



**HORIZON NORTH**  
Logistics Inc

## SECOND QUARTER REPORT 2009

### MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") THREE AND SIX MONTHS ENDED JUNE 30, 2009

This Management's Discussion and Analysis, prepared as at August 5, 2009, focuses on key statistics from the Interim Consolidated Financial Statements and pertains to known risks and uncertainties relating to the business carried on by Horizon North Logistics Inc. (the "Corporation" or "Horizon"). This Management's Discussion and Analysis should be read in conjunction with the audited consolidated financial statements dated December 31, 2008 and the unaudited interim consolidated financial statements for the three and six months ended June 30, 2009 and related notes and material therein. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political and environmental conditions.

#### Highlights

(000's except per share amounts)	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Revenue	\$ 42,126	\$ 28,943	\$ 80,764	\$ 70,352
EBITDAS <sup>(1)</sup>	15,309	4,809	27,399	16,979
Operating earnings <sup>(1)</sup>	9,157	(1,051)	14,267	5,707
Net earnings (loss)	5,883	(1,150)	9,585	3,385
Net earnings (loss) per share - diluted	\$ 0.05	\$ (0.01)	\$ 0.09	\$ 0.03
Total assets	228,013	351,057	228,013	351,057
Total long-term financial liabilities <sup>(2)</sup>	21,914	46,745	21,914	46,745
Funds from operations <sup>(3)</sup>	13,826	3,302	24,898	13,159
Capital spending	2,027	19,874	8,070	38,635

(1) EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of property, plant and equipment and stock based compensation) and operating earnings (loss) are not recognized measures under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings, EBITDAS is a useful supplemental measure as it provides an indication of the Corporation's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes and fund capital programs. Management believes that in addition to net earnings, operating earnings (loss) is a useful supplemental measure as it provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed or taxed. Investors should be cautioned, however, that EBITDAS and operating earnings (loss) should not be construed as alternatives to net earnings determined in accordance with GAAP as an indicator of the Corporation's performance. Horizon's method of calculating EBITDAS and operating earnings (loss) may differ from other entities and accordingly, EBITDAS and operating earnings (loss) may not be comparable to measures used by other entities. For a reconciliation of EBITDAS and operating earnings (loss) to net earnings, please refer to page 3 of the Management's Discussion and Analysis.

(2) Long-term financial liabilities include operating lines of credit, the current and long-term portions of long-term debt, the current and long-term portions of capital lease obligations, and exclude deferred financing costs.

(3) Funds from operations is not a recognized measure under GAAP. Management believes that in addition to cash flow from operations, funds from operations is a useful supplemental measure as it provides an indication of the cash flow generated by the Corporation's principal business activities prior to consideration of changes in working capital. Investors should be cautioned, however, that funds from operations should not be construed as an alternative to cash flow from operations determined in accordance with GAAP as an indicator of the Corporation's performance. Horizon's method of calculating funds from operations may differ from other entities and accordingly, funds from operations may not be comparable to measures used by other entities. Funds from operations is equal to cash flow from operations before changes in non-cash working capital items related to operations.

#### Overview

Revenues for the three months ended June 30, 2009 increased \$13.2 million to \$42.1 million as compared to the same period in the prior year.

Camp & Catering revenues increased \$11.9 million and include an \$8.0 million cancellation fee (\$5.6 million after tax) related to the restructuring of a long term contract with a large oil sands client that will be collected in early 2010. Excluding this amount Camp & Catering revenues increased \$3.9 million. The BlackSand Executive Lodge was on-stream for the full quarter in 2009, whereas the facility was still being completed in the prior year. The majority of our camp manufacturing capacity in the prior year was dedicated to internal capital construction, including the BlackSand Executive Lodge, whereas in the current year there were several large external sales recognized in the quarter.

Matting revenues increased \$0.3 million with mat rental volumes up significantly as several large projects came online, but with decreased rental rates as a result of market pressures. Mat sales volumes were up year over year, with the majority of sales coming from used rental mats versus new mats.

Marine revenues were up \$0.6 million despite minimal tug and barge revenue which reflected reduced activity in the region. Revenues from barge camps benefitted from improvements in contract structure and overall rates for the active barge camp assets, and were bolstered by a \$0.5 million cancellation fee related to a winter 2009/2010 barge camp project.

EBITDAS and operating earnings increased by \$10.5 million and \$10.2 million respectively as compared to the same period in the prior year. Excluding the \$8.0 million cancellation fee noted above, EBITDAS for the quarter increased by \$2.5 million to \$7.3 million or 21% of revenues, and operating earnings increased by \$2.2 million to \$1.2 million or 3% of revenues.

## **Outlook**

Horizon's businesses are continuing to experience the impact of the global recession through reduced activity levels and margin contraction as competitors vie for fewer jobs. Our customers in the conventional oil and gas exploration and production business have seen their cash flows reduced dramatically by lower commodity prices. This will lead to 2009 drilling activity declining to levels not seen in over a decade. Relief from this situation is unlikely to occur until general economic activity improvements spur increased industrial demand for commodities, in particular for natural gas.

Crude oil prices have improved somewhat from their recent low in the \$35 US per barrel range to nearly \$70 US per barrel. The combination of this price improvement and labor and materials cost deflation has helped restart a number of northern Alberta oil sands projects. Horizon's investments in camp and catering facilities in the region should benefit from this increase in activity and help offset the continued depressed conventional oil and gas market.

Horizon's strong and improving financial position should ensure that we see our way through these difficult economic times. During the second quarter of 2009, the Corporation repaid over \$20 million of bank borrowings and exited the quarter with \$57 million of borrowing capacity under its \$80 million bank credit facility. At time of writing, this had further improved to \$62 million of borrowing capacity.

Early in the third quarter of 2009, the Corporation took advantage of its strong financial position to take the initial steps to add a product line to its service offerings. The Corporation acquired 100% of the common shares of Paramount Structures Inc. ("Paramount") for \$490,000 plus an additional capital infusion of \$510,000. Paramount has developed a modular blast resistant structure that is very much in demand by customers with refinery and petrochemical plant operations. Horizon plans to spend up to \$5 million over the next year to build a blast resistant structures rental fleet, utilizing manufacturing capacity at our existing plant in Grande Prairie, Alberta.

## Financial Results

Three months ended June 30, 2009						
(000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
Revenue	\$ 36,477	\$ 4,039	\$ 1,992	\$ -	\$ (382)	\$ 42,126
Expenses						
Cost of goods sold	7,491	539	-	-	(5)	8,025
Operating	13,946	2,034	1,059	-	(377)	16,662
General & administrative	489	100	4	1,518	-	2,111
Foreign exchange loss (gain)	-	121	-	(102)	-	19
EBITDAS	\$ 14,551	\$ 1,245	\$ 929	\$ (1,416)	\$ -	\$ 15,309
Stock based compensation	17	23	3	154	-	197
Depreciation & amortization	5,204	1,513	289	59	(32)	7,033
Gain on disposal of property, plant & equipment	(1,027)	(51)	-	-	-	(1,078)
Operating earnings (loss)	\$ 10,357	\$ (240)	\$ 637	\$ (1,629)	\$ 32	\$ 9,157
Interest income						(10)
Interest expense on operating lines of credit						88
Interest expense on long-term debt						419
Earnings on equity investments						(132)
Income tax expense						2,909
Net earnings						<u>\$ 5,883</u>

Three months ended June 30, 2008						
(000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
Revenue	\$ 24,552	\$ 3,787	\$ 1,371	\$ -	\$ (767)	\$ 28,943
Expenses						
Cost of goods sold	3,271	214	-	-	-	3,485
Operating	14,483	3,080	1,275	-	(667)	18,171
General & administrative	657	4	-	1,784	-	2,445
Foreign exchange loss	-	33	-	-	-	33
EBITDAS	\$ 6,141	\$ 456	\$ 96	\$ (1,784)	\$ (100)	\$ 4,809
Stock based compensation	218	52	6	232	-	508
Depreciation & amortization	3,536	1,522	260	41	(6)	5,353
Loss (gain) on disposal of property, plant & equipment	15	(16)	-	-	-	(1)
Operating earnings (loss)	\$ 2,372	\$ (1,102)	\$ (170)	\$ (2,057)	\$ (94)	\$ (1,051)
Interest income						(4)
Interest expense on operating lines of credit						138
Interest expense on long-term debt						396
Earnings on equity investments						(173)
Income tax expense						(258)
Net loss						<u>\$ (1,150)</u>



## Camps & Catering

Camps & Catering revenue is comprised of camp, catering and service revenue, camp and space sales, and space rental revenue as follows:

(000's except rental days and mandays)	Three months ending June 30		Six months ending June 30	
	2009	2008	2009	2008
Revenue from Operations				
Camps, catering & service revenue	\$ 15,966	\$ 17,969	\$ 41,948	\$ 36,756
Camp sales revenue	10,714	3,430	15,319	9,627
Space sales revenue	347	1,680	1,295	4,403
Space rental revenue	1,450	1,473	2,092	2,573
Revenue from Operations	\$ 28,477	\$ 24,552	\$ 60,654	\$ 53,359
Cancellation fee	8,000	-	8,000	-
Total Revenue	\$ 36,477	\$ 24,552	\$ 68,654	\$ 53,359
EBITDAS				
Operations	\$ 6,551	\$ 6,141	\$ 18,432	\$ 14,917
Cancellation fee	8,000	-	8,000	-
Total EBITDAS	\$ 14,551	\$ 6,141	\$ 26,432	\$ 14,917
Operating earnings				
Operations	\$ 2,357	\$ 2,372	\$ 8,989	\$ 7,770
Cancellation fee	8,000	-	8,000	-
Total Operating earnings	\$ 10,357	\$ 2,372	\$ 16,989	\$ 7,770
Bed rental days <sup>(1)</sup>	108,801	115,854	242,116	264,629
Catering mandays	92,017	85,909	203,910	208,097

(1) One bed rental day equals the rental of one bed for one day.

Revenue from the Camps & Catering segment increased by \$11,925,000 in the three months ending June 30, 2009 as compared to the three months ended June 30, 2008.

Camps, catering and service revenues decreased \$2,003,000 in the three months ended June 30, 2009 as compared to the three months ended June 30, 2008. Utilization of conventional equipment declined in the quarter as overall demand decreased following general industry trends. In addition, there was an increase in the proportion of jobs earning only catering revenue (without associated bed rentals) during the second quarter of 2009 which resulted in lower revenues, and is driven by customers on a site specific basis. These effects were offset by higher utilization of the BlackSand Executive Lodge as beds were utilized throughout the quarter in 2009 while occupancy began mid-way through May in 2008.

Combined camp and space sales revenues increased \$5,951,000 in the three months ended June 30, 2009 as compared to the three months ended June 30, 2008. A significant amount of our production facilities in 2008 were dedicated to building the BlackSand Executive Lodge. As a result, there were less external sales in Q2 2008. In the current quarter, several large manufacturing jobs were completed and shipped.

Total revenue includes an \$8.0 million cancellation fee related to the restructuring of a long term contract with a large oil sands client which flows directly into EBITDAS and operating earnings during the quarter.

EBITDAS from operations was \$6,551,000, or 23% of revenue in the three months ended June 30, 2009 as compared to \$6,141,000 or 25% of revenue in the three months ended June 30, 2008. As a percentage of revenue, EBITDAS was similar to the same quarter last year as increased utilization of the BlackSand Executive Lodge and increased external camp sales offset decreases in conventional operations and a higher proportion of catering only revenue.

Operating earnings were \$2,357,000 or 8% of revenue in the three months ended June 30, 2009 as compared to \$2,372,000 or 10% of revenue in the three months ended June 30, 2008. Depreciation and amortization increased \$1,668,000 as the BlackSand Executive Lodge was operational for a full quarter in 2009, which was offset by gains of \$1,042,000 on the disposal of used rental equipment during the quarter.

## Matting

Matting revenue is comprised of mat rental revenue, mat sales, installation, transportation, service, and other revenue as follows:

(000's except rental days and mats)	Three months ending June 30		Six months ending June 30	
	2009	2008	2009	2008
Mat rental revenue	\$ 1,309	\$ 840	\$ 2,214	\$ 2,766
Mat sales revenue	597	164	2,120	2,950
Installation, transportation, service and other revenue	2,133	2,783	4,832	8,077
Total revenue	\$ 4,039	\$ 3,787	\$ 9,166	\$ 13,793
EBITDAS	\$ 1,245	\$ 456	\$ 2,282	\$ 3,585
Operating (loss) earnings	\$ (240)	\$ (1,102)	\$ (838)	\$ 511
Mat rental days	538,209	259,329	843,847	879,934
Average mats in rental fleet	12,479	18,222	12,958	17,526
Mats sold	1,029	369	3,364	3,693

Revenue from the Matting segment increased by \$252,000 in the three months ending June 30, 2009 as compared to the three months ended June 30, 2008. Mat rental revenues for the three months ending June 30, 2009 were \$469,000 higher than the three months ending June 30, 2008. Activity levels were reasonably strong as customers who had delayed projects from Q1 2009 began moving early in Q2. In addition, there was a late spring break up in 2008 and very wet weather in northern Alberta throughout the second quarter of 2008 which did not allow for movement of rental mats. Market conditions and competition had a negative effect on rental pricing during the quarter with average mat rental revenue per day dropping to \$2.43/mat rental day in Q2 2009 as compared to \$3.24/mat rental day in Q2 2008.

Mat sales revenues for the three months ending June 30, 2009 were \$433,000 higher than the three months ending June 30, 2008 following the overall increase in mats sold. Average revenue per mat sold was \$580/mat as compared to \$444/mat the same period in 2008. Although the majority of mats sold in both Q2 2009 and Q2 2008 were used mats (Q2 2009 – 981; Q2 2008 – 266) the mats sold in Q2 2009 tended to be newer and therefore brought a slightly higher price per mat. This is a shift from Q1 2009 where 53% of mats sold were new mats as compared to Q1 2008 where 66% of mats sold were new mats.

Installation, transportation, service and other revenue for the three months ending June 30, 2009 were \$650,000 lower than the three months ended June 30, 2008. This decrease was driven primarily by a drop in trucking activity as customers focused on project specific services and reduced staging and strategic relocation work that has been typical in the past.

The increase in both EBITDAS and operating earnings by \$789,000 and \$862,000 respectively were driven by higher rental revenues, which contribute the highest margin, and stronger sales revenues combined with a sharp focus on cost control during the period.

## Marine Services

Marine Services revenue is comprised of tug and barge revenue, barge camp revenue, and rental and other revenue as follows:

(000's)	Three months ending June 30		Six months ending June 30	
	2009	2008	2009	2008
Tug revenue	\$ 30	\$ 351	\$ 30	\$ 351
Barge revenue	-	212	-	408
Barge camp revenue	1,676	539	2,958	3,114
Rental and other revenue	286	269	759	877
Total revenue	\$ 1,992	\$ 1,371	\$ 3,747	\$ 4,750
EBITDAS	\$ 929	\$ 96	\$ 1,820	\$ 2,246
Operating (loss) earnings	\$ 637	\$ (170)	\$ 1,236	\$ 1,720

Revenues from the Marine Services segment for the three months ended June 30, 2009 increased \$621,000 as compared to the same period in the prior year.

Tug and barge revenues were minimal as there was little activity in the region during the quarter. Included in the barge camp revenue is a \$500,000 cancellation fee with respect to the upcoming winter season for one of the barge camps. Utilization of the barge camps in the quarter was comparable to the prior year, with differences in contract structure and overall rates driving the increase in revenues as compared to Q2 2008. Rental and other revenues are generated mainly from storage of equipment and supplies for customers and were consistent with the same period in 2008.

Excluding the \$500,000 cancellation fee, EBITDAS for the three months ended June 30, 2009 was \$429,000 or 29% of revenues as compared to \$96,000 or 7% of revenues in the same period in 2008 mainly as a result of higher rental revenues from the barge camps.

## Corporate

Corporate costs are the costs of the head office which include the Chief Executive Officer, President, Chief Financial Officer, Vice President of Safety, Corporate Secretary, Corporate Accounting staff, and associated costs of supporting a public company. Overall cash costs were \$1,518,000 in the three months ended June 30, 2009 as compared to \$1,784,000 in the same period in 2008. This decrease is a result of cost reductions in 2009 including salary rollbacks implemented in the second quarter of 2009, led by senior management at 20%.

## Other Items

### *Interest on operating lines of credit and long-term debt*

Interest on operating lines of credit and long-term debt decreased to \$507,000 in the three months ended June 30, 2009 from \$534,000 in the three months ended June 30, 2008. This decrease is attributable to a decrease in the weighted average amount of debt held to \$38,364,000 in the three months ended June 30, 2009 as compared to \$42,745,000 in the three months ended June 30, 2008, and a reduction in interest rates.

### *Earnings on equity investments*

The earnings on equity investments of Kitikmeot Caterers Ltd. ("Kitikmeot"), Sakku Caterers Limited ("Sakku"), Mackenzie Valley Logistics Inc. ("Mackenzie Valley"), and Mackenzie Delta Integrated Oilfield Services Ltd. ("MDIOS") decreased to \$132,000 in the three months ended June 30, 2009 from \$173,000 in the three months ended June 30, 2008. Activity in the Northwest Territories has decreased in the three months ended June 30, 2009 as compared to the three months ended June 30, 2008, resulting in the decrease in earnings.

### *Income taxes*

Income tax expense increased to \$2,909,000, an effective tax rate of 33.1%, in the three months ended June 30, 2009 from a recovery of \$258,000, an effective tax rate of 18.3%, in the three months ended June 30, 2008. The increase in the effective tax rate is attributable to changes in the scheduling of the estimated realization of temporary differences.

## Liquidity and Capital Resources

The Corporation has a strong working capital position and borrowing capacity as set out below:

(000's)	June 2009	December 2008	Increase / (Decrease) \$
Current assets	\$ 41,216	\$ 49,951	\$ (8,735)
Operating lines of credit	9,338	8,834	504
Current liabilities excluding borrowings <sup>(1)</sup>	11,596	18,177	(6,581)
Current portion of long-term debt	352	488	(136)
Current liabilities	21,286	27,499	(6,213)
Working capital <sup>(2)</sup>	19,930	22,452	(2,522)
Bank borrowings			
Operating lines of credit	\$ 9,338	\$ 8,834	\$ 504
Senior secured revolving term facility	13,926	39,112	(25,186)
Total bank borrowings	23,264	47,946	(24,682)
Available bank lines <sup>(3)</sup>	80,500	80,500	-
Borrowing capacity <sup>(4)</sup>	\$ 57,236	\$ 32,554	\$ 24,682

(1) Calculated as the sum of bank indebtedness, accounts payable and accrued liabilities, deferred revenue and income taxes payable.

(2) Calculated as current assets less current liabilities.

(3) Includes \$80,000,000 available to Horizon and \$1,000,000 (Horizon's 50% portion - \$500,000) available to Horizon's joint venture, Arctic Oil & Gas Services Inc.

(4) Calculated as available bank lines less total bank borrowing.

In the six months ended June 30, 2009, Horizon's working capital position decreased \$2,522,000 and bank borrowings decreased \$24,682,000. Bank borrowings were reduced in the six months ending June 30, 2009 using the cash flow from operations and proceeds from the sale of used equipment which remained after funding capital additions.

During the three and six months ended June 30, 2009, the Corporation spent \$2,027,000 and \$8,070,000 on capital asset additions respectively. The majority of the capital spending was related to the expansion of the BlackSand Executive Lodge near Fort McMurray, Alberta. The Matting segment added 685 hybrid mats to its rental fleet to replenish mats sold. The remainder of the capital additions included expansion of manufacturing capacity in Grande Prairie, vehicle replacements, leasehold improvements, camp and catering supplies, and other miscellaneous additions.

The Corporation was granted approval from the Toronto Stock Exchange for a normal course issuer bid to repurchase up to a maximum of 7,426,978 common shares of the Corporation over the period from July 24, 2009 to July 23, 2010. All shares repurchased will be cancelled. To date, no common shares have been repurchased.

The Corporation does not anticipate having any issues with respect to covenant violations. The Corporation is in compliance with its four debt covenants on its bank borrowings as set out below:

Debt Covenant	June 30, 2009
Current ratio <sup>(1)</sup> – must be greater than 1.2:1	1.94:1
Debt <sup>(2)</sup> to EBITDAS <sup>(3)(4)</sup> – must be less than 2:1	0.4:1
Debt service coverage <sup>(5)</sup> – must be greater than 1.5:1	20.3:1
Debt <sup>(2)</sup> to total capitalization <sup>(6)</sup> – must be less than 0.5:1	0.11:1

(1) Current ratio is calculated as ratio of current assets to current liabilities.

(2) Calculated as the sum of operating lines of credit and long-term debt less deferred financing costs.

(3) EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of property, plant and equipment and stock based compensation) is not a recognized measure under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings, EBITDAS is a useful supplemental measure as it provides an indication of the Corporation's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes and fund capital programs. Investors should be cautioned, however, that EBITDAS should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Corporation's performance. Horizon's method of calculating EBITDAS may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities.

(4) Debt to EBITDAS is calculated as the ratio of debt to trailing 12 months EBITDAS.

(5) Debt service coverage is calculated as the ratio of trailing 12 months EBITDAS less cash taxes to debt service. EBITDAS less cash taxes is calculated as the trailing 12 months EBITDAS less trailing 12 months current tax expense. Debt service is calculated as the sum of trailing 12 months interest expense on operating lines of credit, trailing 12 months interest expense on long-term debt and current portion of long-term debt.

(6) Debt to total capitalization is calculated as the ratio of debt to total capitalization. Total capitalization is calculated as the sum of debt and shareholder's equity.

## Quarterly Summary of Results

<i>(000's except per share amounts)</i>	<b>Three months ended</b>		<b>Six months ended</b>
	<b>March</b>	<b>June</b>	<b>June</b>
	<b>2009</b>	<b>2009</b>	<b>2009</b>
Revenue	\$ 38,638	\$ 42,126	\$ 80,764
EBITDAS	12,090	15,309	27,399
Operating earnings	5,110	9,157	14,267
Net earnings	3,702	5,883	9,585
Net earnings per share	\$0.03	\$0.05	\$0.09
Net earnings per share - diluted	\$0.03	\$0.05	\$0.09

<i>(000's except per share amounts)</i>	<b>Three months ended</b>				<b>Year ended</b>
	<b>March</b>	<b>June</b>	<b>September</b>	<b>December</b>	<b>December</b>
	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
Revenue	\$ 41,409	\$ 28,943	\$ 53,692	\$ 56,735	\$ 180,779
EBITDAS	12,170	4,809	14,273	13,891	45,143
Operating earnings (loss)	6,758	(1,051)	7,453	6,926	20,086
Net earnings (loss)	4,535	(1,150)	5,004	(106,338)	(97,949)
Net earnings (loss) per share	\$0.04	(\$0.01)	\$0.05	(\$0.96)	(\$0.89)
Net earnings (loss) per share - diluted	\$0.04	(\$0.01)	\$0.05	(\$0.96)	(\$0.89)

<i>(000's except per share amounts)</i>	<b>Three months ended</b>				<b>Year ended</b>
	<b>March</b>	<b>June</b>	<b>September</b>	<b>December</b>	<b>December</b>
	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>
Revenue	\$ 34,884	\$ 20,698	\$ 19,277	\$ 20,987	\$ 95,846
EBITDAS	10,317	4,069	5,199	3,469	23,054
Operating earnings (loss)	6,741	711	1,511	(1,199)	7,764
Net earnings	4,504	754	605	217	6,080
Net earnings per share	\$0.05	\$0.01	\$0.01	\$0.00	\$0.07
Net earnings per share - diluted	\$0.05	\$0.01	\$0.01	\$0.00	\$0.07

In the year ended December 31, 2007, prior to the acquisition of Northern Trailer Ltd. ("Northern") and the completion of the BlackSand Executive Lodge, the Corporation's Camp & Catering segment derived a substantial portion of its revenue from servicing customers in Canada's conventional oil and gas industry. The ability to move equipment in the Canadian oil and gas fields is dependent on weather conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. The duration of this "spring break up" has a direct impact on the activity levels of the Camp & Catering segment. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The timing of freeze up and break up affects the ability to move equipment in and out of these areas. As a result, late March through May was traditionally the segment's slowest time.

Northern is much less seasonal than the traditional Camps & Catering operations as it derives most of its revenues from industries which operate year-round. The BlackSand Executive Lodge derives its revenues from oil sands developments which also operate year-round. The addition of Northern on November 30, 2007 and the addition of the BlackSand Executive Lodge in the third quarter of 2008 significantly reduced the seasonality which previously affected the Camps & Catering segment.

The Matting segment's services are utilized to allow operations to gain access to areas with soft ground conditions. As a result, the busiest time for its rental operations is typically between spring break up and winter freeze up. In 2007, the Matting segment saw a shift in its revenue generating activities. Utilization of the rental fleet remained strong in the second half of the year due primarily to increased work on in situ oil sands projects which tend to have more year-round activity. Mat sales, which have traditionally occurred in the first quarter after Christmas and before spring break up, also got off to an early start with some sizable orders being filled in the fourth quarter of 2007. In 2008, the revenue mix shifted again, resulting in mat rentals which were relatively consistent in each of the quarters, but reduced from the previous year and mat sales were significant in the third and fourth quarters of 2008. In 2009, mat sales have remained

consistent with prior years while mat rentals were more heavily weighted to the second quarter as compared to the first quarter. Service and other revenue was down significantly, especially in the first quarter as compared to prior years.

The Corporation operates marine transportation equipment in Canada's northern regions. Due to winter climate conditions, northern waterways are usable by tug and barge traffic from approximately mid-June to mid-October each year. As a result, the Corporation's marine transportation services revenue has typically been concentrated in this period of each year. However, the barges and barge camps were used to facilitate winter projects in the winter drilling seasons for 2007 and 2008, resulting in higher revenues in the fourth quarters of both 2007 and 2008 and the first quarters of 2008 and 2009.

In the first half of 2009, all three operating segments have been affected by the downturn in the economy. However, the activity in the Camps & Catering segment associated with the its oil sands related camp and catering activities has helped minimize the impact of the economic downturn, offsetting the decreases from activity levels in the other areas.

## **Risks and Uncertainties**

### *Volatility of Oil, Natural Gas and Mining Industry Conditions*

The demand, pricing and terms for Horizon's Camps & Catering, Matting, and Marine Services businesses depends upon the level of industry activity for oil, natural gas and mineral exploration and development in the western Canadian provinces and the Northwest Territories. Industry conditions are influenced by numerous factors over which Horizon has no control, including: the level of oil and gas and mineral prices; expectations about future oil and gas and mineral prices; the cost of exploring for, producing and delivering oil and gas and minerals; the expected rates of declining current production; the discovery rates of new oil and gas and mineral reserves; available pipeline and other oil and gas transportation capacity; demand for oil, gas and minerals; worldwide weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and gas and mining companies to raise equity capital or debt financing for exploration and development work.

The level of activity in the oil and gas and mineral exploration and production industries is volatile. No assurance can be given that expected trends in oil and gas and mineral production activities will continue or that demand for transportation services will reflect the level of activity in the industry. Any prolonged substantial reduction in oil and natural gas and mineral prices would likely affect oil and gas and mineral production levels and therefore affect the demand for services to oil and gas and mining customers. A material decline in oil or gas or mineral prices or industry activity in any of the areas in which Horizon operates could have a material adverse effect on Horizon's business, financial condition and results of operations.

### *Status of Northern Development Projects*

Horizon is positioning its business to participate in northern development projects that currently have not received final regulatory approval. No assurance can be given that these projects will ultimately receive approval to proceed.

### *Seasonal Operations*

Each of Horizon's businesses have slightly different seasonal aspects. Camps & Catering is exposed to the seasonality of the western Canadian oil and gas drilling industry where the busiest months are January through March and the slowest months are April through June. The Matting segment is busiest in the spring and summer months of April through September when soft ground conditions hinder the movement of heavy equipment. The marine services segment operates in Canada's northern regions where waterways are usable by tug and barge traffic from approximately mid-June to mid-October each year. Therefore, marine transportation revenue is concentrated in this period of each year, while its barges and barge camps were used to facilitate winter projects in the winter drilling seasons for 2007 and 2008, resulting in higher revenues in the fourth quarters of both 2007 and 2008 and the first quarters of 2008 and 2009.

### *Competition*

Horizon provides Camps & Catering, Matting and Marine Services primarily to oil and gas and mineral exploration and production companies in the western Canadian provinces and northern Canada. The service businesses in which Horizon operates are highly competitive. To be successful, Horizon has to provide services that meet the specific needs of its clients at competitive prices. The principal competitive factors in the markets in which Horizon operates are service, quality, availability, reliability and performance of equipment used to perform its services, technical knowledge and experience and reputation for safety and price. Horizon competes with several competitors that are both smaller and larger than it is. These competitors offer similar services in all geographic areas in which Horizon operates. As a result of competition, Horizon's business, financial condition and results of operations could be adversely affected.

Reduced levels of activity in the oil and natural gas and mining industries can intensify competition and result in lower revenue to Horizon. Variations in the exploration and development budgets of oil and natural gas and mining companies, which are directly affected by fluctuations in energy prices and mineral prices, the cyclical nature and

competitiveness of the oil and natural gas and mining industries and governmental regulation, will have an effect upon Horizon's ability to generate revenue and earnings.

#### *Credit Risk*

A substantial portion of Horizon's accounts receivable are with customers involved in the oil and gas and mining industries, whose revenues may be impacted by fluctuations in commodity prices. Collection of these receivables could be influenced by economic factors affecting the oil and gas and mining industries.

#### *Additional Funding Requirements*

Horizon's cash flow may not be sufficient to fund its ongoing activities at all times. From time to time, Horizon may require additional financing. Failure to obtain such financing on a timely basis could cause Horizon to miss certain acquisition opportunities or reduce its operations. If Horizon's revenues decrease, it will affect Horizon's ability to expend the necessary capital to maintain its operations. If Horizon's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Horizon.

#### *Issuance of Debt*

From time to time, Horizon may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Horizon's debt levels above industry standards. Horizon may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither Horizon's articles nor its by-laws limit the amount of indebtedness that Horizon may incur. The level of Horizon's indebtedness from time to time could impair its ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

#### *Labour Relations*

The largest component of Horizon's overall expenses is salary, wages, benefits and payments to employees, agents and contractors. Any significant increase in these expenses could impact the financial results of Horizon. In addition, Horizon will be at risk if there are any labour disruptions. Horizon believes that it has and will continue to foster a positive relationship with employees, agents and contractors.

#### *Aboriginal Relationships*

A key part of Horizon's business strategy is based on developing and maintaining positive relationships with the aboriginal people and communities in the areas where Horizon operates. These relationships are important to Horizon's operations and customers who desire to work in the north. The inability to develop and maintain relationships and to be in compliance with local requirements could adversely affect Horizon's business strategy, growth and profitability.

#### *Agreements and Contracts*

The business operations of Horizon depend on successful execution of performance-based contracts. The key factors which will determine whether a client will continue to use Horizon will be service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety and competitive price. There can be no assurance that Horizon's relationship with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on Horizon's business, financial condition and results of operations.

#### *Significant Customer*

In the six months ended June 30, 2009, 30% of the Corporation's revenue was attributable to one customer. Under Horizon's multi-year contract with this customer, these significant contributions to consolidated revenues are expected to continue. The loss of this contracted source of revenue could have a substantial negative impact on the Corporation's future results from operations.

#### *Reliance on Key Personnel*

Horizon's success depends in large measure on certain key personnel. The loss of services of such key personnel could have a material adverse effect on Horizon. Horizon does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of Horizon are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Horizon.

#### *Camp Permits*

In most cases, permits issued by government agencies are required to set up and operate remote work camp facilities. The issuance of permits is dependent upon water and waste treatment alternatives available, road traffic volumes and

fire conditions in forested areas. Failure to receive or renew permits could have a negative impact on the business of the Camps & Catering segment.

### *Government Regulation*

The operations of Horizon are subject to a variety of federal, provincial and local laws of Canada, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment, the operation of equipment used in its operations and the transportation of materials and equipment it provides for its customers. Horizon invests financial and managerial resources to ensure such compliance. Although such expenditures are generally not material to service providers, such laws or regulations are subject to change. Accordingly, it is impossible for Horizon to predict the cost or impact of such laws and regulations on its future operations.

### *Environmental Regulation*

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nation-wide emissions of carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases". The Government of Canada has put forward a Climate Change Plan for Canada which suggests further legislation will set greenhouse gases emission reduction requirements for various industrial activities, including oil and gas exploration and production. Future federal legislation, together with provincial emission reduction requirements may require the reduction of emissions or emissions intensity from Horizon's operations and facilities. Mandatory emissions reductions may result in increased operating costs and capital expenditures for oil and gas and mining industry participants, thereby decreasing the demand for Horizon's services. The mandatory emissions reductions may also impair Horizon's ability to provide its services economically. Management is unable to predict the impact of the Kyoto Protocol or other provincial emissions targets on Horizon and it is possible that it will adversely affect Horizon's business, financial condition and results of operations.

The Alberta Provincial Government has recently introduced regulations to govern and accelerate the reclamation of tailings ponds used in the operations of oilsands mining facilities. These regulations will likely result in higher operating costs for our customers in the region, putting further pressure on project economics.

### *Other Risks*

Due to the nature of Horizon's business, it is subject to a number of regulations, environmental laws and risks associated with lawsuits arising from accidents and claims. Horizon manages these risks through a combination of quality management, training and by securing insurance coverage to protect the assets of Horizon in the event of litigation.

## **Critical Accounting Estimates**

This Management's Discussion and Analysis of the Corporation's financial condition and results of operations is based on its consolidated financial statements which are prepared in accordance with Canadian generally accepted accounting principles. The Corporation's accounting policies used to prepare the unaudited interim consolidated financial statements are consistent with those used in the preparation of the Corporation's consolidated audited financial statements for the year ended December 31, 2008 except as noted in the unaudited interim consolidated financial statements. The presentation of these financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates and judgments are based on historical experience and on various assumptions that are believed to be reasonable under the circumstances. Anticipating future events cannot be done with certainty, therefore these estimates may change as new events occur, more experience is acquired and as the Corporation's operating environment changes.

The accounting estimates believed to be the most difficult, subjective or complex judgments and which are the most critical to the reporting of results of operations and financial positions are as follows:

### *Impairment of Long-Lived Assets*

Long-lived assets, which include property, plant and equipment and intangible assets, comprise the majority of the Corporation's assets. Management assesses the carrying value of long-lived assets on a periodic basis for indications of impairment. Indications of impairment include an ongoing lack of profitability and significant changes in our competitors' positions in the market. When an indication of impairment is present, a test for impairment is carried out by comparing the carrying value of the asset to its net fair value. If the carrying amount is greater than the net fair value, the asset would be considered impaired and an impairment loss would be recognized to reduce the asset's carrying value to its estimated fair value. During the fourth quarter of 2008, Horizon completed its intangible assets and property, plant and equipment assessment and concluded that the carrying values of the intangible assets and property, plant and equipment of the Corporation were not impaired.

### *Depreciation & Amortization*

Horizon's property, plant and equipment and its intangible assets are depreciated and amortized based upon estimates of useful lives and salvage values. These estimates may change as more experience is gained, market conditions shift or new technological advancements are made.

### *Income Taxes*

The Corporation uses the asset and liability method which takes into account the differences between financial statement treatment and tax treatment of certain transactions, assets and liabilities. Future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Valuation allowances are established to reduce future tax assets when it is more likely than not that some portion or all of the asset will not be realized. Estimates of future taxable income and the continuation of ongoing prudent tax planning arrangements have been considered in assessing the utilization of tax losses. Changes in circumstances and assumptions and clarifications of uncertain tax regulations may require changes to the valuation allowance associated with the Corporation's future tax assets.

The Corporation's business and operations are complex and the Corporation executed a number of significant financings, business combinations and acquisitions, specifically in 2006 and 2007. The computation of income taxes payable as a result of the transactions involves many complex factors as well as the Corporation's interpretation of relevant tax legislation and regulations. The Corporation's management believes that the provision for income tax is adequate.

## **Changes in Accounting Policies**

Effective January 1, 2009, the Corporation has adopted the new Canadian accounting standards for goodwill and intangible assets which establish standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. The adoption of this standard did not have a material impact on the operations or financial position of the company.

## **Transition to International Financial Reporting Standards**

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian Generally Accepted Accounting Principles ("GAAP") will be required for publicly accountable enterprises effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The AcSB issued the "omnibus" exposure draft of IFRS with comments due by July 31, 2008, wherein early adoption by Canadian entities is also permitted. The Canadian Securities Administrators ("CSA") has also issued Concept Paper 52-402, which requested feedback on the early adoption of IFRS. The eventual changeover to IFRS represents changes due to new accounting standards. The transition from current GAAP to IFRS is a significant undertaking that may materially affect the Corporation's reported financial position and results of operations.

In the fourth quarter of 2008, the Corporation retained an independent accounting firm to assess the differences between current GAAP and IFRS which will impact the Corporation. The Corporation is in the process of using that assessment to complete its IFRS changeover plan, which will include project structure and governance, resourcing and training and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions. The Corporation has completed its project scoping exercise, including assessment of the impact on data systems, internal controls over financial reporting, and business activities such as financing and compensation arrangements. System and process changes are planned to be completed by the end of the first quarter of 2010.

## **Financial Instruments and Risk Management**

Financial instruments of the Corporation consist of accounts receivable, operating lines of credit, accounts payable and accrued liabilities and long-term debt. The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and income taxes recoverable approximate their fair value due to the relatively short period to maturity of the instruments. The fair value of the operating lines of credit approximates their carrying values as they bear interest at floating rates.

The Corporation is exposed to a number of different financial risks arising from normal course business operations as well as through the Corporation's financial instruments comprised of cash and cash equivalents, trade accounts receivable, trade accounts payable and accrued liabilities, income taxes receivable and payable and long-term debt. These risk factors include credit risk, liquidity risk, and market risk including currency exchange risk and interest rate risk.

The Corporation's risk management practices include identifying, analyzing and monitoring the risks faced by the Corporation. The following presents information about the Corporation's exposure to each of the risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital:

(a) Credit risk:

Credit risk is the risk that a customer will be unable to pay amounts due causing a financial loss. The Corporation's practice is to manage credit risk by examining each new customer individually for credit worthiness before the Corporation's standard payment terms are offered. The Corporation's review may include financial statement review, credit references, or bank references. Customers that lack credit worthiness transact with the Corporation on a prepayment only basis.

The Corporation constantly monitors individual customer trade receivables, taking into consideration industry, aging profile, maturity, payment history and existence of previous financial difficulties in assessing credit risk. A formal review is performed each month for each subsidiary, focusing on amounts which have been outstanding for periods which are considered abnormal for each customer. The Corporation establishes an allowance for doubtful accounts for specifically identifiable customer balances which are assessed to have credit risk exposure.

The following shows the aged balances of accounts receivable:

(000's)	June 2009	December 2008
Neither impaired nor past due	\$ 9,975	\$ 16,513
Impaired	516	548
Outstanding 31-60 days	2,536	7,481
Outstanding 61-90 days	2,665	5,122
Outstanding more than 90 days	1,843	6,111
Total	\$ 17,535	\$ 35,775
Allowance for doubtful accounts	(516)	(548)
Accrued revenue	1,503	2,315
Other receivables	10,148	331
Total accounts receivable	\$ 28,670	\$ 37,873

In the six months ended June 30, 2009, the Corporation provided an allowance for \$55,000 of receivables aged greater than 90 days. The Corporation also applied \$87,000 of allowance for doubtful accounts against the associated receivable balance. As at August 5, 2009 the Corporation has collected \$1,093,000 on amounts outstanding more than 90 days.

(b) Liquidity risk:

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation believes that it has access to sufficient capital through internally generated cash flows and committed credit facilities to meet current spending forecasts.

To manage liquidity risk, the Corporation forecasts operational results and capital spending on a regular basis. Actual results are compared to these forecasts to monitor the Corporation's ability to continue to meet spending forecasts. In addition, the Corporation increased its credit facilities in the third quarter of 2008 to the following:

- \$20,000,000 revolving credit facility secured by a floating charge on land, a first floating charge on all present and after-acquired real property, and a first ranking security interest in all personal property of the Corporation and its wholly owned subsidiaries. Interest is payable at the bank prime rate plus 1.00% (June 30, 2009 – 3.25%).
- \$60,000,000 senior secured revolving term facility secured by a floating charge on land, a first floating charge on all present and after-acquired real property, and a first ranking security interest in all personal property of the Corporation and its wholly owned subsidiaries. Interest is payable at the bank prime rate plus 1.50% (June 30, 2009 – 3.75%).

The following shows the timing of cash outflows relating to trade and other payables and funded debt.

(000's)	June 2009		December 2008	
	Trade and other payables <sup>(1)</sup>	Funded debt <sup>(2)</sup>	Trade and other payables <sup>(1)</sup>	Funded debt <sup>(2)</sup>
Within one year	\$ 11,596	\$ 9,546	\$ 18,177	\$ 9,322
2 to 3 years	-	5,185	-	16,220
4 to 5 years	-	7,858	-	22,404
Over 5 years	-	-	-	-
	\$ 11,596	\$ 22,589	\$ 18,177	\$ 47,946

(1) Trade and other payables include bank indebtedness, accounts payable and accrued liabilities, deferred revenues.

(2) Funded debt includes operating lines of credit and long-term debt. Horizon's senior secured revolving term facility reached its term on February 1, 2009. The facility was renewed and extended to its next renewal date of February 1, 2010 and has been assumed to be termed out on the next renewal date.

(c) Market risk:

Market risk is the risk or uncertainty arising from possible market price movements and their impact on future performance of the Corporation. The market price movements that could adversely affect the value of the Corporation's financial assets, liabilities and expected future cash flows include foreign currency exchange risk and interest rate risk. As the Corporation's exposure to foreign currency exchange risk and interest rate risk is limited, the Corporation does not currently hedge its financial instruments.

Foreign currency exchange risk

The Corporation has limited exposure to foreign currency exchange risk as sales and purchases are typically denominated in Canadian Dollars (CAD). The Corporation's exposure to foreign currency exchange risk arises from the purchase of some raw materials which are denominated in U.S. Dollars (USD). Raw material purchases affect inventory, capital assets, cost of goods sold and depreciation expense balances, therefore, sensitivity analysis is limited to cash used in operating activities. The effect of a \$0.01 increase in the USD/CAD exchange rate would decrease cash used in operating activities for the three and six months ended June 30, 2009 by less than \$1,000. This assumes that the quantity of USD raw material purchases in the three and six months ended June 30, 2009 remains unchanged and that the change in the USD/CAD exchange rate is effective from the beginning of the year.

Interest rate risk

The Corporation is exposed to interest rate risk as changes in interest rates may affect interest expense and future cash flows. The primary exposure is related to the Corporation's revolving and senior secured revolving term facility which bear interest at rates of prime plus 1.00% and prime plus 1.50%, respectively. If prime were to have increased by 1%, it is estimated that the Corporation's net earnings would have decreased by approximately \$96,000 and \$209,000 for the three and six months ended June 30, 2009, respectively. This assumes that the amount and mix of fixed and floating rate debt in the three months ended June 30, 2009 remains unchanged and that the change in interest rates is effective from the beginning of the year.

## **Management's Report on Disclosure Controls and Procedures and Internal Control Over Financial Reporting**

### *Disclosure Controls & Procedures*

Disclosure controls and procedures (DC&P) are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure.

As at December 31, 2008, an evaluation was carried out, under the supervision of the CEO and the CFO, of the effectiveness of the design and operation of Horizon's DC&P as defined by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings.

Based on that evaluation, the CEO and CFO concluded that Horizon's DC&P were effective to ensure that information required to be disclosed in the reports that Horizon files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified therein.

As at June 30, 2009, there were no changes in Horizon's DC&P that occurred during the six months ended June 30, 2009 that have materially affected, or are reasonably likely to materially affect, Horizon's DC&P. Horizon will continue to periodically evaluate Horizon's DC&P and will make any modifications from time-to-time as deemed necessary.

### *Internal Control Over Financial Reporting*

Internal control over financial reporting (ICFR) is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with Canadian GAAP. Management is responsible for establishing and maintaining adequate ICFR.

Horizon's ICFR includes policies and procedures that pertain to the maintenance of records that provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with Canadian GAAP and that receipts and expenditures are being made only in accordance with authorizations of management and directors; pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and disposition of our assets; and are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our annual and interim consolidated financial statements.

Because of its inherent limitations, ICFR can only provide reasonable assurance and may not prevent or detect all misstatements. Additionally, projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management, under the supervision of the CEO and the CFO, evaluated the effectiveness of Horizon's ICFR based on the framework and criteria established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this evaluation, management has concluded that the design and operating effectiveness of Horizon's ICFR was effective as of December 31, 2008.

As at June 30, 2009, there were no changes in Horizon's ICFR that occurred during the six months ended June 30, 2009 that have materially affected, or are reasonably likely to materially affect, Horizon's ICFR. Horizon will continue to periodically evaluate Horizon's ICFR and will make any modifications from time-to-time as deemed necessary.

### *Changes in Internal Control over Financial Reporting*

During the three months ended June 30, 2009, Horizon made no changes to the internal controls over financial reporting.

## Transactions with Related Parties

Description of related party	June 30, 2009		June 30, 2008		
	3 months	6 months	3 months	6 months	
Corporation of which a director of Horizon is an officer	Purchases	\$ 5,000	\$ 17,000	\$ 12,000	\$ 63,000
	Sales	74,000	74,000	11,000	23,000
	Included in Trade AR	100,000	100,000	57,000	57,000
	Included in Trade AP	-	-	1,000	1,000
Corporation of which a director of Horizon is an officer and an officer of Horizon is a director	Purchases	18,000	22,000	95,000	147,000
	Sales	8,000	25,000	8,000	26,000
	Included in Trade AR	-	-	-	-
	Included in Trade AP	1,000	1,000	20,000	20,000
Corporation which is a significantly influenced investee	Included in Trade AR	66,000	66,000	161,000	161,000
	Included in Trade AP	-	-	14,000	14,000
Corporation which is a significantly influenced investee	Purchases	-	-	33,000	50,000
	Sales	1,276,000	2,808,000	862,000	4,006,000
	Recovery of administrative overhead charged	34,000	91,000	96,000	112,000
	Included in Trade AR	1,301,000	1,301,000	1,228,000	1,228,000
	Included in Trade AP	-	-	17,000	17,000
Corporation which is a significantly influenced investee	Purchases	51,000	96,000	-	52,000
	Sales	49,000	135,000	103,000	210,000
	Interest earned	366,000	369,000	-	-
	Included in Trade AR	51,000	51,000	468,000	468,000
	Included in Trade AP	12,000	12,000	-	-
Corporation which is a significantly influenced investee	Interest earned	-	2,000	-	-
Corporation which is a significantly influenced investee	Purchases	-	-	-	52,000
	Sales	-	-	103	107,000
	Included in Trade AR	-	-	-	498,000
Corporation which is a jointly controlled investee	Purchases	54,000	55,000	31,000	31,000
	Sales	25,000	50,000	23,000	51,000
	Rent charged	53,000	54,000	-	-
	Recovery of administrative overhead charged	21,000	54,000	33,000	66,000
	Included in Trade AR	7,000	7,000	51,000	51,000
	Included in Trade AP	52,000	52,000	35,000	35,000
Corporation which is jointly controlled by one of the directors of Horizon	Rent paid	15,000	29,000	10,000	24,000

All related party transactions in the normal course of operations have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

## Outstanding Shares

Horizon has 110,400,363 voting common shares issued and outstanding with a book value of \$257,505,000 as at August 5, 2009.

## Off Balance Sheet Financing

Horizon has no off balance sheet financing.

## Contractual Obligations and Contingencies

There have been no changes to Horizon's contractual obligations and contingencies for the three months ended June 30, 2009.

## Caution Regarding Forward-Looking Information and Statements

Certain statements contained in this Management Discussion and Analysis ("MD&A"), constitute forward-looking statements or information. These statements relate to future events or future performance of Horizon. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "*anticipate*", "*plan*", "*continue*", "*estimate*", "*expect*", "*may*", "*will*", "*project*", "*predict*", "*potential*", "*should*", "*believe*" and similar expressions are intended to identify forward-looking statements.

In particular such forward-looking statements include:

- a) Under the heading "Outlook" the following:
  - i. "Our customers in the conventional oil and gas exploration and production business have seen their cash flows reduced dramatically by lower commodity prices. This will lead to 2009 drilling activity declining to levels not seen in over a decade. Relief from this situation is unlikely to occur until general economic activity improvements spur increased industrial demand for commodities, in particular for natural gas;"
  - ii. "Crude oil prices have improved somewhat from their recent low in the \$35 US per barrel range to nearly \$70 US per barrel. The combination of this price improvement and labor and materials cost deflation has helped restart a number of northern Alberta oil sands projects. Horizon's investments in camp and catering facilities in the region should benefit from this increase in activity and help offset the continued depressed conventional oil and gas market;" and
  - iii. "Horizon's strong and improving financial position should ensure that we see our way through these difficult economic times."

The foregoing statements are based on the assumption that the severe economic downturn that has been experience over most of the last year will moderate within the near term and will not worsen.

This assumption is subject to the risks that the general and local downturn could get worse than currently anticipated, which could further reduce Horizon's business activities. Those risks are further described under the section headed "Risks and Uncertainties".

- b) Also under the heading "Outlook" the statement that "Horizon plans to spend up to \$5 million over the next year to build a blast resistant structures rental fleet, utilizing manufacturing capacity at our existing plant in Grande Prairie, Alberta."

The foregoing statement assumes that there are no significant adverse changes to the present market for blast resistant structures or to the Corporations' ability to allocate capital to building these structures. Those assumptions are subject to the risks that the market for blast resistant structures will retract or that the Corporation determines that its capital better allocated elsewhere.

- c) An additional forward-looking statement is included under the heading "Liquidity and Capital Resources" which states the following:

"The Corporation does not anticipate having any issues with respect to covenant violations."

The foregoing statement assumes that there are no significant adverse changes to the cash flow from operations of the Corporation and the risk to that assumption is that the current adverse economic conditions significantly worsen to the point that the Corporation is not able to meet its financial covenants.

# HORIZON NORTH LOGISTICS INC.

## Consolidated Balance Sheets

June 30, 2009 and December 31, 2008 (Unaudited)

(000's)	June 2009	December 2008
<b>Assets</b>		
Current assets:		
Accounts Receivable	\$ 28,670	\$ 37,873
Inventory	10,504	9,960
Prepaid expenses	1,176	1,168
Income tax receivable	866	950
	41,216	49,951
Property, plant and equipment, net	142,835	147,924
Intangible assets, net	38,548	43,032
Long-term investments (Note 4)	5,414	5,760
	\$ 228,013	\$ 246,667
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Bank indebtedness	\$ 251	\$ 1,776
Operating lines of credit	9,338	8,834
Accounts payable and accrued liabilities	8,851	14,234
Deferred revenue	2,494	2,167
Current portion of long-term debt (Note 5)	352	488
	21,286	27,499
Long-term debt (Note 5)	12,899	38,110
Future income tax liability	14,533	11,456
	48,718	77,065
Shareholders' equity:		
Share capital (Note 7)	257,505	257,505
Contributed surplus (Note 7)	5,672	5,564
Deficit	(83,882)	(93,467)
	179,295	169,602
	\$ 228,013	\$ 246,667

See accompanying notes to the consolidated financial statements.

# HORIZON NORTH LOGISTICS INC.

Consolidated Statements of Operations and (Deficit) Retained Earnings

Three and six months ended June 30, 2009 and 2008 (Unaudited)

(000's)	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Revenue	\$ 42,126	\$ 28,943	\$ 80,764	\$ 70,352
Expenses:				
Cost of goods sold	8,025	3,485	12,720	11,078
Operating	16,662	18,171	36,112	37,228
General and administrative	2,111	2,445	4,521	5,019
Stock based compensation	197	508	108	1,002
Depreciation of property, plant and equipment	4,791	3,111	9,550	5,743
Amortization of intangible assets	2,242	2,242	4,484	4,484
(Gain) loss on disposal of property, plant and equipment	(1,078)	(1)	(1,010)	43
Foreign exchange loss	19	33	12	48
	32,969	29,994	66,497	64,645
Operating earnings	9,157	(1,051)	14,267	5,707
Interest income	(10)	(4)	(19)	(8)
Interest expense on operating lines of credit	88	138	152	347
Interest expense on long-term debt	419	396	854	641
Earnings on equity investments	(132)	(173)	(243)	(437)
Earnings before income taxes	8,792	(1,408)	13,523	5,164
Income taxes (Note 6)				
Current tax expense	737	602	861	2,038
Future tax expense (recovery)	2,172	(860)	3,077	(259)
	2,909	(258)	3,938	1,779
Net earnings (loss) and other comprehensive income (loss)	5,883	(1,150)	9,585	3,385
(Deficit) retained earnings, beginning of period	(89,765)	9,017	(93,467)	4,482
(Deficit) retained earnings, end of period	\$ (83,882)	\$ 7,867	\$ (83,882)	\$ 7,867
Earnings per share:				
Basic	\$ 0.05	\$ (0.01)	\$ 0.09	\$ 0.03
Diluted	\$ 0.05	\$ (0.01)	\$ 0.09	\$ 0.03

See accompanying notes to the consolidated financial statements.

# HORIZON NORTH LOGISTICS INC.

## Consolidated Statements of Cash Flows

Three and six months ended June 30, 2009 and 2008 (Unaudited)

(000's)	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Cash provided by (used in):				
Operating activities:				
Net earnings (loss)	\$ 5,883	\$ (1,150)	\$ 9,585	\$ 3,385
Items not involving cash:				
Depreciation of property, plant and equipment	4,791	3,111	9,550	5,743
Amortization of intangible assets	2,242	2,242	4,484	4,484
Future income tax expense (recovery)	2,172	(860)	3,077	(259)
Stock based compensation	197	508	108	1,002
Earnings on equity investments	(132)	(173)	(243)	(437)
Gain on sale of property, plant and equipment	(1,327)	(376)	(1,663)	(759)
	13,826	3,302	24,898	13,159
Changes in non-cash working capital items	5,587	8,199	3,679	(3,141)
	19,413	11,501	28,577	10,018
Investing activities:				
Purchase of property, plant and equipment	(2,027)	(19,874)	(8,070)	(38,635)
Proceeds on sale of property, plant and equipment	3,868	1,636	5,272	3,248
Return of capital from equity investments	589	-	589	-
Business acquisitions	-	(48)	-	(580)
	2,430	(18,286)	(2,209)	(35,967)
Changes in non-cash working capital items	-	(208)	-	568
	2,430	(18,494)	(2,209)	(35,399)
Financing activities:				
(Repayment of) proceeds from bank indebtedness	(390)	1,028	(1,525)	1,028
Share issuance costs	-	-	-	(15)
Proceeds from (repayment of) operating lines of credit	1,719	2,002	504	(6,610)
Proceeds from long-term debt	-	3,500	-	30,800
Repayment of long-term debt	(23,244)	(205)	(25,186)	(779)
Payment of deferred financing costs	-	-	(289)	-
Repayment of capital leases	-	(27)	-	(53)
Items not involving cash:				
Amortization of deferred financing costs	72	-	128	-
	(21,843)	6,298	(26,368)	24,371
Changes in non-cash working capital items	-	-	-	(210)
	(21,843)	6,298	(26,368)	24,161
Decrease in cash position	-	(695)	-	(1,220)
Cash, beginning of period	-	695	-	1,220
Cash, end of period	\$ -	\$ -	\$ -	\$ -
Supplementary information:				
Income taxes (received) paid	\$ (3,293)	\$ 842	\$ (152)	\$ 3,983
Interest income received	10	4	19	8
Interest paid	615	535	1,107	1,027

See accompanying notes to the consolidated financial statements.

# HORIZON NORTH LOGISTICS INC.

Notes to the Consolidated Financial Statements (Unaudited), page 1

Three and six months ended June 30, 2009 and 2008

---

## 1. Basis of Presentation

### (a) General

These unaudited interim consolidated financial statements for Horizon North Logistics Inc. (the "Corporation" or "Horizon") were prepared using accounting policies and methods of their application consistent with those used in the preparation of the Corporation's consolidated audited financial statements for the year ended December 31, 2008 except as noted in Note 3. These unaudited interim financial statements conform in all respects to the requirements of generally accepted accounting principles in Canada for annual financial statements with the exception of certain note disclosures regarding balance sheet items and transactions occurring prior to the current reporting period. As a result, these financial statements should be read in conjunction with the Corporation's consolidated audited financial statements for the year ended December 31, 2008.

### (b) Nature of business

Horizon provides camp & catering, ground matting, and marine transportation services to oil and gas exploration and production companies, oilfield service companies and mining companies working on oil sands, mineral exploration and development, and conventional oil and gas projects primarily in western Canada.

## 2. Significant Accounting Policies

### (a) Seasonality of operations

The Corporation's Camp & Catering segment derives a substantial portion of its revenue from servicing customers in Canada's oil and gas industry. The ability to move equipment in the Canadian oil and gas fields is dependent on weather conditions. As warm weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. The duration of this "spring break up" has a direct impact on the activity levels of the Camp & Catering segment. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The timing of freeze up and break up affects the ability to move equipment in and out of these areas. As a result, late March through May is traditionally the segment's slowest time. Horizon's expansion into the Fort McMurray, Alberta oil sands region has reduced this seasonality as oil sands developments operate year-round and will provide a steadier source of activity for the segment.

The Matting segment's services are utilized to allow operations to gain access to areas with soft ground conditions. As a result, the busiest time for its rental operations is traditionally between break up and freeze up.

The Corporation operates marine transportation equipment in Canada's northern regions. Due to winter climate conditions, northern waterways are usable by tug and barge traffic from approximately mid-June to mid-October each year. The Corporation also rents its barge camp equipment and provides support services to operators in the region over the winter seasons. This occurred in both the 2007/2008 and 2008/2009 winter seasons.

### (b) Comparative figures

Certain prior period amounts have been reclassified to conform to the current period's presentation.

## 3. Changes in Accounting Policies

The Corporation has adopted the new Canadian accounting standards for goodwill and intangible assets which establish standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. The adoption of this standard did not have a material impact on the operations or financial position of the company.

# HORIZON NORTH LOGISTICS INC.

Notes to the Consolidated Financial Statements (Unaudited), page 2

Three and six months ended June 30, 2009 and 2008

## 4. Long-Term Investments

<i>(000's)</i>	Kitikmeot & Sakku	Mackenzie Valley	MDIOS	Beaufort	Total Investments
Balance December 31, 2007	\$ 2,862	\$ 1,388	\$ 1,428	\$ 1	\$ 5,679
Earnings (loss) on equity investment	780	28	(219)	-	589
Return of capital	-	(73)	(261)	-	(334)
Post-closing purchase price adjustment	(174)	-	-	-	(174)
Balance December 31, 2008	\$ 3,468	\$ 1,343	\$ 948	\$ 1	\$ 5,760
Earnings (loss) on equity investment	369	(117)	(9)	-	243
Return of capital	(589)	-	-	-	(589)
Balance June 30, 2009	\$ 3,248	\$ 1,226	\$ 939	\$ 1	\$ 5,414

## 5. Long-Term Debt

<i>(000's)</i>	June 2009	December 2008
Senior secured revolving term facility	\$ 13,500	\$ 38,400
Vehicle and equipment financing	426	712
	\$ 13,926	\$ 39,112
Less deferred financing costs	675	514
Less current portion	352	488
	\$ 12,899	\$ 38,110

The carrying value of Horizon's long-term debt approximates its fair value as the majority of the debt bears interest at variable rates.

# HORIZON NORTH LOGISTICS INC.

Notes to the Consolidated Financial Statements (Unaudited), page 3

Three and six months ended June 30, 2009 and 2008

## 6. Income Taxes

The provision for income taxes differs from that which would be expected by applying statutory rates. A reconciliation of the difference is as follows:

(000's)	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Earnings (loss) before income taxes	\$ 8,792	\$ (1,408)	\$ 13,523	\$ 5,164
Combined federal and provincial income tax rate	<u>29.0%</u>	<u>29.5%</u>	<u>29.0%</u>	<u>29.5%</u>
Expected income tax provision (recovery)	2,550	(415)	3,922	1,523
Non-deductible stock based compensation	58	150	32	296
Earnings on equity investments	(39)	(51)	(71)	(129)
Change in estimated timing of realization of temporary differences	313	92	(14)	199
Other	27	(34)	69	(110)
	<u>\$ 2,909</u>	<u>\$ (258)</u>	<u>\$ 3,938</u>	<u>\$ 1,779</u>

## 7. Share Capital

### (a) Authorized

Unlimited number of voting common shares without nominal or par value  
Unlimited number of preferred shares issuable in series

### (b) Issued

	Number	Amount (000's)
Balance at December 31, 2007	110,400,363	\$ 257,515
Share issue costs pertaining to November 30, 2007 private placement (net of future income taxes of \$5,000)	-	(10)
Balance at December 31, 2008	110,400,363	\$ 257,505
Balance at June 30, 2009	110,400,363	\$ 257,505

The Corporation was granted approval from the Toronto Stock Exchange for a normal course issuer bid to repurchase up to a maximum of 7,426,978 common shares of the Corporation over the period from July 24, 2009 to July 23, 2010. All shares repurchased will be cancelled. To date, no common shares have been repurchased.

### (c) Stock option plan

The Corporation has a stock option plan for its directors, officers and key employees whereby options may be granted, to a maximum of 10% of the issued and outstanding common shares, subject to terms and conditions. Stock option vesting privileges are at the discretion of the Board of Directors and were set at three years for the 2006 plan.

	Outstanding options	Weighted average exercise price per share \$	Options exercisable
Balance December 31, 2008	4,351,000	3.30	2,183,482
Granted	-	-	-
Forfeited	(876,000)	3.37	-
Balance June 30, 2009	3,475,000	3.29	2,011,985

# HORIZON NORTH LOGISTICS INC.

Notes to the Consolidated Financial Statements (Unaudited), page 4

Three and six months ended June 30, 2009 and 2008

## 7. Share Capital (continued)

### (c) Stock option plan (continued)

The exercise prices for options outstanding at June 30, 2009 are as follows:

Exercise price per share	Total options outstanding			Exercisable options	
	Number	Weighted average exercise price per share \$	Weighted average remaining contractual life in years	Number	Weighted average exercise price per share \$
\$3.10 to \$3.25	2,115,000	3.24	2.8	1,195,320	3.24
\$3.26 to \$3.50	1,355,000	3.35	6.7	813,331	3.35
\$3.51 to \$3.75	5,000	3.56	2.9	3,334	3.56
	3,475,000	3.28	4.3	2,011,985	3.29

The Corporation calculates the fair value of the stock options granted using the Black-Scholes pricing model to estimate the fair value of the stock options issued at the date of grant. The weighted average fair market value of the options issued to date and the assumptions used in their determination are as follows: weighted average fair value per option \$1.43; weighted average expected life of 3.5 years, average risk-free interest rate 4.0%, and weighted average volatility of 58%. There were no new options granted in the six months ended June 30, 2009.

### (d) Contributed surplus

(000's)	Amount
Balance December 31, 2008	\$ 5,564
Stock based compensation	108
Balance June 30, 2009	\$ 5,672

### (e) Per share amounts

A summary of the common shares used in calculating earnings per share is as follows:

	June 2009	June 2008
Weighted average common shares outstanding – basic	110,400,363	110,400,363
Effect of share purchase options	-	-
Weighted average common shares outstanding – diluted	110,400,363	110,400,363

# HORIZON NORTH LOGISTICS INC.

Notes to the Consolidated Financial Statements (Unaudited), page 5

Three and six months ended June 30, 2009 and 2008

## 8. Segmented Information

The Corporation operates in Canada through three business segments: Camps & Catering, Matting, and Marine Services. Camps & Catering includes camp rental and catering services as well as the manufacture, sale and repair of camps. Matting includes mat rental, installation, and fleet management services as well as the manufacture and sale of mats. Marine Services includes marine transportation of equipment and supplies, and the rental of barge camps in Canada's northern regions.

Three months ended June 30, 2009 (000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
Revenue	\$ 36,477	\$ 4,039	\$ 1,992	\$ -	\$ (382)	\$ 42,126
Operating earnings (loss)	10,357	(240)	637	(1,629)	32	9,157
Depreciation and amortization	5,204	1,513	289	59	(32)	7,033
(Gain) loss on disposal of assets	(1,027)	(51)	-	-	-	(1,078)
Stock based compensation	17	23	3	154	-	197
Total assets	174,912	26,952	19,704	6,620	(175)	228,013
Intangibles	29,157	9,391	-	-	-	38,548
Capital expenditures	1,469	476	-	82	-	2,027

Three months ended June 30, 2008 (000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
Revenue	\$ 24,552	\$ 3,787	\$ 1,371	\$ -	\$ (767)	\$ 28,943
Operating earnings (loss)	2,372	(1,102)	(170)	(2,057)	(94)	(1,051)
Depreciation and amortization	3,536	1,522	260	41	(6)	5,353
Loss (gain) on disposal of assets	15	(16)	-	-	-	(1)
Stock based compensation	218	52	6	232	-	508
Total assets	260,521	62,803	19,989	7,852	(108)	351,057
Goodwill	89,604	25,306	-	-	-	114,910
Intangibles	35,702	11,813	-	-	-	47,515
Capital expenditures	18,008	1,242	905	122	(403)	19,874

Six months ended June 30, 2009 (000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
Revenue	\$ 68,654	\$ 9,166	\$ 3,747	\$ -	\$ (803)	\$ 80,764
Operating earnings (loss)	16,989	(838)	1,236	(3,184)	64	14,267
Depreciation and amortization	10,341	3,069	578	110	(64)	14,034
(Gain) loss on disposal of assets	(1,023)	13	-	-	-	(1,010)
Stock based compensation	125	38	6	(61)	-	108
Total assets	174,912	26,952	19,704	6,620	(175)	228,013
Intangibles	29,157	9,391	-	-	-	38,548
Capital expenditures	6,818	941	32	279	-	8,070

Six months ended June 30, 2008 (000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
Revenue	\$ 53,359	\$ 13,793	\$ 4,750	\$ -	\$ (1,550)	\$ 70,352
Operating earnings (loss)	7,770	511	1,720	(4,134)	(160)	5,707
Depreciation and amortization	6,665	2,973	514	81	(6)	10,227
Loss (gain) on disposal of assets	47	(4)	-	-	-	43
Stock based compensation	435	105	12	450	-	1,002
Total assets	260,521	62,803	19,989	7,852	(108)	351,057
Goodwill	89,604	25,306	-	-	-	114,910
Intangibles	35,702	11,813	-	-	-	47,515
Capital expenditures	33,405	4,406	1,206	127	(509)	38,635

# HORIZON NORTH LOGISTICS INC.

Notes to the Consolidated Financial Statements (Unaudited), page 6

Three and six months ended June 30, 2009 and 2008

---

## **9. Subsequent Events**

Subsequent to June 30, 2009 the Corporation purchased all of the common shares of Paramount Structures Inc. ("Paramount") for an all cash price of \$490,000. In addition, Horizon will inject another \$510,000 into Paramount to cover immediate working capital requirements.

## **CORPORATE INFORMATION**

### **DIRECTORS**

Ethel Blondin-Andrew<sup>(3)(4)</sup>  
Yellowknife, Northwest Territories

Roderick W. Graham<sup>(1)(2)(3)</sup>  
Calgary, Alberta

Steven C. Grant<sup>(1)(2)</sup>  
Houston, Texas

Bruce W. Mullen<sup>(1)(2)</sup>  
Calgary, Alberta

Russell Newmark<sup>(1)(2)(3)</sup>  
Calgary, Alberta

Ric E. Peterson  
Calgary, Alberta

Shane P.D. Stampe<sup>(4)</sup>  
Calgary, Alberta

Dean S. Swanberg<sup>(3)(4)</sup>  
Grande Prairie, Alberta

- (1) Audit Committee Member
- (2) Compensation Committee Member
- (3) Governance and Nominating Committee Member
- (4) Health, Safety and Environment Committee Member

### **CORPORATE OFFICE**

1600, 505-3rd Street S.W.  
Calgary, Alberta  
T2P 3E6  
P 403 517-4654  
F 403 517-4678

### **WEB SITE**

[www.horizonnorth.ca](http://www.horizonnorth.ca)

### **OFFICERS**

Ric Peterson  
Chairman, President and Chief Executive Officer

Bob German  
Vice President Finance and Chief Financial Officer

Bill Anderson  
Vice President Health, Safety and Environment

Jan Campbell  
Corporate Secretary

### **LEGAL COUNSEL**

Borden Ladner Gervais LLP  
Calgary, Alberta

### **AUDITOR**

KPMG LLP  
Calgary, Alberta

### **STOCK EXCHANGE LISTING**

Toronto Stock Exchange  
Symbol: HNL

### **TRANSFER AGENT**

CIBC Mellon Trust Company  
Calgary, Alberta