

HSE Integrated Ltd.

Consolidated Balance Sheets

(Stated in thousands), (unaudited)	September 30 2008	December 31 2007
ASSETS		
Current		
Cash and cash equivalents	\$ 1,991	\$ -
Accounts receivable (note 5)	26,636	24,851
Inventory	215	216
Prepaid expenses and other assets	2,063	1,758
Income taxes recoverable	-	720
	<u>30,905</u>	<u>27,545</u>
Property and equipment	36,705	41,314
Intangible assets	3,934	4,513
	<u>\$ 71,544</u>	<u>\$ 73,372</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 8,158	8,220
Bank indebtedness	-	\$ 616
Current portion of obligations under capital lease (note 8)	1,140	1,328
Current portion of long-term debt (note 7)	1,171	216
Current portion of deferred gain (note 13)	137	-
Income taxes payable	12	-
	<u>10,618</u>	<u>10,380</u>
Deferred gain (note 13)	489	-
Obligations under capital lease (note 8)	482	1,453
Long-term debt (note 7)	13,818	14,995
Future income taxes	5,215	5,748
	<u>30,622</u>	<u>32,576</u>
SHAREHOLDERS' EQUITY		
Share capital (note 9)	60,040	60,036
Contributed surplus (note 10)	4,449	4,144
Deficit	(23,567)	(23,384)
	<u>40,922</u>	<u>40,796</u>
	<u>\$ 71,544</u>	<u>\$ 73,372</u>

Commitments and contingencies (notes 13 and 16)

See accompanying notes to the consolidated financial statements.

HSE Integrated Ltd.

Consolidated Statements of Earnings (Loss) and Retained Earnings (Deficit)

(Stated in thousands), (unaudited)	Three Months ended September 30		Nine Months ended September 30	
	2008	2007	2008	2007
REVENUE	\$ 28,202	23,578	\$ 83,857	70,878
COSTS				
Operating and materials	22,408	20,113	68,400	59,287
Selling, general and administrative	2,936	2,089	7,780	7,202
Amortization of property and equipment	1,647	1,682	5,237	4,909
Amortization of intangible assets	174	322	629	938
Stock-based compensation (note 10 & 11)	23	186	313	876
Interest on long-term debt	264	291	802	879
Other interest and bank charges	24	18	114	64
Foreign exchange loss	4	22	4	24
Loss on disposal of property and equipment	129	99	454	836
	27,609	24,822	83,733	75,015
EARNINGS (LOSS) BEFORE GOODWILL IMPAIRMENT	593	(1,244)	124	(4,137)
Goodwill impairment	-	(15,000)	(100)	(15,000)
EARNINGS (LOSS) BEFORE INCOME TAXES	593	(16,244)	24	(19,137)
Income taxes				
Current (recovery)	330	(169)	740	(527)
Future reduction	(133)	(155)	(533)	(481)
	197	(324)	207	(1,008)
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	396	(15,920)	(183)	(18,129)
RETAINED EARNINGS (Deficit), beginning of period	(23,963)	1,709	(23,384)	3,918
RETAINED EARNINGS (Deficit), end of period	\$ (23,567)	14,211	\$ (23,567)	14,211
Earnings (Loss) per share				
Basic and diluted	\$ 0.01	(0.42)	\$ 0.00	(0.48)
Weighted average number of shares (note 9)				
Basic	37,576	37,565	37,573	37,499
Diluted	37,576	37,565	37,573	37,499

See accompanying notes to the consolidated financial statements.

HSE Integrated Ltd.

Consolidated Statements of Cash Flows

	Three Months ended September 30		Nine Months ended September 30	
(Stated in thousands), (unaudited)	2008	2007	2008	2007
Cash provided by (used in)				
Operations				
Net earnings (loss)	\$ 396	(15,920)	\$ (183)	(18,129)
Charges to income not involving cash:				
Goodwill impairment	-	15,000	100	15,000
Amortization	1,821	2,004	5,866	5,847
Stock-based compensation	23	186	313	876
Future income tax	(133)	(155)	(533)	(481)
Loss on disposal of property and equipment	129	99	454	836
Changes in non-cash working capital (note 14)	731	(4,252)	(1,426)	(2,875)
Cash provided (used in) operations	2,967	(3,038)	4,591	1,074
Financing				
Advances of operating line of credit	-	1,702	-	1,702
Repayment of bank indebtedness	-	-	(616)	-
Repayment of obligations under capital lease	(410)	(408)	(1,159)	(1,347)
Repayment of long-term debt	(56)	(269)	(222)	(2,416)
Issuance of share capital, net of costs	4	2	4	6
Cash provided (used in) financing	(462)	1,027	(1,993)	(2,055)
Investing				
Purchase of property and equipment	(856)	(876)	(2,515)	(3,691)
Acquisitions	-	(1,974)	(100)	(1,974)
Purchase of intangibles	(50)	-	(50)	-
Proceeds from disposal of property and equipment	143	266	2,058	886
Cash used in investing	(763)	(2,584)	(607)	(4,779)
Net change in cash and cash equivalents	1,742	(4,595)	1,991	(5,760)
Cash and cash equivalents, beginning of period	249	5,386	-	6,551
Cash and cash equivalents, end of period	\$ 1,991	791	\$ 1,991	791

See accompanying notes to the consolidated financial statements.

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 1 – NATURE OF BUSINESS

These unaudited interim consolidated financial statements of HSE Integrated Ltd. (the “Company”) have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements of the Company for the year ended December 31, 2007, except as outlined in note 2. The disclosures provided below are incremental to those included with the audited annual consolidated financial statements and certain disclosures which are normally required to be included in the notes to the annual consolidated financial statements have been condensed or omitted. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes for the Company for the year ended December 31, 2007.

These unaudited interim consolidated financial statements include the accounts of the Company and its subsidiaries, are stated in Canadian dollars, and have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). Management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates.

The Company’s business is seasonal in nature with the highest activity in the winter months (first and fourth fiscal quarters) and the lowest activity during spring break up (second fiscal quarter) due to road weight restrictions and reduced accessibility to remote work areas.

Certain prior year figures have been reclassified to conform to the current period presentation.

NOTE 2 – CHANGE IN ACCOUNTING POLICIES

On January 1, 2008, the Company adopted the new Canadian accounting standards regarding Financial Instruments – Disclosures, Financial Instruments – Presentation, and Capital Disclosures. The new standards on financial instruments supersede previous disclosure requirements. The new requirements also provide for disclosure of the Company’s capital structure and how it is managed. The Company has added additional disclosure to address the requirements of the new standards related to financial instruments (note 5) and capital management (note 6).

Accounting Standards pending adoption

In February 2008, the CICA Accounting Standards Board (“AcSB”) issued recommendations relating to the recognition, measurement and disclosure of goodwill and intangible assets which will be effective for the Company’s 2009 reporting. The Company is currently assessing the impact of implementing these recommendations.

In February 2008, the “AcSB” confirmed the changeover to International Financial Reporting Standards (IFRS) from Canadian GAAP will be required for publicly accountable enterprises effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The AcSB issued an “omnibus” exposure draft of IFRS with comments due by July 31, 2008, wherein early adoption by Canadian entities is also permitted. The Canadian Securities Administrators (“CSA”) has also issued Concept Paper 52-402, which requested feedback on the early adoption of IFRS as well as the continued use of US GAAP by domestic issuers. The eventual changeover to IFRS represents changes due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 3 – UNITED STATES OPERATIONS

On May 7, 2008 a new company called Boots & Coots HSE Services LLC (“BCHSE”) was incorporated to pursue the expansion of Oilfield safety services in the continental United States.

The Company owns 100% of the shares of HSE Integrated Inc. (“INC”) a Delaware corporation which in turn owns a 90% interest in BCHSE, a Delaware Limited Liability Company. Boots & Coots International Well Control Inc. owns the remaining 10%. The Company has consolidated the operations of BCHSE and has recorded a non-controlling interest relating to the interest not held.

Activity in the third quarter focused on logistics such as certain asset transfers to LLC, recruitment of personnel, securing of operating facilities and other activities associated with setting up a new business operation.

BCHSE generated its first revenue in Texas and incurred an operating loss in the third quarter of approximately \$0.2 million.

NOTE 4 – ACQUISITION

On July 1, 2007, the Company acquired the shares of Prairie Wide Safety Ltd. (“PWS”) of Weyburn, Saskatchewan in a business combination 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 price was based upon a predetermined formula, not to exceed \$2.2 million plus the assumption of debt, based upon historical results, with additional consideration contingent upon performance measures achieved in the first year from the acquisition date. The results of operations are included in the accounts from date of acquisition. Consideration and acquisition costs were originally comprised of 100,000 common shares of the Company valued at \$1.64 per share, \$1,884 cash and the assumption of debt.

Additional consideration which was contingent upon performance measures based upon the first year after acquisition, has been reflected in the following table. The additional consideration was \$100 cash, resulting in total cash paid of \$1,984 and an increase in goodwill from \$1,362 to \$1,462. All other amounts remain the same as there is no additional contingent consideration.

Management has, in accordance with the Company’s accounting policy for goodwill, determined a goodwill impairment of \$100.

	Prairie Wide Safety Ltd.
Net assets acquired	
Non-cash working capital	46
Property and equipment	1,365
Intangible assets	152
Goodwill	1,462
Bank indebtedness	(119)
Long-term debt	(392)
Capital lease obligations	(139)
Future income taxes	(227)
	2,148
Consideration paid	
Cash	1,984
Issuance of Common shares	164
	2,148

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 5 – FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management practices and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's risk management practices are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other accounts receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and its industry life cycle. For the quarter ended September 30, 2008, the Company had no one customer that generated sales of more than 10% of Company revenue (2007 – nil). Based on its customer base, the Company does not believe that it has any significant concentrations of credit risk. The Company does not have any off balance sheet credit exposure related to its customers.

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, where available, and trade references. Customers that fail to meet the Company's creditworthiness criteria may transact with the Company only on a prepayment basis. The maximum credit exposure associated with trade accounts receivable is the carrying value.

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical write-off experience, account aging and the oil and gas industry economic cycle. The Company reviews its allowance for doubtful accounts monthly. Past due balances are reviewed individually for collectability.

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Trade accounts receivable	\$ 27,886	26,006
Allowance for doubtful accounts	(1,250)	(1,155)
Total trade accounts receivable	<u>\$ 26,636</u>	<u>24,851</u>

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 5 – FINANCIAL RISK MANAGEMENT (continued)

The aging of trade receivables at the reporting date was:

		September 30, 2008		December 31, 2007	
		Gross	Allowance	Gross	Allowance
Current (0 – 30 days from invoice date)	\$	16,916	-	15,886	-
Past due 1-30 days		5,524	-	5,772	-
Past due 31-90 days		3,943	235	3,473	280
More than 90 days		1,503	1,015	875	875
Total	\$	27,886	1,250	26,006	1,155

The movement in the allowance for doubtful accounts receivables in respect of trade receivables during the period was as follows:

		September 30, 2008	December 31, 2007
Balance at January 1	\$	1,155	427
Impairment loss recognized		95	728
Balance at end of period	\$	1,250	1,155

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without unacceptable losses or risking damage to the Company's reputation.

The Company has the following contractual financial liabilities, including interest payments: trade and other payables, bank indebtedness, secured equipment loans, an operating line of credit margined by accounts receivable, a three year credit facility and capital leases for equipment (notes 7 and 8).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income. HSE is exposed to currency risk on US denominated financial assets and liabilities with adjustments recognized as foreign exchange gains and/or losses in the consolidated statement of earnings. For every 1% change in the prime interest rate the cost to the Company \$138 per annum in additional interest expense.

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 6 – CAPITAL MANAGEMENT

The Board's policy is to maintain an appropriate capital base that maintains investor, creditor and market confidence and to sustain future development of the business. The Company seeks to maintain a balance between the level of long-term debt and shareholders' equity to ensure access to capital markets to fund growth and working capital. The Company may occasionally need to increase these levels to facilitate acquisition or expansionary activities.

The Company was in compliance with all externally imposed debt covenants at September 30, 2008.

As at September 30, 2008 and December 31, 2007, these ratios were as follows:

<i>(Stated in thousands, except ratios)</i>	<u>September 30, 2008</u>	December 31, 2007
Long-term debt	\$ 14,989	15,211
Shareholders' equity	40,922	40,796
Total capitalization	<u>\$ 55,911</u>	<u>56,007</u>
Long-term debt to total capitalization	<u>0.27</u>	0.27

NOTE 7 – OPERATING FACILITIES and LONG-TERM DEBT

The Company has established credit facilities including a \$25 million three year interest-only revolving facility and a \$7.5 million operating facility.

The credit facilities bear interest at the bank's prime rate (or U.S. base rate) plus up to 1.50%, or at bankers' acceptance rates with a variable stamping fee of 1.75% to 3.00%. An additional standby fee ranging from 0.35% to 0.65% 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. The operating facility is subject to covenants that are typical for this type of facility. The credit facilities are collateralized under a general security agreement.

Deferred financing costs associated with the new financing facilities have been shown as a reduction in the carrying value of long-term debt and will be expensed over the term of the debt using the effective interest rate method.

	<u>September 30 2008</u>	December 31 2007
Equipment financing contracts bearing interest at rates averaging 3.02% (2007 – 3.48%), payable in blended monthly payments of \$16 (2007 - \$31) secured by specific equipment	\$ 173	\$ 391
Three year interest only revolving credit facility	<u>13,829</u>	13,829
	14,002	14,220
Accrued consideration on share purchase acquisition	<u>1,040</u>	1,040
	15,042	15,260
Less: current portion	<u>(1,171)</u>	(216)
	13,871	15,044
Less: unamortized debt issue costs	<u>(53)</u>	(49)
	<u>\$ 13,818</u>	<u>\$ 14,995</u>

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 7 – OPERATING FACILITIES and LONG-TERM DEBT (continued)

Outstanding principal repayments are due as follows:

Periods ending September 30		September 30 2008
2009	\$	1,171
2010		13,859
2011		12
		<u>15,042</u>

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASE

The amounts due under capital lease arrangements are repayable in blended monthly payments of \$118 (2007 - \$143) and bear interest at rates averaging 5.45% (2007 – 5.49%) per annum. On certain leases, the Company has options to acquire the leased assets at various times throughout term to 2012.

Payments are due as follows:

Periods ending September 30		September 30 2008
2009	\$	1,234
2010		353
2011		159
2012		11
		<u>1,757</u>
Less: interest		<u>(135)</u>
		1,622
Less: current portion		<u>(1,140)</u>
	\$	<u>482</u>

NOTE 9 – SHARE CAPITAL

a) **Authorized:**

Unlimited number of common shares without par value.

Unlimited number of preferred shares, issuable in series.

b) **Issued and outstanding:**

	September 30, 2008		December 31, 2007	
	Shares (in thousands)	\$ Amount	Shares (in thousands)	\$ Amount
Common shares				
Balance, beginning of period	37,568	\$ 60,036	37,462	\$ 59,862
Changes (net of share issue costs):				
Issued on acquisition of PWS	-	-	100	164
Issued on exercise of options	8	4	6	10
Balance, end of period	<u>37,576</u>	<u>\$ 60,040</u>	<u>37,568</u>	<u>\$ 60,036</u>

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 9 – SHARE CAPITAL (continued)

c) Per share amounts:

Basic per common share amounts are computed by dividing earnings by the weighted average number of common shares outstanding during the period. Diluted per common share amounts are computed by dividing earnings by the diluted weighted average number of common shares outstanding during the period.

NOTE 10 – CONTRIBUTED SURPLUS

	September 30 2008	December 31 2007
Balance, beginning of period	\$ 4,144	\$ 1,423
Stock compensation expense	305	1,116
Exercise of stock options	-	(4)
Warrants – expired	-	1,609
Balance, end of period	\$ 4,449	\$ 4,144

NOTE 11 - STOCK-BASED COMPENSATION PLANS

Incentive stock option plan

Information about outstanding stock options is as follows:

	September 30 2008		December 31 2007	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,379,998	\$ 2.15	1,924,501	\$ 2.24
Granted	735,000	0.99	667,500	1.71
Exercised	(8,000)	.50	(5,333)	1.06
Forfeited	(381,166)	1.74	(206,670)	2.12
Outstanding, end of period	<u>2,725,832</u>	<u>\$ 1.90</u>	<u>2,379,998</u>	<u>\$ 2.15</u>
Exercisable at end of period	<u>1,434,140</u>	<u>\$ 2.16</u>	<u>996,143</u>	<u>\$ 2.06</u>

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 11 - STOCK-BASED COMPENSATION PLANS (continued)

The following table summarizes information about stock options outstanding at September 30, 2008:

Options outstanding	Exercise prices \$	Weighted average remaining life in years	Number exercisable
630,000	0.50-1.05	4.52	20,000
792,834	1.06-1.69	1.95	618,498
752,999	1.70-2.50	2.87	402,317
549,999	2.51-3.50	2.56	393,325
2,725,832	1.90	2.91	1,434,140

Deferred share unit plan

The Company has adopted a deferred share unit (“DSU”) plan for non-executive directors. Under the terms of the plan, DSUs awarded will vest immediately and will be settled with cash in the amount equal to the closing price of the Company’s common shares on the redemption date specified by the Director upon tendering their resignation from the Board. The redemption date must be after the date on which the notice of redemption is filed with the Company and before December 15 of the first calendar year commencing after the Director’s termination date.

On January 16, 2007, 15,000 deferred share units were granted to non-executive directors. On May 22, 2008, an additional 15,000 deferred share units were granted. The units were re-valued at September 30, 2008 and resulted in a total expense year-to-date of \$8 (September 30, 2007 - \$ 17) .

NOTE 12 – 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:

- Included in accounts receivable is a non-interest bearing promissory note of \$49 (2007 - \$49) which is due from a Director of the Company. This note is payable on demand. In the third quarter of 2008, the Company also paid rent to a corporation related to a Director of the Company in the amount of \$61 (2007 – \$61). The rent is for a regional office.
- In the third quarter of 2008, the Company also paid rent of \$79 (2007 – \$79) for a regional office to a corporation. A Senior Manager of the Company controls the corporation.

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 13 - COMMITMENTS

The Company leases certain shop and office space and vehicles and equipment under operating leases for periods ending between 2008 and 2013. Future minimum lease payments under these leases in each of the next five years are as follows:

Periods ending September 30	Rental facilities	Operating leases	Total
2009	\$ 2,930	1,559	4,489
2010	2,375	1,487	3,862
2011	1,508	972	2,480
2012	846	130	976
2013	641	-	641

In May 2008, the Company sold three of its buildings as part of a sale/lease back arrangement. The net proceeds on the sale were \$1.7 million, resulting in gains on sale of \$0.7 million. The resulting gains have been deferred and will be amortized over the remaining lives of the leases.

NOTE 14 - SUPPLEMENTARY CASH FLOW INFORMATION

Increase (decrease) in non-cash working capital from operations	Three Months ended September 30		Nine Months ended September 30	
	2008	2007	2008	2007
Short term investments	\$ -	-	\$ -	802
Accounts receivable	1,179	(3,750)	(1,785)	1,346
Inventory	6	62	1	23
Prepaid expenses and other assets	(315)	(220)	(305)	93
Income tax recoverable/payable	352	(185)	732	(2,570)
Accounts payable and accrued liabilities	(491)	(159)	(69)	(2,569)
Net change in non-cash working capital	\$ 731	(4,252)	\$ (1,426)	(2,875)

HSE Integrated Ltd.

Notes to the consolidated financial statements

(Unaudited)

For the three and nine month periods ended September 30, 2008 and 2007

(Stated in thousands of dollars)

NOTE 15 – SEGMENT INFORMATION

Management has determined that the Company operates in a single industry segment, which involves the provision of industrial health, safety and environmental monitoring services. Substantially all of the Company's operations, assets, revenues, and employees are in Canada. For the quarter ended September 30, 2008, the Company had no one customer representing more than 10% of revenue (September 30, 2007 – nil).

Revenue by customer group is as follows:

	Three Months ended September 30		Nine Months ended September 30	
	2008	2007	2008	2007
Oilfield	\$ 12,039	11,722	\$ 36,666	38,007
Industrial	16,163	11,856	47,191	32,871
Total Revenue	\$ 28,202	23,578	\$ 83,857	70,878

As a % of Revenue:

Oilfield	42.7%	49.7%	43.7%	53.6%
Industrial	57.3%	50.3%	56.3%	46.4%
Total Revenue	100.0%	100.0%	100.0%	100.0%

NOTE 16 – CONTINGENCIES

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers, former employees, and third parties. Management believes that adequate provisions have been recorded in the accounts where applicable. Although it may not be possible to estimate accurately the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies would not have a material effect on the financial position of the Company.