	807	3,098	(74.0)%	8,125	10,827	(25.0)%
Operating margin %	4.2%	15.5%	(72.9)%	17.2%	22.8%	(24.6)%
Selling, general & administrative	\$ 2,598	\$ 1,958	32.7%	\$ 5,113	\$ 4,141	23.5%
Net earnings (loss)	(3,113)	(1,073)	190.1%	(2,209)	1,280	(272.6)%
- per share basic	(0.08)	(0.03)	(166.7)%	(0.06)	0.04	(250.0)%
- per share diluted	(0.08)	(0.03)	(166.7)%	(0.06)	0.04	(250.0)%
EBITDA ⁽¹⁾	\$ (1,790)	\$ 1,140	(257.1)%	\$ 3,012	\$ 6,686	(55.0)%
EBITDA %	(9.3)%	5.7%	(263.2)%	6.4%	14.1%	(54.6)%
Total assets				\$ 98,025	\$ 97,540	0.5%
Total long-term liabilities				23,977	22,369	7.2%

See Non-GAAP Measures for ⁽¹⁾

Financial Review

Revenue

HSE operates in a single industry segment, which involves providing a variety of asset, worker and community safety-protection services including: on-site safety supervision; gas detection; fixed and mobile air-quality monitoring; breathing equipment rentals and services; fixed and mobile firefighting and fire protection services and equipment; worker decontamination (shower) services; on-site medical services; worker safety training; and safety management consulting services. For the second quarter and year to date ended June 30, 2007 and 2006 the Company had no customers representing more than 10% of revenue.

The Company currently provides services to its customers in the following main business areas: Oilfield Services (“Oilfield”), Industrial Services (“Industrial”), and Environment Monitoring Services (“Environment”). Oilfield is the provision of the Company’s services within the conventional upstream, or “wellhead”, sector of the oil and gas industry. Industrial represents the services delivered to non-conventional upstream oil and gas development and production, oil and gas processing and refining plants and facilities, diverse non-petroleum resource and manufacturing industries, and the provision of training and safety management services for multiple industrial sectors. Environment focuses on air-quality monitoring to protect people, livestock, wildlife and equipment from an array of airborne contaminants.

The revenue for these services is shown below:

	Three Months ended June 30,		Quarter Over Quarter % Change	Six Months ended June 30,		Year Over Year % Change
	2007	2006		2007	2006	
Oilfield	\$ 4,992	\$11,904	(58.1)%	\$21,346	\$33,701	(36.7)%
Industrial	12,602	6,521	93.3%	20,143	10,420	93.3%
Environment	1,758	1,499	17.3%	5,811	3,267	77.9%
Total Revenue	\$19,352	\$19,924	(2.9)%	\$47,300	\$47,388	(0.2)%

As a % of Revenue:

Oilfield	25.8%	59.8%	45.1%	71.1%
Industrial	65.1%	32.7%	42.6%	22.0%
Environment	9.1%	7.5%	12.3%	6.9%
Total Revenue	100.0%	100.0%	100.0%	100.0%

Continued execution of the Company's revenue diversification strategy was demonstrated in the quarter. Revenue decreased slightly from the prior year to \$19.4 million, but significant declines in Oilfield revenues were largely offset by growth in Industrial and Environment revenues.

Oilfield revenues have experienced large declines in both the quarter and year to date when compared to the same period in the prior year. The largest contributor to this decrease has been reduced overall activity levels within the conventional upstream, or "wellhead", sector of the oil and gas industry; drilling, completion and work-over activity particularly on natural gas wells. Industry sources have indicated that, as compared to the same period in the prior year, Western Canadian Sedimentary Basin ("WCSB") new conventional oil and gas well drilling activity levels in the quarter have declined, as have well servicing activity on existing wells. In the second quarter, customer activity was also affected by more unfavorable weather conditions as compared to recent years in the WCSB. Although HSE has been able to largely maintain its pricing levels with its customers, additional capacity added by competitors in a marketplace with overall reduction in demand has also contributed to the Company's lower volume levels for the services provided to this sector.

The Company is continuing its business diversification strategy, and reports a 93% increase in Industrial revenues on both a quarter and year to date basis when compared to the same periods in the prior year. Activity in the quarter included multiple simultaneous projects mainly in the areas of safety services to oil and gas processing facilities, thermal heavy oil recovery and oilsands extraction and construction projects in Alberta; the provision of safety services, fire, gas detection and breathing-air equipment sales and service to industrial and commercial markets in British Columbia, Alberta, and Ontario; and safety services for the refining, mining, offshore drilling and production and other industries in Atlantic Canada. The larger scale projects in the quarter included safety services to support facility maintenance activities for an oilsands facility, a cement plant, a high volume sour gas plant, and a fertilizer facility. Increased classroom capacity and course offerings, as well as greater marketing efforts have also increased the training component of industrial revenues.

As a result of the additional air quality monitoring capacity added in the prior year, Environment revenues increased in the quarter by 17% and for the year by 78% as compared to the same periods in 2006.

Operating and Materials Expense and Operating Margin

Operating and materials expense consists of costs directly attributable to the provision of safety and related services to customers. These include: wages and benefits for field employees and contractors; equipment rentals and leases; property costs; transportation; fuel; consumables; equipment repairs and maintenance; and field-office administration including field sales.

Operating and materials expense for the quarter ended June 30, 2007 totaled \$18.5 million or 95.8% of revenue as compared to \$16.8 million or 84.5% of revenue in the second quarter of 2006. Operating margin in the quarter has declined from \$3.1 million (15.5% of revenue) in the second quarter of 2006, to \$0.8 million (4.2% of revenue) the second quarter of 2007. The Company also experienced increases in operating expenses and declines in operating margins on a year to date basis.

Execution of the Company's diversification strategy enabled HSE to redeploy personnel resources to the Industrial market; however this area is currently characterized by lower margins than the Oilfield sector at the operating level due to a lower proportion of equipment rentals and a higher labour component in the total revenue mix. The usage associated with the capital cost of the Company's rental assets (which includes such items as fire trucks, ambulances, worker decontamination units, breathing air units, and air quality monitors) is reflected in the amortization line within the statement of earnings.

In addition to the utilization of personnel in other industries, the Company is actively pursuing a review of operational efficiencies throughout the organization that will not impair future revenue capacity. As part of the continual focus on increasing margins, this initiative will include facility consolidation intended to strengthen the base from which we service our customers. This also includes a review of equipment, vehicles, and personnel considered not essential in adding value to our customers.

Selling, General and Administrative Expense

Selling, general and administrative ("SG&A") expense consists of costs not directly attributable to the provision of services for customers. These include costs generally associated with the following: corporate head-office functions and services; administrative personnel; corporate sales and marketing costs; liability insurance; professional fees; and investor relations expenses.

SG&A for the quarter ended June 30, 2007 amounted to \$2.6 million (YTD - \$5.1 million), versus \$2.0 million (YTD - \$4.1 million) in the comparable periods in 2006. SG&A as a percentage of revenue on a year to date basis has increased to 10.8%, from 8.7% a year earlier. The increase in SG&A costs in comparison to the prior year is a result of higher business development and corporate costs necessary to support the Company's strategic goals. As well, the quarter included costs related to the Company's initial listing on the Toronto Stock Exchange.

EBITDA and Net Earnings

Despite relatively stable revenue levels as compared to the prior year, EBITDA (see "Non-GAAP Measures") in the quarter has declined to a loss of \$1.8 million (earnings YTD - \$3.0 million), from earnings of \$1.1 million (earnings YTD - \$6.7 million) for the same periods a year earlier. This was caused mainly by reduced revenue on rental equipment utilization levels and higher labour costs as a result of lower activity within the Oilfield services side of the business, as well as increased investment in SG&A costs required to support the future growth of the Company.

The net loss in the quarter was \$3.1 (loss YTD - \$2.2 million), which represents a decline compared to the net loss of \$1.1 million in the second quarter of 2006, and the net income of \$1.3 million on a year to date basis in the prior year. The decrease in net earnings is primarily due to lower levels of EBITDA, greater levels in amortization and stock-based compensation, and offset by the recovery of prior year income tax.

Total amortization on a year to date basis was \$3.8 million and consisted of \$3.2 million in property and equipment amortization, and \$0.6 million in intangibles amortization. Property and equipment amortization

has increased by \$0.4 million when compared to the prior year due to previous investments in property and equipment and from property and equipment acquired through acquisitions. As well, the recognition of intangible assets on acquisitions made in the prior year has also contributed to the increase in amortization.

Stock-based compensation on a year to date basis of \$0.7 million (2006 - \$0.4 million) has increased due to additional grants of stock options to employees of the Company.

Interest on long term debt and other interest and bank charges decreased slightly from \$647 in the first half of 2006 to \$634 in 2007, as interest on higher levels of obligations under capital leases offset lower levels of bank debt.

On a year to date basis, the loss on disposal of property and equipment was \$0.7 million with proceeds on sale of \$0.6 million and consisted mainly of fleet related assets.

Due to a net loss before income tax, there was an income tax recovery of \$0.7 million in the first half of the year as compared to an expense of \$0.6 million same period in the prior year.

Quarterly Results

	2007			2006			2005	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	\$19,352	\$27,948	\$26,198	\$26,952	\$19,924	\$27,465	\$17,280	\$15,080
Net earnings (loss)	(3,113)	904	984	1,197	(1,073)	2,353	(59)	786
EBITDA ⁽¹⁾	(1,790)	4,802	4,341	4,283	1,140	5,548	1,501	2,224
Income (loss) per share – basic and diluted	\$(0.08)	\$0.02	\$0.03	\$0.03	\$(0.03)	\$ 0.07	\$(0.01)	\$ 0.02

See Non GAAP Measures for ⁽¹⁾

HSE's business has a seasonal component. For a description of this seasonality, please refer to the Company's 2006 Annual Report.

Liquidity and Capital Resources

The Company's principal sources of capital are cash flows from operations, borrowings under an established credit facility with its senior lender, and equity financing.

The Company, through the conduct of its operations, has undertaken certain contractual obligations as noted in the following table:

Periods ending December 31,	2007	2008	2009	2010	2011	Total
Capital lease obligations	\$ 785	1,593	906	228	54	\$ 3,566
Vehicle operating leases	798	1,451	1,197	1,144	661	5,251
Property & other leases	1,053	1,976	1,633	1,132	577	6,371
Long term debt	117	945	34	13,829	-	14,925
Total contractual obligations	\$2,753	5,965	3,770	16,333	1,292	\$30,113

Cash provided by (used in) operations

Cash provided by operations on a year to date basis was \$4.1 million as compared to almost \$1.6 million in the prior year. Improved methods for the timely collection of outstanding trade receivables have been the main contributor to this.

Cash provided by (used in) financing and investing

During the first half of 2007, the Company made payments of \$0.9 million for its capital leases, and \$2.1 million towards repayment of long term debt.

Purchases of property and equipment on a year to date basis amounted to \$2.8 million, the majority of which consists of field safety equipment, and the construction costs related to medical treatment centre units, and fire and shower units. The Company continues to monitor current operating conditions to ensure that the addition of capacity is optimally utilized.

Liquidity

During the quarter, HSE entered into an agreement with its current lender (a Canadian Chartered Bank) for credit facilities that provide the Company with increased financial flexibility to pursue strategic opportunities as they arise. The credit facilities include a \$25 million three-year interest-only revolving facility and a \$7.5 million operating facility. Depending upon certain financial ratios, the facilities bear interest at the bank's prime rate (or U.S. base rate) plus up to 0.75 percent, or at bankers' acceptance rates with a stamping fee of 1.50 to 2.25 percent. An additional standby fee ranging between 0.20 to 0.35 percent per annum is also required on the unused portion of the credit facilities. The revolving facility matures on June 25, 2010, with an ability to extend the term at the lender's option. The operating facility is renewable annually and is margined to accounts receivable. This facility is subject to covenants that are typical for this type of facility. The credit facilities are collateralized under a general security agreement. At the end of the quarter, the draw against the revolving facility was \$13.8 million, and there was no draw against the operating facility.

At June 30, 2007, the Company was in compliance with its financial covenants.

Subsequent Event

On July 1, 2007 the Company acquired the outstanding shares of Prairie Wide Safety Ltd. ("PWS") of Weyburn, Saskatchewan in a business combination to be accounted for using the purchase method. PWS serves the hydrocarbon producing region of southeast Saskatchewan by providing complete oilfield and industrial safety services to drilling, completion, well servicing and field processing operations. The purchase consideration will be determined based upon a predetermined formula not to exceed \$2.2 million based upon historical results, with additional consideration contingent upon performance measures achieved in the first year after the acquisition date. The consideration will also be subject to adjustments based upon working capital and long term debt levels, and will be a combination of cash, the assumption of debt, and the issuance of 100,000 common shares. The purchase price allocation has not been completed and certain items such as fair value of assets and liabilities and estimates for contingent consideration as of the acquisition date have not been finalized.

Outlook

The Company continues to execute on its strategy of market diversification for its services. Reduced conventional oil and gas exploration, development and production activity levels in the WCSB, relative to the record activity levels experienced over the past few years, have negatively affected the Oilfield safety services side of the business, and visibility of customer service demand remains poor for the balance of 2007. Currently, Oilfield revenues represent a large proportion of the total business mix, and as such, prolonged reduced customer activity in this sector may result in a need to review financial covenants for specified periods of time with the Company's lender. Management continues to review all options for sources of capital as part of an ongoing risk mitigation practice.

In executing the Company's diversification strategy, capacity and resources were redeployed into the Industrial component of the business and is expected to continue to assist in reducing the cyclicity and seasonality of safety services provided to the conventional upstream oil and gas sector. In the quarter, the Company was able to demonstrate its ability to successfully execute multiple and simultaneous large scale safety service operations within a plant and facility environment for its customers. This had three positive outcomes for HSE. First, redeploying Oilfield safety services personnel to Industrial assignments has permitted the Company to retain largely all of its technical field services personnel. This will position HSE to fully exploit the recovery in the Oilfield sector when it emerges. Second, diversifying the assignments of the technical field services team has given these personnel valuable on-the-job training in delivering safety services to different industries. Third, this capability was achieved over the last several years by laying the groundwork of focused marketing efforts, and the development of personnel and internal processes. By exhibiting its capabilities in activities of this magnitude, HSE, with its integrated model, is better positioned to partner with its customers by offering a greater range of services that can be delivered throughout the year, and from which higher margins can be attained. The Company is confident that servicing the Industrial sector will be a permanent and growing component of the HSE business mix in the future.

Subsequent to the end of the second quarter, the Company expanded its national delivery footprint with the acquisition PWS. In the past, existing customers have asked HSE to partner with them in the established and active hydrocarbon producing region of southeast Saskatchewan. PWS provides a base from which to provide a full range of services including breathing air safety services, gas detection, shower services, fire protection, on-site first aid, worker safety training, and plant and facility shutdown safety services. This southeast Saskatchewan market is attractive in the current market environment for Oilfield services because activity is primarily driven by crude oil, not natural gas.

The Company believes its continued investment in sector and geographic diversification, organic growth, skilled safety professionals and internal process improvements and operational efficiency will ultimately increase shareholder value.

Related-Party Transactions

During the quarter, the Company had the following transactions with related parties all of which are measured at exchange amounts, which approximate an arm's length equivalent at fair market value:

- In the second quarter of 2006, a company controlled by a former director of HSE subcontracted the provision of certain goods and services to HSE. For the second quarter of 2006, HSE billed this company \$290 in respect of the goods and services provided, and paid the company \$7 for goods and services received. These products and services were sold at rates agreed to as part of the acquisition of the assets of the company. Included in accounts receivable at the end of the second quarter is \$464 (2006 - \$877) owed by this company to HSE.
- Included in accounts receivable is a promissory note of \$49, (2006 – \$54) which is due from an officer and director of the Company. This note is payable on demand. In the second quarter of 2007, the Company paid rent and property taxes to a corporation related to this same officer and director of the Company in the amount of \$101 (2006 – \$62).
- In the second quarter of 2007, the Company also paid rent of \$12 (2006 – \$10) and \$78 (2006 – \$74) to two corporations each associated with senior management of the Company.

Critical Accounting Policies and Estimates

HSE prepares its consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles. In doing so, management is required to make various estimates and judgments in determining the reported amounts of assets and liabilities, revenues and expenses, as well as the disclosure of commitments and contingencies. Management bases its estimates and judgments on historical

experience and on other various assumptions that are believed to be reasonable under the circumstances. Estimates and assumptions are reviewed periodically, and actual results may differ from those estimates under different assumptions or conditions. Management must use its judgment related to uncertainties in order to make these estimates and assumptions.

The accounting policies and estimates believed to require the most difficult, subjective or complex judgments and which are material to the Company's financial reporting results include: allowance for doubtful accounts, intangible assets and goodwill, impairment of long lived assets, depreciation and amortization of property and equipment, and future income tax liabilities. A full description of these accounting policies and estimates can be found in HSE's 2006 Annual Report.

Accounting Pronouncements

On January 1, 2007, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants regarding the recognition, measurement, disclosure and presentation of financial instruments. Under these standards, financial instruments must be classified into one of five categories: (i) held-for-trading, (ii) held-to-maturity, (iii) loans and receivables, (iv) available-for-sale, and (v) other financial liabilities. The new standards require that all financial instruments within the scope of the standards, including all derivative instruments, be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities – except those in the held-for-trading and available-for-sale categories – must be determined at amortized cost using the effective interest rate method. Held-for-trading financial instruments are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial instruments are measured at fair value with changes in fair value recognized in comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

Under adoption of these new standards, the Company designated accounts receivable as “loans and receivables”, which are measured at amortized cost. Short-term investments have been designated as “held-for-trading”, which are measured at fair values with changes in such value included in earnings. Accounts payable and accrued liabilities and long-term debt are classified as “other financial liabilities” which are measured at amortized cost. We have classified previously deferred financing costs of \$29 included in prepaid expenses and other assets as unamortized debt issues costs, which now reduces the carrying value of the long-term debt. The debt issue costs will be accreted to the carrying value of long-term debt using the effective interest method. Comparative amounts for prior periods have not been restated.

The Company also adopted as of January 1, 2007 new standards with respect to comprehensive income. The new standards require a statement of comprehensive income, if there are items that give rise to comprehensive income or loss. The Company did not identify any such items giving rise to comprehensive income or loss in the three and six months ended June 30, 2007, or that would result in an adjustment to opening balances for accumulated other comprehensive income or loss.

The Company was also required to adopt new accounting standards with respect to hedging activities. As the Company does not currently have a hedging program that is impacted by this accounting standard, the adoption of these standards has no impact on the financial statements.

Two new Canadian accounting standards have been issued which will require additional disclosure in the Company's financial statements commencing January 1, 2008 about the Company's financial instruments as well as its capital and how it is managed.

Business Risks

The activities the Company undertakes involve a number of risks and uncertainties, some of which are: crude oil and natural gas prices, cyclical or seasonal nature of industry, merger and acquisition activity,

availability of qualified staff and financing, financial instruments, and litigation and contingencies. Additional risks and uncertainties that the Company may be unaware of, or that were determined to be immaterial, may also become important factors that affect the Company. A discussion on the business risks faced by the Company can be found in HSE's 2006 Annual Report.

Internal Control over Financial Reporting

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Multilateral Instrument 52-109. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were designed to provide a reasonable level of assurance over disclosure of material information, and are effective as at June 30, 2007.

Management's Report on Internal Control over Financial Reporting

The CEO and CFO of HSE Integrated Ltd. are responsible for designing internal controls over financial reporting or causing them to be designed under supervision. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. Internal controls over financial reporting, no matter how well designed, have inherent limitations. Therefore, internal controls over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements.

The Company, in first quarter of 2007 identified revenue completeness, internal control over financial reporting for acquisitions, segregation of duties and technical expertise as internal control weaknesses. In the current period, Management is satisfied that it has implemented adequate compensating controls to address these weaknesses. There were no new acquisitions and no new applicable technical accounting issues requiring outside consulting assistance in the second quarter 2007.

The Company is committed to continually improving its internal control environment in line with its strategy for growth. Other than the corrective actions discussed above, there were no changes in the second quarter of 2007 in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to affect the Company's internal controls over financial reporting.

Common Shares Outstanding

At August 8, 2007, there were 37,465,675 common shares of HSE outstanding, compared with 37,462,342 common shares outstanding as at December 31, 2006.

Non-GAAP Measures

This report makes reference to EBITDA, a measure that is not recognized under generally accepted accounting principles (GAAP). Management believes that, in addition to net earnings, EBITDA is a useful supplementary measure. EBITDA provides investors with an indication of earnings before provisions for interest, taxes, amortization, foreign exchange gains or losses, gains or losses on the disposal of property and equipment, and the non-cash effect of stock-based compensation expense. Investors should be cautioned that EBITDA should not be construed as an alternative to net earnings determined by GAAP as an indication of the Company's performance. HSE's method of calculating EBITDA may differ from that of other companies and accordingly may not be comparable to measures used by other companies.

EBITDA calculation

For the Six Months Ended June 30	2007	2006
Net earnings (loss)	\$(2,209)	\$1,280
Add (deduct):		
Amortization	3,843	3,298
Stock based compensation	690	380
Interest	634	647
Foreign exchange loss	2	-
Loss on disposal of property and equipment	737	451
Income tax	(685)	630
EBITDA	\$3,012	\$6,686

Quarterly EBITDA calculation

	2007			2006			2005	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net earnings (loss)	\$(3,113)	\$904	\$984	\$1,197	\$(1,073)	\$2,353	\$(58)	\$786
Add (deduct):								
Amortization	1,955	1,888	2,458	1,862	1,870	1,428	1,007	894
Stock based compensation	333	357	285	312	231	149	98	70
Interest	302	332	403	346	359	290	34	16
Foreign exchange (gain) loss	3	(1)	(93)	-	-	-	16	-
Loss (gain) on disposal of property and equipment	30	707	(26)	(19)	272	179	177	186
Income taxes	(1,300)	615	330	585	(519)	1,149	226	272
EBITDA	\$(1,790)	\$4,802	\$4,341	\$4,283	\$1,140	\$5,548	\$1,500	\$2,224

Forward-Looking Statements

This report contains forward-looking information and statements within the meaning of applicable securities laws. These forward-looking statements concern, among other things, the Company's prospects, expected revenues, expenses, profits, financial position, strategic direction, and growth initiatives, all of which are subject to risks, uncertainties and assumptions. These forward-looking statements are identified by their use of terms and phrases such as *expect*, *anticipate*, *estimate*, *believe*, *may*, *will*, *intend*, *plan*, *continue*, *project*, *objective* and other similar terms and phrases. These statements are based on certain assumptions and analyses made by the Company based on its experience and assessment of current conditions, known trends, expected future developments and other factors it believes are appropriate under the circumstances. Such statements are subject to numerous external variables, both known and unknown, such as changes in commodity prices for natural gas and oil, changes in drilling activity, weather conditions, industry-specific and general economic conditions and exchange rate fluctuations. If any of these risks and uncertainties materializes or if assumptions are incorrect, actual results may differ materially from those expressed or implied in the forward-looking statements. The forward-looking statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information and statements.

The forward-looking information and statements contained in the MD&A speak only as of the date of this MD&A, and none of the Company or its subsidiaries assumes any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Additional Information

Additional information relating to HSE is available under our profile on the SEDAR website at www.sedar.com and at www.hseintegrated.com.