WellPoint Systems Inc.

FORM 51-102F1

Management's Discussion and Analysis
For the Three Months Ended March 31, 2009

April 24, 2009

This Management's Discussion and Analysis ("MD&A") for WellPoint Systems Inc. ("WellPoint Systems" or the "Company") for the three month period ended March 31, 2009 should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2008 and the unaudited Consolidated Financial Statements for the three months ended March 31, 2009 and the notes that accompany these financial statements filed on SEDAR, which are available at www.sedar.com. The unaudited Consolidated Financial Statements of WellPoint Systems have been prepared in accordance with accounting policies in accordance with Canadian generally accepted accounting principles (GAAP). All dollar amounts are in Canadian dollars unless otherwise indicated.

The Board of Directors carries out its responsibility for review of the disclosure in this MD&A principally through its Audit Committee, comprised of three directors, one of whom is independent. The Audit Committee reviews this disclosure and recommends its approval to the Board of Directors. This MD&A has been approved by the Board of Directors.

The Company reports on certain non-GAAP measures that are used by management to evaluate the performance of the business. Since non-GAAP measures do not have a standardized meaning, securities regulators require that non-GAAP measures be clearly defined and qualified, reconciled to the nearest GAAP measure, and be given no more prominence than the closest GAAP measures. The definition, calculation, and reconciliation of the non-GAAP measures are provided in the section "Reconciliation of non-GAAP Measures" in this MD&A.

WellPoint Systems is publicly traded on the TSX Venture Exchange under the symbol WPS.

This MD&A is dated as at April 24, 2009.

Forward-looking Statements

All statements in this MD&A that do not directly relate to historical facts constitute "forward-looking statements". These statements represent WellPoint Systems intentions, plans, expectations, and beliefs, and are subject to risks, uncertainties, and other factors that are not in the Company's control. These factors could cause actual results to differ materially from such forward-looking statements. These factors include and are not restricted to the retention of reference customers, customer adoption of new and somewhat unproven software packages, market competition in the energy and natural resources information systems industry, the Company's ability to attract and retain qualified employees, potential acquisitions and other corporate developments, foreign exchange and other general economic and business conditions. The words "believe", "likely", expect", "intend", "plan" and similar words, expressions and variations thereof, identify certain of such forward-looking statements. Such statements speak only as of the date of this MD&A. Readers are cautioned not to place undue reliance on these forward-looking statements.

Additional information about WellPoint Systems is available on its website at www.wellpointsystems.com.

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Business Overview

WellPoint Systems is the premier provider of software and related services for managing business in the global energy sector. Our diverse product line reaches across boundaries from upstream ERP to mid-stream marketing – all targeting energy and natural resources companies globally. The Company helps its customers decrease operating costs and increase earnings through improved financial accounting and management reporting systems; effective utilization of assets; and greater operational efficiency with its midstream and upstream solutions.

Headquartered in Calgary, Alberta, WellPoint Systems Inc. was founded in 1997 and has offices around the world that currently employ 173 people and 24 contractors. Approximately 80% (2007-93%) of revenue is generated from customers in North and South America. The Company currently has 433 customers using WellPoint Systems' proprietary solutions that are delivered through three lines of business:

- **WellPoint Energy Suite** provides state of the art solutions built to improve operational efficiency, international financial management and business analysis for oil & gas producers, marketers and pipeline operations. This suite includes two products developed specifically for the energy industry. Energy Broker (ENB) is used by marketing groups in the Midstream Commodity Market to lessen their financial credit and operational delivery exposure. Energy Financial Management (EFM) is used by global energy companies to meet worldwide financial management and reporting requirements. WellPoint Enterprise Asset Management (AX EAM) helps companies both within and outside the energy industry, manage the operational and financial aspects of all asset types including complex mission critical equipment, plants, rental units and fleets. AX EAM, allows companies to understand and drive key factors such as asset utilization, operational uptime and profitability by managing the complete asset life cycle – from asset commissioning through maintenance, modification and decommissioning. WellPoint Energy Suite takes advantage of the Microsoft Dynamics AX architecture which provides integration with a complete ERP system as well as multi-currency, multi-location and multi-language functionality.

- **BOLO by WellPoint Systems** provides back office management solutions for the upstream oil and gas companies. The integration of accounting, land and production automates the complex business process requirements of the oil and gas industry in the US. BOLO's seamless approach to the back office provides more than 150 customers with access to the information they need to make critical business decisions in order to manage their companies better.

- **IDEAS by WellPoint System** provides a complete accounting package used by 209 companies internationally. Specifically developed to accommodate the unique requirements of multi-national oil and gas operators, Ideas was designed in conjunction with the world's most successful oil and gas companies. The system is unique in its capability to comply with local accounting and reporting requirements of any country in which it is being used, while simultaneously meeting home country financial reporting standard.

Vision and Strategy

WellPoint Systems' mission is to help its customers manage their businesses through the application of integrated technologies and superior services. The Company's strategic objective is to become the dominant provider of software solutions to enterprise customers within the global oil and gas and natural resources industries. The Company's ability to achieve this objective rests upon the following key strategic initiatives:

- **Maintaining a Strong Leadership Team** – WellPoint has taken the steps necessary to strengthen the executive management team. The current team, with a proven track record for building companies, has a history of driving and sustaining growth in market share and financial performance.

- **Building Market Awareness** – WellPoint has invested in establishing itself as a thought leader in its market space and conducts targeted marketing campaigns in order to increase market awareness.

- **Developing Superior Technology** – WellPoint has created industry specific functionality for the complex energy and natural resources industry while taking full advantage of a complete ERP solution, providing its customers with innovative solutions for their business needs.

- **Focusing on Customers – Wel**lPoint's culture centers on its customers, partnering to drive software development and service programs that enable them to better manage their businesses.

- **Building on a Strong Platform** – WellPoint is uniquely aligned with Microsoft to be the only ERP solution in the Energy sector built on the Dynamics AX platform. This arrangement enables WellPoint products to take full advantage of the Microsoft's commitment to the Dynamics AX architecture.

- **Attracting and Retaining Key People** – WellPoint seeks to be the employer of choice by offering its employees an opportunity to promote their personal development, growth and success, allowing them to share in the benefits of corporate success in an environment that leads to excellence, passion, and integrity.

The preceding vision and strategy provides WellPoint with the tools and focus to drive continued growth and success.

Business Environment

WellPoint Systems focuses primarily on the oil and gas and natural resources sectors. The recent downward pressure in oil and natural gas prices in North America has impacted our customers' exploration and development budgets. Additionally, the instability of the capital and credit markets and the general slowdown in the economy has continued to negatively impact the oil and gas industry. As a result, capital investment projects ranging from exploration and drilling to technology investments are being highly scrutinized and often delayed.

Despite these negative signals, the Company continues to have a robust sales pipeline and is anticipating a strong first half of 2009. To date, the Company has been able to offset the negative influences by focusing on building brand awareness and ensuring that customers understand the efficiencies that can be gained by implementing the Company's products. Based on awarded contracts and the current pipeline, we are cautiously optimistic that the current sales pipeline will remain active.

Even though the Company's sales channel looks promising, the risk of customer's delaying purchasing activities has increased. In response to these challenging industry conditions, the Company has implemented cost control and efficiency measures, reduced capital expenditures to maintenance only and has focused on improved profitability. The Company has demonstrated its ability to grow through corporate acquisitions and organically over the last three years and continues to look for opportunities to expand its operations in North America and international markets.

Key Performance Indicators

WellPoint Systems monitors a number of key performance indicators including those set out below:

- **Revenue** provides an overall indication of success and progress toward achieving growing market share;

- **Gross Margin** measures success in developing and delivering products and services efficiently and on a scalable basis;

- **Net Income Per Share** measures the return to shareholders and also allows management to assess whether acquisitions are accretive to earnings; and

- **Adjusted EBITDA** is Standardized EBITDA[1], excluding foreign exchange gains primarily related to the US dollar denominated debt of the Company and can vary significantly depending on exchange rate fluctuations, which are beyond the control of the Company, and write downs of deferred development costs, goodwill impairment, financing costs, stock based compensation, fees and expenses on settlement of debt and losses on extinguishment of debt and after deducting the annual amount invested in respect of deferred development costs, which, with the implementation of International Financial Reporting Standards in the year ended December 31, 2011, will generally be required to be expensed on an annual basis.

1. Standardized EBITDA is a non-GAAP measure. Standardized EBITDA is in accordance with the definition noted in the Canadian Institute of Chartered Accountants ("CICA") draft publication *"Improved Communication with Non-GAAP Financial Measures"* issued by the Canadian Performance Reporting Board of the CICA.

Overall Performance

Events or Activities Impacting the Business in 2009

WellPoint Systems achieved several milestones in the first three months of 2009 including the following:

- Increased total revenue by 9.1% to $10.4 million, compared with $9.5 million in 2008;
- Delivered US$1.0 million of the previously announced license sale to WellPoint's new Middle Eastern channel partner, QMENA for WellPoint's Microsoft Dynamics AX solutions;
- Increased non-Canadian revenue by $0.9 million to $8.5 million from $7.6 million in 2008;
- Increased the Company's cash balance by $1.1 million and decreased working capital deficiency by $1.5 million;
- Increased customer base by eight companies;
- Added additional licenses to twenty-four current customers;
- Released WellPoint Integrated Suite (WIS) 5.0, an oil and gas software application suite powered by Microsoft Dynamics AX 2009; and
- Ranked 96th in the 2009 Branham300 Top 250 Canadian ICT Companies, a ranking of top Canadian and multinational Information and Communication Technologies (ICT) companies operating in Canada. Rankings are based on total revenue for 2008.

Selected First Quarter Financial Information

In thousands, except per share amounts	**2009**	**2008**	**% Change 2008 - 2009**
Revenue	10,384	9,520	9.1%
Gross Profit	7,059	5,393	30.9%
Selling, general and Administration	2,639	3,274	(19.4%)
Facilities	376	437	(14.0%)
Research and Development	1,476	1,025	44.0%
Depreciation and Amortization	885	1,150	(23.0%)
Financing and Amortization of Debt and note payable issue Costs	81	93	(12.9%)
Interest	1,449	931	55.6%
Foreign Exchange loss	807	546	47.8%
Loss on extinguishment of convertible debt	-	615	(100.0%)
Income (loss) before tax	(654)	(2,678)	(75.6%)
Income tax expense (recovery)	(125)	(371)	(66.3%)
Net income (loss)	(529)	(2,307)	(77.1%)
Income (loss) per share	(0.01)	(0.05)	(80.0%)
Adjusted EBITDA	2,588	(436)	
Total assets	50,320	47,916	5.0%
Total liabilities	46,511	44,873	3.7%
Total equity	3,808	3,043	25.1%

Revenue for the first quarter of 2009 increased by $0.9 as compared with the same period in 2008. Gross profit increased by $1.7 million in the first quarter of 2009 due to the Company's revenue mix of higher license fees and a decrease in lower margin professional services. WellPoint decreased its selling, general and administrative ("SG&A") expenses by $0.6 million in the first quarter of 2009 as compared with the first quarter of 2008 primarily as a result various cost optimization efforts implemented during the latter half of 2008. In addition, the Company rolled back salaries at its North American operations by 10%. R&D expenses increased by $0.5 million primarily as the Company stopped capitalizing R&D on various products as those expenses no longer meet the criteria for capitalization. Adjusted EBITDA increased by approximately $3.0 million primarily due to the $1.7 million increase in the Company's gross profit and significant decreases in the Company's operating costs. Net loss decreased by $1.8 million primarily due to the $1.7 million increase in gross profit.

Results of Operations for the Three Months ended March 31, 2009

Revenue-

The following table provides a breakdown of WellPoint's revenues by category and major geography for the first quarter of 2009 and 2008:

Revenue by category

(all amounts in thousands)	**2009**	**2008**	**% Change 2008 - 2009**
License	**$ 3,402**	**$ 2,960**	**14.9%**
Maintenance	**3,121**	**2,363**	**32.1%**
Professional Services	**3,861**	**4,197**	**(8.0%)**
	$ 10,384	**$ 9,520**	**9.1%**

% of total revenue	2009	2008
License	33%	31%
Maintenance	30%	25%
Professional Services	37%	44%
	100%	100%

Revenue by geography

(all amounts in thousands)	2009	2008	% Change 2008 - 2009
Canada	$ 1,850	$ 1,907	(3.0%)
United States	6,129	6,259	(2.1%)
Central & South America	373	721	48.3%
Other International	2,032	634	220.5%
	$ 10,384	$ 9,520	9.1%

% of total revenue	2009	2008
Canada	18%	20%
United States	59%	66%
Central & South America	4%	8%
Other International	20%	7%
	100%	100%

WellPoint Systems derives revenue from three sources relating to the software packages specifically designed for its key markets. Each product generates revenue from license sales, annual maintenance (based on a percentage of the license fee), and professional services for implementation and related support. Software is licensed to customers in perpetuity, whereby the fair value of the license is separately determinable from maintenance and/or professional service fees. Software license revenue is recognized once the license agreement is signed, the price is fixed or determinable, and the software is delivered to the customer and collectability reasonably assured. Maintenance fee arrangements generally include ongoing customer support, rights to periodic software upgrades, if and when available, and products sold on a subscription basis. Customers are generally charged in advance for maintenance services either annually or monthly. Maintenance fees are initially recorded as deferred revenue and subsequently recognized as income on a monthly basis. Professional service revenue consists of fees charged for product training, consulting, and implementation services.

Overall revenues for the first quarter of 2009 increased by $0.9 million as compared with the first quarter of 2008. License revenue increased to $3.4 million from $3.0 million in 2008. License revenue for 2009 includes $1.2 million of revenue from the Company's previously announced license sale to QMENA. License revenue for 2008 includes approximately $0.7 million of license revenue for BOLO which was carried over from 2007 due to the application of certain GAAP revenue recognition criteria. If the affect of both the 2007 revenue carryover to 2008 and the 2009 QMENA revenue are factored out, license revenue for 2009 was relatively flat as compared to 2008. This is meaningful given the current general economic climate. Maintenance revenue grew to $3.1 million in 2009 from $2.4 million in 2008, an increase of 32.1%, due to growth in the Company's customer base. WellPoint now provides maintenance to 433 customers worldwide and continues to achieve maintenance and support customer retention rates of approximately 99%. Professional services revenue decreased by $0.4 million in the first quarter of 2009 as compared with the same period of the prior year. Demand for professional services is significantly affected by the Company's license sales. During the fourth quarter of 2008 the Company experienced weak license sales which had a negative impact on the Company's first quarter professional services revenue. In the first quarter of 2008, the Company was working on a large implementation in South America. This implementation was predominately complete in the third quarter of 2008 which also contributed to the drop in the 2009 first quarter professional services revenue. Further impacting the professional services revenue is the continued instability in general economic climate with customers choosing to preserve cash and defer implementations and software enhancements until conditions improve.

Revenue from outside of Canada increased to $8.5 million in the first quarter of 2009 from $7.6 million in 2008. This was primarily due to the completion of the $1.2 million license sale to QMENA.

Gross Profit-

Gross profit was $7.1 million (68% of total revenue) compared with $5.4 million (56.7% of total revenue) for the first quarter of 2008. The $1.7 million (30.9%) increase in gross profit is attributed primarily to the Company's revenue mix. During the first quarter of 2009 compared with the same period of the prior year, the Company increased its sales of higher margin license and maintenance revenue by $1.2 million and decreased its lower margin professional services revenue by $0.3 million. This shift in revenue mix resulted in an increase in both gross profit and gross margin.

Expenses-

The following table sets forth total expenses by function and as a percentage of total revenue for the first quarter of 2009 and 2008:

(in thousands)	2009	2008	% Change 2008 - 2009
Selling, general and administration	**$ 2,639**	**$ 3,274**	**(19.4%)**
Facilities	**376**	**437**	**(14.0%)**
Research and development	**1,476**	**1,025**	**44.0%**
	$ 4,491	**$ 4,736**	**(5.2%)**

% of total revenue	2009	2008
Selling, general and administration	**25.4%**	**34.4%**
Facilities	**3.6%**	**4.6%**
Research and development	**14.2%**	**10.8%**
	43.2%	**49.7%**

Sales, General and Administrative Expenses-

SG&A decreased to $2.6 million (25.4% of revenue) compared with $3.3 million (34.4% of revenue) in the first quarter of 2008. The decrease in SG&A costs is a result of various cost reduction efforts implemented during the latter half of 2008. Further, due to the negative general economic climate, the Company took additional steps in 2009 to reduce SG&A expenses by rolling back salaries at its North American operations by 10%. Further impacting the comparison between the Company's 2008 and 2009 SG&A costs is the decision by the Company to stop capitalizing research and development costs in 2009 as they no longer meet the criteria for capitalization. In 2008 a portion of the Company's SG&A costs were allocated to research and development and capitalized. Had these costs not been capitalized in 2008, the comparative change in SG&A would have been even greater.

Facilities-

Facilities expenses decreased to $0.38 million compared with $0.44 million in the first quarter of 2008. The decrease primarily relates to consolidation of the Company's offices in Calgary.

Research and Development-

Research costs are expensed as incurred. Development costs are expensed in the year unless management believes they meet the criteria set out under GAAP for deferral and amortization. Furthermore, in accordance with GAAP, development

costs are deferred only to the extent that their recovery can reasonably be regarded as assured. Management reviews the applicable criteria on a regular basis and if the criteria are no longer met, any remaining unamortized balance is written off as a charge to income. If the Company defers a portion of development costs, they are amortized over a three-year period. The three-year period is consistent with the historical lifecycle of prior product versions and appropriately matches the product revenue stream with its development costs. Research and development costs include personnel and related costs, overhead and consulting fees.

The following table sets forth research expenses and deferred development costs capitalized for the first quarter of 2009 and 2008:

(in thousands)	2009	2008	% Change 2008 - 2009
Research and development expense	**$ 1,476**	**$ 1,024**	**44.1%**
Deferred development costs	**-**	**1,126**	**(100.0%)**
	$ 1,476	**$ 2,150**	**(31.3%)**

% of total revenue	2009	2008
Research and development expense	**14.2%**	**10.8%**
Deferred development costs	**0.0%**	**11.8%**
	14.2%	**22.6%**

In 2009, the Company incurred research and development expenses of $1.5 million (14.2% of revenue) compared with $1.0 million (10.8% of revenue) for the comparable period in 2008. The increase in current research and development is related to a decision to stop capitalizing research and development expenses as they no longer meet the criteria for capitalization. When compared with development expenditures capitalized in the 2008, the Company's investment in research and development appears to have decreased by $0.7 million. However, this decrease is primarily attributable to various cost reduction efforts implemented during the latter half of 2008. Further, due to the negative general economic climate, the Company took additional steps in 2009 to reduce research and development expenses by rolling back salaries at its North American operations by 10%. In 2008 a portion of the Company's SG&A costs were allocated to research and development and capitalized. Had these costs not been capitalized in 2008, the comparative change in research and development costs would have been significantly smaller. For greater clarity, the Company is continuing to invest in research and development projects with the same vigor as in 2008, however the reduction in the current year expenditure is related entirely to cost optimizations and a reallocation of costs between research and development expenditures and SG&A (please see SG&A section above).

WellPoint Systems is committed to enhancing its position as a leading provider of software and related solutions within the energy and natural resources industries. The Company will increase its investment in the development of new and innovative products utilizing the Microsoft AX Dynamics architecture. This investment is a fundamental requirement as WellPoint Systems continues to build products that meet the needs of its customers.

Depreciation and Amortization-

Depreciation and amortization expenses decreased to $0.9 million compared with $1.2 million for the first quarter of 2008. The decrease primarily relates to the Company's decision to write-off a significant portion of its deferred development costs in the third quarter of 2008. Since these costs have been written off, there is no longer a requirement to amortize the expenses.

Interest-

Interest expenses include the cash and interest accretion on the Company's interest-bearing obligations. In addition, interest costs include the interest payable on convertible debentures. Interest accretion is a result of the allocation of proceeds received from the issuance of convertible debt to their component parts, measured at their respective fair values at the time of issue or renegotiation. The debt component has been calculated as the present value of the required interest and principal payments, discounted at a rate approximating the interest rate that would have been applicable to non-convertible debt at the time the debenture was issued or reduced, when the fair value of the conversion option increases following a change in the conversion price or conversion period. Interest expense is determined on the debt component. The difference between the debt component and the face value of the debenture is classified as shareholders' equity-convertible debentures, net of issue costs, and adjusted for income taxes. The debentures are accreted to their face value over their term with a charge to operations included in interest expense.

Interest expenses increased to $1.4 million as compared with $0.9 million for the first quarter of 2008. The increase primarily stems from the new financings in 2008. As at March 31, 2009, the Company had notes payable, capital leases and convertible debt with a carrying value of approximately $35.6 million with an effective annual interest rate of approximately 16.0%

Foreign Exchange Loss (Gain)-

Most of the Company's businesses are organized geographically so that many expenses are incurred in the same currency as the revenue generated, which mitigates some exposure to currency fluctuations. Following the acquisition of BOLO in 2007, the Company significantly increased its net liabilities denominated in United States dollars in connection with notes payable issued in connection with the acquisition along with US convertible debentures needed to complete the acquisition. The Company has not entered into any forward hedging contracts and therefore experiences gains and losses relating to foreign exchange. The loss for the three months ended March 31, 2009 was $0.8 million (2007 – $0.5 million).

Income Taxes-

The Company provides for income taxes using the liability method. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities. Future income tax assets and liabilities are measured using tax rates expected to apply in the years that temporary differences are expected to be recovered or settled. Any change to the net future income tax asset or liability is included in operations in the year it occurs.

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion of all of the future tax assets will be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future tax assets considered realizable could change materially in the near term based upon the future taxable income during the carry-forward period. WellPoint operates globally and calculates its tax provision in each of the jurisdictions in which it conducts business. The Company's tax rate is therefore affected by the profitability of its operations in the various jurisdictions as well as the different tax rates that apply and its ability to utilize tax losses.

For the First Quarter of 2008 the tax recovery was $0.1 million compared with a tax recovery of $0.4 million in the same period of the prior year. The tax recovery is primarily as a result of the Company's operations in the US.

Net Loss and Net Loss Per Share-

Due to the factors discussed above, the net loss for the first quarter of 2009 was $0.5 million compared with a net loss of $2.3 million for the first quarter of 2008. Basic and diluted net loss per share was ($0.01) compared with a net loss per share of ($0.5) for the first quarter of 2008.

Adjusted EBITDA-

Adjusted EBITDA was $2.6 million compared to an Adjusted EBITDA loss of ($0.5) million for the first quarter of 2008. The $3.1 million increase in Adjusted EBITDA was the result of the $1.7 million increase in gross profit and reduced operating costs as discussed above.

2009 Outlook

During 2008, the Company has invested significant capital and management resources to integrate the BOLO and iSoft acquisitions into WellPoint Systems. In 2009, with the acquisitions now in place, the Company will focus on increasing its net income and Adjusted EBITDA and expects to advance on many fronts, through the following initiatives:

- Establishing deeper partnerships across the globe, including expanded and new agent relationships in international markets. In 2009, the Company particularly intends to focus its activities on increasing market share and driving revenue from opportunities primarily in the North American and Middle Eastern markets;

- Increasing sales and marketing of WellPoint Energy Broker in the North American and Middle Eastern markets and WellPoint EAM and WellPoint EFM solutions worldwide;

- Continuing development and marketing of BOLO and Ideas to increase market share;

- Continuing development of the WellPoint EAM, WellPoint EFM, and WellPoint Energy Broker solutions to expand functionality and better conform with best practices in the computer software industry; and

- Increasing operational efficiencies.

In the first quarter of 2009, the Company recorded US$1.0 million in revenue from the agreement the Company signed on December 24, 2008 with Quorum MENA Limited (“QMENA”), for a license sale of US$2.0 million. The Company will record the balance of the revenue in the second quarter of 2009.

Although the Company anticipates it will continue to post net losses in 2009, the Company anticipates posting improved Adjusted EBITDA in 2009. The Company will be in a net loss position primarily as a result of non-cash interest accretion on its convertible debentures. As such, investors may choose to use Adjusted EBITDA as an indicator of future earning potential and value.

Liquidity and Capital Resources

During 2008, WellPoint Systems financed the business through cash provided from the issuance of convertible debentures and an increase in its bank indebtedness. The Company’s cash balance at March 31, 2009 was $1.5 million. The Company’s cash flows from operating, financing, and investing activities, as reflected in the Consolidated Statement of Cash Flows, are summarized below for the first quarter of 2009 and 2008:

in thousands	2009	2008
Opening cash	**406**	**-**
Operating activities	**1,204**	**(365)**
Financing activities	**(86)**	**1,610**
Investing activities	**(72)**	**(1,227)**
Other	**10**	**(18)**
Closing cash	**1,462**	**-**

Operating Activities-

Cash generated from operating activities in the first three months of 2009 was $1.2 million compared with cash used in operations in the comparative period of 2008 of ($0.4) million. Operating cash flows in 2009 were positively impacted by a $0.8 million payment received from a South American customer to prepay maintenance for the upcoming year and the positive operating results in the first quarter of 2009. Operating cash flows were negatively impacted in 2008 by approximately $2.0 million of interest, which was prepaid on the convertible debentures issued during the year.

Financing Activities-

Cash used in financing activities the first quarter of 2009 was $0.1 million compared with $1.6 million of cash generated in 2008. During the first quarter of 2009, the Company repaid a small amount of principal related to its capital leases and term loans. During the first quarter of 2008 the Company refinanced approximately $18.0 million of its debt which resulted in the $1.6 million of cash generated from financing activities.

The Company has access to a bank operating credit facility of US$4 million with a maximum draw of 80% of allowable Canadian and United States accounts receivable. As at March 31, 2009 the Company had not utilized any of this available credit. The credit facility is payable on demand and bears interest at bank prime rate plus 3.0% 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. The line of credit expires on August 31, 2009. Prior to the expiry date, the Company anticipates a new line of credit will be established.

During 2008, the Company was in violation of its debt covenants with both of its primary lenders. The Company renegotiated its debt covenants with each of its lenders. In order for the Company to maintain compliance with its covenants going forward, the Company will need to generate certain levels of Adjusted EBITDA and maintain minimum current asset to current liability ratios in 2009. The Company does not anticipate any covenant violations in 2009.

Investing Activities-

The principal use of cash in 2009 related to the investment of $0.1 million in equipment compared with an investment in equipment and deferred development costs of $1.2 million in the same period of 2008. The $1.1 million reduction in investing activities relates primarily due to the Company's decision to stop capitalizing deferred development costs and expense these costs as incurred.

Working Capital-

The following table presents summarized working capital information as at March 31, 2009 and December 31, 2008:

in thousands	2009	2008
Current assets	6,314	4,734
Current liabilities	12,382	12,257
Working capital	(6,068)	(7,523)
Working capital ratio	0.51	0.39

Based on WellPoint's current cash forecasts, the Company anticipates that it should have enough cash to be able to meet its operating and growth needs for the foreseeable future.

Financial Instruments-

The Company has exposure to counterparty credit risk, liquidity risk and market risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit Committee which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The Audit Committee regularly reports to the Board of Directors on its activities.

Management's primary risk management objective is to protect earnings and cash flow and ultimately shareholder value. The strategies and policies are designed to ensure that the Company's risks and exposures are in line with business objectives and risk tolerance.

Counterparty Credit Risk Management-

Counterparty credit risk arises from the possibility that a counterparty to which the Company provides software, professional services and maintenance and support services has an amount owing to the Company and is unable or unwilling to meet its obligations in accordance with the terms and conditions of its contracts with the Company, which would result in a financial loss for the Company. This risk is mitigated through established credit management techniques including setting exposure limits, monitoring exposures against these limits and obtaining financial assurances where warranted.

The maximum counterparty credit exposure at the balance sheet date consists of the carrying amount (net of allowances) of non-derivative financial assets, which are trade accounts receivables predominately from oil and gas and mining companies. The average credit period on sales is 30 days. Included in trade accounts receivables are $1.8 million which are past due as at March 31, 2009 for which the Company has provided an allowance of $0.8 million. The Company does not hold any collateral over these balances.

The aging of the accounts receivables as at March 31, 2009 is as follows:

in thousands	Gross	Impairment	Net
Not past due	2,955	-	2,955
Past due 1-30 days	867	-	867
Past due 31-60 days	119	55	64
Past due 61-150 days	263	263	-
Greater than 150 days	511	511	-
	4,715	829	3,886

The movement in the allowance for doubtful accounts for the twelve month period ended March 31, 2009 is as follows:

in thousands	Continuity
Balance, Beginning of period	850
Provision	52
Accounts written off	(73)
	829

The Company has determined that an allowance of $0.8 million is required in respect of the gross amount of trade accounts receivable. This has been based upon an individual account by account assessment based upon past credit history and the Company's knowledge of the counterparties. The concentration of credit risk as at March 31, 2009 is limited due to the customer base being large and unrelated. Accordingly, the Company believes that there is no further allowance required in excess of the allowance for doubtful accounts.

Liquidity Risk Management-

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 have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. This includes daily monitoring of cash requirements by preparing 60-day and longer term cash flow analyses. The Company maintains a revolving credit facility of US$4.0 million with a maximum draw of 80% of allowable Canadian and United States accounts receivable. At March 31, 2009, the Company had not drawn (December 31, 2007 - $1.2 million) on this facility.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the contingent consideration in connection with the 2007 acquisitions of the Company. The Company expects that with the funding referred to above along with its 2009 operation plan, it will be able to meet the current requirements for funding these obligations.

in thousands	Carrying Amount	Contractual Cash Flow	3 Months or less	Remainder of 2009	2010 -2014
Accounts payable and accrued liabilities	**6,090**	**6,090**	**3,006**	**3,084**	
Current portion of long term notes payable	**102**	**102**	**26**	**51**	**25**
Current portion of capital lease obligations	**49**	**49**	**12**	**25**	**12**
Current portion of convertible debentures	**1,415**	**1,490**	**-**	**1,490**	
Long term notes payable	**6,220**	**6,878**	**121**	**362**	**6,395**
Capital lease obligations	**47**	**67**	**2**	**4**	**61**
Convertible debentures	**27,799**	**45,969**	**671**	**1,285**	**44,013**
Purchase commitments	**-**	**3,668**	**482**	**965**	**2,221**
	41,722	**64,313**	**4,320**	**7,266**	**52,727**

Market Risk Management-

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments.

Currency Risk-

The Company is exposed to currency risk on sales, purchases and loans that are denominated in a currency other than the Canadian dollar. The primary currency in which these transactions are denominated is the United States dollar. The Company does not currently hedge any of its trade receivables or payables denominated in a foreign currency or its estimated foreign currency exposure in respect of forecasted sales and purchases. Principal and interest payments on United States dollar long term debt are matched with the cash flow generated by the United States operations.

The following table summarizes the foreign currency financial instruments as at March 31, 2009:

in thousands		USD	Rand
Cash	$	1,072	484
Accounts receivable		2,540	866
Accounts payable and accrued liabilities		(3,296)	(310)
Current portion of long term debt		(81)	-
Current portion of capital lease obligations		(39)	
Long term debt		(4,931)	-
Capital lease obligations		(37)	
Convertible debentures		(16,025)	
	$	(20,797)	1,040

A 10% weakening of the Canadian dollar against the United States dollar and South African rand as at March 31, 2009 would have decreased net income by approximately $1.8 million. This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk-

The Company is exposed to interest rate risk as we borrow funds at both fixed and floating interest rates. As at the reporting date the interest rate profile of the Company's interest bearing financial liabilities was:

in thousands	Carrying Amount	Carrying Amount %
Fixed rate financial liabilities	$ 35,632	100%
Variable rate financial liabilities	-	0%
	$ 35,632	100%

The risk is mitigated by maintaining an appropriate mix between fixed and floating rate borrowings. All of the Company's convertible debentures and long term notes payables have fixed interest rates which remain fixed during the term of the obligation other than in the event of default in which case the interest rate on the obligations are increased. The Company's bank indebtedness bears interest at prime plus 3.0%. The Company does not account for any of its fixed rate financial liabilities as held for trading, therefore a change in interest rates at the reporting date would not affect net income with respect to its fixed rate instruments.

The sensitivity analysis has been determined based upon exposure to interest rates. For floating rate financial liabilities, the analysis is prepared assuming the amount of the liability outstanding at the balance sheet date was outstanding for the whole period.

Fair value of financial instruments

Financial instruments included in the balance sheet are measured at fair value upon initial recognition and approximate their fair value as at March 31, 2009. The carrying amount of financial instruments classified as current approximates fair value due to their short term to maturity. Long term notes payable and convertible debentures were initially measured at fair value and subsequently recorded at amortized cost using the effective interest rate method. The carrying amount of long term notes payable and convertible debentures approximates fair value as at March 31, 2009.

Capital Disclosures-

The Company manages its capital by matching long lived assets with long term financial instruments and equity. All sources of financing, including long term notes payable, convertible debt and other financing related to acquisitions are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are to:

- Safeguard the Corporation's ability to continue as a going concern and provide returns for shareholders; and
- Facilitate the acquisition and development of new products consistent with the growth strategy of the Company.

The Company manages capital through its detailed review and performance of all potential acquisitions, preparing short term and long term cash flow analyses to ensure that liquidity is adequate and monthly reviews of financial performance.

The Company considers the following items as capital of the Company:

in thousands	Carrying Amount
Long term notes payable	**$ 6,322**
Convertible debentures	**27,799**
Shareholders' equity	**3,858**
	$ 37,979

The Company has the following externally imposed requirements on its capital as a result of primarily the issuance of the August 25, 2005, March 12, 2007, March 10, 2008, and December 30, 2008 convertible debentures. These requirements include maintaining certain targets for current assets to current liabilities and trailing 12 month Adjusted EBITDA ("TTM EBITDA") as defined in the debt agreements.

There have been no changes to the Company's approach to capital management from December 31, 2008.

Outstanding Share Data-

The following data is as of April 24, 2009, unless otherwise noted.

The Company is authorized to issue an unlimited number of voting common and preferred shares. There are 45,890,562 common shares outstanding.

The Company has various convertible debentures outstanding, which upon conversion would result in the issuance of approximately 109,854,996 common shares based on a conversion price of $0.30 - $0.60 per share.

Pursuant to the completion of the $1.1 million convertible debenture offering on March 10, 2008, the Company granted the agent options to purchase 100,000 common shares of the Company at a price of $0.60 per common share, expiring on July 31, 2009. Furthermore, in connection with the completion of this offering, and the $2.7 million convertible offering on March 10, 2008, if these convertible debentures are not converted to common shares prior to the respective maturity dates in 2009, the Company will be required to issue up to 1,105,425 common shares of the Company as compensation for additional interest at a rate of 8% per annum.

The Company has a stock option plan for employees, directors, and consultants. As at the date of this MD&A, a total of 3,700,000 shares were reserved for issuance under this plan. Options granted vest over two to four years and as at March 31, 2009, 1.2 million options were outstanding with a weighted average exercise price of $0.40 per share.

The Company implemented a Directors' deferred share unit plan effective July 1, 2007. As at March 31, 2009, 572,080 DSU's are issuable to settle $0.1 million of directors' fees.

On a fully diluted basis, if all convertible debentures were converted, warrants exercised, options exercised and Deferred Share Units (DSU's) redeemed for common shares as at April 24, 2009, the total number of common shares issued and outstanding would be approximately 159.1 million.

Change in Accounting Policies

Effective January 1, 2009, the Company adopted the following new CICA Handbook section:

Section 3064 – Goodwill and Intangible Assets. The Corporation does not expect the adoption of this standard will have any material impact on its consolidated financial statements.

Future Accounting Policies

International Financial Reporting Standards (IFRS). In 2006 the Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements in Canada. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over a five year transition period with adoption required effective January 1, 2011. The financial impact of the transition to IFRS cannot be reasonably estimated at this time.

Selected Quarterly Financial Information and Overview

The following table summarizes selected unaudited quarterly financial data for the past eight fiscal quarters:

	2009	2008				2007		
(in thousands)	First	Fourth	Third	Second	First	Fourth	Third	Second
Revenue	10,384	7,693	7,826	10,269	9,520	7,707	6,744	9,460
Depreciation and amortization	885	370	1,122	1,144	1,150	1,154	730	476
Financing and amortization of debt and note payable issue costs	81	(175)	137	161	93	1,613	280	33
Interest	1,449	1,036	959	931	932	870	608	223
Foreign exchange loss (gain)	807	2,463	739	(245)	545	(528)	(1,122)	23
Fees and expenses on settlement of long term note payable	-	-	-	-	615	-	-	-
Write down of deferred development costs	-	590	4,227	-	-	529	-	-
Loss on extinguishment of convertible debt		716						
Goodwill impairment	-	3,208	-	-	-	1,605	-	-
Write down of intangible assets		578						
Income (loss) before tax	(654)	(9,108)	(9,268)	(1,664)	(2,677)	(5,840)	292	1,582
Income tax expense (recovery)	(125)	(807)	(313)	727	(372)	(1,141)	94	665
Net Income (loss)	(529)	(8,301)	(8,955)	(2,391)	(2,305)	(4,699)	198	917
Earnings (loss) per share - Basic and diluted	(0.01)	(0.18)	(0.19)	(0.05)	(0.05)	(0.12)	-	0.02

Quarterly revenues, expenses, and net income are impacted by a number of external factors including the timing of large transactions, timing of budget approvals by customers, acquisitions, product mix, seasonality of economic activity, and write down and impairment charges.

Large transactions and acquisitions that affected quarterly results included the following: first quarter of 2009, the $1.2 million software license sale to QMENA.

Related Party Transactions

On December 24, 2008, the Company signed a definitive agreement with 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$1 million of the Company's products.

Reconciliation of Non-GAAP Measures

Adjusted EBITDA-

The Company reports this non-GAAP measure because it is a key measure used by management to evaluate the performance of the business. The Company believes that EBITDA is a measure commonly reported and widely used by investors as an indicator of a Company's operating performance and ability to incur and service debt. It is also used as a valuation metric. The Company believes that EBITDA assists investors in comparing performance on a consistent basis without regard to depreciation and amortization, which are non-cash in nature and can vary significantly depending upon accounting methods or non-operating factors such as historical cost.

Adjusted EBITDA is Standardized EBITDA[1], excluding foreign exchange gains primarily related to the US dollar denominated debt of the Company and can vary significantly depending on exchange rate fluctuations, which are beyond the control of the Company, and write downs of deferred development and intangible costs, goodwill impairment, financing costs, stock based compensation, fees and expenses on settlement of debt and losses on extinguishment of debt and after deducting the annual amount invested in respect of deferred development costs, which, with the implementation of International Financial Reporting Standards in the year ended December 31, 2011, will generally be required to be expensed on an annual basis.

Adjusted EBITDA is not a calculation based on GAAP and should not be considered to be an alternative to net income in measuring the Company's performance, or used as an exclusive measure of cash flow, because it does not consider the impact of working capital growth, all capital expenditures, debt reductions, and other sources and uses of cash, which are disclosed in the consolidated financial statements. Investors should carefully consider the specific items included in the Company's calculation of Adjusted EBITDA. While Adjusted EBITDA has been disclosed to permit a more complete comparative analysis of the Company's performance and debt servicing ability relative to other companies, investors should be cautioned that Adjusted EBITDA as reported by WellPoint Systems may not be comparable in all instances to Adjusted EBITDA reported by other companies.

The following is a reconciliation of Standardized EBITDA[1] with net income (loss) as reported in the consolidated financial statements and the calculation of Adjusted EBITDA for the three months ended March 31, 2009 and 2008.

		Three Months Ended Mar. 31	
(in thousands)		**2009**	**2008**
Net income (loss)	**$**	**(529)**	**(2,306)**
Interest		**1,449**	**931**
Income taxes		**(125)**	**(371)**
Depreciation and amortization		**885**	**1,150**
Financing and amortization of debt and note payable issue costs		**81**	**93**
Standardized EBITDA		**1,761**	**(503)**
Fees and expenses on settlement of long term note payable		**-**	**615**
Foreign exchange loss (gain)		**807**	**545**
Stock based compensation expense		**20**	**33**
Less deferred development costs		**-**	**(1,126)**
Adjusted EBITDA	**$**	**2,588**	**(436)**

1. Standardized EBITDA is a non-GAAP measure. Standardized EBITDA is in accordance with the definition noted in the Canadian Institute of Chartered Accountants ("CICA") draft publication *"Improved Communication with Non-GAAP Financial Measures"* issued by the Canadian Performance Reporting Board of the CICA.