

Unaudited Interim Consolidated Financial Statements of

WELLPOINT SYSTEMS INC.

Three and nine months ended September 30, 2009 and 2008

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited consolidated financial statements for the three and nine months ended September 30, 2009 and 2008.

WELLPOINT SYSTEMS INC.

Consolidated Balance Sheets (Unaudited)
(in thousands of dollars)

	September 30 2009	December 31 2008
Assets		
Current assets:		
Cash	\$ 1,228	\$ 406
Accounts receivable	3,002	3,532
Prepaid expenses	597	746
	<u>4,827</u>	<u>4,684</u>
Property and equipment	949	1,106
Deferred development costs	1,540	2,119
Intangible assets	11,764	15,384
Goodwill	21,487	24,442
Future income taxes (note 4)	1,194	132
	<u>\$ 41,761</u>	<u>\$ 47,867</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,668	\$ 5,718
Current income tax liability	92	106
Deferred revenue	2,361	4,876
Other deferred credits	55	55
Notes payable (note 5)	225	-
Current portion of long term notes payable	5,347	99
Current portion of capital lease obligations	57	46
Convertible debentures	1,519	1,358
	<u>14,324</u>	<u>12,258</u>
Long term notes payable	-	6,005
Capital lease obligations	51	58
Other deferred credits	36	77
Convertible debentures	24,598	26,476
	<u>39,009</u>	<u>44,874</u>
Shareholders' equity:		
Share capital (note 6)	14,620	14,497
Contributed surplus (note 6)	1,733	1,624
Convertible debentures (note 6)	8,996	8,996
Accumulated other comprehensive income (note 7)	(418)	3,744
Deficit	(22,179)	(25,868)
	<u>(22,597)</u>	<u>(22,124)</u>
Total shareholders' equity	2,752	2,993
Basis of presentation (note 1)		
	<u>\$ 41,761</u>	<u>\$ 47,867</u>

See accompanying notes to consolidated financial statements.

Approved by the Board:

"Charles Selby" Director
"Richard Slack" Director

WELLPOINT SYSTEMS INC.

Consolidated Statements of Operations and Retained Earnings (deficit) (unaudited)
(in thousands of dollars, except per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Revenue (note 8):				
License	\$ 4,771	\$ 1,411	\$ 11,330	\$ 7,384
Maintenance	2,570	2,459	8,351	7,157
Professional services	2,580	3,955	9,357	13,074
	9,921	7,825	29,038	27,615
Direct costs	2,548	3,873	8,419	12,216
Gross profit	7,373	3,952	20,619	15,399
Expenses:				
Sales, general and administrative	2,794	3,935	7,867	11,394
Interest	1,580	959	4,498	2,821
Research and development	1,324	1,674	4,181	3,780
Depreciation and amortization	805	1,121	2,549	3,416
Facilities	354	429	1,118	1,327
Financing and amortization of debt and note payable issue costs	59	137	203	390
Foreign exchange loss (gain)	(1,689)	739	(2,517)	1,039
Fees and expenses on settlement of long term note payable	-	-	-	615
Writedown of deferred development costs	-	4,227	-	4,227
	5,227	13,221	17,899	29,009
Net income (loss) before income taxes	2,146	(9,269)	2,720	(13,610)
Income taxes (note 4)				
Current expense	92	166	92	299
Future expense (reduction)	(606)	(479)	(1,062)	(257)
	(514)	(313)	(970)	42
Net income (loss)	2,660	(8,956)	3,690	(13,652)
Deficit, beginning of period	(24,839)	(8,562)	(25,869)	(3,866)
Deficit, end of period	\$ (22,179)	\$ (17,518)	\$ (22,179)	\$ (17,518)
Net income (loss) per share				
Basic and diluted (note 6(d))	\$ 0.05	\$ (0.19)	\$ 0.08	\$ (0.30)

See accompanying notes to unaudited consolidated financial statements.

WELLPOINT SYSTEMS INC.

Consolidated Statements of Comprehensive Income (Loss) (unaudited)
(in thousands of dollars)

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Net income (loss)	\$ 2,660	\$ (8,956)	\$ 3,690	\$ (13,652)
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	(2,636)	83	(4,162)	44
Comprehensive income (loss)	\$ 24	\$ (8,873)	\$ (472)	\$ (13,608)

See accompanying notes to unaudited consolidated financial statements.

WELLPOINT SYSTEMS INC.

Consolidated Statements of Cash Flows (unaudited)
(in thousands of dollars)

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Cash provided from (used in):				
Operations:				
Net income (loss)	\$ 2,660	\$ (8,956)	\$ 3,690	\$ (13,652)
Items not affecting cash:				
Accretion of interest on convertible debt	688	274	2,012	638
Amortization of debt issuance costs	54	147	223	401
Fees and expenses on settlement of long term note payable	-	-	-	615
Rent inducement	(14)	(14)	(41)	(41)
Depreciation and amortization	806	1,122	2,550	3,416
Future income taxes	(606)	(479)	(1,062)	(257)
Interest on settlement of long term note payable	-	-	-	414
Interest on issuance of shares	123	-	123	-
Unrealized foreign exchange gain (loss)	(1,564)	789	(2,329)	1,177
Stock-based compensation	46	128	109	180
Write down of deferred development costs	-	4,227	-	4,227
	2,193	(2,762)	5,275	(2,882)
Net change in non-cash working capital items (note 9)	(610)	3,048	(2,900)	3,080
	1,583	286	2,375	198
Financing:				
Bank indebtedness	-	1,110	-	3,096
Settlement of long term notes payable	-	-	-	(17,072)
Issuance of convertible debentures, net of cash costs	-	(11)	-	17,878
Redemption of convertible debentures	(1,490)	-	(1,490)	(410)
Repayment of principal on long term note payable	(24)	-	(71)	-
Repayment of principal on capital lease obligation	(7)	-	(33)	-
Debt issue costs	-	-	(31)	-
Issuance of notes payable	170	-	225	-
	(1,351)	1,099	(1,400)	3,492
Investing:				
Deferred development costs	-	(333)	-	(2,416)
Purchases of property and equipment	(30)	(12)	(139)	(219)
Additional consideration on prior acquisitions	-	(1,016)	-	(1,016)
	(30)	(1,361)	(139)	(3,651)
Effect of foreign exchange rate changes on cash and cash equivalents	(3)	(24)	(14)	(39)
Change in cash and cash equivalents	199	-	822	-
Cash and cash equivalents, beginning of period	1,029	-	406	-
Cash and cash equivalents, end of period	\$ 1,228	\$ -	\$ 1,228	\$ -

See accompanying notes to unaudited consolidated financial statements.

WELLPOINT SYSTEMS INC.

Notes to Consolidated Financial Statements

For the three and nine months ended September 30, 2009 and 2008

(Tabular amounts stated in thousands of dollars, except share and per share amounts)

1. Basis of presentation:

These unaudited consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for interim financial statements and are based on accounting policies and practices consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2008 except as noted in Note 2. The disclosures herein are incremental to those included with the annual audited consolidated financial statements. These interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2008.

During 2008 the Company experienced a \$27.7 million net loss and was in violation of its debt covenants for most of the year. The Company also has a working capital deficiency of \$9.4 million at September 30, 2009. This working capital deficiency includes \$2.4 million of deferred revenue and other credits that will not require a cash outlay.

As a result of these conditions, on December 30, 2008 the Company issued additional debt and renegotiated its covenants with its lenders. The Company also made significant changes to its management team including a new CEO. The new management team has been focused on creating efficiencies and controlling costs. At the end of 2008 the Company reduced ongoing recurring operating expenses by approximately \$4.0 million on an annualized basis. On February 1, 2009 the company introduced a wage rollback program that is anticipated to save approximately \$200,000 per month. The Company anticipates that with new cost structure and financing in place it will be able to meet its continuing obligations and does not anticipate any further covenant violations.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. This assumes that the Company will continue in operation for the foreseeable future and accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue future operations.

2. Change in accounting policy:

Effective January 1, 2009, the Company adopted Section 3064, Goodwill and Intangible Assets. This section will replace Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. This new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062.

WELLPOINT SYSTEMS INC.

Notes to Consolidated Financial Statements, page 2

For the three and nine months ended September 30, 2009 and 2008

(Tabular amounts stated in thousands of dollars, except share and per share amounts)

3. Bank indebtedness:

The Company has access to a bank operating credit facility of US \$2.5 million. As at September 30, 2009 the Company had not utilized any of this available credit and had CAD \$1.3 million available. The credit facility is payable on demand and bears interest at bank prime rate plus 3% and is secured against good standing accounts receivable and by a general security agreement covering the majority of the assets of the Company and its subsidiaries.

4. Income taxes:

Future income tax expense differs from the result that would be obtained by applying the combined statutory corporate income tax rate to income before income taxes. The reasons for the difference are as follows:

	2009	2008
Loss before income taxes	\$ 2,720	\$ (13,610)
Statutory income tax rate	29%	29.5%
Computed expense (recovery)	789	(4,015)
Non deductible expenses	197	201
Tax rate differences	(280)	(30)
Other	(76)	135
Change in valuation allowance	(1,600)	3,751
	\$ (970)	\$ 42

The Company operates in various tax jurisdictions and, accordingly, the Company's income is subject to varying rates of tax. Losses incurred in one jurisdiction cannot be used to offset income taxes payable in another. The Company's ability to use income tax losses and future income tax deductions is dependent upon the profitable operations of the Company in the tax jurisdictions in which such losses or deductions arise. As at September 30, 2009, the Company had total future tax assets of \$1,194,192 (December 31, 2008 - \$131,656).

In assessing the valuation of future income tax assets, management considers whether it is more likely than not that some portion or all of the future income tax assets will be realized. The ultimate realization of future income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences are deductible. Management considers the scheduled reversals of future income tax liabilities, the character of the income tax assets, and tax planning strategies in making this assessment. To the extent that management believes that the realization of the future income tax assets does not meet the more likely than not realization criterion, a valuation allowance is recorded against the future tax.

WELLPOINT SYSTEMS INC.

Notes to Consolidated Financial Statements, page 3

For the three and nine months ended September 30, 2009 and 2008

(Tabular amounts stated in thousands of dollars, except share and per share amounts)

5. Notes payable:

	Amount
Balance, December 31, 2008	\$ -
June 26, 2009 - note (a)	55
July 1, 2009 - note (b)	170
Balance, September 30, 2009	\$ 225

(a) On June 26, 2009 the Company issued a note payable in the amount of \$55,000. The note bears interest at 8% per annum payable quarterly and maturing on June 26, 2010.

(b) On July 1, 2009 \$390,000 of convertible debentures issued by the Company matured. Prior to the maturity, holders of \$170,000 of the debentures agreed to extend to July 1, 2010 with an interest rate of 10% per annum paid quarterly, with no right to convert. All other terms remained essentially unchanged.

6. Share capital:

a) Common shares:

The authorized share capital of the Company consists of an unlimited number of common shares and unlimited number of preferred shares, issuable in series. The issued share capital of the Company is as follows:

	Number of common shares	Amount
Balance, December 31, 2008	45,890,562	\$ 14,497
Issued on private placement, for loans receivable from management	4,863,797	486
Less share-purchase loans receivable from management	-	(486)
Issued on convertible debentures redemption	308,000	123
Balance, September 30, 2009	51,062,359	\$ 14,620

(b) Stock options:

The Company has a stock option plan for employees, directors and consultants. At September 30, 2009, a total of 10,212,472 (3,700,000 at December 31, 2008) shares were reserved for issuance under this plan. Options granted vest up to three years.

WELLPOINT SYSTEMS INC.

Notes to Consolidated Financial Statements, page 4

For the three and nine months ended September 30, 2009 and 2008

(Tabular amounts stated in thousands of dollars, except share and per share amounts)

The following tables summarize information regarding stock options:

	2009 Number of options outstanding	2009 Weighted average exercise price
Balance, Beginning of period	1,688,541	\$0.40
Granted	4,782,389	0.11
Forfeited	(404,989)	0.10
Expired	(575,205)	0.43
Balance, End of period	5,490,736	\$ 0.16

Exercise price	Number of options outstanding	Weighted Average remaining contractual life (years)	Number of options exercisable
\$ 0.10	3,577,400	4.6	-
0.14	800,000	4.9	-
0.23	50,000	0.2	50,000
0.29	250,000	3.8	83,333
0.32	200,000	3.7	66,667
0.35	33,336	0.5	33,336
0.36	150,000	3.5	50,000
0.44	430,000	2.9	286,667
	5,490,736	4.3	570,003

Stock-based compensation expense for the nine months ended September 30, 2009 was \$108,536 (2008 - \$180,500). This expense was calculated using the Black-Scholes option pricing model with the following assumptions: weighted average risk-free interest rate of 2.11% (2008 – 3.74%), expected life of five years and volatility of 91% - 252% (2008 – 91% - 137%).

(d) Per share amounts:

The weighted average number of common shares outstanding for the three months ended September 30, 2009 was 50,958,576 (2008 – 46,090,562) and for the nine months ended September 30, 2009 was 48,311,109 (2008 – 46,090,562). The diluted number of shares for the three months ended September 30, 2009 was 50,963,625 (2008 – 46,103,835) and for the nine months ended September 30, 2009 was 48,312,526 (2008 – 46,112,248) reflecting the dilutive effect of the exercise of options outstanding, warrants and convertible debt.

(e) Contributed surplus:

Contributed surplus represents the cost of the stock-based compensation payments relating to the compensation expense for stock options granted to employees, directors and consultants and the equity component of matured debentures.

WELLPOINT SYSTEMS INC.

Notes to Consolidated Financial Statements, page 5

For the three and nine months ended September 30, 2009 and 2008

(Tabular amounts stated in thousands of dollars, except share and per share amounts)

The following tables summarize information regarding contributed surplus:

	2009
Balance, Beginning of period	\$ 1,624
Stock option expense	109
Balance, End of period	\$ 1,733

(f) Convertible debentures:

	2009
Balance, December 31, 2008 and September 30, 2009	\$ 8,996

7. Accumulated other comprehensive income:

	Amount
Balance, December 31, 2008	\$ 3,744
Unrealized gain on translating financial statements of self-sustaining foreign operations	(4,162)
Balance, September 30, 2009	\$ (418)

8. Segmented information:

The Company conducts all of its business in one operating segment; software solutions and services.

Revenue by geographical region:

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
United States	\$ 4,170	\$ 4,509	\$ 15,398	\$ 17,473
Canada	1,486	1,851	4,994	6,104
Central and South America	3,878	618	4,373	1,919
Other International	387	847	4,273	2,119
	\$ 9,921	\$ 7,825	\$ 29,038	\$ 27,615

An insurance indemnity payment accounted for 13% of revenue in the nine month period ended September 30, 2009 (2008-none). No customer accounted for more than 10% of the Company's accounts receivable balance as at September 30, 2009 or December 31, 2008.

WELLPOINT SYSTEMS INC.

Notes to Consolidated Financial Statements, page 6

For the three and nine months ended September 30, 2009 and 2008

(Tabular amounts stated in thousands of dollars, except share and per share amounts)

9. Supplemental cash flow information:

	Three months ended		Nine months ended	
	September 30		September 30	
	2009	2008	2009	2008
Taxes paid	\$ -	\$ 28	\$ 105	\$ 301
Interest paid	\$ 558	\$ 248	\$ 1,587	\$ 2,317
Changes in non-cash working capital components:				
Accounts receivable	\$ (151)	\$ 1,725	\$ 530	\$ 2,664
Prepaid expenses	292	501	149	(711)
Accounts payable and accrued liabilities	(415)	1,342	(1,064)	1,459
Deferred revenue	(336)	(520)	(2,515)	(332)
	\$ (610)	\$ 3,048	\$ (2,900)	\$ 3,080

10. Related parties:

One director of the Company is on the Board and is the Managing Director of the Quorum Group of Companies ("Quorum") who manages investment funds which have provided financing to the Company. The Company has signed a definitive agreement with Quorum MENA Limited ("QMENA") for the purchase of USD\$2.0 million worth of the Company's back office oil and gas solutions for sales to independent oil companies, and national oil companies within the Middle East, North Africa and India. Under the agreement, QMENA has obtained exclusive rights to sell the Company's products in those regions. In 2009 QMENA purchased US\$2 million of the Company's products.

11. Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.