



**THIRD QUARTER REPORT
Period Ended February 28, 2009**

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion explains material changes in the Corporation's financial condition and results of operations for the third quarter of fiscal year 2009, ended February 28, 2009. The quarterly financial statements constitute an integral part of the discussion and should be read in conjunction with these comments.

Description of Business

Thermal Energy International Inc. ("Thermal Energy") has established itself since 1991 as an innovative technology company providing custom energy and emission reduction solutions. Our award winning energy recovery, conservation and bioenergy solutions provide significant financial and environmental benefits to our customers.

Thermal Energy engages clients through a unique mix of process, energy, environmental, financial and other expertise combined with the best technology solutions and financial offerings. The Company's client can expect compelling returns and solutions with an excellent track record of longevity, proven reliability and performance.

More information on Thermal Energy can be found at www.thermalenergy.com. FLU-ACE®, THERMALONox™, THERMALOZOMax™, GEM® and DRY-REX™ are trademarks of Thermal Energy. Common shares of Thermal Energy are traded on the TSX Venture Exchange under the symbol TMG.

Discussion of Operations and Financial Conditions

Revenue and Gross Profit

Total sales for the third quarter ended February 28, 2009 were \$682,341, compared with \$509,074 in 2008.

Gross profit for the third quarter ended February 28, 2009 at \$295,673 (43.33%) compared with \$16,419 (3.23%) in 2008. The increase in gross profits on a comparative basis from the same period in 2008 was due to better margins on greater revenues associated with the GEM acquisition.

Expenses

Administration expenses in the third quarter ended February 28, 2009 were \$581,964, an increase of \$272,706 or 88.18% over the \$309,258 incurred in 2008. The increase was mainly due to the addition of \$140,890 from GEM related costs and the provision of \$125,000 for doubtful accounts receivable in connection with a dispute over deficiencies on a customer contract.



Selling, marketing and business development expenses in the third quarter ended February 28, 2009 were \$868,420, an increase of \$551,682 or 174.18% over 2008. The increase was mainly due to the hiring of four new sales personnel with associated costs of \$135,000 and by increases in expenses of GEM of \$438,466.

Legal expenses in the third quarter ended February 28, 2009 were \$15,034, compared to \$58,683 in 2008. The greater expenses of the previous year were one time charges related to the GEM acquisition.

Audit fee provision in the third quarter ended February 28, 2009 was \$21,661, compared to \$15,000 incurred in 2008. The increase was due to acquisition work.

Insurance costs in the third quarter ended February 28, 2009 were \$33,415 a decrease of \$24,438 compared to \$57,853 in 2008 due to a reduction of premiums.

Amortization of property, plant and equipment was at \$11,857 in the third quarter ended February 28, 2009 compared with \$7,948 in 2008, an increase of \$3,909, mainly due to GEM related costs of \$4,981.

Patent and Trademark maintenance costs were \$630 in the third quarter ended February 28, 2009, compared to \$6,521 in 2008. All Patent and Trademark costs incurred by the Company are expensed as incurred.

Research and Development costs were \$30,019 in the third quarter ended February 28, 2009, compared to \$9,373 in 2008. The increase was primarily due to the container shipment of equipment to China for the purpose of conducting tests of the THERMALONOX™ technology in China for reducing nitrogen oxide emissions (NOx) from coal-fired power plants and other industrial sources. Only a small amount of \$3,476 was related to GEM.

Interest and bank charges were \$17,844 in the third quarter ended February 28, 2009 compared with \$1,100 in 2008. Interest increased by \$16,744, \$7,006 from a bank loan in Canada, the balance from a bank credit line in the United Kingdom. Bank charges of \$8,901 were mostly associated with accounts receivable discounting in the United Kingdom.

Foreign exchange gain on monetary assets and liabilities gain in the third quarter ended February 28, 2009 was \$33,244 compared with a foreign exchange loss of \$9,174 in 2008 due to more favourable Canadian currency rates against the US DOLLAR and British Pound Sterling and Sterling against the Euro.

Interest revenue amounted to \$11,569 in the third quarter ended February 28, 2009 compared with \$5,435 in 2008 as a result of higher levels of short-term investments.

Finance revenue was \$63,865 in the third quarter ended February 28, 2009 from the THERMAL-AUD™ project in Quebec.

Net Loss and other comprehensive loss was \$1,183,548 in the third quarter ended February 28, 2009 compared to a net loss of \$569,794 in 2008. Together with the changes summarized above, insufficient sales volume to cover the current level of fixed costs in the Company to produce a net profit continued. Management continues to work hard to control overhead costs but its main focus at the present time is a dedicated effort to secure much improved sales results and to provide an increase of capital projects including those relative



to THERMAL-AUD™ financed projects in order to increase the level of revenues in future consolidated financial statements. This is discussed more fully elsewhere in this report.

Liquidity and Solvency

At February 28, 2009, the Company had a working capital of \$4,180,204 compared to a working capital deficiency of \$2,093,061 at May 31, 2008. Current assets of \$6,290,638 increased by \$4,610,609 from May 31, 2008. The substantial improvement in working capital was the result of the private placement in June 2008. Cash and short-term investments increased by \$3,637,999, accounts receivable by \$491,077, contracts in progress decreased by \$143,700. Current liabilities at \$2,110,434 decreased by \$1,662,656 from May 31, 2008. The major changes were a decline in deferred revenue of \$314,908, a decrease in accounts payable of \$1,391,365 and a decrease in bank loan of \$178,128. The GEM acquisition contributed approximately \$500,000 to working capital.

Management continues to recognize the requirement to maintain liquidity in order to continue as a going concern, and as a result is aggressively working to increase sales and is continuing to develop new cooperative business relationships and exclusive sales distributorships in different, but complementary, product lines.

Management's discussions which began in the fourth quarter of FY 2008 to structure a multi-million dollar financing of its new Business Plan involving the acquisition of GEM Ltd., of Bristol, U.K., culminated with the successful completion of a brokered private placement with gross proceeds of \$15,000,000 in the first quarter of fiscal year 2009. The proceeds raised were used for completing the acquisition of GEM, to expand sales and marketing efforts in North America, Europe and China which began in earnest in the second quarter and continued in the third quarter with the hiring of four new salespersons, to assist in project financing and for R&D testing activities of THERMALONOX™ in China.

Related Party Transactions

In the quarter ended February 28, 2009, Directors fees for services were \$15,750 compared with \$15,750 in 2008. Officers' fees for services were \$33,000 compared with \$51,000. Loans to exercise options and acquire shares by Directors were \$354,647 at February 28, 2009 (2008, \$219,647). Loans to Officers to exercise options and acquire shares were \$254,800 at February 28, 2009 (2008, \$230,300). The shares acquired by exercising options will be held as security by the Company until the loans are repaid.

Management Compensation Disclosure

Compensation paid to directors and officers was as follows:

	Quarter Ended February 28		Year to Date February 28	
	2009	2008	2009	2008
	\$	\$	\$	\$
Directors fees and salaries	62,250	57,500	236,750	186,450
Officers fees and salaries	47,450	94,350	113,450	196,350
Severance to officer	17,500	-	17,500	-



SEGMENTED INFORMATION

In the quarter and nine months ended February 28, 2009 the Company operated in the energy conservation and environmental compliance (air) industry in North America and Europe and was also engaged in the start-up phase of similar operations in China. Within this business segment, the Corporation markets, sells, engineers, fabricates, constructs, installs and supports three retrofit technology lines – waste energy recovery solutions, air emission control solutions and condensate return system solutions. Assets are located in Canada and Europe.

The Company operated in three reportable segments in the quarter and nine months ended February 28, 2009. In the waste energy recovery and air emission control business, customers finance these projects entirely from their own resources or through the

Company's Thermal-AUD™ system whereby the Company finances the project and leases back the facility to the customer. This gives rise to two reportable segments. The third segment is in the condensate return system solutions business through its acquisition of Gardner Energy Management Limited (GEM™) on July 1, 2008. These three reportable segments are detailed below:

	Quarter Ended February 28, 2009		
	Customer financed contracts and other	Thermal- AUD™ contract	GEM™
	\$	\$	\$
Revenue from external customers	44,531	-	637,810
Inter-segment revenues	28,667	-	7,086
Interest and finance revenue	10,562	63,865	7
Interest expense and bank charges	1,794	7,006	9,044
Stock-based compensation charge	11,591	-	-
Amortization of property, plant and equipment	6,876	-	4,901
Segment loss (profit)	1,107,201	(27,424)	101,878
Expenditures for property, plant and equipment	-	-	405



	Year to date February 28 , 2009		
	Customer financed contracts and other	Thermal-AUD™ contract	GEM™
	\$	\$	\$
Revenue from external customers	579,553	-	2,301,669
Inter-segment revenues	98,401	-	22,031
Interest and finance revenue	76,871	213,382	25
Interest expense and bank charges	5,502	27,336	50,768
Stock-based compensation charge	189,099	-	-
Amortization of property, plant and equipment	23,007	-	15,740
Segment loss (profit)	2,746,147	(84,377)	(29,668)
Segment assets	12,047,098	2,074,024	1,282,964
Expenditures for property, plant and equipment	25,318	-	12,217



Quarter ended Feb 28, 2009 Year to date Feb 28, 2009

Reconciliation to financial statements	\$	\$
Revenues		
Total revenues for reporting segments	718,094	3,001,654
Elimination of inter-segment revenues	(35,753)	(120,432)
Total company revenues	682,341	2,881,222
Loss		
Total loss for reported segments	1,181,735	2,632,152
Exchange translation adjustment of net investment in self-sustaining foreign operation	1,813	70,117
Net loss and Other comprehensive loss	1,183,548	2,702,269
Assets		
Total assets for reported segments		14,754,438
Elimination of inter-segment receivables		(1,546,500)
Total assets		13,207,938



Other significant items

Quarter ended February 28, 2009

	Segment totals	Adjustments	Company totals
	\$	\$	\$
Interest revenue	11,569	-	11,569
Interest expense and bank charges	17,844	-	17,844
Finance revenue	63,865	-	63,865
Stock-based compensation charge	11,591	-	11,591
Amortization of property, plant and equipment	11,857	-	11,857
Expenditures for property, plant and equipment	405	-	405

Year to date February 28, 2009

Other significant items	Segment totals	Adjustments	Company totals
	\$	\$	\$
Interest revenue	76,896	-	76,896
Interest expense and bank charges	83,606	-	83,606
Finance revenue	213,382	-	213,382
Stock-based compensation charge	189,099	-	189,099
Amortization of property, plant and equipment	38,747	-	38,747
Expenditures for property, plant and equipment	37,535	-	37,535
Goodwill	5,049,610	-	5,049,610

Geographic Segments	Quarter ended Feb 28, 2009	Year to date Feb 28, 2009	As at Feb 28, 2009
	Revenues \$	Revenues \$	Property, plant and equipment \$
Canada	46,919	78,548	67,377
United States	6,710	544,606	-
Europe	628,712	2,258,068	41,649
Total	682,341	2,881,222	109,026



Revenues from outside customers are attributed to the geographic segments based on the location of the project.

Supplementary Financial Information

The following table shows selected consolidated financial data for the most recent eight quarters. The quarterly information has been prepared on the same basis as the consolidated financial statements.

Quarterly financial information (unaudited)
For the eight quarters ended February 28, 2009

	2007	2008				2009		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales	482,179	1,048,357	618,200	509,074	2,750,577	1,058,318	1,140,563	682,341
Net loss	721,949	417,895	863,431	569,794	521,388	616,086	834,331	1,181,735
Net loss per Share basic And diluted	0.008	0.005	0.009	0.006	0.005	0.004	0.005	0.007

Trend Analysis:

The losses incurred in each quarter from Q4 FY 2007 through to Q3 FY 2009 are consistent in magnitude in the range of \$521,388 to \$721,949, with the exception of Q1 FY 2008, Q2 FY 2008, Q2 FY 2009 and Q3 FY 2009.

The lower loss amount of \$417,895 in Q1 FY 2008 was due mainly to a significant increase in sales and gross profit.

The losses on Q4 FY 2007 increased to \$721,949 mainly due to increases of \$133,000 in stock-based compensation and \$77,000 in sales commissions.

The losses in Q2 FY 2008 increased to \$863,431 partly due to lower recognized revenues from sales. The Company's work at Fraser Papers Canada (FPS's) Thurso mill could not be recognized until the construction asset was complete and generating revenue from monthly billings to FPS.

The losses in Q3 FY 2008 decreased to \$569,794 partly due to increased recognized revenues from sales. Q3 results also reflect the entry for the future income tax recovery of \$200,000 in 2008. The Company's work at FPS's Thurso mill was completed on time and although not impacting the third quarter, began generating revenue in the fourth quarter with the first monthly billing to FPS on March 31, 2008.

The losses in Q1 FY 2009 increased to \$616,086. Gross margins were much improved but were more than offset by increases in the major areas of administration and sales and marketing and increases in R&D expenditures for equipment related to testing the THERMALONox® technology. Expenses were impacted on a comparative basis by the acquisition of GEM.



The losses in Q2 FY 2009 increased to \$834,331. Gross margins were improved from the previous quarter but were more than offset by increases in the major areas of administration and sales and marketing and increases in R&D expenditures related to testing the THERMALONOX® technology in China. Expenses were impacted to a greater degree from the first quarter on a comparative basis by the acquisition of GEM.

The losses in Q3 FY 2009 increased to \$1,181,735 due to a reduction in revenues from the previous two quarters and increase in the areas of administration and sales and marketing.

Without the exceptions noted above, the net losses remained in a fairly constant range throughout the eight quarters summarized from Q4 FY 2007 through Q3 FY 2009, demonstrating the need to significantly increase sales to cover and exceed the amount of fixed costs in order to overcome the consistent pattern of losses.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure. Management of the Company, with the participation of the CEO and the CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures as at February 28, 2009 as required by Canadian securities laws. Based on that evaluation, the CEO and CFO have concluded that, as of February 28, 2009, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's interim filings (as such terms are defined under National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the CEO and CFO, as appropriate to allow for accurate disclosure to be made on a timely basis.

Changes in Internal Control over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The CEO and CFO have concluded that there has been no change in the Company's internal control over financial reporting at February 28, 2009 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company has recognized the need to improve internal control by a better segregation of duties in the accounting and finance area. An Administrative assistant/accounting clerk has been added to relieve the current accountant of bookkeeping duties and enable the Company to devote more resources to the controllership function.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein and, as noted in the



financial statements for the quarter ended February 28, 2009, these statements were not subject to an audit or a review by our independent public accountants.

Business Risks

Management is confident about our long-term prospects, but we recognize that we are exposed to a number of risks in the normal course of business that could negatively impact the financial condition of the Company.

The Company is engaged in the development, engineering and supply of pollution control and heat recovery systems. Operational risks of the Company include the ability to continue to secure and implement multiple sales contracts each year for FLU-ACE® Dry-Rex™ and GEM technology solutions. In addition, the Company has not yet been able to finance and complete the development and commercialization of its patented THERMALONOX™ technology. The Company has encountered difficulty in obtaining the release of its container filled equipment from Chinese customs but has been assured that the long process is almost complete and expects to begin installation of the equipment in May and to be in a position to test the THERMALONOX™ patented technology by Q1 FY 2010.

The Cost Effective Energy Conservation and Environmental Compliance Solutions sales through the close working relationship with partner companies Johnson Controls (JCI) and Honeywell China has not limited the size of the market but has actually increased the market potential.

Financial risks and uncertainties of the Company include:

- The Company's history of operating losses and uncertainty of future profitability;
- The ability to continue to grow sales by maintaining its close working relationship with JCI and Honeywell China;
- The ability to grow sales through the establishment of new cooperative partnerships and strategic alliances;
- The ability to grow sales through the licensing of the Company's technologies;
- The ability to secure and maintain the required outside working capital financing;
- The ability to achieve profitable operations through increased sales,
- Reliance on third party collaborations and license arrangements;
- Reliance on proprietary technology;
- Competition in the energy conservation and environmental compliance solutions;
- Product liability claims and insurance;
- Reliance on key personnel;
- The ongoing litigation with its former President & CEO;
- The ability to control costs and achieve a positive gross margin on projects; and
- The effect of a prolonged recession in Canada, USA and Europe to the financial markets in securing project financing and in particular to industrial and commercial customers in committing capital to projects.

Management's addressing of the risks:

The management of the Company realizes that the operating losses of the period ended February 28, 2009, display a consistent pattern of losses as in previous years. However with the previous fiscal year's losses partly attributed to new management transition costs and to remedial costs on past projects, the Company is now fully focused on sales and marketing



and is expanding its drive towards that purpose with the addition of four sales persons and 2 new Account Managers, Solution Sales to promote the Company's solutions in Canada, the U.S. and Mexico.

The costs in the first three quarters associated with administration and sales, marketing and business development were necessary to advance the sales cycle forward which will become evident in future quarters.

Management believes that it can leverage off of its wholly-owned subsidiary's (ForEverGreen Energy Inc.) successful signing of an agreement of up to \$3.75M with Fraser Paper Inc. to recover waste heat using the THERMAL-AUD™ program and use the same process in other mills.

Management is presently in late discussions with several large companies that it believes will result in the signing of new cooperative partnership agreements that could help to grow its sales and possibly lead to licensing agreements after successful trials of the Company's technologies.

Management is also increasing focus on key institutional markets which are anticipated to receive significant investment from the federal governments both in the US and Canada. This includes a focus on hospitals, universities and government facilities. In line with the strategy, the Company is focused on leveraging the current relationship with JCI and building new relationships with other Energy Service Companies which are expected to benefit greatly in the US by the new administration's spending plans and loan guarantees to increase energy efficiency of institutional facilities.

Management has demonstrated that it can secure outside working capital as evidenced by the successful closings of its private placement with gross proceeds of \$778,639, in Q3 FY 2007, with gross proceeds of \$1,968,500 in Q4 FY 2007 and with gross proceeds of \$1,017,750 in Q3 FY 2008. In addition, during this period, it has realized in excess of \$600,000 through the closing of smaller private placements and the exercise of options and warrants. Finally, in Q1 FY 2009, management closed an oversubscribed brokered private placement of common shares with gross proceeds of \$15,000,000.

Management believes that by maintaining its small core of personnel, reducing non-essential employee costs and miscellaneous overhead and higher margins on more secured contracts, it will achieve profitable operations. Small incremental staffing increases will be introduced from time to time as evidenced in FY 2008 depending on the demand arising from increased sales volumes, however management has also been aggressively implementing measures to reduce total SG&A costs as evidenced by the reduction of four (4) employees in Q3 and Q4 FY 2009 due to deteriorating economic conditions.

Management has acquired GEM®, a leading European (Great Britain) line of industrial/commercial steam traps; and DRY-REX™, a technology that uses waste heat to turn bark, sludge and other biomass into high-efficiency bio-energy fuel for the pulp & paper and other industrial applications. In connection with these technologies, the Company has received multiple purchase orders from Dow Corning in Kentucky, Hemlock Semiconductor Corporation in Michigan, Anheuser-Busch, Inc. in Colorado, GlaskoSmithKline in North Carolina, Greenfield Ethanol in Chatham, Ontario, Alberta Envirofuels Inc., Rogers Sugar in B.C., CFB Kingston, CFB Trenton, Fraser Papers at Thurso, Catalyst Paper in B.C., Lee & Man Paper Manufacturing Co. and Jiangsu Huachang Chemical Co., Coca Cola, BASF, all located in China, and has conducted audits for its implementation at other industrial sites and awaits new trial orders.



The Company is protecting its proprietary technology through registered trademarks and confidentiality agreements. It has recently filed a new provisional patent for THERMALONOX™, a technology which is currently undergoing laboratory testing.

The Company maintains adequate forms of general liability insurance including product liability and errors and omission coverage.

Management believes that competition against its core technology of FLU-ACE™ and DRY-REX® is limited at this time and believes that the market place is sufficiently large enough to permit stronger competition in the future. Management also believes that while there is greater competition to its newly acquired GEM® product line, that the Company is well positioned to penetrate the market with a far superior product. It is the opinion of management that the Company is in a better position now with a significantly enhanced arsenal of building blocks to draw on in presenting a more comprehensive solution to customers.

Highlights

On June 3, 2008, the Corporation announced that it had entered into an agreement with a North American integrated paper company for the delivery of a green energy supply program worth in excess of \$20M, using recovered waste heat at one of its facilities in the north eastern United States.

On June 23, 2008, the Corporation announced that it had closed an oversubscribed brokered private placement of common shares with gross proceeds of \$15,000,000. The placement was subscribed by a number of the most recognized renewable energy and sustainability focused funds in Toronto, New York and London (U.K.). The funds raised were to complete the acquisition of Gardner Energy Management Ltd. in the U.K. (requiring approximately CAD\$5.4 M) and to provide the Corporation a funding base for future investment in its product line of assets under THERMAL-AUD™ green energy supply contracts. The financing which was handled by agents Max Capital Markets Ltd. and Jacob and Company Securities Inc. (both headquartered in Toronto) consisted of an issuance of 68,181,818 common shares of the Corporation at a price of \$0.22 per share.

On July 2, 2008, the Corporation announced that it had completed the acquisition of Gardner Energy Management Ltd. ("GEM") of Bristol, U.K. Under the terms of the transaction, the Corporation made a base payment of 2.7 M British Pounds Sterling (or CAD \$5.4M) upon closing on July 1, 2008. An additional payment of up to 1.3 M British Pounds Sterling (or CAD \$2.6M) may be made on an earn-out basis in a combination of cash and shares over a three-year period subject to defined future growth targets of the GEM® business unit.

On September 22, 2008, the Corporation announced the launch of a new "quick fit" line of Emerald traps for its GEM® Condensate Return System. The Emerald GEM® Trap is compatible with other manufacturers' fittings, which allows them to be easily bolted on to existing connectors. These "quick fit" traps as well as the entire series of GEM® Traps were showcased at the Oil Sands Trade Show in Edmonton, Alberta between September 23 and 24, 2008.

On November 6, 2008, the Corporation announced the appointment of a senior manager. Peter Bennett joined as Sales and Marketing Director of GEM Ltd and is responsible for the



overall management of UK and European sales, marketing and business development activities. In addition his role is to expand the market presence and growth of the GEM® steam trap product line throughout Europe and leverage cross selling of the Corporation's FLU-ACE® heat recovery solutions and the DRY-REX® biomass drying solutions in Europe. The Corporation also appointed five sales personnel, four responsible for the sale of GEM traps throughout Canada and the USA and one salesperson responsible to pursue heat recovery solution sales in the North-eastern USA.

On November 20, 2008, the Corporation announced that it had shipped equipment to China for demonstration-scale testing of its THERMALONox™ process for reducing nitrogen oxides (NOx) for power plants. The equipment is to be installed at Guangzhou Yuanchun Cogeneration Co., Ltd., a 50 MW power plant in Guangdong province, China, under the joint venture research and development program with the South China University of Technology.

On December 1, 2008, the Corporation announced that the resolutions presented in the Management Information Circular of October 16, 2008 were approved by shareholders at Annual and Special Meeting held on November 25, 2008. The Corporation also gave an update to a press release made on June 3, 2008 by stating that the proposed project had been scaled back due to a number of changes at the client's site resulting in a reduction of approximately 50% to the proposed project still under negotiations.

On February 16, 2009, the Corporation announced that the project initially referred to in a press release made on June 3, 2008, followed with an update in the press release made on December 1, 2008, has been removed from the sales pipeline and forecast and that the Corporation no longer anticipates the project proceeding in the foreseeable future. The reasons given by the customer was related to capital appropriation and availability challenges under the current economic conditions.

Outlook

On April 17, 2009, the Corporation announced the departure of Anthony Pugliese, Vice President of Sales.

Signed in Ottawa, Ontario on this 29th day of April, 2009.

A handwritten signature in black ink that reads "Tim Angus".

Tim K. Angus
President and CEO

A handwritten signature in black ink that reads "Oliver Toffoli".

Oliver Toffoli, P.Eng
Chief Operating Officer & CFO