



CriticalControl Solutions Corp.
Management, Discussion & Analysis
June 30, 2009

The following discussion and analysis provides a review of the operating results, financial position and liquidity risk affecting the financial results of CriticalControl Solutions Corp. for the period ended June 30, 2009 prepared as of August 4, 2009. This report should be read in conjunction with the Corporation's December 31, 2008 audited consolidated financial statements and accompanying notes presented in accordance with Canadian generally accepted accounting principles ("GAAP").

All financial information is presented in thousands of Canadian dollars, except share data.

CORPORATE DEVELOPMENTS

Net income amounted to \$1,126 for the six months ended June 30, 2009 compared to \$ 1,206 for the same period in 2008. Net income for the second quarter of 2009 amounted to \$466 compared to \$702 for the same period in 2008. The decline in net income of 6.6% for the six months and 33.6% for the 3 months ended June 30, 2009 was a result of a sharp decline in revenue from the Corporation's government related business, which was a direct result of a cut in government spending due to the current economic environment in Alberta.

Revenue was \$5,617 for the three months, and \$12,062 for the six months ended June 30, 2009 compared to \$6,253 and \$12,248 respectively in the same period in 2008. A 12% (22% for the three month period) decline in revenue from the Corporation's government related business was offset by a healthy 12% (6% for the three month period) increase in revenue from the Corporation's energy services business for the six months ended June 30, 2009.

On February 11, 2009, the Corporation consolidated its common shares on a one (1) new for three (3) old share basis as approved by the Corporation's shareholders on November 26, 2008.

Also on February 11, 2009, the Corporation listed its shares on the Toronto Stock Exchange ("TSX") on a post consolidated basis and simultaneously delisted its shares from the TSX Venture Exchange.

On February 17, 2009, the Corporation issued 481,716 shares to Wellington Financial pursuant to the cashless exercise and cancellation of Wellington Financials warrants to acquire 2,934,782 shares of the Corporation. Following the exercise and cancellation, the Corporation's outstanding shares increased by 1.17 per cent and its outstanding shares calculated on the assumption of the exercise or conversion of all convertible or exchangeable securities decreased by 5.26 per cent.

The Corporation purchased and cancelled 1,005,744 of its shares during the period ended June 30, 2009 pursuant to a Normal Course Issuer Bid announced on May 19, 2009 to purchase for cancellation up to 2,788,457 common shares.

On July 29, 2009, the Corporation entered into a facility agreement for a secured revolving line of credit for up to \$5,000 to support the Corporation's working capital requirements with a Canadian Chartered Bank. The line bears interest at prime plus 1.25% payable monthly in arrears. This new facility replaces the Corporation's existing \$3,500 facility.

On July 31, 2009, the Corporation acquired 100% of the outstanding shares of BPO Management Services, Ltd. ("BPO") for \$100. As part of the acquisition, the Corporation assumed a working capital deficit of approximately \$2,300 prior to applicable closing costs. BPO is a provider of imaging products and services, inclusive of business process outsource solutions based in Winnipeg and Toronto.

SELECTED QUARTERLY INFORMATION

	Three months ended June 30, 2009	Three months ended June 30, 2008
Revenue	5,617	6,253
Gross Margin ⁽³⁾	2,984	3,408
Net Income	466	702
Net Income per share – basic and diluted	0.01	0.02
Interest	-	18
Current Assets	5,582	5,137
Current Liabilities	2,233	2,848
Working capital ⁽¹⁾⁽²⁾	3,349	2,289
Total assets	18,059	17,355
Total long-term debt (includes current portion)	-	1,150
Total equity	14,756	12,726

⁽¹⁾ Working capital, defined as current assets less current liabilities, is a non-GAAP measure and may not be comparable to similar measures used by other companies. Management believes that working capital is an indicator of the Corporation's liquidity and its ability to meet its current obligations.

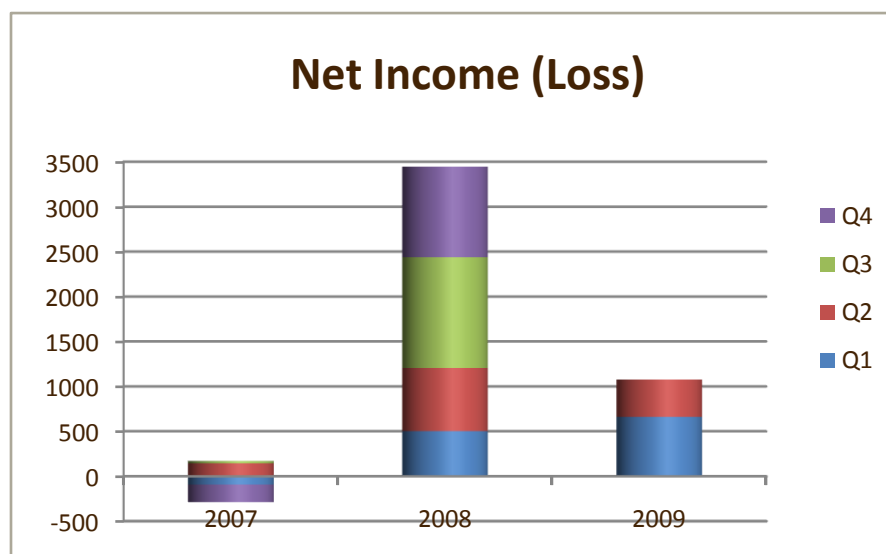
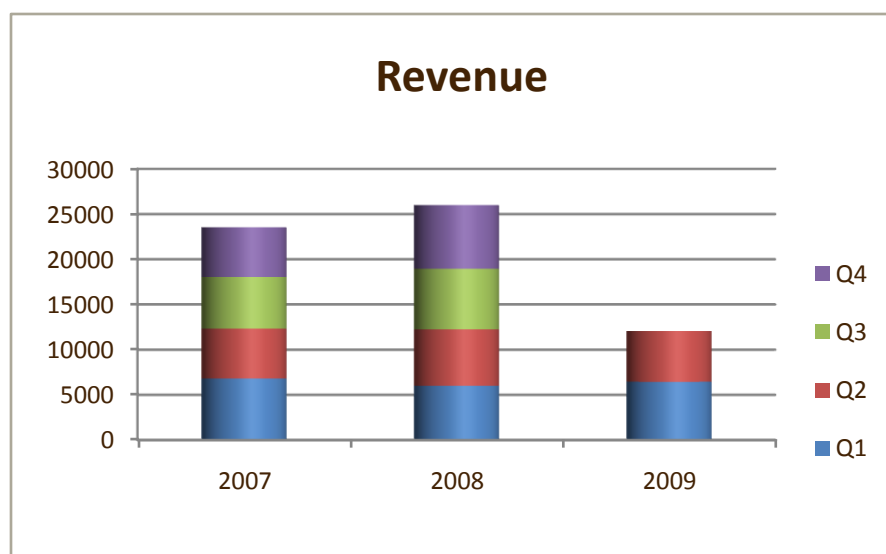
⁽²⁾ Readers are cautioned not to view this non-GAAP financial measure as an alternative to financial measures calculated in accordance with GAAP.

⁽³⁾ Gross margin is a non-GAAP measurement that management believes is a useful supplement measure of operations.

SUMMARY OF QUARTERLY RESULTS

The following table presents certain financial information on a consolidated basis for the last eight quarters. The quarterly financial information has been restated to reflect the discontinued operations and yearend adjustments.

	Two Year Summary By Quarter							
	Years ended December 31,							
	2009		2008			2007		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue - Continuing Operations	5,617	6,445	7,037	6,699	6,253	5,995	5,490	5,709
Revenue - Discontinued Operations	-	-	-	-	-	-	-	443
Net Income (loss) - Continuing Operations	466	660	1,006	1,232	702	504	(196)	27
Net Income (loss) - Discontinued Operations	-	-	-	-	-	-	(47)	(340)
Net income (loss)	466	660	1,006	1,232	702	504	(243)	(313)
Net income/(loss) per share	0.01	0.02	0.02	0.03	0.02	0.01	(0.00)	(0.00)



CORPORATE PROFILE

CriticalControl Solutions Corp. (the “Corporation” or “CriticalControl”) enables its clients to increase operational performance through the better control of critical business information. CriticalControl seeks to empower clients with everything from strategies and tools, to outsourced solutions to manage information, wherever and in whatever form that information exists. Its proprietary products are data management tools used in the critical business operations of clients in two main industries: Government and Energy.

Government

CriticalControl integrates its services and solutions into the business processes of its provincial government ministry and health care clients, primarily based in Alberta. The base of CriticalControl’s solutions is the application and integration of information into the workflow of an organization, whatever form such information may exist in. The integration of CriticalControl’s solutions into the business process of the client is dependent upon the client and the opportunity. CriticalControl’s services include:

1. Development of a strategic plan to determine how information must be managed within an organization and how the information is required to be accessed and integrated into the workflow of such organization. This process typically results in an information management plan, the evaluation of a document management system and the need to develop a records management solution;
2. Professional services to implement a document management or records management solution;
3. Conversion of information from existing form to a form required under the information management plan. This entails the possible conversion of large scale repositories from paper or microfilm to digital media and/or microfilm as required or day forward conversion for the integration of all new information from communication or business into an information management system; and
4. Outsourcing of business processes in their entirety.

Energy

The Corporation offers its Western Canadian upstream and midstream oil and gas clients with management tools and services to manage daily operations including their critical production measurement data with a suite of products and integrated services as follows:

1. Measurement Operations – This offering includes the collection of production related data from non electronic devices and third party systems. This includes the imaging and analysis of circular charts from dry flow orifice meters (also known as chart recorders) using CriticalControl’s proprietary ScanGas application and the capture of gas composition data from third party gas analysis laboratories using CriticalControl’s proprietary ProTrend application.
2. Measurement Solutions – This offering includes capture, validation and cleanup of a client’s data related to plants and facilities. This includes services to map how each well is connecting in a client’s gathering pipeline system using the Corporation’s proprietary PipeWatch application. By integrating this information with production data captured in the Corporation’s Measurement Operations services, risk assessment services can be provided through the Corporation’s proprietary CorrosionWatch application.
3. WebSCADA Solutions – This offering enables, through the use of an internet web browser, the monitoring and control of compressors and electronic flow computers in the field using the Corporation’s proprietary NetFlow application. This includes the capture of production data from electronic devices.

RESULTS OF OPERATIONS

Comparison of the three and six months ended June 30, 2009 and 2008.

Revenue

	Three months ended			Six months ended		
	2009	June 30, 2008	Change	2009	June 30, 2008	Change
Revenue						
Government	2,776	3,577	(22)%	6,142	6,975	(12)%
Energy	2,841	2,676	6%	5,920	5,273	12%
	5,617	6,253	(10)%	12,062	12,248	(2)%

Total revenue decreased by \$636 or 10% for the quarter ended from the same period in 2008, and by \$186 or 2% for the six months ended June 30, 2009.

Government

Revenue for the Corporation's imaging service bureau decreased by \$532 for the three months ended June 30, 2009 and by \$377 for the six months corresponding period in 2008. The reduction is attributed to a decrease in spending in capital projects and long term ECM projects not being pursued due to government budgetary restrictions. The Corporation's long term business process outsourcing business also had a decrease in revenue of \$269 for the three months and \$456 for the six months ended June 30, 2009 when compared to the same period in 2008. The decline was due in part to the planned termination of a non-core business process which was repatriated to a government ministry and a sharp decline in revenue associated with the registrations of real estate and motor vehicle transactions, which have been impacted by the current economic climate.

Energy

Growth in the Corporation's Energy sector is, in part, dependent on variations in industry drilling activity related to the price of natural gas. Notwithstanding the forgoing, the Corporation's Energy business had a \$165 (6%) growth for the three months and \$647 (12%) for the six months ended June 2009 when compared to the same periods in 2008. The business unit achieved \$93 of organic growth in its ScanGas application from implementation of chart integration services for a senior oil and natural gas exploration, development and production company. The organic growth was offset by an industry wide shut in of low production wells, especially where capital expenditure was required to continue production. Additionally \$204 of the growth for the three months and \$511 for the six months was from the acquisitions of ScadaNet in July, 2008 and the assets of Western Corrosion Technologies in October 2008.

Cost of Revenue and Gross Margin

	Three months ended			Six months ended		
	2009	June 30, 2008	Change	2009	June 30, 2008	Change
Cost of Revenue						
Government	1,665	1,891	(12)%	3,698	3,830	(3)%
Energy	968	954	1%	2,091	1,894	10%
	2,633	2,845	(7)%	5,789	5,724	1%
Gross margin ⁽¹⁾						
Government	1,111	1,686	(34)%	2,444	3,145	(22)%
Energy	1,873	1,722	9%	3,829	3,379	13%
	2,984	3,408	(12)%	6,273	6,524	(4)%
Gross margin percentage ⁽¹⁾						
Government	40%	47%	(15)%	40%	45%	(11)%
Energy	66%	64%	3%	65%	64%	2%
	53%	55%	(3)%	52%	53%	(2)%

⁽¹⁾ Gross margin is a non-GAAP measurement that management believes is a useful supplemental measure of operations.

Government

Gross margin as a percentage of revenue in the Corporation's Government business declined for the period ended June 30, 2009 as a result of reduced economies of scale from decline in transactional revenue associated with certain of the Corporation's business process outsourcing activities and the decline in revenue from the Corporation's imaging service bureau due to budgetary restrictions.

Energy

Gross margins as a percentage of revenue for the Corporation's offering in the Energy sector increased for the quarter but remained consistent for the six months ended June 30, 2009 when compared to the same period last year as a 12% increase in revenue was matched by a 13% rise in gross margin.

Operating Expenses

	Government		Energy		Corporate & Other		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
For the three months ended June 30,								
Selling & administrative expenses	763	851	638	657	552	671	1,953	2,179
Research and development expenses	-	-	174	181	-	-	174	181
Amortization of property & equipment	60	60	192	173	1	2	253	235
Amortization of customer contracts	53	53	94	83	-	-	147	136
Gain on sale of property and equipment	-	-	-	-	-	(46)	-	(46)
Interest and other expenses	-	-	-	-	(9)	21	(9)	21
	876	964	1,098	1,094	544	648	2,518	2,706

	Government		Energy		Corporate & Other		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
For the six months ended June 30,								
Selling & administrative expenses	1,508	1,668	1,357	1,363	1,151	1,193	4,016	4,224
Research and development expenses	-	-	337	352	-	-	337	352
Amortization of property & equipment	119	117	381	338	2	3	502	458
Amortization of customer contracts	106	106	194	166	-	-	300	272
Gain on sale of property and equipment	-	-	-	-	-	(46)	-	(46)
Interest and other expenses	-	-	-	-	(8)	58	(8)	58
	1,733	1,891	2,269	2,219	1,145	1,208	5,147	5,318

Selling and Administrative Expenses

Selling and administrative expenses attributed to the Corporation's Government sector decreased by 10% for the three months and six months ended June 2009 compared to the same periods last year due to a reduction of commissions payable in the quarter and a general streamlining of expenses.

Selling and administrative expenses attributed to the Corporate overhead decreased by 10% for the quarter due to general streamlining of expenses. The selling and administrative expenses attributed to Corporate overhead decreased by 5% for the six months ended June 2009, primarily due to certain onetime costs associated with the listing of the Corporation's shares on the Toronto Stock Exchange in the first quarter of the year.

Research and Development

The Corporation continued with its development project, ProStream, to integrate the databases associated with its different applications in the energy sector, all costs of which are expensed in the period in which they are incurred. This project will consolidate various databases into a single repository to reduce duplicate data facilitating reduced

administrative costs, increased data integrity and help leverage essential production data to empower clients to make informed decisions related to their operations.

Interest and Other Expenses

Interest costs fell due to the Corporation's retirement of its long term debt during the first quarter of 2009.

Net Income

The Corporation's net income for the second quarter decreased by \$236 and on a year to date basis by \$80 compared to the same periods in 2008 due primarily to the decline in year over year revenue in the Government sector, offset in part, by an increase in profitability from the Corporation's energy sector business.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's working capital improved by 40% for the six months ended June, 2009, from December 31, 2008, and by 46% from the same period in 2008 as a result of positive operating cash flow.

The following table shows the Corporation's financial liabilities inclusive of operating leases:

	2009	2010 to 2011	2012 to 2013	Beyond 2013
Accounts payable and accrued liabilities	1,165	-	-	-
Long term debt	-	-	-	-
Commitments and contingencies	420	1,596	1,155	2,952
Total	1,585	1,596	1,155	2,952

Management anticipates that its current level of cash flow from operations is sufficient to meet its obligations, but expects to regularly review its level of capital resources and adjust spending accordingly. This review will consider factors such as the current economic environment, changes in demand for the Corporation's services and profitability of the Corporation's operations, any of which may materially affect the Corporation's ability to meet its obligations.

Management's 2009 budget for capital expenditures, not inclusive of any amounts which may be used to fund potential acquisitions is \$600, of which \$169 has been used year to date. At June 30, 2009, the Corporation had \$1,666 of cash on hand and access to \$3,000 of its operating facility to fund its ongoing working capital requirements for 2009. In the event of a negative material change in the Corporation's ongoing business or cash requirements to fund potential acquisitions, further financing may be necessary, the success of which will be dependent upon the Corporation's ability to access the capital markets.

On July 30, 2009, the Corporation replaced its \$3,500 revolving operating facility with a \$5,000 revolving operating facility with a Canadian Chartered Bank. The Corporation was in breach of an adjusted income covenant contained in the previous facility due to the Corporation's purchases of its shares under its Normal Course Issuer Bid. The breach did not impact the Corporation's business, as no funds were drawn under the facility. Given that the Corporation has replaced this facility with a larger operating line which does not have similar covenants, management does not anticipate any impact to the Corporation's liquidity.

FINANCIAL INSTRUMENTS

Fair Value

As at June 30, 2009, the estimated fair values of cash, accounts receivables, operating line of credit, long term debt, accounts payable and accrued liabilities approximated their carrying values.

Credit and Concentration Risk

For the three months ended June 30, 2009 the Corporation derived approximately 44% (2008 – 49%) of its total revenue from the Government of Alberta. As at June 30, 2009, 37% (2008 – 37%) of accounts receivable pertained to this customer.

BUSINESS RISKS

Management of Growth

The Corporation has, in the past, experienced significant growth in its business, including an expansion in the Corporation's staff, customer base and the expansion of its product and service offerings. Such growth placed and will continue to place, a significant strain on the Corporation's management and operations. The Corporation's ability to manage growth effectively in the future will require it to further develop and improve its operational, financial and other internal systems, and to hire, and manage employees. If the Corporation is unable to manage its growth effectively, the Corporation's business, results of operations, liquidity and financial condition could be materially and adversely affected.

Fluctuation in Quarterly Results

Quarterly revenue and operating results may fluctuate as a result of a variety of factors, including demand for the Corporation's products and services, the proportion of revenue attributable to proprietary software licensing and implementation versus service revenue, the introduction of new products and product enhancements by the Corporation or its competitors, changes in the Corporation's pricing policies or those of its competitors, currency exchange rate fluctuations, or the fixed nature of a significant portion of the Corporation's operating expenses, particularly salaries and leasing costs.

Historical Operating Losses

The Corporation has experienced substantial operating losses in previous fiscal years. Its success will depend in large part upon its ability to generate sufficient revenue to achieve continued annual profitability and to maintain existing and to develop new customer relationships.

Dependence on Management and Key Employees

The Corporation's success will depend, to a very significant extent, on the performance and continued services of its senior management and certain other key employees, the loss of any of whom could have a material adverse effect upon the Corporation. In addition, the Corporation has hired a number of key managers within the past four years and may continue to expand its management team in the future. The Corporation believes that its future success will also depend in large part upon its ability to attract and retain highly skilled technical, managerial and marketing personnel. Competition for such personnel is intense and the Corporation has experienced difficulties in recruiting qualified personnel and may continue to experience such difficulties in the future. There can be no assurance that the Corporation will be successful in attracting and retaining the personnel it requires to continue to maintain and expand its business. The Corporation has key person life insurance on its President and CEO.

Risks Related to Acquisitions

The Corporation may, in the future, further expand its operations or product offerings through the acquisition of additional businesses, products or technologies. There can be no assurances that the Corporation will be able to identify, acquire or profitably manage additional businesses without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions also entail numerous risks, including: difficulties in assimilating acquired operations, products and personnel; unanticipated costs, events and legal liabilities; diversion of management's attention from other business concerns; adverse effects on existing business relationships with suppliers and customers; risks of entering markets in which the Corporation has limited or no prior experience; and potential loss of key employees from either the Corporation's pre-existing business or the acquired organization. Some or all of these risks could have a material adverse effect on the Corporation's business, results of operations and financial condition.

In addition, there can be no assurance that acquired businesses, products or technologies, if any, will achieve anticipated revenues and income. Acquisitions could also use a substantial portion of the Corporation's available cash; may result in the Corporation incurring substantial debt, which may not be available on favourable terms and may adversely affect the liquidity of the Corporation's stock; may result in the Corporation assuming contingent liabilities and taking substantial charges in connection with the impairment of goodwill and amortization of other intangible assets; and may result in the issuance of equity securities that would dilute existing shareholders. The failure of the Corporation to manage its acquisition strategy successfully could have a material adverse effect on the Corporation's business, results of operations, liquidity and financial condition.

Protection of Intellectual Property

The Corporation relies primarily on a combination of copyright, trademark and trade secrets laws, confidentiality procedures and contractual provisions to protect its proprietary rights. Substantial portions of the Corporation's sales are derived from the licensing of the Corporation's products. The Corporation generally enters into confidentiality agreements with its other licensees and employees. Despite the Corporation's efforts to protect its proprietary rights, unauthorized parties may attempt to copy and may succeed in copying aspects of the Corporation's products or to obtain and use information that the Corporation regards as proprietary. Furthermore, there can be no assurance that others will not independently develop products similar to those of the Corporation. In addition, the laws of some foreign countries do not protect the Corporation's proprietary rights to as great an extent as do the laws of Canada or the United States. There can be no assurance that the Corporation's competitors will not independently develop similar technology or that the Corporation's means of protecting its proprietary rights will be adequate, and consequently the Corporation's business, results of operations, liquidity and financial condition could be materially adversely affected.

The Corporation is not aware that any of its products infringe the proprietary rights of third parties. There can be no assurance, however, that third parties will not claim infringement by the Corporation with respect to current or future products. Defense of such claims, with or without merit, could be time-consuming, result in costly litigation, cause product delivery delays or require the Corporation to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Corporation or at all, either of which could have a material adverse effect upon the Corporation's business, results of operations, liquidity and financial condition.

RISKS RELATED TO THE INDUSTRY

Intense Competition

The markets for the Corporation's products and services are intensely competitive and rapidly changing and a number of companies offer products and services similar to the Corporation's products and services and target the same customers as the Corporation. The Corporation believes its ability to compete depends upon many factors within and outside its control, including the timely development and introduction of new products and services, product enhancements, product functionality, performance, price, reliability, customer service and support, sales and marketing efforts, and introduction of new products and services by competitors.

Many of the Corporation's competitors and potential competitors are substantially larger than the Corporation and have greater name recognition, larger customer bases and significantly greater financial, technical, marketing, public relations, sales, distribution and other resources than the Corporation. As a result, they may be able to respond more quickly to new or emerging technologies and changes in customer requirements, or to devote greater resources to the development, promotion and sale of their products than the Corporation.

As competition increases, the prices that the Corporation charges for its products and services may decline. If the Corporation is not able to compete successfully, the Corporation's business, financial condition and operating results could be materially adversely affected.

Rapid Technological Change

The markets for the Corporation's products are characterized by rapid technological advances, evolving industry standards, changes in end-user requirements and frequent new product introductions and enhancements. The Corporation's future success will depend upon its ability to enhance its current products, and to develop and introduce new products that keep pace with technological developments, respond to evolving end-user requirements and achieve market acceptance.

The development of such new products or enhanced versions of existing products entails significant technological risks. There can be no assurance that the Corporation will be successful in marketing its existing products or be successful in developing or marketing new products or product enhancements, any of which could have a material adverse effect on the Corporation's business, results of operations and financial condition.

OFF-BALANCE SHEET FINANCING

The Corporation has undrawn letters of credit totaling \$200 with its bank that have been provided to customers as a performance guarantee. The Corporation has no other off-balance sheet financing arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Corporation had no transactions with related parties for the period ended June, 2009.

SUMMARY OF SHARE CAPITAL

On February 11, 2009 the shares of the Corporation were consolidated on a one (1) new share for three (3) old shares basis as approved by the Corporation's shareholders on November 26, 2008.

Effective May 21, 2009, the Corporation received regulatory approval for a Normal Course Issuer Bid ("the bid") from the Toronto Stock Exchange to purchase for cancellation, from time to time as the Corporation considers advisable, up to 2,788,457 common shares or 10% of the Corporation's public float. The bid commenced on May 21, 2009 and will expire on May 20, 2010.

During the three months ended June 30, 2009, the Corporation purchased for cancellation 1,005,744 shares at an average cost per share of \$0.468.

Issued and Outstanding

Common shares	Number	Amount
Balance, December 31, 2008	41,372,305	22,921
Issued on exercise of stock options (2009)	16,666	6
Issued on exercise of warrants (2009)	481,716	39
Shares purchased and cancelled	(1,005,744)	(470)
Balance, June 30, 2009 and August 4, 2009	40,864,943	\$22,496

Options	Number	Weighted-average exercise price
Outstanding, December 31, 2008	182,133	\$0.51
Exercised (2009)	16,666	\$0.30
Cancelled (2009)	17,807	\$0.32
Outstanding, June 30, 2009 and August 4, 2009	147,660	\$0.56
Exercisable, June 30, 2009	144,327	\$0.56
Exercisable, August 4, 2009	147,660	\$0.56

Warrants & Special Warrants	Number	Weighted-average exercise price
Outstanding, December 31, 2008	4,351,449	\$0.45
Cancelled (2009)	(2,453,067)	\$0.36
Exercised (2009)	(481,716)	\$0.36
Outstanding, June 30, 2009 and August 4, 2009	1,416,666	\$0.66

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for designing disclosure controls and internal controls over financial reporting, as defined in the National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"). Management has designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements and other filings in accordance with Canadian GAAP.

In assessing the Corporation's disclosure controls and procedures (DC&P), management concluded that disclosure controls are not effective due to the material weakness in the Corporation's internal control over financial reporting (ICFR).

Management also concluded that the Corporation's ICFR are not effective due to the material weakness described below. The material weakness did not result in any adjustments to the Corporation's financial statements for the period ended June 30, 2009.

- Due to limited resources and number of staff, it is not feasible to achieve complete segregation of duties among its staff. This creates a risk that inaccurate recording of amounts could be made and not corrected on a timely basis. The result is that the Corporation is highly reliant on the performance of mitigating procedures and management oversight during its financial close process in order to ensure the financial statements present fairly in all material respects.
- In-house expertise to deal with complex taxation, technical accounting and non-routine transactions is not sufficient. To mitigate this weakness, the Corporation engages external accounting firms and consultants to assist in advising on the reporting treatment of such transactions.

Management believes the documentation of internal controls is sufficient to provide reasonable assurance material errors in financial reporting and disclosures will be detected and prevented.

OUTLOOK & GUIDANCE

This Outlook and Guidance contains forward-looking statements which the Corporation does not intend, and does not assume any obligation, to update, except as required by law. The forward looking information and statements include:

- The current economic and financial crisis and its effect on the on the Corporation's client base's business;
- The price of natural gas and its effect on capital spending and operating budgets of the Corporation's client base;
- The economic environment and its effect on the Corporation's government clients' expenditure plans;
- The demand for value added services that provide additional cost reduction or production optimization for the Corporation's energy client base; and
- Management's assumptions regarding the sustainability of recurring revenue streams and the Corporation's expected continuing profitability in 2009.

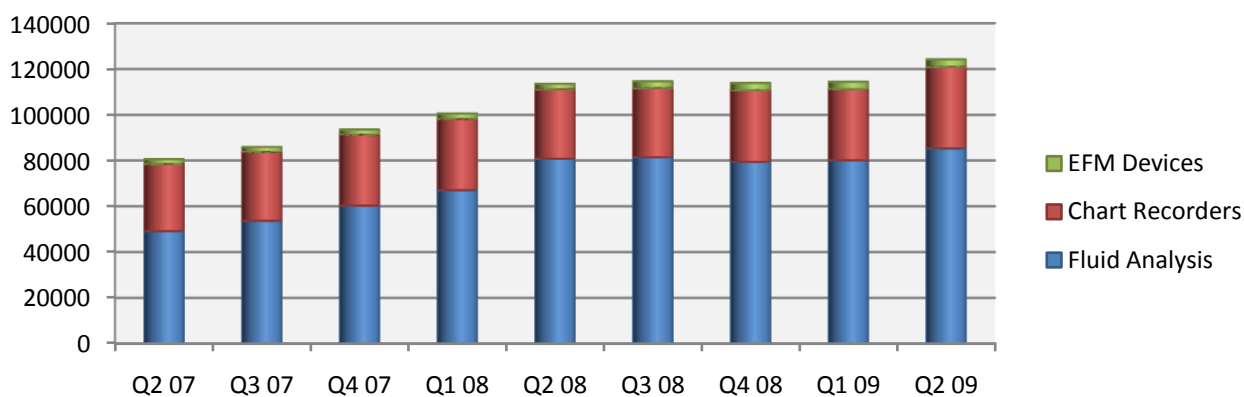
The current economic environment has affected the Corporation's client base in both its government and energy divisions. Management believes that the full effect of the global financial crisis and economic slowdown on its client base is not yet fully apparent. Although spending has been curtailed and likely will remain so by both sets of client bases for at least the next 3 quarters, the magnitude of the cuts in spending and the effect on longer term spending initiatives remain uncertain.

Although the Corporation recorded strong revenue increases from the Corporation's energy division in the first quarter of 2009 compared to the same period last year, management expects exploration in the Western Canadian Sedimentary Basin to be curtailed in 2009 and into 2010 due to weak commodity prices. Although the Corporation's recurring revenue is tied to gas production rather than exploration, a reduction in the number of gas wells drilled and completed in 2009 and 2010 will result in lower growth in the Corporation's business.

The severity of decrease in the economics of gas production has seen some low production wells shut in, especially where capital expenditure is required to continue production. Although management has been able to absorb this impact to the business through organic growth, the long term continuation of this economically induced trend may impact the Corporation's recurring revenue stream. In order to attain management's 2009 and 2010 growth objectives, management will need to succeed in creating or acquiring value added services to provide additional cost reduction or production optimization results for its energy client base.

The reduction in transactions in real estate and motor vehicles has resulted in a significant drop in the Corporation's registration services for provincial government ministries since the fourth quarter of 2008 and is expected to continue until the economy improves. As the current economic downturn continues, the Corporation's government clients continue to restrict spending, causing a delay or cancellation in many projects the Corporation anticipated in 2009.

Management's current opinion regarding the sustainability of its recurring revenue streams would suggest that the Corporation will be able to sustain continuous profitability for the remainder of 2009. The current economic climate, combined with possible continued uncertainty associated with its impact on Canada, will likely have further repercussions on the Corporation's client base which would result in lower revenue in both the Corporation's government and energy divisions. A deterioration of the economic climate or the prevalence of uncertainty for a lengthy period of time may materially affect management's outlook, in which case management's profitability targets will become dependent upon the Corporation's ability to expand its core offering and market reach—both organically and through acquisition, which may require a longer timeframe to achieve.



OTHER

Accounting Policies

The company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP").

On January 1, 2009, the Corporation adopted the new accounting handbook section 3064 which establishes new standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard did not have material impact on the interim consolidated financial statements.

The remainder of the Corporation's accounting policies remains unchanged so far in 2009.

Future Accounting Policies

International Financial Reporting Standards (IFRS)

In February 2008, CICA Accounting Standards Board ("AcSB") confirmed the changeover to International Financial Reporting Standard ("IFRS") from GAAP will be required for publically traded corporations for interim and annual financial statements effective fiscal years beginning on or after January 1, 2011 with comparative data also reported under IFRS. As of January 1, 2010, the Corporation will be required to prepare financial information in accordance with GAAP and IFRS in order to have comparative financial statements on full implementation of IFRS in 2011.

The project team which consists of senior levels of the Corporation's management has been set up and regular reporting will be provided by the project team to executive management and the Audit Committee of the Board of Directors.

The transition to IFRS will consist of three phases: diagnostic, design and implementation.

Earlier in 2009, the Corporation commenced with the diagnostic phase of its IFRS transition project. The diagnostic phase will include initial and detailed assessment to identify key areas of difference between Canadian GAAP and IFRS. The Corporation has completed a preliminary review of the accounting system and the data gathering process and is currently assessing its choices which affect conversions in accordance with IFRS 1, First Time Adoption of International Financial Reporting Standards, while quantifying the adjustment to the opening retained earnings. At this time, the impact on the Corporation's financial position and results of operations is not reasonably determinable or estimable for the IFRS conversions.

The Corporation is committed to the education and training component of the IFRS conversion. It has started, and will continue to invest in employee training, and a third party professional firm has also been engaged to assist with project management and technical accounting advice.

The Corporation will continue to monitor any changes to IFRS, assess the impact of adopting IFRS, and will update its MD&A disclosures quarterly to report on the progress of its IFRS implementation.

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Thomas Ulrich	William Hammett
Robert McClinton	

Officers

George Watson	Executive Chairman
Alykhan Mamdani	President and Chief Executive Officer
Hashu Remtulla	Vice President and Chief Financial Officer
Brenton Lawther	Chief Operating Officer
Willis Groshong	Executive Vice President, Edmonton Region
Eric Olsen	Vice President, Edmonton Operations
Andy Levstik	Vice President, Product Development

Additional information relating to the Corporation is available on SEDAR at www.sedar.com.