



Press Release  
July 29, 2013



### Wavefront Announces Fiscal Third Quarter 2013 Results

EDMONTON, Alta., July 29, 2013 Wavefront Technology Solutions Inc. (“Wavefront” or the “Company”, TSX-V: WEE; OTCQX: WFTSF) a developer of leading-edge technology for fluid injection optimization for improved performance and profitability in the oil and gas and environmental sectors announces its financial results for the third quarter ending May 31, 2013.

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

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

Marketing in North America will focus primarily on performance drilling and well stimulation in 2013 and beyond, to promote the strengths of our Powerwave™ stimulation and Powerwave Trailblazer performance drilling technologies in response to the growing demand for these services throughout the U.S. and Canada.

Internationally Wavefront has been concentrating on high value markets in Oman, Mexico, Colombia, Argentina, and Brazil. Within these markets there is tremendous revenue generation opportunity for all product lines.

During the third fiscal quarter Wavefront continued to experience delays in project initiation in Brazil which has impacted revenue related to EOR projects. We anticipate the start of revenue recognition in the coming quarters as tools are installed. The current value of the Petrobras contract is approximately US \$1.16 million.

A technical paper with Pan American Energy (“PAE”) was presented at the Petroleum Congress was held in Rosario, Argentina in May 2013. Based on positive results the Company is anticipating a renewal of its current contract as well as a modest expansion of Powerwave tools with PAE in Argentina.

Wavefront's Powerwave Trailblazer performance drilling tools were introduced to the drilling market in October 2012 and have been under evaluation in both Canada and the United States. The evaluation testing phase is required to better understand the use of the tools as well as to make necessary improvements to the quality control/quality assurance of the tool design to maximize tool benefits while ensuring tool integrity during operation. Although the Company has recently started charging a daily rental rate ranging from \$2,500 to \$3,500 per day there may be circumstances where we provide further discounts to gain experience and data.

During the third fiscal quarter Wavefront announced that Schlumberger Romania was piloting Powerwave stimulation tools for use with Romgaz. Initial results have been very positive and the Company anticipates moving to a yearly rental agreement.

Subsequent to the third fiscal quarter Weatherford continued with Powerwave stimulations in the Chicontepec Basin. Also subsequent to the third fiscal quarter the Company received notice to conduct a pilot well stimulation program with Daleel Petroleum in Oman.

**Financial highlights for the three months ended May 31, 2013 include;**

- Wavefront began realizing on its efforts to capitalize on evolving and international EOR markets and Canadian and American stimulation markets as total revenues increased by approximately \$262,611 to \$1,659,021 compared \$1,396,410 in the comparative period. The third quarter revenues represent the second highest amount that the Company has recognized.
- Revenue attributed only to Powerwave product lines (i.e., well stimulation and workovers, performance drilling, enhance oil recovery) were \$1,452,003, an increase of \$429,907 over revenues in the comparative period of \$1,025,096.
- Powerwave stimulation revenues from the three months ended May 31, 2013 continued to increase with Canadian revenues increasing by \$135,966 to \$348,730, while United States revenues increased by \$240,442 to \$363,568 and international revenues increased by \$82,743 to \$94,745.
- During the quarter the Company commenced billing some clients for its Powerwave Trailblazer performance drilling products. The commencement of billing is for selective clients as others were still collecting data to verify the efficacy of the tools. For the nine months ended May 31, 2013 Powerwave Trailblazer performance drilling revenues totalled \$103,310. Included in Powerwave Trailblazer performance drilling revenues were lost tool charges that are not anticipated to be recurring.
- Total revenue of long-term Powerwave projects related to mature field revitalization involving either waterflooding or CO2 flooding totalled \$541,650 compared to \$582,987 in the comparative period. The decrease in long-term Powerwave projects related to mature field revitalization seen in the Company's three market focus areas relate to the renegotiation of international contracts (i.e., involving the changing the contract term, numbers and types of tools involved, etc.); reduction of revenues due to expiring and changing contract terms; the focus of United States operators on replacing produced reserves through drilling unconventional resources; international withholding taxes; and macroeconomic conditions such as the heavy oil price differential in Canada. Moving forward the Powerwave contract in Brazil worth approximately \$1.2 million and elsewhere will drive future long-term Powerwave mature field revitalization revenue streams.
- Despite changes in product mix and revenues, cost of sales declined to \$298,162 (or 18.0% of revenues) compared to \$453,439 (or 32.5% of revenues) for the comparative reporting period.
- Other expenses, excluding cost of sales, for the three months ended May 31, 2013 amounted to \$2,343,398, compared to \$2,543,741 in 2012. The decrease in these expenses of \$200,343 Company continued its focus on cost controls. Excluding amortization, depreciation and depletion total expenses decreased by \$431,948.

- The net loss and comprehensive loss for the three months ended May 31, 2013 was \$956,590 compared to \$1,533,505) or \$0.01 per share compared to \$0.02 per share respectively.
- Cash used in operating activities was \$411,281 (2012 - \$854,391). Quarter over quarter cash used in operations has tended to fluctuate as changes in product mix and revenue fluctuate, and as the Company incurs period expenses and changes in non-cash working capital items that were incurred to expedite revenue growth. The Company has endeavoured to control period costs while trying to maintain a balance of preservation of capital resources while expediting revenue growth.

The above financial highlights should be read in conjunction with the unaudited consolidated financial statements and management discussion and analysis of results for Wavefront for the third quarter ended May 31, 2013, which were filed on SEDAR on July 29, 2013.

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

ON BEHALF OF THE BOARD OF DIRECTORS

**WAVEFRONT TECHNOLOGY SOLUTIONS INC.**

*“D. Brad Paterson” (signed)*

D. Brad Paterson, CFO & Director

**About Wavefront:**

Wavefront is a technology based world leader in fluid injection technology for performance drilling, well stimulation, and mature field revitalization (EOR). Wavefront publicly trades on the TSX Venture Exchange under the symbol WEE and on the OTCQX under the symbol WFTSF. The Company’s website is [www.onthewavefront.com](http://www.onthewavefront.com).

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